

**New York Landmarks Conservancy, Inc.**

Financial Statements

December 31, 2013

## **Independent Auditors' Report**

### **Board of Directors New York Landmarks Conservancy, Inc.**

We have audited the accompanying financial statements of New York Landmarks Conservancy, Inc., which comprise the statement of financial position as of December 31, 2013, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

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

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

### ***Auditors' Responsibility***

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

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

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

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of New York Landmarks Conservancy, Inc. as of December 31, 2013, 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.

***Report on Summarized Comparative Information***

We have previously audited New York Landmarks Conservancy, Inc.'s December 31, 2012 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 23, 2013. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2012 is consistent, in all material respects, with the audited financial statements from which it has been derived.

***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses on pages 17 and 18 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*O'Connor Davies, LLP*

April 22, 2014

**New York Landmarks Conservancy, Inc.**

Statement of Financial Position

December 31, 2013

(with comparative amounts at December 31, 2012)

	2013	2012
<b>ASSETS</b>		
Cash and cash equivalents	\$ 1,887,571	\$ 1,829,976
Pledges receivable	961,678	2,221,500
Loans receivable	173,318	66,781
Due from New York City Historic Properties Fund, Inc.	59,343	62,385
Prepaid expenses and other assets	9,575	13,618
Cash and cash equivalents held for other agencies	96,394	91,565
Investments	5,418,381	4,153,799
Property and equipment, net	40,503	36,038
Permanently restricted investments	2,397,068	2,397,068
	\$ 11,043,831	\$ 10,872,730
 <b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Accounts payable and accrued liabilities	\$ 26,724	\$ 24,483
Grants payable	1,326,831	1,250,947
Deferred rent	134,667	141,474
Due to New York City Historic Properties Fund, Inc.	58,138	39,051
Amounts held for other agencies		
Queens Historic Properties Fund	94,188	91,315
West Park Presbyterian Church	2,206	250
Total Liabilities	1,642,754	1,547,520
Net Assets		
Unrestricted		
Undesignated	560,923	418,497
Board designated	4,603,488	3,674,934
Total Unrestricted	5,164,411	4,093,431
Temporarily restricted	1,839,598	2,834,711
Permanently restricted	2,397,068	2,397,068
Total Net Assets	9,401,077	9,325,210
	\$ 11,043,831	\$ 10,872,730

See notes to financial statements

**New York Landmarks Conservancy, Inc.**

Statement of Activities  
Year Ended December 31, 2013  
(with summarized totals for the year ended December 31, 2012)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>2013 Total</u>	<u>2012 Total</u>
<b>OPERATING REVENUE AND SUPPORT</b>					
Contributions	\$ 537,972	\$ 1,089,322	\$ -	\$ 1,627,294	\$ 4,628,138
Special events, net of direct benefit to donor of \$288,752 and \$300,193	705,522	-	-	705,522	917,303
Government grants	25,839	51,678	-	77,517	-
Contributed services	-	-	-	-	159,319
Investment return used for operations	117,280	94,517	-	211,797	151,155
Program services income	15,437	17,723	-	33,160	49,219
	<u>1,402,050</u>	<u>1,253,240</u>	<u>-</u>	<u>2,655,290</u>	<u>5,905,134</u>
Net assets released from restrictions	<u>2,516,848</u>	<u>(2,516,848)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Operating Revenue and Support	<u>3,918,898</u>	<u>(1,263,608)</u>	<u>-</u>	<u>2,655,290</u>	<u>5,905,134</u>
<b>EXPENSES</b>					
Program	2,323,716	-	-	2,323,716	2,792,380
Development and fundraising	579,171	-	-	579,171	586,027
Administration	331,817	-	-	331,817	350,786
Total Expenses	<u>3,234,704</u>	<u>-</u>	<u>-</u>	<u>3,234,704</u>	<u>3,729,193</u>
Excess of Operating Revenue and Support Over Expenses	684,194	(1,263,608)	-	(579,414)	2,175,941
<b>NON-OPERATING ACTIVITIES</b>					
Non-operating investment return	<u>386,786</u>	<u>268,495</u>	<u>-</u>	<u>655,281</u>	<u>367,885</u>
Change in Net Assets	1,070,980	(995,113)	-	75,867	2,543,826
<b>NET ASSETS</b>					
Beginning of Year	<u>4,093,431</u>	<u>2,834,711</u>	<u>2,397,068</u>	<u>9,325,210</u>	<u>6,781,384</u>
End of Year	<u>\$ 5,164,411</u>	<u>\$ 1,839,598</u>	<u>\$ 2,397,068</u>	<u>\$ 9,401,077</u>	<u>\$ 9,325,210</u>

