



34TH STREET PARTNERSHIP, INC.

Financial Statements and Supplemental Schedule

June 30, 2025

(With Summarized Comparative Information as of June 30, 2024)

(With Independent Auditors' Report Thereon)

34TH STREET PARTNERSHIP, INC.

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

Independent Auditors' Report

The Board of Directors
34th Street Partnership, Inc.:

Opinion

We have audited the financial statements of 34th Street Partnership, Inc. (the Partnership), which comprise the balance sheet as of June 30, 2025, and the related statements of activities, functional expenses and cash flows for the year 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 Partnership as of June 30, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

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

Responsibilities of Management for the 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 Partnership's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditors' Responsibilities for the Audit of the Financial Statements

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



In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Partnership'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 Partnership's ability to continue as a going concern for a reasonable period of time.

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

Report on Summarized Comparative Information

We have previously audited the Partnership's 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 28, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

KPMG LLP

New York, New York
October 28, 2025

34TH STREET PARTNERSHIP, INC.

Balance Sheet

June 30, 2025

(with comparative financial information as of June 30, 2024)

Assets	2025	2024
Cash and cash equivalents	\$ 817,083	813,955
Accounts receivable, net and other assets	1,735,442	631,719
Funds held by bond trustee (note 6)	93,626	97,578
Property and equipment, net (note 4)	712,243	558,468
Operating lease right-of-use assets (notes 2(h) and 8)	2,152,732	2,705,714
District improvements, net (notes 5 and 9)	6,283,202	7,177,129
Total assets	<u>\$ 11,794,328</u>	<u>11,984,563</u>
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$ 1,055,546	734,531
Due to related party (note 11)	571,791	408,248
Accrued bond interest (note 6)	10,395	12,022
Operating lease liabilities (notes 2(h) and 8)	2,383,870	2,957,162
Bonds payable (note 6)	887,412	1,023,759
Total liabilities	4,909,014	5,135,722
Commitments and contingencies (notes 8 and 10)		
Net assets – without donor restrictions	<u>6,885,314</u>	<u>6,848,841</u>
Total liabilities and net assets	<u>\$ 11,794,328</u>	<u>11,984,563</u>

See accompanying notes to financial statements.

34TH STREET PARTNERSHIP, INC.

Statement of Activities

Year ended June 30, 2025

(with summarized comparative financial information for the year ended June 30, 2024)

	Operating and board- designated	Bond- financed activity	District improvements	2025 total	2024 total
Revenue and other support:					
Assessments (notes 1 and 6)	\$ 14,300,000	—	—	14,300,000	13,000,000
Contributions in lieu of assessment	265,315	—	—	265,315	234,770
Contributions	175,933	—	—	175,933	127,255
Parks revenue (note 9)	1,689,390	—	—	1,689,390	680,624
Other program service revenue	427,204	—	—	427,204	484,940
Interest	114,815	—	—	114,815	169,460
Other revenue	2,000	—	—	2,000	—
Total revenue and other support	16,974,657	—	—	16,974,657	14,697,049
Expenses:					
Program services:					
Capital projects	1,476,532	18,653	1,030,556	2,525,741	2,442,849
Security	2,951,548	—	—	2,951,548	2,751,986
Sanitation	4,596,912	—	—	4,596,912	4,293,428
Visitor services	493,724	—	—	493,724	491,968
Taxi stands	614,666	—	—	614,666	584,405
Special maintenance	405,399	—	—	405,399	404,315
Public events	565,642	—	—	565,642	524,463
Retail services	305,803	—	—	305,803	312,584
Promotion	401,478	—	—	401,478	364,052
Horticulture	1,330,201	—	—	1,330,201	1,035,591
Parks management	931,558	—	—	931,558	642,005
Total program services	14,073,463	18,653	1,030,556	15,122,672	13,847,646
Supporting services:					
Management and general	1,815,512	—	—	1,815,512	1,561,501
Total expenses	15,888,975	18,653	1,030,556	16,938,184	15,409,147
Increase (decrease) in net assets before transfers	1,085,682	(18,653)	(1,030,556)	36,473	(712,098)
Transfer – bond principal retired	(155,000)	155,000	—	—	—
Transfer – district improvements acquired	(136,629)	—	136,629	—	—
Increase (decrease) in net assets	794,053	136,347	(893,927)	36,473	(712,098)
Net assets (deficit) at beginning of year	695,471	(1,023,759)	7,177,129	6,848,841	7,560,939
Net assets (deficit) at end of year	\$ 1,489,524	(887,412)	6,283,202	6,885,314	6,848,841

See accompanying notes to financial statements.

