CENTRAL PARK CONSERVANCY, INC.

Financial Statements

June 30, 2024 and 2023

(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 balance sheets as of June 30, 2024 and 2023, 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, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 22, 2024

CENTRAL PARK CONSERVANCY, INC.

Balance Sheets

June 30, 2024 and 2023

(Dollars in thousands)

Assets		2024	2023
Cash	$	23,117	31,471
Short-term investments		20,123	18,422
Short-term investments, Davis Center		59,186	41,039
Accounts receivable		14,671	6,969
Accounts receivable, Davis Center		3,000	21,277
Prepaid expenses and other assets		2,005	2,663
Contributions receivable, net		86,895	60,193
Contributions receivable, Davis Center, net		—	100
Investments held by endowment		393,593	337,002
Other long-term investments		39,370	37,748
Investments held under split-interest agreements		1,171	1,239
457(b) deferred compensation plan		4,081	3,276
Fixed assets, net		10,245	8,832
Right-of-use asset – operating lease		19,966	20,216
Total assets	$	677,423	590,447
Liabilities and Net Assets			
Liabilities:			
Accounts payable and accrued expenses	$	21,941	19,731
Deferred revenue		1,244	1,126
Liabilities under split-interest agreements		815	863
457(b) deferred compensation plan liability		4,081	3,276
Operating lease liability		27,275	26,414
Total liabilities		55,356	51,410
Net assets:			
Without donor restrictions:			
Available for operations		8,091	7,931
Held for long-term purposes		46,606	26,560
Board-designated as quasi-endowments		115,313	105,496
Total net assets without donor restrictions		170,010	139,987
With donor restrictions:			
Time and purpose		94,040	91,847
Time and purpose – Davis Center		59,628	78,078
For endowment		298,389	229,125
Total net assets with donor restrictions		452,057	399,050
Total net assets		622,067	539,037
Total liabilities and net assets	$	677,423	590,447

See accompanying notes to financial statements.

CENTRAL PARK CONSERVANCY, INC.

Statement of Activities

Year ended June 30, 2024
(with comparative summarized totals for 2023)

(Dollars in thousands)

	Without donor restrictions			With donor restrictions	Total	
	Operations	Board designated	Total		2024	2023
Operating activities:						
Revenue, gains, and other support:						
Contributions	$ 21,795	9,672	31,467	88,050	119,517	78,062
Revenue from the City of New York:						
Contract revenue	15,994	—	15,994	—	15,994	7,016
Project revenue, Davis Center	20,418	—	20,418		20,418	28,088
Project revenue	5,107	—	5,107	—	5,107	4,295
Special events revenue	7,376	—	7,376	—	7,376	6,821
Less expenses incurred for direct donor benefits	(2,259)	—	(2,259)	—	(2,259)	(2,193)
Special events revenue, net	5,117	—	5,117	—	5,117	4,628
Investment return, net	2,314	13,241	15,555	35,718	51,273	35,449
Other	3,691	—	3,691	—	3,691	2,737
Employee Retention Credit	4,398	—	4,398	—	4,398	—
Total revenue and gains	78,834	22,913	101,747	123,768	225,515	160,275
Net assets released from restrictions:						
Contributions and other revenue	38,661	7,762	46,423	(46,423)	—	—
Release from restrictions, Davis Center	18,772	—	18,772	(18,772)	—	—
Administrative cost recovery	6,310	(744)	5,566	(5,566)	—	—
Total net assets released from restrictions	63,743	7,018	70,761	(70,761)	—	—
Total revenue, gains, and other support	142,577	29,931	172,508	53,007	225,515	160,275
Expenses:						
Program services:						
Planning, design, and construction:						
Core planning, design, and construction	30,910	—	30,910	—	30,910	20,770
Davis Center	39,191	—	39,191	—	39,191	33,661
Park operations:						
Horticulture, maintenance, and operations	36,680	—	36,680	—	36,680	36,040
Visitor experience	7,328	—	7,328	—	7,328	6,081
Helping other parks	2,297	—	2,297	—	2,297	3,132
Total program services	116,406	—	116,406	—	116,406	99,684
Supporting services:						
Fundraising	9,694	—	9,694	—	9,694	9,660
Management and general	16,317	—	16,317	—	16,317	15,566
Total supporting services	26,011	—	26,011	—	26,011	25,226
Total expenses	142,417	—	142,417	—	142,417	124,910
Increase in net assets from operating activities	160	29,931	30,091	53,007	83,098	35,365
Non-operating activities:						
Change in value of split-interest agreements	—	(68)	(68)	—	(68)	(111)
Loss on disposal of fixed assets	—	—	—	—	—	(192)
Decrease in net assets from non-operating activities	—	(68)	(68)	—	(68)	(303)
Increase in net assets	160	29,863	30,023	53,007	83,030	35,062
Net assets at beginning of year	7,931	132,056	139,987	399,050	539,037	503,975
Net assets at end of year	$ 8,091	161,919	170,010	452,057	622,067	539,037

