

**BROADWAY MALL ASSOCIATION, INC.**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**DECEMBER 31, 2023**

**WITH SUMMARIZED COMPARATIVE INFORMATION**

**FOR THE YEAR ENDED DECEMBER 31, 2023**

**BROADWAY MALL ASSOCIATION, INC.**  
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**DECEMBER 31, 2023**  
**(With summarized comparative information for the year ended December 31, 2022)**

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**RICH AND BANDER, LLP**  
CERTIFIED PUBLIC ACCOUNTANTS

**PETER R. RICH, CPA**

**JONATHAN A. BANDER, CPA**

**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of the  
Broadway Mall Association, Inc.  
New York, NY

We have audited the accompanying financial statements of Broadway Mall Association, Inc. (a "nonprofit organization"), which comprise the statement of financial position as of December 31, 2023, 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 financial statements referred to above present fairly, in all material respects, the financial position of Broadway Mall Association, Inc. as of December 31, 2023, and the changes in its net assets and its cash flows for the year 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 Broadway Mall Association, Inc. 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 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 Broadway Mall Association, 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 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 Broadway Mall Association, 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 Broadway Mall Association, 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.

## **Report on Summarized Comparative Information**

We have previously reviewed Broadway Mall Association, Inc.'s 2022 financial statements and in our conclusion dated November 3, 2023, stated that based on our review, we were not aware of any material modifications that should be made to the 2022 financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America. We are not aware of any material modifications that should be made to the summarized comparative information presented herein as of and for the year ended December 31, 2022, for it to be consistent with the reviewed financial statements from which it has been derived

**Emphasis of Matter**

As discussed in Note 1 to the financial statements, as of and for the year ended December 31, 2023, Broadway Mall Association, Inc. adopted Financial Accounting Standards Board Accounting Standards Codification 326, *Financial Instruments – Credit Losses*, using the effective transition method. Our opinion is not modified with respect to this matter.

*Rich and Bander, LLP*

New York, NY

May 10, 2024

**BROADWAY MALL ASSOCIATION, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2023**

**(With summarized comparative information for the year ended December 31, 2022)**

**ASSETS**

	<b>2023</b>	<b>2022</b>
<b>Current assets</b>		
Cash and cash equivalents	\$ 689,121	\$ 326,196
Grants and contributions receivable	240,725	251,055
Prepaid expenses	8,337	1,597
Other receivables	1,057	-
<b>Total current assets</b>	<b>939,240</b>	<b>578,848</b>
<b>Noncurrent assets</b>		
Right-of-use assets	58,725	87,924
Property and equipment, net	3,493	4,782
Security deposit	1,500	1,500
<b>Total noncurrent assets</b>	<b>63,718</b>	<b>94,206</b>
<b>TOTAL ASSETS</b>	<b>\$ 1,002,958</b>	<b>\$ 673,054</b>

**LIABILITIES AND NET ASSETS**

**Current liabilities**

Accounts payable and accrued expenses	\$ 66,539	\$ 10,896
Lease liabilities	30,506	29,505
<b>Total current liabilities</b>	<b>97,045</b>	<b>40,401</b>

**Noncurrent liabilities**

Lease liabilities	31,539	62,045
<b>Total noncurrent liabilities</b>	<b>31,539</b>	<b>62,045</b>

**TOTAL LIABILITIES**

<b>128,584</b>	<b>102,446</b>
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**Net assets**

Without donor restrictions	450,423	460,608
With donor restrictions	423,951	110,000
<b>TOTAL NET ASSETS</b>	<b>874,374</b>	<b>570,608</b>

**TOTAL LIABILITIES AND NET ASSETS**

<b>\$ 1,002,958</b>	<b>\$ 673,054</b>
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The accompanying notes are an integral part of these financial statements.