34TH STREET PARTNERSHIP, INC.

Statement of Functional Expenses

Year ended June 30, 2025

(with summarized comparative financial information for the year ended June 30, 2024)

	Program services											Supporting services	2025 total	2024 total	
	Capital projects	Security	Sanitation	Visitor services	Taxi stands	Special maintenance	Public events	Retail services	Promotion	Horticulture	Parks management	Total			Management and general
Salaries and wages	\$ 464,324	1,742,134	2,863,144	291,417	369,966	266,226	270,323	191,677	177,701	116,645	396,210	7,149,767	981,109	8,130,876	7,383,366
Payroll taxes and payroll-related expenses	54,433	224,769	417,414	33,584	45,405	40,392	29,274	21,905	21,713	14,452	48,988	952,329	103,970	1,056,299	1,087,996
Health insurance	31,630	335,231	578,295	76,289	124,540	52,370	31,789	6,328	23,270	20,334	33,082	1,313,158	46,790	1,359,948	1,265,537
Total salaries and benefits	550,387	2,302,134	3,858,853	401,290	539,911	358,988	331,386	219,910	222,684	151,431	478,280	9,415,254	1,131,869	10,547,123	9,736,899
Contracted services	297,023	247,057	93,746	3,422	8,989	—	127,062	32,810	95,999	1,135,096	145,226	2,186,430	158,036	2,344,466	1,800,050
Accounting and legal	607	1,050	1,493	—	—	—	—	—	7,161	—	—	10,311	166,702	177,013	98,363
Liability and related insurance	55,867	205,820	338,259	34,429	43,708	31,453	31,936	22,645	26,392	13,781	47,279	851,569	129,323	980,892	856,462
Rent and related	105,424	95,786	134,867	24,655	12,532	10,579	67,112	28,380	41,700	25,111	69,178	615,324	127,875	743,199	626,398
Supplies	58,671	18,016	130,474	4,584	5,673	3,516	2,018	333	251	2,283	47,066	272,885	13,226	286,111	343,020
Travel and entertainment	450	562	—	239	—	—	381	—	129	109	2,785	4,655	9,499	14,154	13,486
Communications	6,385	17,105	9,493	2,213	523	461	1,769	652	1,829	764	1,264	42,458	3,313	45,771	44,098
Maintenance, repair, and cleaning	342,404	9,131	3,413	11,360	354	270	—	—	—	692	5,241	372,865	5,812	378,677	413,916
Dues and subscriptions	9,242	2,416	732	7,421	66	58	1,160	899	3,024	316	4,260	29,594	57,397	86,991	82,666
Equipment	27,559	2,273	—	4,075	2,796	—	1,074	174	948	134	18,534	57,567	688	58,255	85,884
Interest	22,418	—	—	—	—	—	—	—	—	—	—	22,418	—	22,418	25,620
Depreciation and amortization	1,049,209	47,900	25,010	—	—	—	—	—	—	—	106,517	1,228,636	892	1,229,528	1,262,943
Miscellaneous	95	2,298	572	36	114	74	1,744	—	1,361	484	5,928	12,706	10,880	23,586	19,342
Total – 2025	\$ 2,525,741	2,951,548	4,596,912	493,724	614,666	405,399	565,642	305,803	401,478	1,330,201	931,558	15,122,672	1,815,512	16,938,184	
Total – 2024	\$ 2,442,849	2,751,986	4,293,428	491,968	584,405	404,315	524,463	312,584	364,052	1,035,591	642,005	13,847,646	1,561,501		\$ 15,409,147

See accompanying notes to financial statements.

34TH STREET PARTNERSHIP, INC.