See notes to financial statements

**New York Landmarks Conservancy, Inc.**

Statement of Cash Flows

Year Ended December 31, 2013

(with comparative amounts for the year ended December 31, 2012)

	2013	2012
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 75,867	\$ 2,543,826
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	8,016	17,828
Amortization of deferred rent	(6,807)	(6,806)
Net realized and unrealized gain on investments	(704,537)	(456,201)
Changes in operating assets and liabilities		
Pledges receivable	1,259,822	(1,296,500)
Due from New York City Historic Properties Fund, Inc.	3,042	(7,763)
Prepaid expenses and other assets	4,043	21,364
Accounts payable and accrued liabilities	2,241	5,546
Grants payable	75,884	(44,607)
Due to New York City Historic Properties Fund, Inc.	19,087	(10,605)
Net Cash from Operating Activities	736,658	766,082
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(12,481)	-
Loans issued	(120,000)	-
Loan repayments	13,463	12,270
Proceeds from sales of investments	3,017,532	3,268,913
Purchase of investments	(3,044,863)	(4,174,097)
Change in short term investments	(532,714)	(31,432)
Net Cash from Investing Activities	(679,063)	(924,346)
Net Change in Cash and Cash Equivalents	57,595	(158,264)
<b>CASH AND CASH EQUIVALENTS</b>		
Beginning of the year	1,829,976	1,988,240
End of the year	\$ 1,887,571	\$ 1,829,976

See notes to financial statements

## **New York Landmarks Conservancy, Inc.**

Notes to Financial Statements  
December 31, 2013

### **1. Organization and Tax Status**

New York Landmarks Conservancy, Inc. (the "Organization"), established in 1973, is a non-profit organization dedicated to the preservation and reuse of architecturally, culturally and historically significant buildings throughout New York City and the State of New York. The Organization's goals are to devise and implement economically sound reuse strategies for landmark buildings, carry out studies and formulate new technology, utilize legal and economic tools as incentives to historic preservation, disseminate preservation-related information to the public, assist community groups in achieving urban renewal through the revitalization of existing structures, and provide technical assistance to owners of landmark properties. It derives most of its revenue and support from contributions and grants made by individuals, corporations and foundations.

The Organization has been granted tax-exempt status from the Internal Revenue Service under Section 501(c)(3) of the Internal Revenue Code and, accordingly, is not subject to federal or state income taxes.

### **2. Summary of Significant Accounting Policies**

#### ***Use of Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires the Organization's management to make certain estimates and assumptions relating to the reporting of assets and liabilities and the 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.

#### ***Measure of operations***

The Organization includes in its measure of operations all revenues and expenses that are an integral part of its program and supporting activities and excludes permanently restricted contributions, and investment return in excess of the Organization's spend rate.

#### ***Cash and Cash Equivalents***

Cash and cash equivalents include all highly liquid investments with original maturities of three months or less when purchased.

#### ***Pledges Receivable***

Pledges receivable are stated at their estimated fair value. Amounts due in more than one year are stated at the present value of the estimated future cash flows, discounted using a risk-adjusted rate.