See accompanying notes to financial statements.

CENTRAL PARK CONSERVANCY, INC.

Statement of Activities

Year ended June 30, 2023

(Dollars in thousands)

	Without donor restrictions			With donor restrictions	Total 2023
	Operations	Board designated	Total		
Operating activities:					
Revenue, gains (losses), and other support:					
Contributions	$ 23,276	5,404	28,680	49,382	78,062
Revenue from the City of New York:					
Contract revenue	7,016	—	7,016	—	7,016
Project revenue, Davis Center	28,088	—	28,088	—	28,088
Project revenue	4,295	—	4,295	—	4,295
Special events revenue	6,821	—	6,821	—	6,821
Less expenses incurred for direct donor benefits	(2,193)	—	(2,193)	—	(2,193)
Special events revenue, net	4,628	—	4,628	—	4,628
Investment return (loss), net	996	10,379	11,375	24,074	35,449
Other	2,737	—	2,737	—	2,737
Forgiveness of paycheck protection program loan	—	—	—	—	—
Total revenue and gains	71,036	15,783	86,819	73,456	160,275
Net assets released from restrictions:					
Contributions and other revenue	44,440	(18,066)	26,374	(26,374)	—
Release from restrictions, Davis 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
Expenses:					
Program services:					
Planning, design, and construction:					
Core planning, design, and construction	20,770	—	20,770	—	20,770
Davis Center	33,661	—	33,661	—	33,661
Park operations:					
Horticulture, maintenance, and operations	36,040	—	36,040	—	36,040
Visitor experience	6,081	—	6,081	—	6,081
Helping other parks	3,132	—	3,132	—	3,132
Total program services	99,684	—	99,684	—	99,684
Supporting services:					
Fundraising	9,660	—	9,660	—	9,660
Management and general	15,566	—	15,566	—	15,566
Total supporting services	25,226	—	25,226	—	25,226
Total expenses	124,910	—	124,910	—	124,910
Increase (decrease) in net assets from operating activities	460	(3,354)	(2,894)	38,259	35,365
Non-operating activities:					
Change in value of split-interest agreements	—	(111)	(111)	—	(111)
Loss on disposal of fixed assets	(192)	—	(192)	—	(192)
Decrease in net assets from non-operating activities	(192)	(111)	(303)	—	(303)
Increase (decrease) in net assets	268	(3,465)	(3,197)	38,259	35,062
Net assets at beginning of year	7,663	135,521	143,184	360,791	503,975
Net assets at end of year	$ 7,931	132,056	139,987	399,050	539,037

See accompanying notes to financial statements.

CENTRAL PARK CONSERVANCY, INC.

