MADISON SQUARE PARK CONSERVANCY, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024
(With Independent Auditors' Report)

MADISON SQUARE PARK CONSERVANCY, INC.

DECEMBER 31, 2025 AND 2024

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Madison Square Park Conservancy, Inc.

Opinion

We have audited the accompanying financial statements of Madison Square Park Conservancy, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2025 and 2024, 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 financial statements referred to above present fairly, in all material respects, the financial position of Madison Square Park Conservancy, Inc. as of December 31, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Madison Square Park Conservancy, Inc. 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 accounting principles generally accepted in the United States of America, 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 Madison Square Park Conservancy, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's 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 auditor's 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 generally accepted auditing standards 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, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, 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 Madison Square Park Conservancy, Inc.'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 Madison Square Park Conservancy, Inc.'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.

Bederson LLP

Fairfield, New Jersey
June 17, 2026

MADISON SQUARE PARK CONSERVANCY, INC.

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2025 AND 2024

ASSETS

	2025	2024
CURRENT ASSETS:		
Cash and cash equivalents	$ 21,625	$ 119,648
Contributions receivable, net	801,798	102,703
Prepaids and other current assets	85,119	75,717
Investments	18,406,532	15,736,031
TOTAL CURRENT ASSETS	19,315,074	16,034,099
PROPERTY and EQUIPMENT, - net of accumulated depreciation of $703,903, and $647,195, respectively	81,296	138,004
TOTAL ASSETS	$ 19,396,370	$ 16,172,103
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	$ 220,647	$ 168,386
Deferred revenue	183,500	525,391
TOTAL CURRENT LIABILITIES	404,147	693,777
NET ASSETS:		
Without donor restrictions	3,637,664	2,798,829
With donor restrictions	15,354,559	12,679,497
TOTAL NET ASSETS	18,992,223	15,478,326
TOTAL LIABILITIES AND NET ASSETS	$ 19,396,370	$ 16,172,103

The accompanying notes are an integral part of these financial statements.

MADISON SQUARE PARK CONSERVANCY, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND SUPPORT:						
Contributions	$ 2,924,040	$ 1,452,384	$ 4,376,424	$ 4,024,982	$ 1,106,650	$ 5,131,632
Fundraising benefits	939,869	-	939,869	2,926,186	-	2,926,186
Less: direct benefit expense	(37,543)	-	(37,543)	(1,570,602)	-	(1,570,602)
Park usage event fees	700,000	-	700,000	580,000	-	580,000
Other events	42,500	-	42,500	-	-	-
Artwork loan fees and commissions	357,000	-	357,000	23,500	-	23,500
Net sublicensing and concession revenue	948,094	-	948,094	919,110	-	919,110
Net investment income	120,839	1,655,937	1,776,776	148,503	1,188,447	1,336,950
Other income	674,660	-	674,660	159,380	-	159,380
Donated services and facilities	132,715	-	132,715	223,861	-	223,861
	6,802,174	3,108,321	9,910,495	7,434,920	2,295,097	9,730,017
Net assets released from restriction						
Satisfaction of program and time restrictions	377,000	(377,000)	-	1,397,000	(1,397,000)	-
Endowment appropriations for use in operations	56,259	(56,259)	-	62,008	(62,008)	-
TOTAL REVENUES AND SUPPORT	7,235,433	2,675,062	9,910,495	8,893,928	836,089	9,730,017
FUNCTIONAL EXPENSES:						
Program services	4,187,765	-	4,187,765	4,833,968	-	4,833,968
Management and general	1,030,501	-	1,030,501	1,789,319	-	1,789,319
Fundraising	899,497	-	899,497	1,035,282	-	1,035,282
TOTAL FUNCTIONAL EXPENSES	6,117,763	-	6,117,763	7,658,569	-	7,658,569
CHANGE IN NET ASSETS BEFORE NON-OPERATING AND CAPITAL ACTIVITY	1,117,670	2,675,062	3,792,732	1,235,359	836,089	2,071,448
NON-OPERATING AND CAPITAL ACTIVITY:						
Park related improvements	(278,835)	-	(278,835)	(528)	-	(528)
CHANGE IN NET ASSETS	838,835	2,675,062	3,513,897	1,234,831	836,089	2,070,920
NET ASSETS - beginning of year	2,798,829	12,679,497	15,478,326	1,563,998	11,843,408	13,407,406
NET ASSETS - end of year	$ 3,637,664	$ 15,354,559	$ 18,992,223	$ 2,798,829	$ 12,679,497	$ 15,478,326

The accompanying notes are an integral part of these financial statements.