## **New York Landmarks Conservancy, Inc.**

Notes to Financial Statements  
December 31, 2013

### **2. Summary of Significant Accounting Policies (*continued*)**

#### ***Cash and Cash Equivalents Held for Other Agencies***

The Organization maintains cash and cash equivalents for others in connection with transactions in which the Organization acts as an agent. These cash and cash equivalents are reported in the statement of financial position with related liability accounts categorized under amounts held for other agencies.

#### ***Fair Value Measurements***

The Organization follows Financial Accounting Standards Board (FASB) guidance on Fair Value Measurements which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

#### ***Investments and Investment Income Recognition***

Investments are stated at fair value. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis and dividends are recorded on the ex-dividend date. Realized and unrealized gains and losses are included in the determination of the change in net assets.

#### ***Property and Equipment***

Property and equipment are stated at cost and depreciated on a straight line basis over their estimated useful lives, ranging from 3 to 15 years. The Organization capitalizes all expenditures for property and equipment in excess of \$2,000. Leasehold improvements are stated at cost and amortized on a straight-line basis over the shorter of the lease term or their estimated useful life.

#### ***Deferred Rent***

Certain operating leases provide a rent holiday which is amortized on a straight line basis over the term of the lease. Other operating leases may contain escalation costs which are also amortized on a straight line basis over the lease term.



## **New York Landmarks Conservancy, Inc.**

Notes to Financial Statements  
December 31, 2013

### **2. Summary of Significant Accounting Policies (*continued*)**

#### ***Net Assets Presentation***

Unrestricted net assets have no restriction as to use or purpose imposed by donors. Temporarily restricted net assets are those whose use is limited by donors to a specific time period or purpose. Permanently restricted net assets are limited by donors for investment in perpetuity.

#### ***Contributions***

Contributions received, including unconditional promises to give, are recognized as revenue in the period received. The Organization reports gifts as restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are restricted as support for future periods. When donor restrictions expire, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

The Organization reports gifts of goods and equipment at fair value on the date of the gift. Such gifts are reported as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or purchased long-lived assets are placed in service.

#### ***Contributed Services***

The fair value of contributed services is reported as a contribution if such services create or enhance non-financial assets, require specialized skills, and are provided by individuals possessing such specialized skills.

#### ***Art Collection***

The Organization maintains a donated art collection that is not recognized as an asset on the statement of financial position. The collection has been appraised at \$2,000,000 as of June 2008.

#### ***Accounting for Uncertainty in Income Taxes***

The Organization recognizes the effect of income tax positions only if those positions are more likely than not to be sustained. Management has determined that the Organization had no uncertain tax positions that would require financial statement recognition. The Organization is no longer subject to audits by the applicable taxing jurisdictions for periods prior to 2010.

## **New York Landmarks Conservancy, Inc.**

Notes to Financial Statements  
December 31, 2013

### **2. Summary of Significant Accounting Policies (*continued*)**

#### ***Subsequent Events Evaluation by Management***

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is April 22, 2014.

#### ***Prior Year Summarized Information***

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information is not intended to include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for 2012.

### **3. Concentration of Credit Risk**

The Organization maintains cash in bank accounts which at times may exceed federally insured limits. This potentially subjects the Organization to a concentration of credit risk. The Organization has not experienced any losses in such accounts.

Pledges receivable are from limited sources, subjecting the Organization to a concentration of credit risk.

The investment portfolio is managed by professional investment advisors and managers and is diversified by type of investment and industry concentrations so that no individual investment or group of investments represents a significant concentration of market risk.

### **4. Pledges Receivable**

Pledges receivable at December 31, 2013 are deemed fully collectible by management. Collection of these pledges is expected in 2014.

### **5. Program-Related Loans Receivable**

Program loans receivable consist of secured loans made to various individuals, corporations and organizations for landmarks restoration and preservation of their historic properties. The loans bear interest ranging from 3% to 5% with loan terms expiring through 2018. All loan payments are current as of December 31, 2013.