Statement of Functional Expenses

Year ended June 30, 2024
(with comparative summarized totals for 2023)

(Dollars in thousands)

	Program services						Supporting services			Total	
	Planning, design and construction		Park operations								
	Core planning, design, and construction	Davis Center	Horticulture, maintenance, and operations	Visitor experience	Helping other parks	Total	Fundraising	Management and general	Total	2024	2023
Salaries	$ 3,298	224	18,168	3,423	1,214	26,327	3,949	8,733	12,682	39,009	36,163
Payroll taxes and employee benefits	1,027	59	5,166	933	336	7,521	1,146	2,621	3,767	11,288	9,946
Total salaries and related expenses	4,325	283	23,334	4,356	1,550	33,848	5,095	11,354	16,449	50,297	46,109
Contracted services:											
Construction and design	20,520	34,406	851	—	283	56,060	—	—	—	56,060	41,990
Landscape	—	5	2,981	—	—	2,986	—	—	—	2,986	3,409
Facilities maintenance	18	—	495	24	85	622	13	29	42	664	934
Consulting	3,365	4,349	455	422	31	8,622	1,983	2,330	4,313	12,935	13,184
Mailings	—	—	—	—	—	—	735	—	735	735	871
Events	10	—	83	219	—	312	2,093	85	2,178	2,490	2,300
Other	3	—	1	56	—	60	69	96	165	225	233
Total contracted services	23,916	38,760	4,866	721	399	68,662	4,893	2,540	7,433	76,095	62,921
Grant awards	10	—	223	—	—	233	—	—	—	233	769
Materials, equipment, and supplies	1,880	98	2,758	991	107	5,834	142	155	297	6,131	4,640
Printing and publications	22	3	3	79	6	113	178	115	293	406	505
Conferences, conventions, and meetings	35	—	90	33	4	162	19	344	363	525	666
Postage, shipping, and messenger	79	16	98	55	8	256	312	29	341	597	582
Travel	2	1	44	4	1	52	20	14	34	86	81
Equipment maintenance and rentals	126	22	1,485	213	188	2,034	99	317	416	2,450	2,477
Insurance	124	—	483	86	—	693	47	451	498	1,191	1,068
Occupancy	216	8	1,674	304	—	2,202	165	353	518	2,720	3,488
Advertising	—	—	—	191	—	191	378	451	829	1,020	716
Miscellaneous	47	—	224	106	—	377	91	2	93	470	1,120
Contributed services	27	—	57	23	25	132	445	23	468	600	700
	2,568	148	7,139	2,085	339	12,279	1,896	2,254	4,150	16,429	16,812
Total expenses before depreciation and amortization	30,809	39,191	35,339	7,162	2,288	114,789	11,884	16,148	28,032	142,821	125,842
Depreciation and amortization	101	—	1,341	166	9	1,617	69	169	238	1,855	1,261
Total expenses inclusive of direct donor benefits	30,910	39,191	36,680	7,328	2,297	116,406	11,953	16,317	28,270	144,676	127,103
Less expenses incurred for direct donor benefits	—	—	—	—	—	—	(2,259)	—	(2,259)	(2,259)	(2,193)
Total expenses – 2024	$ 30,910	39,191	36,680	7,328	2,297	116,406	9,694	16,317	26,011	142,417	
Total expenses – 2023	$ 20,770	33,661	36,040	6,081	3,132	99,684	9,660	15,566	25,226		124,910

See accompanying notes to financial statements.

CENTRAL PARK CONSERVANCY, INC.

Statement of Functional Expenses

Year ended June 30, 2023

(Dollars in thousands)