Statement of Cash Flows

Year ended June 30, 2025

(with comparative financial information for the year ended June 30, 2024)

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities:		
Increase (decrease) in net assets	\$ 36,473	(712,098)
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation and amortization	1,229,528	1,262,943
Net impact on operating leases	(20,310)	(10,726)
Changes in operating assets and liabilities:		
Accounts receivable and other assets	(1,103,723)	(140,563)
Accounts payable and accrued expenses	321,015	237,932
Due to related party	163,543	(293,670)
Accrued bond interest	(1,627)	(1,575)
Net cash provided by operating activities	<u>624,899</u>	<u>342,243</u>
Cash flows from investing activity:		
Acquisition of property and equipment	(334,094)	(271,883)
Acquisition of district improvements	(136,629)	(238,123)
Net cash used in investing activity	<u>(470,723)</u>	<u>(510,006)</u>
Cash flows from financing activities:		
Additions to funds held by bond trustee	(13,005,596)	(13,006,032)
Withdrawals from funds held by bond trustee	13,005,596	13,006,032
Repayment of Series 2021A bond principal	(155,000)	(150,000)
Net cash used in financing activities	<u>(155,000)</u>	<u>(150,000)</u>
Decrease in cash, cash equivalents and restricted cash	(824)	(317,763)
Cash, cash equivalents and restricted cash at beginning of year	<u>911,533</u>	<u>1,229,296</u>
Cash, cash equivalents and restricted cash at end of year	<u>\$ 910,709</u>	<u>911,533</u>
Reconciliation of cash, cash equivalents and restricted cash within the balance sheets that sum to the total of the same such amounts shown above:		
Cash and cash equivalents	\$ 817,083	813,955
Cash included in funds held by bond trustee	93,626	97,578
	<u>\$ 910,709</u>	<u>911,533</u>
Supplemental cash flow disclosure:		
Interest paid during the year	\$ 24,045	27,195
Deferred rent liability included in operating lease right-of-use assets	(87,639)	(133,063)

See accompanying notes to financial statements.

34TH STREET PARTNERSHIP, INC.

Notes to Financial Statements

June 30, 2025

(with comparative financial information as of June 30, 2024)

(1) Description of Organization

34th Street Partnership, Inc. (the Partnership) is a not-for-profit entity incorporated in 1992, in cooperation with the City of New York (the City), by property owners, tenants, and city officials with an interest in the district along the 34th Street corridor in Manhattan (the District). The Partnership is a district management association organized to promote and support the District and to execute a plan approved by the City Council for providing supplemental services and capital improvements to the District.

The property owners and tenants within the District have agreed to fund the approved activities of the Partnership through assessments levied against real property located within the District and collected by the City. The maximum assessment and use of the funds is determined annually by the Partnership. Total assessments levied for the year ended June 30, 2025 were \$14,300,000 of which \$1,300,000 were transferred to the Partnership in July 2025 and are included in accounts receivable at June 30, 2025. Assessments of \$13,000,000 were transferred to the Partnership to be used in operations for each of the years ended June 30, 2025 and 2024.

The Partnership has been determined by the Internal Revenue Service to be exempt from federal income taxes under Section 501(a) of the Internal Revenue Code (the Code) as an organization described in Section 501(c)(3). Accordingly, it is not subject to income taxes except to the extent it has taxable income from activities that are not related to its tax-exempt purpose. The Partnership recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. No provision for income taxes was required for fiscal year 2025 or 2024.

(2) Summary of Significant Accounting Policies

(a) Basis of Accounting

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

(b) Basis of Presentation

The Partnership's net assets and revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as either with or without donor restrictions. Net assets without donor restrictions are those that are not subject to donor-imposed stipulations. The Partnership received no restricted contributions; therefore, it has no net assets with donor restrictions as of and for the years ended June 30, 2025 and 2024.

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

34TH STREET PARTNERSHIP, INC.

Notes to Financial Statements

June 30, 2025

(with comparative financial information as of June 30, 2024)

(c) Cash and Cash Equivalents

The Partnership considers money market funds and other interest-bearing deposits with original maturities of three months or less to be cash equivalents. Cash equivalents are recorded at cost, which approximates fair value.

Cash balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per bank. The Securities Investor Protection Corporation (SIPC) insures money market funds, held by member firms, up to \$500,000 per investor. The Partnership had uninsured money market funds of \$136,121 and \$196,490 at June 30, 2025 and 2024, respectively.