MADISON SQUARE PARK CONSERVANCY, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2025

	Program Services						Supporting Services			
	Park Maintenance	Park - Capital Improvements	Art	Programming	Capital	Total	Management and General	Fundraising	Total	Total Expenses
Salaries	$ 1,403,038	$ -	$ 345,054	$ 78,794	$ -	$ 1,826,886	$ 356,144	$ 309,279	$ 665,423	$ 2,492,309
Payroll taxes	143,243	-	36,096	8,304	-	187,643	24,655	34,719	59,374	247,017
Employee benefits	259,362	-	17,207	11,199	-	287,768	191,828	34,336	226,164	513,932
Consultants and outside service fees	122,650	-	-	84,614	-	207,264	-	-	-	207,264
Park grounds improvements	-	278,835	-	-	-	278,835	-	-	-	278,835
Depreciation	-	-	-	-	-	-	56,708	-	56,708	56,708
Equipment purchases and leases	67,244	-	9,628	1,351	-	78,223	5,956	-	5,956	84,179
Insurance	5,245	-	5,270	26,199	-	36,714	-	-	-	36,714
Credit card fees and bank charges	-	-	-	-	135	135	1,640	11,217	12,857	12,992
Security	-	-	-	11,640	-	11,640	-	1,300	1,300	12,940
Exhibition installation and fabrication	247,705	-	382,703	-	-	630,408	-	-	-	630,408
Performers and technical fees	1,900	-	1,100	19,550	-	22,550	-	2,650	2,650	25,200
Landscaping	122,466	-	68,582	-	-	191,048	-	-	-	191,048
Printing and design	1,251	-	8,878	955	-	11,084	940	10,504	11,444	22,528
Professional fees and contracted services	29,400	-	71,282	-	182,813	283,495	164,837	472,367	637,204	920,699
Repairs and maintenance	37,300	-	1,428	-	19,249	57,977	42,641	13,838	56,479	114,456
Supplies	109,627	-	5,792	7,568	-	122,987	10,160	1,149	11,309	134,296
Telephone and communications	35,031	-	-	-	45	35,076	16,687	-	16,687	51,763
Travel, lodging and hospitality	11,829	-	54,297	993	-	67,119	5,066	6,199	11,265	78,384
Donated office space	-	-	-	-	-	-	150,000	-	150,000	150,000
Other expenses	29,927	-	56,855	42,966	-	129,748	3,239	1,939	5,178	134,926
Total Expenses	2,627,218	278,835	1,064,172	294,133	202,242	4,466,600	1,030,501	899,497	1,929,998	6,396,598
Less: Park related improvements	-	(278,835)	-	-	-	(278,835)	-	-	-	(278,835)
TOTAL FUNCTIONAL EXPENSES	$ 2,627,218	$ -	$ 1,064,172	$ 294,133	$ 202,242	$ 4,187,765	$ 1,030,501	$ 899,497	$ 1,929,998	$ 6,117,763

The accompanying notes are an integral part of these financial statements.

MADISON SQUARE PARK CONSERVANCY, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2024