**BROADWAY MALL ASSOCIATION, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**  
(With summarized comparative information for the year ended December 31, 2022)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2023 Totals</u>	<u>2022 Totals</u>
<b>Revenue and support</b>				
<b>Grants and contributions</b>				
Grants and contributions	\$ 499,017	\$ 423,951	\$ 922,968	\$ 543,249
Special events contributions	106,435	-	106,435	76,410
<b>Total grants and contributions</b>	<u>605,452</u>	<u>423,951</u>	<u>1,029,403</u>	<u>619,659</u>
<b>Special events revenue</b>				
Special events revenue	15,775	-	15,775	16,953
Less: cost of direct benefits to donors	(23,759)	-	(23,759)	(26,908)
<b>Net special events revenue</b>	<u>(7,984)</u>	<u>-</u>	<u>(7,984)</u>	<u>(9,955)</u>
<b>Other income</b>				
Miscellaneous income	263	-	263	15,566
<b>Total other income</b>	<u>263</u>	<u>-</u>	<u>263</u>	<u>15,566</u>
<b>Net assets released from restrictions</b>	<u>110,000</u>	<u>(110,000)</u>	<u>-</u>	<u>-</u>
<b>Total revenue and support</b>	<u>707,731</u>	<u>313,951</u>	<u>1,021,682</u>	<u>625,270</u>
<b>Expenses</b>				
<b>Program services</b>	608,963	-	608,963	587,878
<b>Supporting services</b>				
Management and general	60,557	-	60,557	89,658
Fundraising	48,396	-	48,396	26,431
<b>Total expenses</b>	<u>717,916</u>	<u>-</u>	<u>717,916</u>	<u>703,967</u>
<b>Change in net assets</b>	(10,185)	313,951	303,766	(78,697)
<b>Net assets - beginning of year</b>	460,608	110,000	570,608	649,305
<b>Net assets - end of year</b>	<u>\$ 450,423</u>	<u>\$ 423,951</u>	<u>\$ 874,374</u>	<u>\$ 570,608</u>

**BROADWAY MALL ASSOCIATION, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**  
(With summarized comparative information for the year ended December 31, 2022)

	<b>Program Services</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>Cost of Direct Benefits to Donors</b>	<b>2023 Totals</b>	<b>2022 Totals</b>
Maintenance and landscaping	\$ 323,333	\$ -	\$ -	\$ -	\$ 323,333	\$ 304,581
Compensation	205,710	29,415	39,582	-	274,707	251,082
Occupancy	22,311	3,104	4,275	-	29,690	31,605
Other cultivation expenses	4,285	-	-	23,759	28,044	30,199
Winter lighting	27,670	-	-	-	27,670	19,370
Professional fees	-	21,358	-	-	21,358	40,306
Office expense	10,496	976	1,313	-	12,785	7,380
Insurance	6,590	942	1,268	-	8,800	6,789
Payroll service	6,250	894	1,203	-	8,347	4,899
Bank and credit card charges	-	2,443	-	-	2,443	2,340
Website	322	1,287	-	-	1,609	4,156
Depreciation expense	965	138	186	-	1,289	1,289
Signage	821	-	-	-	821	20,025
Printing	-	-	569	-	569	6,279
Advertising and marketing	210	-	-	-	210	575
	<b>608,963</b>	<b>60,557</b>	<b>48,396</b>	<b>23,759</b>	<b>741,675</b>	<b>730,875</b>
Less expenses included with revenue on the statement of activities						
Cost of direct benefits to donors	-	-	-	(23,759)	(23,759)	(26,908)
<b>Total expenses included in the expense section on the statement of activities</b>	<b>\$ 608,963</b>	<b>\$ 60,557</b>	<b>\$ 48,396</b>	<b>\$ -</b>	<b>\$ 717,916</b>	<b>\$ 703,967</b>



**BROADWAY MALL ASSOCIATION, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**  
**(With summarized comparative information for the year ended December 31, 2022)**