(d) Contributions

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

(e) Functional Allocation of Expenses

The costs of providing programs and other activities have been summarized by program and supporting services benefited in the statement of activities and functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services. Supporting services include the salaries of the Partnership's president, the administrative office clerical staff, and the finance and accounting staff, which includes information technology, payroll, and human resource functions. Costs allocated amongst programs and supporting services include; general liability insurance, which is allocated based on payroll, and, rent, office supplies, equipment, and telephone, which are allocated based on square footage occupied by each program's or supporting service's employees. Fund-raising activities are not significant to the operations of the Partnership.

(f) Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of 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. Estimates include the allocation of certain expenses (note 2(e)), the allocation of payroll, insurance, and occupancy expenses between the Partnership and Bryant Park Corporation (BPC), with which it shares common management and office space, as well as, the collectability of accounts receivable, the present value of operating lease liabilities and amortization of district improvements.

(g) Fair Value Measurements

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly

34TH STREET PARTNERSHIP, INC.

Notes to Financial Statements

June 30, 2025

(with comparative financial information as of June 30, 2024)

transaction between market participants on the measurement date. The three levels of the fair value hierarchy are as follows:

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

(h) Right-of-Use Assets and Operating Lease Liabilities

Operating lease right-of-use assets represent the Partnership's right to use the underlying assets and operating lease liabilities represent its obligation to make lease payments for the use of the leased assets. Operating lease right-of-use assets and related lease liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term discounted using an appropriate discount rate.

The Partnership has elected the short-term lease exemption for leases with a term of twelve months or less. The discount rate is based on the interest rate for treasury bills of a duration similar to the lease term.

(i) Revenue Recognition

Assessments and contributions in lieu of assessment payments are received in semi-annual installments and are recognized as revenue ratably throughout the year. Parks revenue includes food concession license fees, which are received and recognized as revenue on a monthly basis, and fees for use of the parks and plazas for events and activations. Use fees are recognized as revenue on the date of the related event or activation. Other program service revenue consists of royalties for the use of Partnership assets and reimbursements received for additional services, and such revenues are recognized on the dates of use of assets or on the dates that services are provided.

(j) Comparative Financial Information

The accompanying financial statements include certain 2024 summarized information. With respect to the accompanying statement of activities, information in 2024 is presented in the aggregate. With respect to the statement of functional expenses, information in 2024 is presented in the aggregate and not detailed by function. Accordingly, such information should be read in conjunction with the Partnership's fiscal year 2024 financial statements from which the summarized information was derived.

34TH STREET PARTNERSHIP, INC.

Notes to Financial Statements

June 30, 2025

(with comparative financial information as of June 30, 2024)

(3) Availability and Liquidity

At June 30, 2025 and 2024, the Partnership's financial assets consisted of the following:

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 817,083	813,955
Accounts receivable	1,345,001	213,026
Funds held by bond trustee	<u>93,626</u>	<u>97,578</u>
Total financial assets	2,255,710	1,124,559
Less amounts not available to be used within one year:		
Bond debt service funds	<u>93,626</u>	<u>97,578</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 2,162,084</u>	<u>1,026,981</u>

General expenditures include operating expenses and capital improvement costs, if any.

The Partnership receives district assessments, from the City, in semi-annual installments, in July and January. Each of the semi-annual assessment payments is first used to fund one-half of the current year debt service, as disclosed in note 6, with the remaining funds available, and sufficient to meet general expenditures for six months. Excess cash is invested in short term investments, including government obligations, money market accounts, and certificates of deposit.

(4) Property and Equipment

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

At June 30, 2025 and 2024, property and equipment consisted of following:

	<u>2025</u>	<u>2024</u>
Furniture and fixtures	\$ 914,131	636,024
Machinery and equipment	266,968	266,968
Leasehold improvements	<u>419,762</u>	<u>419,762</u>
	1,600,861	1,322,754
Accumulated depreciation and amortization	<u>(888,618)</u>	<u>(764,286)</u>
Property and equipment, net	<u>\$ 712,243</u>	<u>558,468</u>

34TH STREET PARTNERSHIP, INC.

