

New York Landmarks Conservancy, Inc.

Financial Statements

December 31, 2014

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, 2014, 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, 2014, 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, 2013 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 22, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2013 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 9, 2015

New York Landmarks Conservancy, Inc.

Statement of Financial Position

December 31, 2014

(with comparative amounts at December 31, 2013)

	<u>2014</u>	<u>2013</u>
ASSETS		
Cash and cash equivalents	\$ 2,338,955	\$ 1,887,571
Pledges receivable	980,124	961,678
Loans receivable	97,370	173,318
Due from New York City Historic Properties Fund, Inc.	65,571	59,343
Prepaid expenses and other assets	-	9,575
Cash and cash equivalents held for other agencies	105,966	96,394
Investments	5,893,593	5,418,381
Property and equipment, net	32,416	40,503
Permanently restricted investments	<u>2,397,068</u>	<u>2,397,068</u>
	<u>\$ 11,911,063</u>	<u>\$ 11,043,831</u>
 LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued liabilities	\$ 46,721	\$ 26,724
Grants payable	1,204,769	1,326,831
Deferred rent	127,861	134,667
Due to New York City Historic Properties Fund, Inc.	71,916	58,138
Amounts held for other agencies		
Queens Historic Properties Fund	97,037	94,188
NYS Pavillion	5,223	-
West Park Presbyterian Church	3,706	2,206
Total Liabilities	<u>1,557,233</u>	<u>1,642,754</u>
Net Assets		
Unrestricted		
Undesignated	573,983	560,923
Board designated	<u>5,767,296</u>	<u>4,603,488</u>
Total Unrestricted	6,341,279	5,164,411
Temporarily restricted	1,615,483	1,839,598
Permanently restricted	<u>2,397,068</u>	<u>2,397,068</u>
Total Net Assets	<u>10,353,830</u>	<u>9,401,077</u>
	<u>\$ 11,911,063</u>	<u>\$ 11,043,831</u>

See notes to financial statements

New York Landmarks Conservancy, Inc.

Statement of Activities

Year Ended December 31, 2014

(with summarized totals for the year ended December 31, 2013)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>2014 Total</u>	<u>2013 Total</u>
OPERATING REVENUE AND SUPPORT					
Contributions	\$ 1,867,525	\$ 596,687	\$ -	\$ 2,464,212	\$ 1,627,294
Special events, net of direct benefit to donor of \$300,193 and \$323,942	1,098,536	-	-	1,098,536	705,522
Government grants	10,000	90,000	-	100,000	77,517
Contributed services	5,825	-	-	5,825	-
Investment return used for operations	108,371	114,402	-	222,773	211,797
Program services income	<u>2,054</u>	<u>22,775</u>	<u>-</u>	<u>24,829</u>	<u>33,160</u>
	3,092,311	823,864	-	3,916,175	2,655,290
Net assets released from restrictions	<u>1,111,303</u>	<u>(1,111,303)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Operating Revenue and Support	<u>4,203,614</u>	<u>(287,439)</u>	<u>-</u>	<u>3,916,175</u>	<u>2,655,290</u>
EXPENSES					
Program	2,165,534	-	-	2,165,534	2,323,716
Development and fundraising	704,722	-	-	704,722	579,171
Administration	<u>324,204</u>	<u>-</u>	<u>-</u>	<u>324,204</u>	<u>331,817</u>
Total Expenses	<u>3,194,460</u>	<u>-</u>	<u>-</u>	<u>3,194,460</u>	<u>3,234,704</u>
Excess (Deficiency) of Operating Revenue and Support Over Expenses	1,009,154	(287,439)	-	721,715	(579,414)
NON-OPERATING ACTIVITIES					
Non-operating investment return	<u>167,714</u>	<u>63,324</u>	<u>-</u>	<u>231,038</u>	<u>655,281</u>
Change in Net Assets	1,176,868	(224,115)	-	952,753	75,867
NET ASSETS					
Beginning 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>
End of Year	<u>\$ 6,341,279</u>	<u>\$ 1,615,483</u>	<u>\$ 2,397,068</u>	<u>\$ 10,353,830</u>	<u>\$ 9,401,077</u>

See notes to financial statements

New York Landmarks Conservancy, Inc.

Statement of Cash Flows
Year Ended December 31, 2014

(with comparative amounts for the year ended December 31, 2013)

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 952,753	\$ 75,867
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	8,087	8,016
Amortization of deferred rent	(6,806)	(6,807)
Net realized and unrealized gain on investments	(143,580)	(704,537)
Changes in operating assets and liabilities		
Pledges receivable	(18,446)	1,259,822
Due from New York City Historic Properties Fund, Inc.	(6,228)	3,042
Prepaid expenses and other assets	9,575	4,043
Accounts payable and accrued liabilities	19,997	2,241
Grants payable	(122,062)	75,884
Due to New York City Historic Properties Fund, Inc.	13,778	19,087
Net Cash from Operating Activities	707,068	736,658
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	-	(12,481)
Loans issued	(18,000)	(120,000)
Loan repayments	93,948	13,463
Proceeds from sales of investments	7,862,317	3,017,532
Purchase of investments	(8,919,732)	(3,044,863)
Change in short term investments	725,783	(532,714)
Net Cash from Investing Activities	(255,684)	(679,063)
Net Change in Cash and Cash Equivalents	451,384	57,595
CASH AND CASH EQUIVALENTS		
Beginning of the year	1,887,571	1,829,976
End of the year	\$ 2,338,955	\$ 1,887,571

See notes to financial statements

New York Landmarks Conservancy, Inc.