	<u>2023</u>	<u>2022</u>
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ 303,766	\$ (78,697)
<i>Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:</i>		
Depreciation	1,289	1,289
(Increase) decrease in operating assets:		
Grants and contributions receivable	10,330	32,271
Other receivables	(1,057)	
Prepaid expenses	(6,740)	(1,597)
Right-of-use assets	29,199	29,828
Increase (decrease) in operating assets:		
Accounts payable and accrued expenses	55,643	(5,414)
Lease liabilities	(29,505)	(28,372)
Total adjustments	<u>59,159</u>	<u>40,872</u>
<b>Net cash provided by (used in) operating activities</b>	<u>362,925</u>	<u>(37,825)</u>
<b>Cash flows from investing activities:</b>		
Purchase of property and equipment	-	(4,402)
<b>Net cash used in investing activities</b>	<u>-</u>	<u>(4,402)</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	362,925	(42,227)
<b>Cash and cash equivalents, beginning of year</b>	326,196	368,423
<b>Cash and cash equivalents, end of year</b>	<u><u>\$ 689,121</u></u>	<u><u>\$ 326,196</u></u>
<b>Supplemental disclosures of cash flow information:</b>		
Cash paid during the year for:		
Interest	\$ -	\$ -
Income taxes	<u>\$ -</u>	<u>\$ -</u>

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

**BROADWAY MALL ASSOCIATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

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**1) NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*Nature of the Organization*

Broadway Mall Association, Inc. (the “Organization”), was organized as a not-for-profit organization in 1987 under the laws of the State of New York. The Organization was formed for the purpose of providing program services to maintain the malls and median strips on the street called Broadway, located in the Borough of Manhattan, in New York City, for use by the general public. Broadway Mall Association Inc. is an exempt organization for federal income tax purposes under Section 501(c)(3) of the Internal Revenue Code and is not classified as a private foundation. Income is generated primarily from grants and contributions.

*Basis of Accounting*

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

*Cash and Cash Equivalents*

The Organization considers all highly liquid investments, except those held for long-term investment, with maturities of three months or less when purchased to be cash and cash equivalents.

*Functional Allocation of Expenses*

The costs of providing the various programs and other activities have been summarized on a functional basis on the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

*Property and Equipment*

Property and equipment are recorded at cost or, if donated, the fair market value at the date of donation. The Organization’s policy to capitalize expenditures for these items in excess of \$1,000. Depreciation for property and equipment is provided using the straight-line method for financial reporting purposes at rates based on the following estimated useful lives

	<u>Years</u>
Furniture and equipment	5

*Advertising and Marketing Costs*

Advertising and marketing costs are expensed as incurred.

**BROADWAY MALL ASSOCIATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

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**1) NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

*Revenue, Revenue Recognition, and Receivables*

*Grants and Contributions* – Grants (from government and foundations) and contributions (from individuals, corporations, and other sources) are recognized when cash, securities or other assets; an unconditional promise to give; or notification of a beneficial interest is received. A portion of grant revenue is derived from cost-reimbursable government contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as grant advance in the statement of financial position. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of release/return, are not recognized until the conditions on which they depend have been substantially met.

*Grants and Contributions Receivable* – Grants and contributions that are not yet collected are recorded as grants and contributions receivable. Amounts expected to be collected within one year are recorded at net realizable value. Amounts that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The Organization uses the allowance method to determine uncollectible promises to give. The allowance is based on prior years' experience and management's analysis of specific promises made.

*Contributed Nonfinancial Assets* – A number of volunteers have donated significant amounts of their time to the Organization's program services, administration, and fundraising and development activities. Directors and officers have made a significant contribution of their time to develop the Organization and its programs. These donated services are not reflected in the financial statements since they do not meet the criteria for recognition as contributed nonfinancial assets. These donated services do not create or enhance a nonfinancial asset nor require a specialized skill that the contributors have and would typically need to be purchased if not provided through donation.

*Special Events* – The exchange element of special events is recognized as special events revenue equal to the fair value of direct benefits to donors when the special event takes place or if the fair value amount is impracticable to obtain, the actual cost or non-tax deductibility is used. The excess amount received is the contribution element, which is recognized immediately as grants and contributions, unless there is a right of return if the special event does not take place.