Based on an evaluation of the historical collectibility of outstanding loans receivable, management has deemed that an allowance for uncollectible amounts was not necessary at December 31, 2013. Ultimate losses, however, may vary materially from current estimates at December 31, 2013. Management reviews these estimates on an ongoing basis, and as changes become necessary, adjusts the allowance accordingly.

**New York Landmarks Conservancy, Inc.**

Notes to Financial Statements  
December 31, 2013

**5. Program-Related Loans Receivable (continued)**

Scheduled collections on the outstanding loans are to be received as follows:

2014	\$ 13,457
2015	13,457
2016	13,457
2017	12,947
2018	<u>120,000</u>
	<u>\$ 173,318</u>

**6. Due from New York City Historic Properties Fund, Inc. (NYCHPF)**

The Organization has a management contract with NYCHPF, a related party, whereby NYCHPF reimburses the Organization for management and administrative costs provided. During 2013, the Organization was reimbursed \$398,804 by NYCHPF for direct expenses and for common costs associated with the administration and management of NYCHPF. At December 31, 2013, the Organization had a receivable from NYCHPF of \$59,343.

**7. Investments and Investment Return**

The following presents the fair value hierarchy of those investments (including cash and cash equivalents, which are measured at cost) that are measured at fair value at December 31, 2013:

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Fixed Income			
Corporate bonds	\$ -	\$1,618,503	\$ 1,618,503
Exchange traded funds	511,242	-	511,242
U.S government securities	<u>53,976</u>	-	<u>53,976</u>
Total fixed income	<u>565,218</u>	<u>1,618,503</u>	<u>2,183,721</u>
Equities			
Financial	1,084,326	-	1,084,326
Information technology	970,071	-	970,071
Consumer discretionary	650,386	-	650,386
Healthcare	603,809	-	603,809
Energy	554,545	-	554,545
Industrial	505,796	-	505,796
Consumer staples	<u>425,335</u>	-	<u>425,335</u>
Total equities	<u>4,794,268</u>	-	<u>4,794,268</u>
Cash and cash equivalents			<u>837,460</u>
Total Investments			<u>\$ 7,815,449</u>

## New York Landmarks Conservancy, Inc.

Notes to Financial Statements  
December 31, 2013

### 7. Investments and Investment Return *(continued)*

Investment return for 2013 consists of the following:

Interest and dividend income	\$ 239,739
Investment fees	(77,198)
Net realized and unrealized gain on investments	<u>704,537</u>
	<u>\$ 867,078</u>

### 8. Property and Equipment

Property and equipment consist of the following at December 31, 2013:

Furniture and equipment	\$ 163,287
Leasehold improvements	<u>58,894</u>
	222,181
Accumulated depreciation	<u>(181,678)</u>
	<u>\$ 40,503</u>

### 9. Due to NYCHPF

Investment earnings of \$58,138 from the Brendan Gill endowment fund is owed to NYCHPF. The amount was paid subsequent to year-end.

### 10. Operating Lease

The Organization occupies offices in New York City at One Whitehall Street, under a noncancellable operating lease expiring September 30, 2021. Future minimum lease payments under the terms of the agreement are as follows:

2014	\$ 231,768
2015	231,768
2016	237,096
2017	247,752
2018	247,752
Thereafter	<u>681,318</u>
	<u>\$ 1,877,454</u>

Rent expense for 2013 was \$224,507.

## New York Landmarks Conservancy, Inc.

Notes to Financial Statements  
December 31, 2013

### 11. Board Designated Net Assets

The Board of Directors designated a portion of the Organization's accumulated unrestricted net assets at December 31, 2013 as follows:

Preservation easements	\$ 1,151,809
Endangered Buildings Fund	474,751
Leuders Fund	393,782
40 Year Anniversary	1,450,794
Board grants	<u>1,132,352</u>
	<u>\$ 4,603,488</u>