Notes to Financial Statements

June 30, 2025

(with comparative financial information as of June 30, 2024)

The Partnership wrote off \$55,987 and \$21,617 of obsolete furniture, equipment and improvements during the years ended June 30, 2025 and 2024, respectively.

(5) District Improvements

The Partnership provides program services and capital improvements to the District. As discussed in note 6, the Partnership issued bonds to finance certain capital improvement projects, including, but not limited to, the installation of distinctive sidewalk corners, streetlights, and park improvements.

District improvements are capitalized as costs are incurred, on the basis that they provide a future economic benefit to the District, and its property owners, and are amortized on a straight-line basis over the estimated useful life of the improvement, ranging from 5 to 30 years.

At June 30, 2025 and 2024, district improvements consisted of the following:

	<u>2025</u>	<u>2024</u>
Streetlight poles and luminaires	\$ 7,246,834	7,246,834
Park and plaza improvements	5,378,683	5,242,054
Distinctive sidewalk corners	4,635,141	4,635,141
Tree-pits, trees and street planters	4,552,904	4,552,904
Planning, design and architecture	2,474,902	2,474,902
Traffic control signs, frames and poles	1,975,891	1,975,891
Other street fixtures	4,266,814	4,266,814
	<u>30,531,169</u>	<u>30,394,540</u>
Accumulated amortization	<u>(24,247,967)</u>	<u>(23,217,411)</u>
District improvements, net	<u>\$ 6,283,202</u>	<u>7,177,129</u>

(6) Bonds Payable

On June 30, 2021, the Partnership issued \$1,345,000 in Capital Improvement Refunding Bonds, Series 2021A and \$3,655,000 in Capital Improvement Taxable Refunding Bonds, Series 2021B (together, the Series 2021 Bonds). The proceeds of the Series 2021 Bonds were used to establish a refunding escrow fund, sufficient to pay principal and interest on the Partnership's outstanding Series 2011 Capital Improvement Bonds (Series 2011 Bonds) which matured on January 1, 2022, and January 1, 2023, and the remaining bonds that were to mature on January 1, 2031 through their redemption date, August 11, 2021. In connection with the issuance of the Series 2021 Bonds, the Partnership incurred bond issuance costs of \$177,200, which have been deferred and are being amortized over the life of the related debt. Unamortized issuance costs of \$102,588 and \$121,241 are included in bonds payable at June 30, 2025 and 2024, respectively.

Amortization of Series 2021 Bonds issuance costs amounted to \$18,653 for each of the years ended June 30, 2025 and 2024, respectively.

34TH STREET PARTNERSHIP, INC.

Notes to Financial Statements

June 30, 2025

(with comparative financial information as of June 30, 2024)

The Series 2021 Bonds, maturing on various dates through January 1, 2031, are secured by assessments, and funds established under the bond indenture. As required under the bond resolution, the Partnership maintains certain funds, which are held by the trustee. These funds are invested in Dreyfus Treasury Security Cash Management Funds, which are cash equivalents. The inputs to the fair value measurement are considered Level 1 in the fair value hierarchy.

At June 30, 2025 and 2024, the balances in the funds held by bond trustee were as follows:

	<u>2025</u>	<u>2024</u>
Series 2021A principal debt service fund	\$ 82,615	84,047
Series 2021A interest debt service fund	10,870	13,397
Series 2021 revenue fund	141	134
	<u>\$ 93,626</u>	<u>97,578</u>

The future debt service payments on the bonds are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total debt service</u>
Year ending June 30:			
2026	\$ 155,000	20,790	175,790
2027	160,000	17,535	177,535
2028	165,000	14,175	179,175
2029	165,000	10,710	175,710
2030	175,000	7,245	182,245
Thereafter	170,000	3,570	173,570
	<u>\$ 990,000</u>	<u>74,025</u>	<u>1,064,025</u>

Interest on the Series 2021A Capital Improvement Refunding Bonds is 1.09% per annum. Interest expense on the Series 2021A bonds was \$22,418 and \$25,620 for the years ended June 30, 2025 and 2024, respectively.

The Partnership is required to meet certain financial covenants in connection with the respective outstanding bonds. For the years ended June 30, 2025 and 2024, the Partnership was in compliance with these covenants.