*Costs of Direct Benefits to Donors* – The cost of the items and services furnished to donors as inducements to attend the Organization's special events are presented in their natural expense classification in the statement of functional expenses and backed out so that it is shown as a deduction from special events revenue on the statement of activities

**BROADWAY MALL ASSOCIATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

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**1) NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

*Net Assets*

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

*Net Assets With Donor Restrictions* – Net assets subject to donor - (or certain grantor) - imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates those resources be maintained in perpetuity. The Organization reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

*Income Tax Status*

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. It is also exempt from state income taxes. However, any unrelated business income may be subject to taxation. Currently, the Organization has no obligation for any unrelated business income tax.

The Organization's Forms 990, *Return of Organizations Exempt from Income Tax*, for the years ended December 31, 2022, 2021, and 2020 are subject to examination by the Internal Revenue Service, generally for three years after they were filed.

The Organization has evaluated its current tax positions and has concluded that as of December 31, 2023, the Organization does not have any significant uncertain tax positions for which a reserve would be necessary.

*Use of Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management of the Organization to use estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**BROADWAY MALL ASSOCIATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

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**1) NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

*Contract Balances*

Contract assets are recognized when the Organization has satisfied a contract obligation but must satisfy other performance obligations before being entitled to payment, or when the Organization has the right to bill a customer before satisfying any or some of the performance obligations. Contract liabilities are recognized when the Organization has an obligation to perform services to a customer for which the Organization has received advanced consideration or when payment is due prior to satisfying any or some of the performance obligations. The Organization has no opening balances for contract assets nor liabilities or such balances for the year ended December 31, 2023.

*Adoption of Accounting Standards*

In June 2016, the Financial Accounting Standards Board (“FASB”) issued guidance FASB Accounting Standards Codification (“ASC”) 326, *Financial Instruments – Credit losses*, which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that aren’t measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss mode. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity’s exposure to credit risk and the measure of credit losses. Financial assets held by the Organization that are subject to the guidance in FASB ASC 326 were trade receivables. Grants and contributions receivable (under contribution model) are scoped out of FASB ASC 326. The application of the new standard is effective for fiscal years beginning after December 15, 2022, including interim period within fiscal years beginning after December 15, 2022. On January 1, 2023, the Organization adopted FASB ASC 326. The impact of the adoption was not considered material to the financial statements and primarily resulted in new/enhanced disclosures only.

On December 13, 2023, the FASB issued Accounting Standards Update (“ASU”) 2023-08, *Intangibles—Goodwill and Other—Crypto Assets (Subtopic 350-60): Accounting for and Disclosure of Crypto Assets*. The amendments in ASU 2023-08 require that the Organization measure crypto assets at fair value in the statement of financial position each reporting period and recognize changes from remeasurement in net income. The amendments also require that the Organization provide enhanced disclosures for both annual and interim reporting periods to provide financial statement users with relevant information to analyze and assess the exposure and risk of significant individual crypto asset holdings. In addition, fair value measurement aligns the accounting required for holders of crypto assets with the accounting for entities that are subject to certain industry-specific guidance (such as investment companies) and eliminates the requirement to test those assets for impairment. The amendments in ASU 2023-08 are effective for all organizations for fiscal years beginning after December 15, 2024, including interim periods within those fiscal years. Early adoption is permitted for both interim and annual financial statements that have not yet been issued or made available for issuance.

**BROADWAY MALL ASSOCIATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

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**1) NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

*Recent Accounting Pronouncements*

On December 14, 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*. The amendments in ASU 2023-09 require greater disaggregation of income tax disclosures related to the income tax rate reconciliation and income taxes paid. In addition, the amendments require: (1) disclosure of income (or loss) from continuing operations before income tax expense (or benefit) disaggregated between domestic and foreign; and (2) disclosure of income tax expense (or benefit) from continuing operations disaggregated by federal (national), state, and foreign. There are also disclosure requirements that are to be eliminated upon adoption of the amendments. For entities other than public business entities, the amendments are effective for annual periods beginning after December 15, 2025. Early adoption is permitted for annual financial statements that have not yet been issued or made available for issuance. The amendments are to be applied on a prospective basis and retrospective application is permitted.