Notes to Financial Statements
December 31, 2014

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, 2014

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 U.S. GAAP 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, 2014

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 \$400,000 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 or disclosure. The Organization is no longer subject to audits by the applicable taxing jurisdictions for periods prior to 2011.

New York Landmarks Conservancy, Inc.

Notes to Financial Statements
December 31, 2014

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 9, 2015.

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 2013.

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, 2014 are deemed fully collectible by management. Collection of these pledges is expected in 2015.

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 2% to 5% with loan terms expiring through 2018. All loan payments are current as of December 31, 2014.

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, 2014. Ultimate losses, however, may vary materially from current estimates at December 31, 2014. 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, 2014

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

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

2015	\$ 13,457
2016	30,967
2017	12,946
2018	40,000
	<u>\$ 97,370</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 2014, the Organization was reimbursed \$415,931 by NYCHPF for direct expenses and for common costs associated with the administration and management of NYCHPF. At December 31, 2014, the Organization had a receivable from NYCHPF of \$65,571.

7. Investments and Investment Return

Investments at December 31, 2014 consisted of:

	<u>Total</u>
Mutual Funds, at fair value	
US Large Value Equity	\$ 1,631,726
US Large Growth Equity	1,475,064
Fixed Income Opportunistic	1,388,791
Global Tactical	962,460
International Equity	817,958
Corporate Fixed Income	659,200
Bank Loan	412,576
Money Market	411,768
REITs - Real Estate Inv Trust	247,701
Emerging Markets Equity	171,740
Total Mutual Funds	<u>8,178,984</u>
Cash and cash equivalents, at cost	111,677
Total Investments	<u>\$ 8,290,661</u>

Investments stated at fair value are measured using Level 1 inputs.

New York Landmarks Conservancy, Inc.

Notes to Financial Statements
December 31, 2014

7. Investments and Investment Return *(continued)*

Investment return for 2014 consists of the following:

Interest and dividend income	\$ 360,363
Investment fees	(50,132)
Net realized and unrealized gain on investments	<u>143,580</u>
	<u>\$ 453,811</u>

8. Property and Equipment

Property and equipment consist of the following at December 31, 2014:

Furniture and equipment	\$ 163,287
Leasehold improvements	<u>58,894</u>
	222,181
Accumulated depreciation	<u>(189,765)</u>
	<u>\$ 32,416</u>

9. Due to NYCHPF

Investment earnings of \$71,916 from the Brendan Gill endowment fund are 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:

2015	\$ 231,768
2016	237,096
2017	247,752
2018	247,752
2019	247,752
Thereafter	<u>433,566</u>
	<u>\$ 1,645,686</u>

Rental expense for 2014 was \$241,902, which included letter of credit fees and tax escalation costs charged by the lessor amounting to \$16,940.

New York Landmarks Conservancy, Inc.

Notes to Financial Statements
December 31, 2014

11. Board Designated Net Assets

The Board of Directors designated a portion of the Organization's accumulated unrestricted net assets at December 31, 2014 as follows:

Preservation easements	\$ 1,209,483
Endangered Buildings Fund	477,892
Leuders Fund	396,715
40 Year Anniversary	1,461,596
Board grants	<u>2,221,610</u>
	<u>\$ 5,767,296</u>

12. Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes at December 31, 2014:

City Ventures Fund	\$ 44,802
Lucy G. Moses Awards	236,028
Emergency Grant Program	55,220
Sacred Sites Program	901,058
25 Year Anniversary Fund	118,914
Brendan Gill Endowment for Historic Preservation	244,461
Pledges receivable	<u>15,000</u>
	<u>\$1,615,483</u>

Net assets were released from donor restrictions by incurring expenses satisfying the following restricted purposes in 2014:

Brendan Gill Endowment for Historic Preservation	\$ 71,916
City Ventures Fund	27,931
Lucy G. Moses Awards	110,795
Emergency Grant Program	13,950
Sacred Sites Program	641,928
Public Policy	6,500
Erasmus	679
State Grants	90,000
New York City Council of Arts	51,678
EZ Consulting Grant Program	61,185
25 Year Anniversary Fund	19,741
Pledges receivable	<u>15,000</u>
	<u>\$1,111,303</u>

New York Landmarks Conservancy, Inc.