	Program services						Supporting services			
	Planning, design and construction		Park operations							
	Core planning, design, and construction	Davis Center	Horticulture, maintenance, and operations	Visitor experience	Helping other parks	Total	Fundraising	Management and general	Total	Total 2023
Salaries	$ 3,030	349	16,732	2,747	1,774	24,632	3,708	7,823	11,531	36,163
Payroll taxes and employee benefits	864	91	4,547	781	460	6,743	1,012	2,191	3,203	9,946
Total salaries and related expenses	3,894	440	21,279	3,528	2,234	31,375	4,720	10,014	14,734	46,109
Contracted services:										
Construction and design	12,321	29,188	428	29	—	41,966	9	15	24	41,990
Landscape	—	—	3,409	—	—	3,409	—	—	—	3,409
Facilities maintenance	11	—	796	14	82	903	11	20	31	934
Consulting	2,518	3,897	890	464	436	8,205	2,488	2,491	4,979	13,184
Mailings	—	—	—	—	—	—	871	—	871	871
Events	10	—	70	150	40	270	1,998	32	2,030	2,300
Other	5	—	1	31	2	39	168	26	194	233
Total contracted services	14,865	33,085	5,594	688	560	54,792	5,545	2,584	8,129	62,921
Grant awards	10	—	592	—	167	769	—	—	—	769
Materials, equipment, and supplies	1,235	56	2,342	772	26	4,431	141	68	209	4,640
Printing and publications	22	4	75	52	4	157	240	108	348	505
Conferences, conventions, and meetings	36	—	65	63	103	267	16	383	399	666
Postage, shipping, and messenger	30	9	115	56	2	212	343	27	370	582
Travel	3	—	49	6	1	59	14	8	22	81
Equipment maintenance and rentals	138	46	1,689	209	14	2,096	110	271	381	2,477
Insurance	61	—	460	77	—	598	61	409	470	1,068
Occupancy	277	21	2,077	346	—	2,721	277	490	767	3,488
Advertising	—	—	—	104	5	109	45	562	607	716
Miscellaneous	47	—	703	88	3	841	107	172	279	1,120
Contributed services	—	—	164	—	—	164	179	357	536	700
	1,859	136	8,331	1,773	325	12,424	1,533	2,855	4,388	16,812
Total expenses before depreciation and amortization	20,618	33,661	35,204	5,989	3,119	98,591	11,798	15,453	27,251	125,842
Depreciation and amortization	152	—	836	92	13	1,093	55	113	168	1,261
Total expenses inclusive of direct donor benefits	20,770	33,661	36,040	6,081	3,132	99,684	11,853	15,566	27,419	127,103
Less expenses incurred for direct donor benefits	—	—	—	—	—	—	(2,193)	—	(2,193)	(2,193)
Total expenses – 2023	$ 20,770	33,661	36,040	6,081	3,132	99,684	9,660	15,566	25,226	124,910

See accompanying notes to financial statements.

CENTRAL PARK CONSERVANCY, INC.

Statements of Cash Flows

Years ended June 30, 2024 and 2023

(Dollars in thousands)

	2024	2023
Cash flows from operating activities:		
Increase in net assets	$ 83,030	35,062
Adjustments to reconcile increase in net assets to net cash used in operating activities:		
Depreciation and amortization	1,855	1,261
Change in carrying value of right-of-use asset	250	295
Net appreciation in fair value on investments	(43,434)	(29,365)
Change in value of split-interest agreements	68	111
Contributions and earnings with restrictions, classified as financing activities	(26,730)	(3,275)
Loss from disposal of fixed assets	—	192
Noncash contributions of securities	(6,880)	(1,729)
Changes in operating assets and liabilities:		
Decrease (increase) in accounts receivable	10,575	(17,522)
Decrease (increase) in prepaid expenses and other assets	658	(354)
. Increase in contributions receivable, net of amounts classified as financing activities	(26,602)	(11,848)
Increase in lease incentive – leasehold improvements	—	4,557
Increase in accounts payable and accrued expenses	2,210	3,101
Increase in deferred revenue	118	1,005
Increase in operating lease liability	861	1,346
Decrease in other liabilities	—	(137)
Net cash used in operating activities	(4,021)	(17,300)
Cash flows from investing activities:		
Proceeds from sale of investments	156,739	260,961
Purchases of investments	(184,486)	(215,099)
Change in restricted cash	(2,673)	9,564
Acquisition of fixed assets	(3,268)	(8,575)
Net cash (used in) provided by investing activities	(33,688)	46,851
Cash flows from financing activities:		
Contributions and earnings with restrictions	26,730	3,275
Net change in liabilities under split-interest agreements	(48)	(76)
Net cash provided by financing activities	26,682	3,199
Net (decrease) increase in cash and restricted cash	(11,027)	32,750
Cash and restricted cash at beginning of year	41,035	8,285
Cash and restricted cash at end of year	$ 30,008	41,035
Supplemental disclosures:		
Noncash financing activities:		
Right-of-use asset obtained in exchange for new operating lease liability	$ —	25,068

See accompanying notes to financial statements.