	Program Services					Supporting Services			
	Park Maintenance	Park - Capital Improvements	Art	Programming	Total	Management and General	Fundraising	Total	Total Expenses
Salaries	$ 1,196,302	$ -	$ 476,185	$ 85,955	$ 1,758,442	$ 162,105	$ 588,145	$ 750,250	$ 2,508,692
Payroll taxes	117,850	-	47,278	8,507	173,635	17,503	48,364	65,867	239,502
Employee benefits	209,833	-	60,414	10,049	280,296	180,381	63,229	243,610	523,906
Consultants and outside service fees	105,147	-	43,177	85,104	233,428	-	-	-	233,428
Park grounds improvements	-	528	-	-	528	-	-	-	528
Depreciation	-	-	-	-	-	90,416	-	90,416	90,416
Equipment purchases and leases	47,985	3,000	9,996	8,091	69,072	7,990	-	7,990	77,062
Insurance	5,771	-	9,933	-	15,704	26,395	-	26,395	42,099
Credit card fees and bank charges	-	2,809	-	-	2,809	(18)	26,661	26,643	29,452
Interest expense	-	3,486	-	-	3,486	-	-	-	3,486
Security	-	-	6,900	3,900	10,800	-	-	-	10,800
Exhibition installation and fabrication	10,000	-	1,175,690	31,600	1,217,290	-	-	-	1,217,290
Performers and technical fees	-	-	61,539	9,950	71,489	-	-	-	71,489
Landscaping	79,604	-	5,353	-	84,957	-	-	-	84,957
Printing and design	1,106	9	173,779	-	174,894	1,555	26,223	27,778	202,672
Professional fees and contracted services	300	40,005	200,379	10,549	251,233	263,160	251,708	514,868	766,101
Repairs and maintenance	16,750	1,099	1,796		19,645	36,939	17,120	54,059	73,704
Supplies	84,583	1,484	18,751	523	105,341	6,398	3,157	9,555	114,896
Telephone and communications	35,565	-	289	-	35,854	34,661	-	34,661	70,515
Travel, lodging and hospitality	3,805	4	236,112	5,662	245,583	3,815	5,018	8,833	254,416
Donated office space	-	-	-	-	-	150,000	-	150,000	150,000
Credit losses expense	-	-	-	-	-	805,524	-	805,524	805,524
Other expenses	23,926	-	54,928	1,156	80,010	2,495	5,657	8,152	88,162
Total Expenses	1,938,527	52,424	2,582,499	261,046	4,834,496	1,789,319	1,035,282	2,824,601	7,659,097
Less: Park related improvements	-	(528)	-	-	(528)	-	-	-	(528)
TOTAL FUNCTIONAL EXPENSES	$ 1,938,527	$ 51,896	$ 2,582,499	$ 261,046	$ 4,833,968	$ 1,789,319	$ 1,035,282	$ 2,824,601	$ 7,658,569

The accompanying notes are an integral part of these financial statements.

MADISON SQUARE PARK CONSERVANCY, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ 3,513,897	$ 2,070,920
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	56,708	90,416
Credit losses expense	-	805,524
Contributions for endowment	(250,000)	(100,000)
Unrealized (gain) on investments	(1,192,010)	(852,527)
Realized (gain) on investments	(193,913)	(108,664)
Decrease or (increase) in assets:		
Contributions receivable	(699,095)	(489,285)
Prepaids and other current assets	(9,402)	415,662
Other assets	-	13,531
(Decrease) or increase in liabilities:		
Accounts payable and accrued expenses	52,261	(111,511)
Deferred revenue	(341,891)	(652,476)
NET CASH PROVIDED BY OPERATING ACTIVITIES	936,555	1,081,590
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Investments	(3,047,017)	(3,393,711)
Proceeds from sale of investments	1,762,439	2,247,119
Acquisition of property and equipment	-	(13,718)
NET CASH USED BY INVESTING ACTIVITIES	(1,284,578)	(1,160,310)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments on loan payable	-	(335,360)
Contributions for endowment	250,000	100,000
NET CASH PROVIDED BY (USED BY) FINANCING ACTIVITIES	250,000	(235,360)
NET DECREASE IN CASH	(98,023)	(314,080)
CASH AND CASH EQUIVALENTS - beginning	119,648	433,728
CASH AND CASH EQUIVALENTS - ending	$ 21,625	$ 119,648
Supplemental disclosure of cash flow information:		
Cash paid for:		
Interest	$ -	$ 3,486

The accompanying notes are an integral
part of these financial statements.

NOTE 1 - ORGANIZATION AND NATURE OF ACTIVITIES

Organization

Madison Square Park Conservancy, Inc. ("MSPC", or the "Organization") is the nonprofit entrusted by the City of New York to operate Madison Square Park, a 6.2-acre public space in the heart of Manhattan. Our mission is to conserve, maintain, and program this ever-evolving, historic green space, including raising 100% of the park's operating budget. Our dedicated team takes great pride in caring for and shaping an urban oasis for all to enjoy.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments, purchased with a maturity of three months or less, to be cash equivalents, except for those managed by the Organization's investment managers as part of their long-term investment strategies.

Certificates of Deposit

Certificates of deposit are reported at fair value in the statement of financial position. The value of certificates of deposit are based on quoted market prices in active markets and are, therefore, classified within Level 1 of the fair value hierarchy.