The Organization is currently evaluating the effect that these updates will have on its financial statements.

*Leases*

The Organization determines if an arrangement is or contains a lease at inception. Leases are included in right-of-use (ROU) assets and lease liabilities in the statement of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term, and ROU assets also include prepaid or accrued rent. Operating lease expense is recognized on a straight-line basis over the lease term. The Organization does not report ROU assets and lease liabilities for its short-term leases (leases with a term of 12 months or less). Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term.

*Allowance for Credit Losses*

The Organization operates in the nonprofit industry and its accounts receivables are generally derived from program service revenues. At each statement of financial position date, the Organization recognizes an expected allowance for credit losses. In addition, also at each reporting date, this estimate is updated to reflect any changes in credit risk since the receivable was initially recorded. The allowance estimate is derived from a review of the Organization's historical losses based on the aging of receivables. This estimate is adjusted for management's assessment of current conditions, reasonable and supportable forecasts regarding future events, and any other factors deemed relevant by the Organization. The Organization believes historical loss information is a reasonable starting point in which to calculate the expected allowance for credit losses as the Organization's portfolio segment(s) have remained constant since the Organization's inception. As of December 31, 2023, the Organization has no accounts receivables, thus no allowance for credit losses has been recognized.

**BROADWAY MALL ASSOCIATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

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**1) NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

*Allowance for Credit Losses (Cont'd)*

The Organization writes off receivables when there is information that indicates the debtor is facing significant financial difficulty and there is no possibility of recovery. If any recoveries are made from any accounts previously written off, they will be recognized in income or an offset to credit loss expense in the year of recovery, in accordance with the entity's accounting policy election. There were no write-offs to the financial statements for the year ended December 31, 2023.

*Comparative Data*

The amounts shown for the year ended December 31, 2022 in the accompanying financial statements are included to provide a basis for comparison with 2023 and present summarized totals only. Accordingly, the 2022 totals are not intended to present all information necessary for a fair presentation in conformity with accounting principles generally accepted in the United States of America. Such information should be read in conjunction with the Organization's audited financial statements for the year ended December 31, 2022, from which the summarized information was derived.

**2) LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure, that is, without donor or other restriction limiting their use, within one year of the statement of financial position date, comprise the following:

<u>Financial assets at year-end</u>	<u>Gross amount</u>	<u>Less: Amounts not available to be used within one year</u>	<u>Financial assets available to meet general expenditures within one year</u>
Cash and cash equivalents	\$ 689,121	\$ 268,951	\$ 420,170
Grants and contributions receivable	240,725	105,000	135,725
Other receivables	1,057	-	1,057
Security deposit	1,500	1,500	-
Total	<u>\$ 932,403</u>	<u>\$ 375,451</u>	<u>\$ 556,952</u>

The Organization is supported by restricted contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

**BROADWAY MALL ASSOCIATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

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**3) FAIR VALUE MEASUREMENTS**

The Organization's financial instruments are reported at fair value in the accompanying statement of financial position. The methods used to measure fair value may produce an amount that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

ASC 820, *Fair Value Measurement*, establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority; level 2, defined as inputs other than the quoted prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions. The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. At December 31, 2023, no investments at fair value are noted in the statement of financial position.

**4) GRANTS AND CONTRIBUTIONS RECEIVABLE**

Grants and contributions receivable at December 31, 2023 consists of the following:

Tiger Baron Foundation	\$ 150,000
Rose Associates	19,500
Columbia University Medical Center.	15,000
New York City Council Grant	5,000
Union Theological Seminary	5,000
Various donors	<u>46,225</u>
	<u>\$ 240,725</u>

These amounts are generally collected within one year. The Organization believes its receivables to be fully collectible; accordingly, no allowance for doubtful account was recorded for the year then ended.

**5) FUNCTIONALIZED EXPENSES**

The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of the Organization. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include compensation, office expense, payroll service, insurance, and depreciation, which are allocated on the basis of estimates of time and effort, as well as occupancy, which is allocated on a square footage basis.