### 12. Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes at December 31, 2013:

City Ventures Fund	\$ 50,483
Lucy G. Moses Awards	222,293
Emergency Grant Program	26,670
Sacred Sites Program	1,085,771
EZ Consulting Grant Program	61,185
Erasmus	679
25 Year Anniversary Fund	115,975
Brendan Gill Endowment for Historic Preservation	203,364
New York State Council for the Arts	51,678
Public Policy	6,500
Pledges 2014	<u>15,000</u>
	<u>\$ 1,839,598</u>

Net assets were released from donor restrictions by incurring expenses satisfying the following restricted purposes in 2013:

Brendan Gill Endowment for Historic Preservation	\$ 58,137
City Ventures Fund	28,014
Lucy G. Moses Awards	118,168
Emergency Grant Program	143,349
Sacred Sites Program	776,398
Public Policy	3,500
New York City Historic Properties Fund	12,000
EZ Consulting Grant Program	59,402
25 Year Anniversary Fund	11,380
Pledges 2014	<u>1,306,500</u>
	<u>\$ 2,516,848</u>

## New York Landmarks Conservancy, Inc.

Notes to Financial Statements  
December 31, 2013

### 13. Permanently Restricted Net Assets

Permanently restricted net assets are restricted to investment in perpetuity, the income from which is expendable to support the following at December 31, 2013:

Lucy G. Moses Awards Endowment	\$ 335,000
Brendan Gill Endowment for Historic Preservation	1,783,225
25 Year Anniversary endowment	<u>278,843</u>
	<u>\$ 2,397,068</u>

### 14. Endowment

#### *Interpretation of Law*

The Organization follows the New York Prudent Management of Institutional Funds Act ("NYPMIFA"), which requires the preservation of the value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary, and except in those cases where the law allows appropriation for spending of the original gift amounts. As a result, the Board classifies as permanently restricted net assets (a) the original value of the gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations of investment returns to the permanent endowment made in accordance with the direction of the 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 permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Board in a manner consistent with the standard of prudence prescribed by NYPMIFA.

#### *Return Objectives and Risk Parameters*

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment, while attempting to increase the value of the endowment assets, including both donor-restricted and board designated funds.

The Organization utilizes a total return investment approach with its asset allocation diversified over multiple asset classes and sub classes. Endowment return objectives are to exceed composite benchmark results of approximately five percent (5%) over the long term with a moderate level of risk. In order to achieve this objective, the Organization follows the strategy of weighing the asset allocation to higher yielding asset classes, including equities, with marginally higher risk characteristics. The total return objective includes the funding of both the current year spending rate amount and the amount required to be retained pursuant to the Board's interpretation of State law.

**New York Landmarks Conservancy, Inc.**

Notes to Financial Statements  
December 31, 2013

**14. Endowment (*continued*)**

***Spending Rate Methods***

The Organization invests its endowment funds and allocates the related earnings for expenditure in accordance with the total return concept. The endowment usage is determined in accordance with the policy adopted by the Organization. The Board utilizes various spending methods to determine its annual drawdown from the endowment funds as follows:

**Board Designated**

- Preservation Easements endowment – at the discretion of the Board
- Endangered Buildings endowment – at the discretion of the Board
- Leuders endowment – at the discretion of the Board
- 40 Year Anniversary – at the discretion of the Board
- Board Programmatic – at the discretion of the Board

**Donor Restricted**

- Lucy G. Moses endowment – 4% of the trailing 5 year average of the fair value balance of the endowment fund to offset allocated expenses
- Brendan Gill endowment – interest and dividends earned
- 25 Year Anniversary endowment – interest and dividends earned