Investments

The Organization reflects investments at fair value in the statement of financial position. Interest, dividends, and realized and unrealized gains and losses are reflected in the statement of activities as increases and decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or by law. Gains and other investment income that are limited to specific uses by donor-imposed restrictions are reported as increases in net assets without donor restrictions if the restrictions are satisfied or expire in the fiscal year in which the gains and other investment income are recognized. All other donor restricted gains and other investment income are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Property and Equipment

Property and equipment acquired are recorded at cost and are depreciated using the straight-line method over the estimated useful life of the related asset.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities 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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation
The financial statements of MSPC have been prepared in accordance with U.S. GAAP which require the Organization to report information regarding its financial position and activities into the following net asset classifications:

Net Assets Without Donor Restrictions
Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of MSPC. These net assets may be used at the discretion of the Organization's management and board of trustees.

Net Assets with Donor Restrictions
Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Revenue Recognition
The Organization has revenue streams that are accounted for as exchange transactions, including park usage and other event fees, artwork loan fees and commissions, and concession sublicensing revenue. The Organization recognizes revenue at the point or over the period during which the related performance obligations are satisfied. All of the Organization's revenue from contracts with customers is for a distinct performance obligation satisfied at a point in time and does not consist of multiple transactions.

Contributions
Contributions are recognized when the donor makes a promise to give to the Organization, that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. Membership revenue is recognized as contribution revenue as it represents general operating support of the Organization.

Conditional promises to give, that have a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met. The Organization receives cost-reimbursement government grants which are conditioned upon incurring allowable qualifying expenses. Amounts are received as revenue when the Organization has incurred expenditures in compliance with specific grant provisions.

The Organization uses the allowance method, when necessary, to determine uncollectible contributions receivable. The allowance is based on prior years' experience and management's analysis of specific promises made.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Allocation of Expenses
The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Expenses are applied directly to programs where applicable or allocated on a reasonable and consistent basis. A substantial portion of the Organization's expenses are directly related to program activities. The expenses that are allocated include depreciation, security, general office expenses, donated office space, salaries, payroll taxes and employee benefits which are allocated based on employee time.

Fair Value Measurements
Fair value is defined as the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Fair value is a market-based measurement, not an entity-based measurement. Generally accepted accounting principles establish a framework for measuring fair value which maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those the market participants would use in pricing the asset based on market data obtained from sources independent of the Organization. Unobservable inputs reflect the Organization's assumptions about the inputs market participants would use in pricing the asset developed based on the best information available in the circumstances. Fair value measurements are categorized into three levels as follows:

> Level 1: Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date.
>
> Level 2: Inputs other than quoted 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 input that is significant to the fair value measurement.

Income Taxes
Madison Square Park Conservancy, Inc. is a not-for-profit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and has been designated as an organization which is not a private foundation.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Adoption of ASU 2016-13 and Related Standards
Effective January 1, 2023, MSPC adopted ASU 2016-13, Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, as amended, which modifies the measurement of expected credit losses on certain financial instruments. MSPC adopted this new guidance utilizing the modified retrospective transition method. Topic 326 requires measurement and recognition of expected versus incurred losses for financial assets held. Financial assets held by MSPC that are subject to ASU 2016-13 include trade accounts receivable. The adoption of this ASU did not have a material impact on MSPC's financial statements.

Subsequent Events
Management has evaluated, for potential recognition and disclosure, events subsequent to the date of the statement of financial position through June 17, 2026, the date the financial statements were available to be issued.

NOTE 3 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization's financial assets as of December 31, 2025 and 2024 are summarized as follows:

	2025	2024
Financial assets at year-end:		
Cash and cash equivalents	$ 21,625	$ 119,648
Contributions receivable, net	801,798	102,703
Investments	18,406,532	15,736,031
Total financial assets	$ 19,229,955	$ 15,958,382
Less: amounts not available to be used within one year		
Net assets with donor restrictions	(15,354,559)	(12,679,497)
Less: net assets with restrictions to be met within one year	350,885	25,000
Less: endowment appropriations for use in operations within one year	352,390	323,445
Financial assets available to meet general expenditures within one year	$ 4,578,671	$ 3,627,330

The Organization operates with a balanced budget for each fiscal year based on the revenues expected to be available to fund anticipated expenses. A substantial portion of annual revenue is comprised of contribution revenue raised during the current year, and revenue from other sources earned during the year. The Organization considers general expenditures to consist of all expenses related to its ongoing program activities, and the expenses related to general and administrative and fundraising activities undertaken to support those services.