(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. 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 Davis Center project is expected to span five years with an estimated completion in 2025. Upon completion, the Conservancy will continue to manage operations at the Davis 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 years 2024 and 2023, the Conservancy recognized and expended $20,418 and $28,088, respectively, for project revenue relating to such agreement. At June 30, 2024 and 2023, the related receivable was $3,000 and $21,277, respectively, and is included in “Accounts receivable, Davis Center” on the balance sheets.

(2) Summary of Significant Accounting Policies

(a) Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (U.S. GAAP).

(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 (depreciation) on investments.

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 (depreciation) 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.

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 or published 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 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, 2024 and 2023.

(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.

(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. The Conservancy did not have any finance leases as of June 30, 2024 and 2023.

At lease commencement, 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.

(Continued)

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

(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. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant items subject to such estimates and assumptions include the valuation of investments. Other estimates and assumptions include the allowance for uncollectible contributions receivable, the allocation of functional expenses, and the discount rate for the office lease.

(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 Davis Center. The Davis 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

In June 2016, the FASB issued Accounting Standards Update (ASU) No. 2016-13, *Financial Instruments – Credit Losses* (Topic 326) (ASU), which requires a financial asset (or a group of financial assets) measured at amortized cost basis to be presented at the net amount expected to be collected. The ASU is intended to improve financial reporting by requiring earlier recognition of credit losses on certain financial assets. The measurement of expected credit losses is based on relevant information about past events, including historical experience, current conditions, and reasonable and supportable forecasts that affect the collectability of the reported amount. The Conservancy adopted the provisions of the ASU using a prospective transition approach. As such, the Conservancy is not required to adjust comparative periods or provide comparative period disclosures. The adoption of this ASU did not have a material impact to the Conservancy's financial statements.

(p) Reclassifications

Certain amounts in the 2023 financial statements have been reclassified to conform to the 2024 presentation.

(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, 2024 and 2023 is as follows:

		2024	2023
Short-term investments:			
Money market funds	$	20,123	18,422
Money market funds, Davis Center		59,186	41,039
Total short-term investments	$	79,309	59,461
Investments held by endowment:			
Invested cash and cash equivalents	$	12,104	16,939
Domestic equities		48,786	30,395
Foreign equities		58,847	47,576
		119,737	94,910

(Continued)

		2024	2023
Investments reported at NAV (or its equivalent):			
Real estate	$	25,459	24,365
Absolute return		111,255	102,020
Private equities		67,916	57,010
Public equities		56,902	48,957
Natural resources		12,324	9,740
Total investments reported at NAV (or its equivalent)		273,856	242,092
Total investments held by endowment	$	393,593	337,002
Other long-term investments:			
Invested cash and cash equivalents	$	2,659	183
U.S. Treasury bonds		36,711	37,565
Total other long-term investments	$	39,370	37,748

Included in investments held by endowment are amounts that have been appropriated by the Board and spent in accordance with the endowment purpose of $8,154 and $10,587 at June 30, 2024 and 2023, 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 $4,232 and $2,659, respectively, at June 30, 2024, and $9,381 and $183, respectively, at June 30, 2023.

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, 2024 and 2023, the Conservancy committed approximately 63% and 65%, respectively, of the total investment balance (excluding short-term investments) in alternative investments.

(Continued)

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, 2024 and 2023:

	2024			
	Fair value	Unfunded commitments	Redemption frequency	Redemption notice period
Investments held for endowment at NAV:				
Real estate	$ 25,459	17,916	None	None
Absolute return	111,255	20,139	None, monthly, quarterly, biennial	None, 30 days, 45 days, 90 days
Private equities	67,916	46,497	None	None
Public equities	56,902	—	Weekly, monthly, quarterly	7 days, 45 days, 60 days
Natural resources	12,324	368	None, annual	None, 60 days
	$ 273,856	84,920		

	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
	$ 242,092	82,417		

(Continued)

(4) Contributions Receivable

Contributions receivable at June 30, 2024 and 2023 are due to be collected as follows:

		2024	2023
Less than one year	$	23,319	7,995
One to five years		65,898	53,350
Five years and thereafter		4,359	5,238
		93,576	66,583
Allowance		(370)	(313)
Discount to present value (at rates ranging from 1.39% to 4.87%)		(6,311)	(6,077)
Contributions receivable, net	$	86,895	60,193
Davis Center:			
Less than one year	$	—	100
		—	100
Contributions receivable, Davis Center, net	$	—	100

Three donors comprised approximately 42% and 38% of operating contribution revenue and 41% and 54% of gross contributions receivable, as of and for the years ended June 30, 2024 and 2023, respectively. The Board contributed approximately 13% and 57% of operating contribution revenue and comprised approximately 43% and 84% of gross contributions receivable as of and for the years ended June 30, 2024 and 2023, respectively.

(Continued)

(5) Fixed Assets

A summary of fixed assets at June 30, 2024 and 2023 is as follows:

	2024	2023	Estimated useful lives
Furniture and fixtures	$ 1,709	1,716	5 to 10 years
Office and field equipment	6,434	10,536	3 to 5 years
Leasehold improvements	5,439	5,370	10 years
	13,582	17,622	
Less: accumulated depreciation and amortization	(3,337)	(8,790)	
	$ 10,245	8,832	

Depreciation and amortization expense for the years ended June 30, 2024 and 2023, totaled $1,855 and $1,261, respectively. During fiscal year 2024, the Conservancy disposed of field equipment, software, office equipment and furniture that had an acquired cost of $7,308 and were no longer in use as of June 30, 2024. There was no gain or loss as a result of these disposals. 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, 2024 and 2023:

	2024	2023
Held for long-term purposes:		
Planning, design, and construction	$ 4,447	10,150
General purposes	42,159	16,410
	$ 46,606	26,560
Board designated as quasi-endowments:		
Planning, design, and construction	$ 7,077	6,540
Horticulture, maintenance, and operations	12,540	11,588
Visitor experience	163	150
General purposes	95,533	87,218
	$ 115,313	105,496

(Continued)

(b) With Donor Restrictions

Net assets with donor restrictions are available for the following purposes at June 30, 2024 and 2023:

		2024	2023
Time and purpose:			
Planning, design, and construction	$	42,420	52,175
Planning, design, and construction, Davis Center		59,628	78,078
Horticulture, maintenance, and operations		9,839	3,954
Visitor experience		2,385	678
Helping other parks		244	500
General purposes		39,152	34,540
	$	153,668	169,925
For endowment:			
Horticulture, maintenance, and operations	$	194,332	172,599
Visitor experience		10,141	9,372
General purposes		93,916	47,154
	$	298,389	229,125

(7) Endowment Funds

The Conservancy's endowment consisted of 96 and 92 individual funds at June 30, 2024 and 2023, 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 has authorized a policy designed to preserve the value of these pooled investments in real terms (after inflation) and provide a predictable flow of funds to support operations. The

Conservancy's investment pool includes contributions, interest, dividends, and realized and unrealized gains and losses, net of investment management fees. The policy permits the use of a spending rate of up to a maximum of 6% applied to a moving average of the value of the investment pool as of December 31st of the five previous years. In both fiscal years 2024 and 2023, the Conservancy utilized a rate of 4.5% of the total investment pool. In fiscal years 2024 and 2023, the related amounts that were appropriated for use to support operations were $11,750 and $11,120, 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, 2024 and 2023.

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, 2024			
	Without donor restrictions	With donor restrictions		
		Corpus	Accumulated gains	Total
Net assets, June 30, 2023	$ 105,496	134,621	86,316	326,433
Investment gain, net	13,194	—	32,581	45,775
Contributions and other transfers	13	27,976	(1,259)	26,730
Appropriation of endowment assets for expenditure	(3,390)	—	(8,360)	(11,750)
Net assets, June 30, 2024	$ 115,313	162,597	109,278	387,188
Composition of net assets as of June 30, 2024:				
Held for endowment	$ —	162,597	109,278	271,875
Board-designated as quasi endowment funds	115,313	—	—	115,313
	$ 115,313	162,597	109,278	387,188

(Continued)

	Year ended June 30, 2023			
	Without donor restrictions	With donor restrictions		
		Corpus	Accumulated gains	Total
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	$ 105,496	134,621	86,316	326,433
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
	$ 105,496	134,621	86,316	326,433

At June 30, 2024 and 2023, pledges to donor-restricted endowment funds, net of allowance for uncollectible contributions receivable and discount to present value were $26,514 and $8,188, respectively.