## New York Landmarks Conservancy, Inc.

Notes to Financial Statements  
December 31, 2013

### 14. Endowment (continued)

Changes in endowment and other invested funds for 2013 consist of the following:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Balance, beginning of year, endowment funds	\$ 3,541,189	\$ 150,848	\$ 2,397,068	\$ 6,089,105
Contributions	788,286	-	-	788,286
Interest and dividends	111,223	78,008	-	189,231
Investment fees	(40,466)	(28,414)	-	(68,880)
Capital appreciation	394,213	237,866	-	632,079
Expenditures	<u>(408,063)</u>	<u>(60,831)</u>	-	<u>(468,894)</u>
Balance, end of year, endowment funds	4,386,382	377,477	2,397,068	7,160,927
Other investments, not part of endowment funds				
Operating fund	207,720	-	-	207,720
Sacred Sites Program	-	446,802	-	446,802
Total investments	<u>\$ 4,594,102</u>	<u>\$ 824,279</u>	<u>\$ 2,397,068</u>	<u>\$ 7,815,449</u>
Comprised of the following:				
Preservation Easements fund	\$ 1,151,809	\$ -	\$ -	\$ 1,151,809
40 Year Anniversary	1,450,794	-	-	1,450,794
Endangered buildings fund	301,433	-	-	301,433
Leuders endowment	393,783	-	-	393,783
25 Year Anniversary endowment	-	115,975	278,843	394,818
Lucy G. Moses Awards endowment	(43,789)	-	335,000	291,211
Board Programmatic	1,132,352	-	-	1,132,352
Brendan Gill endowment	<u>-</u>	<u>261,502</u>	<u>1,783,225</u>	<u>2,044,727</u>
Total endowment funds	4,386,382	377,477	2,397,068	7,160,927
Operating fund	207,720	-	-	207,720
Sacred Sites program	-	446,802	-	446,802
Total investments	<u>\$ 4,594,102</u>	<u>\$ 824,279</u>	<u>\$ 2,397,068</u>	<u>\$ 7,815,449</u>
Donor endowed	\$ 1,088,563	\$ 377,477	\$ 2,397,068	\$ 3,863,108
Board designated	<u>3,297,819</u>	<u>-</u>	<u>-</u>	<u>3,297,819</u>
Total endowment funds	4,386,382	377,477	2,397,068	7,160,927
Operating fund	207,720	-	-	207,720
Sacred Sites program	-	446,802	-	446,802
Total investments	<u>\$ 4,594,102</u>	<u>\$ 824,279</u>	<u>\$ 2,397,068</u>	<u>\$ 7,815,449</u>

### **Funds With Deficiencies**

The permanently restricted endowment funds have experienced losses due to market fluctuations. U.S. GAAP requires that such excess losses be absorbed by the unrestricted net assets of the Organization and that future gains be allocated to unrestricted net assets until such losses have been restored. During 2013, \$23,174 of previously absorbed losses were restored to unrestricted net assets. Remaining aggregate cumulative losses absorbed by the unrestricted net assets at December 31, 2013 amounted to \$43,789.



**New York Landmarks Conservancy, Inc.**

Notes to Financial Statements  
December 31, 2013

**15. Retirement Plan**

The Organization has a 403(b) plan that provides for discretionary contributions for eligible employees, limited to the maximum annual amount allowed by the Internal Revenue Service. The Organization's contributions amounted to \$59,983 in 2013.

**16. Commitments**

The Organization and the Upper Manhattan Empowerment Zone Development Corporation (UMEZ) have extended their agreement to October 31, 2019 for the formation and operation of the Upper Manhattan Historic Preservation Fund. This program is intended to promote tourism in Harlem through the preservation of its historic sites and neighborhood. The Organization has committed staff to operate this program.

\* \* \* \* \*

**New York Landmarks Conservancy, Inc.**

Supplementary Information

**New York Landmarks Conservancy, Inc.**

Schedule of Functional Expenses  
Year Ended December 31, 2013  
(with summarized totals for the year ended December 31, 2012)