NOTE 3 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS (Continued)

The Organization regularly monitors liquidity to meet its operating needs and other commitments and obligations, while seeking to maximize the investment of its available funds. Management prepares regular cash flow projections to determine liquidity needs, and has a policy to maintain liquid financial assets on an ongoing basis sufficient to cover ninety days of general expenditures. Financial assets in excess of daily cash requirements are invested in certificates of deposit, money market funds, and other short-term investments.

NOTE 4 – NET ASSETS WITHOUT DONOR RESTRICTIONS

Board Designated Operating Reserve

The Organization maintains a significant portion of its net assets without donor restrictions as a board designated reserve for operating expenses. Pursuant to the policy adopted by the Board of Trustees, the reserve balance maintained is not to be less than three months of annual operating expenses. As of December 31, 2025, the required reserve was approximately $1.5 million, based on operating expenses in the Organization's 2025 budget of approximately $6.0 million. As of December 31, 2024, the required reserve was approximately $1.7 million, based on operating expenses in the Organization's 2024 budget of approximately $6.4 million. Cash and certificates of deposit were in excess of the required reserve balance as of December 31, 2025 and 2024.

NOTE 5 – NET ASSETS WITH DONOR RESTRICTIONS

The Organization's net assets with donor restrictions include endowment funds established for the following purposes:

Park Fund

The Park Fund endowment was established in 2002, with funds raised through the Organization's original capital campaign, to fund the maintenance, beautification and programming of Madison Square Park.

Martin Friedman Fund for Madison Square Art

The Martin Friedman Fund for Madison Square Art, which was established in 2011, is a restricted endowment fund for costs associated with MSPC art personnel and the presentation of art exhibitions.

Sol LeWitt Fund for Artists' Work

The LeWitt Art Fund endowment was established in 2005 to fund the presentation of art exhibitions in Madison Square Park.

Bass Tree Fund

The Bass Tree Fund endowment was established in 2022 to fund the care, conservation, planting, and perpetuation of trees in Madison Square Park.

Artist Trustee Fund

The Sasha and Edward P. Bass Artist Trustee Fund was established in 2025 to fund a rotating Board seat to be filled by alumni artists of the MSPC public art program. Each year, MSPC will distribute up to 5% of the total value of the fund to cover the seat's annual dues.

NOTE 5 – NET ASSETS WITH DONOR RESTRICTIONS (Continued)

Net assets with donor restrictions as of December 31, 2025 and 2024 are comprised of the following:

	2025	2024
Operating - Subject to expenditure for specified purpose:		
Programming	$ 263,385	$ 154,500
Capital campaign	1,069,140	921,640
	1,332,525	1,076,140
Subject to passage of time:		
General operations	(87)	29,913
Donated facilities - long term lease	637,500	37,500
	637,413	67,413
	1,969,938	1,143,553
Endowments subject to spending policy and appropriation:		
Investment income above original gift amount:		
Park Fund	3,793,935	2,699,499
Martin Friedman Fund for Madison Square Art	418,681	265,125
Sol Lewitt Fund for Artists' work	831,785	555,807
Bass Tree Fund	111,844	37,137
	5,156,245	3,557,568
Investment in perpetuity:		
Park Fund	5,418,332	5,418,332
Martin Friedman Fund for Madison Square Art	831,957	831,957
Sol Lewitt Fund for Artists' work	1,428,087	1,428,087
Bass Tree Fund	300,000	300,000
Artist Trustee Fund	250,000	-
	8,228,376	7,978,376
Total Endowments	13,384,621	11,535,944
Total Net Assets with Donor Restrictions	$ 15,354,559	$ 12,679,497

NOTE 6 – INVESTMENTS

Investments at December 31, 2025 and 2024, which are all classified as Level 1 in the fair value hierarchy, are reflected at fair value and consist of the following:

	2025		2024	
	Cost	Fair Value	Cost	Fair Value
Cash and money market funds	$ 5,496,691	$ 5,496,691	$ 4,411,668	$ 4,411,668
Mutual funds and exchange traded funds:				
Fixed income	4,612,470	4,543,435	4,123,419	3,943,310
Equities	5,964,013	8,366,406	6,066,141	7,381,053
	$ 16,073,174	$ 18,406,532	$ 14,601,228	$ 15,736,031

Net investment income consists of the following:

	2025	2024
Interest and dividends	$ 473,228	$ 448,926
Realized gain on sale of investments	193,913	108,664
Unrealized gain on investments	1,192,010	852,527
Investment fees	(82,375)	(73,167)
	$ 1,776,776	$ 1,336,950

NOTE 7 – CONTRIBUTIONS RECEIVABLE

Contributions receivable as of December 31, 2025 and 2024 are due as follows:

	2025	2024
Due within one year	$ 414,385	$ 60,290
Due within one to five years	1,187,500	842,500
	1,601,885	902,790
Less: Discount to present value	(87)	(87)
Allowance for uncollectible pledges	(800,000)	(800,000)
	$ 801,798	$ 102,703

Contributions receivable due after one year are reflected at present value of estimated future cash flows using a discount rate of 3%. Uncollectible contributions receivable are expected to be insignificant.

During 2019, the Organization was awarded a cost-reimbursement grant by the New York State Senate in the amount of $540,000 for the Park House Capital Improvement Project. The grant has not yet been recognized in the accompanying financial statements, since it is conditional on incurring qualifying expenditures.

The Organization also received a pledge of $1,000,000 subject to meeting certain fundraising goals of the capital campaign, all of which were met, and three (3) payments were made in 2022 and 2025 totaling to $300,000.

NOTE 7 – CONTRIBUTIONS RECEIVABLE (Continued)

During 2022, the Organization received a $500,000 intentional pledge, payable over five years, to create the Bass Tree Fund, an endowed fund for the care, conservation, planting, and perpetuation of trees in Madison Square Park. During each of the years ended December 31, 2025 and 2024, $100,000 was received and recognized in revenue. The remaining balance of $100,000 has not been recognized in the accompanying financial statements.

In 2025, the organization received a $500,000 pledge, payable over two years, to create the Sasha and Edward P. Bass Artist Trustee Fund, an endowed fund to fund a rotating Board seat for alumni artists of MSPC's public art program. In the year 2025, $250,000 was received and recognized in revenue. The remaining balance of $250,000 will be received by December 31, 2026.

NOTE 8 – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following:

	Life	2025	2024
Office equipment and website	3-5 years	$ 149,354	$ 149,354
Leasehold improvements	Life of lease	295,930	295,930
Park machinery, furniture and program equipment	5 years	339,915	339,915
Total		785,199	785,199
Less: Accumulated depreciation		(703,903)	(647,195)
Net property and equipment		$ 81,296	$ 138,004

Depreciation expense for the years ended December 31, 2025 and 2024, totaled $56,708 and $90,416, respectively.

NOTE 9 – LINE OF CREDIT

On December 14, 2021, the Organization entered into a line of credit note agreement with a bank whereby up to $1 million could be borrowed through the Draw Period, ending on December 14, 2022. During the Draw Period, interest was accrued monthly on outstanding amounts at a rate of 4.198% plus the Secured Overnight Financing Rate ("SOFR"). Subsequent to the Draw Period, the unpaid principal balance accrued interest at a rate of 1.89% above the most recently published weekly average yield on the United States Treasury Securities - Constant Maturity Series issued by the United States Government for a term of five years, and principal and interest payments were due monthly through December 14, 2024. The line of credit note was secured by substantially all assets of the Organization. $335,360 in borrowings were made during the year ended December 31, 2023. The interest rate was 5.61%. The line of credit was paid in full on February 22, 2024. The line of credit was not renewed in 2025.

NOTE 10 – ENDOWMENT FUNDS

The Organization's endowment consists of the donor-restricted endowment funds described in Note 4. Consistent with New York State Not-for-Profit Corporation Law and the New York Prudent Management of Institutional Funds Act ("NYPMIFA"), the Organization classifies as net assets with donor restrictions perpetual in nature (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the donor-restricted endowment and (c) accumulations to the donor-restricted endowment made in accordance with the direction of any applicable donor gift instrument at the time the accumulation is added to the fund.