(8) Other Revenue

A summary of other revenue at June 30, 2024 and 2023 is as follows:

	2024	2023
Merchandise sales, program revenue, and fees	$ 3,091	2,037
Contributed services and facilities	600	700
	$ 3,691	2,737

(Continued)

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:

	2024	2023
Planning, design, and construction	$ 27	43
Horticulture, maintenance, and operations	57	89
Visitor experience	23	36
Helping other parks	25	39
Fundraising	445	457
Management and general	23	36
	$ 600	700

In addition, many individuals have volunteered their time to the Conservancy. The value of these services is not included in the accompanying financial statements as they do not meet recognition criteria under U.S. GAAP.

(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, 2024, and 2023, the Conservancy contributed $2,110 and $1,977, 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, 2024, and 2023, the Conservancy contributed $460 and $495, respectively.

(10) Commitments and Contingencies

(a) 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.

(Continued)

As of June 30, 2024, future minimum rental commitments under noncancelable leases, classified as operating leases, were as follows:

		Amount
Year ending June 30:		
2025	$	1,634
2026		1,634
2027		1,634
2028		1,700
2029		1,791
Thereafter		50,104
Total minimum lease payments		58,497
Less: discount for net present value		(31,222)
Total operating lease obligation	$	27,275

Supplemental balance sheet information related to operating leases at June 30, 2024 and 2023 is as follows:

		2024	2023
ROU asset	$	20,511	20,511
Less: accumulated amortization		(545)	(295)
	$	19,966	20,216
Weighted-average remaining lease term		28.6 years	29.6 years
Weighted-average discount rate		5.72%	5.72%

The component of lease costs for the year ended June 30, 2024 is as follows:

		2024	2023
Operating lease cost	$	1,791	1,642

(Continued)

Supplemental cash flow information related to leases for the years ended June 30, 2024 and 2023 follows:

Cash paid for amounts included in the measurement of lease liabilities:

	2024	2023
Operating cash flows from operating leases	$ 681	—

(b) 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 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 2023, 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, 2023 through June 30, 2033, 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 $16 million with respect to maintenance, repairs, programming, visitor services, landscaping, and renovations. In exchange for meeting this requirement, the City will pay the Conservancy an amount equal to $16 million per year. However, if the City's operating budget is reduced, the City contribution will be reduced by the same percentage that the City's operating budget is reduced starting in the year of such reduction of the City's operating budget. The City's contribution can never be less than $14 million. 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 2024 and 2023, the Conservancy recognized as revenue and expended $15,994 and $6,519, respectively, related to the contract. At June 30, 2024 and 2023, the related receivable was $4,000 and $1,630, respectively, and is included in accounts receivable on the balance sheets.

(Continued)

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, 2024. 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 2024 and 2023, the Conservancy recognized and expended $5,107 and $4,295, respectively, for project revenue. At June 30, 2024 and 2023, the related receivable was $3,206 and $4,295, respectively, and is included in accounts receivable on the balance sheets.

(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, 2024 and 2023.

		2024	2023
Cash and short-term investments	$	34,543	25,471
Cash and short-term investments, Davis Center		67,883	65,461
Accounts receivable, due within one year		14,671	6,969
Contributions receivable, due within one year		23,319	7,995
Contributions receivable, due within one year, Davis Center		—	100
Net endowment appropriation, not yet drawn (note 3)		8,154	10,587
Subsequent year endowment appropriation		13,018	11,750
Total financial assets available within one year	$	161,588	128,333

Additionally, at June 30, 2024 and 2023, the Conservancy had $115,313 and $105,496, 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, 2024 through November 22, 2024, 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.