	Programs								
	Sacred Sites Program	Upper Manhattan	Public Policy	Technical Services	Emergency Grants	Easements	City		Total Program
		Historic Preservation Fund					Ventures Fund	Endangered Buildings	
Salaries	\$ 251,945	\$ 7,920	\$ 160,461	\$ 55,390	\$ 69,732	\$ 77,097	\$ 25,679	\$ 28,580	\$ 676,804
Payroll taxes and benefits	52,715	1,652	33,466	11,552	14,543	16,079	5,356	5,961	141,324
Total Salaries and Related Expenses	304,660	9,572	193,927	66,942	84,275	93,176	31,035	34,541	818,128
Professional fees and purchased services	319,060	637	16,935	4,458	86,461	17,155	30,048	16,026	490,780
Occupancy and insurance	56,309	1,770	35,863	12,380	15,585	17,231	5,739	6,388	151,265
Equipment lease and maintenance	1,275	40	812	280	353	390	130	145	3,425
Telephone	2,309	73	1,471	508	639	707	235	262	6,204
Postage, shipping and messenger	2,150	67	1,639	465	586	648	216	240	6,011
Copying, printing and photos	4,822	141	11,239	985	1,241	1,372	457	508	20,765
Supplies	2,902	88	1,776	613	772	853	284	316	7,604
Travel, catering, and meetings	9,774	152	3,674	1,063	1,338	1,587	493	548	18,629
Other events	-	-	97,798	-	-	-	-	-	97,798
Grants - direct	518,375	46,050	-	10,625	55,000	-	-	61,000	691,050
Dues and subscriptions	2,163	61	1,238	427	538	595	198	220	5,440
Depreciation	1,525	48	971	335	422	467	155	173	4,096
Fees	666	21	603	146	184	204	68	76	1,968
Advertising	206	6	132	45	57	63	21	23	553
Total Expenses Before Reimbursement	1,226,196	58,726	368,078	99,272	247,451	134,448	69,079	120,466	2,323,716
Reimbursement of expenses	-	-	-	-	-	-	-	-	-
Total Expenses	\$ 1,226,196	\$ 58,726	\$ 368,078	\$ 99,272	\$ 247,451	\$ 134,448	\$ 69,079	\$ 120,466	\$ 2,323,716

(continued on next page)

**New York Landmarks Conservancy, Inc.**

Schedule of Functional Expenses  
Year Ended December 31, 2013  
(with summarized totals for the year ended December 31, 2012)

	Administration			Development and Fundraising	2013 Total	2012 Total
	Management and General	New York City Historic Properties Fund	Total Administration			
Salaries	\$ 138,085	\$ 266,069	\$ 404,154	\$ 243,170	\$ 1,324,128	\$ 1,297,482
Payroll taxes and benefits	28,799	53,392	82,191	50,716	274,231	261,211
Total Salaries and Related Expenses	166,884	319,461	486,345	293,886	1,598,359	1,558,693
Professional fees and purchased services	11,114	21,415	32,529	19,572	542,881	1,129,972
Occupancy and insurance	30,862	59,662	90,524	54,348	296,137	301,512
Equipment lease and maintenance	699	1,346	2,045	1,231	6,701	6,906
Telephone	1,266	2,439	3,705	2,229	12,138	17,032
Postage, shipping and messenger	1,160	2,827	3,987	3,854	13,852	15,638
Copying, printing and photos	2,456	4,733	7,189	29,060	57,014	48,693
Supplies	1,528	2,945	4,473	2,691	14,768	14,783
Travel, catering, and meetings	2,649	5,296	7,945	4,665	31,239	32,197
Other events	-	-	-	47,550	145,348	50,416
Grants - direct	-	70,138	70,138	-	761,188	597,946
Dues and subscriptions	4,993	2,052	7,045	1,876	14,361	8,874
Depreciation	837	1,611	2,448	1,472	8,016	17,828
Fees	10,577	1,348	11,925	642	14,535	13,904
Advertising	105	218	323	116,095	116,971	308,396
Total Expenses Before Reimbursement	235,130	495,491	730,621	579,171	3,633,508	4,122,790
Reimbursement of expenses	-	(398,804)	(398,804)	-	(398,804)	(393,597)
Total Expenses	\$ 235,130	\$ 96,687	\$ 331,817	\$ 579,171	\$ 3,234,704	\$ 3,729,193

See independent auditors' report