The remaining portion of the donor-restricted endowment fund that is not classified as perpetual in nature is classified as subject to spending policy and appropriation until those amounts are appropriated for expenditure by the Organization.

In accordance with NYPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (i) the duration and preservation of the endowment fund;
- (ii) the purposes of the Organization and the endowment fund;
- (iii) general economic conditions;
- (iv) the possible effect of inflation or deflation;
- (v) the expected total return from income and the appreciation of investments;
- (vi) other resources of the Organization;
- (vii) where appropriate and circumstances would otherwise warrant, alternatives to expenditure of the endowment fund, giving due consideration to the effect that such alternatives may have on the Organization; and
- (viii) the investment policy of the Organization.

The Organization's endowment funds are donor-restricted and are summarized by net asset classification as of December 31, 2025 and 2024 as follows:

	2025		
	Investment Income Above Original Amount	Investment in Perpetuity	Total
Donor-Restricted Endowment Funds			
Park Fund	$ 3,793,935	$ 5,418,332	$ 9,212,267
Martin Friedman Fund for Madison Square Art	418,681	831,957	1,250,638
Sol Lewitt Fund for Artists' work	831,785	1,428,087	2,259,872
Bass Tree Fund	111,844	300,000	411,844
Artist Trustee Fund	-	250,000	250,000
	$ 5,156,245	$ 8,228,376	$ 13,384,621

NOTE 10 – ENDOWMENT FUNDS (Continued)

	2024		
	Investment Income Above Original Amount	Investment in Perpetuity	Total
Donor-Restricted Endowment Funds			
Park Fund	$ 2,699,499	$ 5,418,332	$ 8,117,831
Martin Friedman Fund for Madison Square Art	265,125	831,957	1,097,082
Sol Lewitt Fund for Artists' work	555,807	1,428,087	1,983,894
Bass Tree Fund	37,137	300,000	337,137
	$ 3,557,568	$ 7,978,376	$ 11,535,944

Changes in endowment funds are summarized as follows for the years ended December 31, 2025 and 2024:

	2025		
	Investment Income Above Original Amount	Investment in Perpetuity	Total
Endowment funds, beginning of year	$ 3,557,568	$ 7,978,376	$ 11,535,944
Contribution	-	250,000	250,000
Net investment gain	1,655,937	-	1,655,937
Transfers in	150,000	-	150,000
Appropriations for use in operations	(207,260)	-	(207,260)
Endowment funds, end of year	$ 5,156,245	$ 8,228,376	$ 13,384,621

	2024		
	Investment Income Above Original Amount	Investment in Perpetuity	Total
Endowment funds, beginning of year	$ 2,431,129	$ 7,878,376	$ 10,309,505
Contribution	-	100,000	100,000
Net investment gain	1,188,447	-	1,188,447
Transfers in	150,000		150,000
Appropriations for use in operations	(212,008)	-	(212,008)
Endowment funds, end of year	$ 3,557,568	$ 7,978,376	$ 11,535,944

NOTE 10 – ENDOWMENT FUNDS (Continued)

Return Objectives, Risk Parameters and Strategies

The Organization has adopted investment and spending policies, approved by the Board of Trustees, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, with acceptable levels of risk.

Endowment assets are invested in a well-diversified asset mix in multiple managed brokerage accounts. This asset mix is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution, if appropriate, while growing the funds if possible. Therefore, the Organization expects its endowment assets, over time, to produce an average rate of return of approximately 5% annually. Actual returns in any given year may vary from this amount. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed in order not to expose the funds to unacceptable levels of risk.

Spending Policy

Investment income may be used to support art programs, exhibitions, tree maintenance, park maintenance and programs, and alumni artists' participation on the Board of Trustees. In establishing spending policies for its endowment funds, the Organization considered the long-term expected return on its investment assets, the nature and duration of the individual endowment funds, many of which must be maintained in perpetuity because of donor-restrictions, and the possible effects of inflation.

For the year ended December 31, 2025, the Board of Trustees approved appropriations of $56,259 from the Park Fund to cover expenses related to park maintenance and programming.

For the year ended December 31, 2024, the Board of Trustees approved appropriations of $11,671 from the LeWitt Art Fund to cover expenses associated with fabrication of an art exhibition, $7,003 from the Martin Art Fund to fund a new art program employee, and $193,334 from the Park Fund to cover expenses related to park maintenance and programming.