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**6) PROPERTY AND EQUIPMENT**

The following is a summary of property and equipment less accumulated depreciation as of December 31, 2023. Depreciation for the year then ended was \$1,289.

Equipment	\$ 6,444
Less: accumulated depreciation	<u>2,951</u>
	<u>\$ 3,493</u>

**7) DISSAGGREGATION OF REVENUE FROM CONTRACTS WITH CUSTOMERS**

The following table disaggregates the Organization's revenue from contracts with customers based on the timing of satisfaction of performance obligations for the year ended December 31, 2023:

Revenue recognized at a point in time:	
Special events revenue (exchange portion)	\$ <u>15,775</u>
Total revenue from contracts with customers	\$ <u>15,775</u>

**8) LEASE COMMITMENTS**

The Organization evaluated current contracts to determine which met the criteria of a lease. The right-of-use (ROU) assets represent the Organization right to use underlying assets for the lease term, and the lease liabilities represent the Organization's obligation to make lease payments arising from these leases. The ROU assets and lease liabilities, all of which arise from operating leases, were calculated based on the present value of future lease payments over the lease terms. The Organization has made an accounting policy election to use a risk-free rate in lieu of its incremental borrowing rate to discount future lease payments. The Organization has implemented ASC 842 on January 1, 2021. The discount rate applied to calculate lease liabilities as of implementation date was 0.36%. As of December 31, 2023, the weighted-average remaining lease term for the Organization's operating leases was approximately 2 years.

The Organization leases an office space located in Suite 403 at 2095 Broadway in the Borough of Manhattan, New York City. The lease commenced on September 1, 2020, and will expire on December 31, 2025. For the year ended December 31, 2023, the total occupancy cost amounted to \$29,690.

Total right-of-use assets and lease liabilities at December 31, 2023 are as follows:

	<u>Right-of-use asset</u>	<u>Lease liability</u>
Balance, January 1, 2023	\$ 87,924	\$ 91,550
Lease payments	-	(29,786)
Amortization/interest	<u>(29,199)</u>	<u>281</u>
Balance, December 31, 2023	<u>\$ 58,725</u>	<u>\$ 62,045</u>

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**8) LEASE COMMITMENTS (CONT'D)**

Future minimum rental payments as of December 31, 2023 are as follows:

Year ended	
December 31,	
2024	\$ 30,679
2025	<u>31,600</u>
Total lease payments	62,279
Less interest	<u>234</u>
Present value of lease liability	<u>\$ 62,045</u>

**9) ADVERTISING AND MARKETING COSTS**

For the year ended December 31, 2023, advertising and marketing costs totaled \$210.

**10) NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are restricted for the following purposes or periods:

Satisfaction of purpose restrictions:

Test mall renovation	\$ 268,951
Horticulture, Winter Lighting, and Public Art	<u>5,000</u>
	<u>273,951</u>

Subject to passage of time:

For periods after December 31, 2023	<u>150,000</u>
Total restrictions released	<u>\$ 423,951</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or other events specified by the donors as follows for the year ended December 31, 2023:

Satisfaction of purpose restrictions:

Maintenance and landscaping	\$ 110,000
Total	<u>\$ 110,000</u>

**11) CONCENTRATION OF RISKS**

The Organization maintains its cash balances at a major financial institution. The balances, at times, may exceed federally insured limits. As of December 31, 2023, uninsured balances totaled \$210,454. The Organization has not experienced any losses on such accounts and believes it is not exposed to any significant credit risk regarding its cash balances.

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**11) CONCENTRATION OF RISKS (CONT'D)**

The Organization received approximately 52% of its total grants and contributions from two foundation donors. As of December 31, 2023, approximately 62% of the grants and contributions receivable is from one foundation donor. The concentration from the contributor does not make the Organization vulnerable to a risk of severe near-term impact because the Organization only spends money according to the amount received from the contributors and other revenue.

**12) SUBSEQUENT EVENTS**

Management has evaluated subsequent events through May 10, 2024, which is the date the financial statements were available to be issued. Management is not aware of any material subsequent events.