(7) Pension Benefits

The Partnership has a defined-contribution retirement plan covering all personnel. Pension cost for the years ended June 30, 2025 and 2024 was \$188,888 and \$169,852, respectively.

34TH STREET PARTNERSHIP, INC.

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(with comparative financial information as of June 30, 2024)

(8) Lease Agreements

On April 12, 2017, the Partnership and BPC amended their lease agreement at 5 Bryant Park (1065 Avenue of the Americas), New York, New York, to extend its term for an additional 10 years, commencing March 1, 2018. The original lease commenced on January 1, 2010 and was to expire on February 28, 2018. The Partnership has been allocated its proportionate share, based on utilization, of the amortization of the right-of-use asset associated with this lease for the years ended June 30, 2025 and 2024. The Partnership's share of right-of use amortization and rent expense amounted to \$418,412 and \$417,565 for the years ended June 30, 2025 and 2024, respectively.

On February 26, 2021, the Partnership signed a ten-year lease agreement for a storefront, mezzanine and basement space at 253-59 West 35th Street, New York, New York to be used for offices and locker rooms for the sanitation and security staffs. The commencement date of this lease was July 9, 2021.

Amortization of the right-of-use asset and rent expense for the lease at 253-59 West 35th Street amounted to \$188,939, net of reimbursements from BPC for space used by its security staff, of \$39,607 and \$189,453, net of reimbursements from BPC of \$39,715 for the years ended June 30, 2025 and 2024, respectively.

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

	<u>253-59 West 35th Street</u>	<u>5 Bryant Park</u>	<u>Total</u>
Year ending June 30:			
2026	\$ 195,794	374,614	570,408
2027	229,955	408,670	638,625
2028	234,842	272,447	507,289
2029	239,832	—	239,832
2030	244,928	—	244,928
Thereafter	<u>250,133</u>	<u>—</u>	<u>250,133</u>
Total	1,395,484	1,055,731	2,451,215
Less:			
Interest	<u>58,669</u>	<u>8,676</u>	<u>67,345</u>
Lease liabilities	<u>\$ 1,336,815</u>	<u>1,047,055</u>	<u>2,383,870</u>

As of June 30, 2025, the Partnership is jointly liable for total lease commitments of \$2,800,346 at 5 Bryant Park.

The weighted average remaining lease term and the weighted average discount rate for operating leases are 4.33 years and 0.945% and 5.33 years and 0.945% at June 30, 2025 and 2024, respectively.

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The Partnership receives monthly license fees from the operators of the food concession kiosks in Herald and Greeley Square Parks (see note 9) and quarterly license fees from an advertiser, for exclusive use of the advertising panels on the Greeley Square concession and restroom kiosks. Agreements for the food concession kiosks and advertising panels commenced on September 1, 2021. The license agreements for one of the food concessions and for the advertising panels terminated on October 13, 2023 and June 30, 2024, respectively. License agreements with a new food concession operator and advertiser commenced on January 1, 2024 and April 14, 2025, respectively.

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

Year ending June 30:		
2026	\$	115,152
2027		120,776
2028		123,976
2029		126,614
2030		33,176
Thereafter		—
	\$	<u>519,694</u>

License fees of \$162,146 and \$301,925 are included in parks revenue on the statement of activities for the years ended June 30, 2025 and 2024, respectively.

(9) Parks and Plazas

Pursuant to a license agreement, dated June 9, 1997, and its successor agreement, dated October 12, 2017, with the New York City Department of Parks and Recreation, the Partnership has improved, managed, and maintained Herald and Greeley Square Parks (the Parks). The Parks sit within the two triangle areas created by the intersection of Broadway and Sixth Avenue, between 32nd and 35th Streets. The Partnership has made capital improvements to the Parks totaling \$5,242,054 which are included in District Improvements.