NOTE 11 - CONCENTRATIONS AND CREDIT RISK

MSPC maintains bank accounts with financial institutions which are insured by the Federal Deposit Insurance Corporation up to $250,000. At December 31, 2025, there were no cash balances that exceeded the insured limit.

NOTE 12 – COMMITMENTS, CONTINGENCY AND RELATED PARTY TRANSACTIONS

Under an agreement dated May 2013 with The City of New York, by and through the Department of Parks & Recreation ("Parks"), the Organization maintains, improves and provides recreational and educational programming at Madison Square Park for the benefit of the public. The agreement provided for a ten-year term through May 2023, which was subsequently extended for a five-year renewal term through May 2028. The agreement requires that the Organization maintain a certain level of annual financial commitment and expenditure, increasing annually by Consumer Price Index, with the exclusion of certain cost categories. Under the terms of the agreement, through December 31, 2022 the Organization reimbursed Parks for security staffing. The Organization is no longer required to reimburse Parks for security staffing effective January 2023. The agreement provides for the Organization to receive 100% of concession fees otherwise due to the city under a concession agreement for the operation of a food stand and outdoor cafe. The agreement limits the number of fundraising and special events held annually at Madison Square Park. In the event that specified revenues exceed budgeted expenditures for a given year, the Organization is required to transfer up to $250,000 of such excess into a segregated capital reserve fund, to be drawn down to fund capital expenditures approved by the City. Any remaining excess is required to be remitted to the city. For 2025 and 2024, there was no excess revenue.

Under a concession agreement dated October 2013, with a term through November 2025 between Parks and a concessionaire company (the "operator"), the Organization receives the concession fees from the operation of the food stand and outdoor cafe in Madison Square Park. A Board member of the Organization has an interest in the operator. The agreement provides for concession fees based on a percentage of the operator's gross receipts, subject to an annual minimum fee of $750,000 per annum, increasing 2% annually. Income received during the years ended December 31, 2025 and 2024 totaled $948,094 and $919,110, respectively. The agreement was extended for one year, with an option for two additional one-year extensions, on almost identical terms.

In January 2020, the Organization entered into a concession agreement with Parks, to provide for the operation of a new specialty food market. The initial term of the agreement was for two years, with an option for three one-year renewals. The agreement required the Organization to remit to Parks an annual fee equal to 10% of gross receipts, with a minimum annual fee of $50,000, increasing 2% annually. The Organization terminated the agreement with Parks without penalty in June 2024 due to market conditions.

For the year ended December 31, 2024, the Organization paid companies of a Board member approximately $248,500 for catering related to fundraising benefit events.

Government supported projects are subject to audit by the governmental granting agency.

NOTE 13 – EMPLOYEE RETENTION TAX CREDIT

The Coronavirus Aid, Relief and Economic Security ("CARES") Act enacted in 2020 allowed eligible employers to claim employee retention tax credits for qualified wages. In 2023, the Organization completed an analysis of the CARES Act programs and determined that it was eligible to receive a credit of approximately $350,000 based on partially suspended operations due to government mandated closures and a decrease in gross receipts. The Organization filed a claim for the credit in 2023. On March 12, 2025, May 27, 2025, and August 27, 2025, the Organization received the funds in the amount of $285,444, $45,365, and $21,255, respectively.

NOTE 14 – DONATED SERVICES AND FACILITIES

The Organization occupies donated office space under a five-year operating lease agreement expiring on March 31, 2030. For each of the years ended December 31, 2025 and 2024, the value of this donated office space was approximately $150,000. As the five-year operating lease was recorded as a contribution with donor restrictions, the $150,000 was released from restrictions for the years ended December 31, 2025 and 2024.

During the year ended December 31, 2025 and 2024, the Organization also received donated services valued at $132,715 and $223,861, respectively.

Donated services and facilities are utilized by the Organization in connection with its program and administrative supporting services and valued by the respective donor based on rates charged for similar services and facilities.

NOTE 15 – RETIREMENT PLAN

The Organization maintains a defined contribution pension plan for all eligible employees who have completed one year of service. The Organization makes a discretionary contribution to the plan on an annual basis limited to a 4% match of an eligible employee's annual earnings. The total contribution to the plan for the years ended December 31, 2025 and 2024 was $41,695 and $40,744, respectively.