The Partnership has also managed, pursuant to license agreements with the New York City Department of Transportation (DOT), pedestrian plazas within the District. Pedestrian plazas at Broadway and Sixth Avenue between 32nd and 36th Streets, known as Herald Square Plaza (the Broadway Plazas) are managed by the Partnership under the terms of a license agreement, dated June 11, 2019 and effective September 20, 2019. The 2019 agreement allows for up to three additional five-year renewal options, exercisable at the sole discretion of DOT. By letters, dated August 27, 2020 and August 21, 2025, and agreed to by the Partnership on September 21, 2020 and August 29, 2025, respectively, DOT opted to renew the agreement for the first and second renewal periods, expiring on September 19, 2025 and 2030, respectively. A pedestrian plaza on 33rd Street between Seventh and Eighth Avenues (Plaza 33) is managed by the Partnership under the terms of a one-year license agreement dated June 11, 2019 as amended and restated by an agreement dated October 7, 2024. The commencement date of the Plaza 33 license agreement is May 14, 2024, and it allows up to three additional five-year renewal options

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(with comparative financial information as of June 30, 2024)

exercisable at the sole discretion of DOT. By letter dated May 6, 2025, DOT opted to renew the agreement through May 13, 2030.

Each of the license agreements to manage and maintain the Parks, Broadway Plazas and Plaza 33 allow the Partnership to receive revenue from concessions, events, activations, and sponsorships. Any such revenue is to be used to pay for the cost of providing management and maintenance services to the respective spaces. Revenue earned in each of the spaces and expenses incurred are included in the Schedule of Revenue and Expenses Incurred in the Management and Operation of Herald and Greeley Square Parks, Broadway Plazas and Plaza 33. Park and Plazas revenue is included in Parks revenue and Other program service revenue in the statement of activities. Park and Plazas expenses are included in several Program services in the statement of activities, including: Capital projects related to maintenance and repairs, Security, Sanitation, Public Events, Horticulture and Parks Management. Park and Plazas expenses include the depreciation and amortization of improvements to those spaces and the cost of furniture, fixtures and equipment included as additions to property and equipment on the balance sheet.

(10) Litigation

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

(11) Related Parties

The Partnership shares common management and office space with BPC and its affiliated business improvement district, Bryant Park Management Corporation (BPMC). At June 30, 2025 and 2024, the Partnership was indebted to BPC and BPMC for its net proportionate share of certain revenues and expenses in the amount of \$571,791 and \$408,248, respectively.

(12) Subsequent Events

In connection with the preparation of the financial statements, the Partnership evaluated subsequent events after the balance sheet date of June 30, 2025 through October 28, 2025, which was the date the financial statements were available for issuance. No subsequent events were identified that would require disclosure or recognition in the financial statements.

34TH STREET PARTNERSHIP, INC.

Schedule of Revenue and Expenses Incurred in the Management and Operation of Herald and Greeley
Square Parks, Broadway Plazas and Plaza 33

Year ended June 30, 2025

	<u>Parks</u>	<u>Broadway Plazas</u>	<u>Plaza 33</u>
Revenue:			
Events, activations and photo shoots	\$ 124,000	186,000	522,000
Holiday market	—	695,244	—
Contributions	—	—	175,933
Concessions	162,146	—	—
Total revenue	<u>286,146</u>	<u>881,244</u>	<u>697,933</u>
Expenses:			
Salaries and wages	590,722	412,534	418,819
Payroll taxes and payroll-related expenses	77,906	51,324	49,274
Health insurance	98,363	65,581	46,176
Total salaries and benefits	<u>766,991</u>	<u>529,439</u>	<u>514,269</u>
Contracted services	47,101	169,515	111,574
Plants, plant installation and maintenance	81,095	524,403	127,074
Accounting and legal	210	99	51
Liability and related insurance	68,718	48,800	48,459
Rent	63,690	81,477	42,632
Utilities	15,896	—	—
Supplies	33,877	16,225	21,196
Communications	3,530	2,653	1,636
Maintenance and repair	4,194	2,322	2,162
Dues and subscriptions	3,186	902	6,336
Furniture and equipment	162,431	92,475	15,160
Depreciation and amortization	195,226	9,796	—
Miscellaneous	1,342	7,568	2,904
Total expenses	<u>1,447,487</u>	<u>1,485,674</u>	<u>893,453</u>
Decrease in net assets from Parks and Broadway Plazas operations	<u>\$ (1,161,341)</u>	<u>(604,430)</u>	<u>(195,520)</u>

See accompanying independent auditors' report.