Notes to Financial Statements
December 31, 2014

13. Permanently Restricted Net Assets

Permanently restricted net assets are restricted to investment in perpetuity, the income from which is expendable per donor intentions at December 31, 2014:

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, 2014

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 – 4% of the trailing 5 year average of the fair value balance of the endowment fund to offset allocated expenses
- 25 Year Anniversary endowment – 5% of the trailing 5 year average of the fair value balance of the endowment fund to offset allocated expenses

New York Landmarks Conservancy, Inc.

Notes to Financial Statements
December 31, 2014

14. Endowment (continued)

Changes in endowment and other invested funds for 2014 consist of the following:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Balance, beginning of year, endowment funds	\$ 4,386,382	\$ 377,477	\$ 2,397,068	\$ 7,160,927
Contributions	97,012	-	-	97,012
Interest and dividends	201,660	121,093	-	322,753
Investment fees	(28,579)	(17,181)	-	(45,760)
Capital appreciation	89,554	42,780	-	132,334
Expenditures	<u>(142,222)</u>	<u>(160,794)</u>	<u>-</u>	<u>(303,016)</u>
Balance, end of year, endowment funds	4,603,807	363,375	2,397,068	7,364,250
Other investments, not part of endowment funds				
Operating fund	505,580	-	-	505,580
Sacred Sites Program	-	420,831	-	420,831
Total investments	<u>\$ 5,109,387</u>	<u>\$ 784,206</u>	<u>\$ 2,397,068</u>	<u>\$ 8,290,661</u>
Comprised of the following:				
Preservation Easements fund	\$ 1,209,483	\$ -	\$ -	\$ 1,209,483
40 Year Anniversary	1,461,596	-	-	1,461,596
Endangered buildings fund	380,522	-	-	380,522
Leuders endowment	396,715	-	-	396,715
25 Year Anniversary endowment	-	118,914	278,843	397,757
Lucy G. Moses Awards endowment	(38,034)	-	335,000	296,966
Board Programmatic	1,121,609	-	-	1,121,609
Brendan Gill endowment	<u>71,916</u>	<u>244,461</u>	<u>1,783,225</u>	<u>2,099,602</u>
Total endowment funds	4,603,807	363,375	2,397,068	7,364,250
Operating fund	505,580	-	-	505,580
Sacred Sites program	-	420,831	-	420,831
Total investments	<u>\$ 5,109,387</u>	<u>\$ 784,206</u>	<u>\$ 2,397,068</u>	<u>\$ 8,290,661</u>
Donor endowed	\$ 1,155,491	\$ 363,375	\$ 2,397,068	\$ 3,915,934
Board designated	<u>3,448,316</u>	<u>-</u>	<u>-</u>	<u>3,448,316</u>
Total endowment funds	4,603,807	363,375	2,397,068	7,364,250
Operating fund	505,580	-	-	505,580
Sacred Sites program	-	420,831	-	420,831
Total investments	<u>\$ 5,109,387</u>	<u>\$ 784,206</u>	<u>\$ 2,397,068</u>	<u>\$ 8,290,661</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 2014, \$5,755 of previously absorbed losses were restored to unrestricted net assets. Remaining aggregate cumulative losses absorbed by the unrestricted net assets at December 31, 2014 amounted to \$38,034.

New York Landmarks Conservancy, Inc.

Notes to Financial Statements
December 31, 2014

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 \$66,675 in 2014.

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.

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New York Landmarks Conservancy, Inc.

Supplementary Information

New York Landmarks Conservancy, Inc.

Schedule of Functional Expenses
Year Ended December 31, 2014
(with summarized totals for the year ended December 31, 2013)

	Programs								Total Program
	Sacred Sites Program	Upper Manhattan Historic Preservation Fund	Public Policy	Technical Services	Emergency Grants	Easements	City Ventures Fund	Endangered Buildings	
Salaries	254,995	8,055	173,958	62,675	70,918	61,297	26,116	29,066	687,080
Payroll taxes and benefits	61,106	1,930	41,687	15,019	16,994	14,689	6,258	6,965	164,649
Total Salaries and Related Expenses	316,101	9,985	215,645	77,694	87,912	75,986	32,374	36,031	851,729
Professional fees and purchased services (includes \$5,825 of contributed services in 2014)	179,488	818	114,162	6,364	15,151	14,750	11,402	22,283	364,418
Occupancy and insurance	62,578	1,977	42,690	15,381	17,404	15,043	6,409	7,133	168,615
Equipment lease and maintenance	1,556	49	1,062	383	433	374	159	177	4,193
Telephone	2,498	79	1,704	614	695	601	256	285	6,732
Postage, shipping and messenger	2,223	68	1,470	530	600	518	220	246	5,875
Copying, printing and photos	6,177	112	11,252	870	984	851	363	404	21,013
Supplies	3,098	98	2,113	761	862	745	317	353	8,347
Travel, catering, and meetings	9,669	144	3,696	1,116	1,263	1,092	525	518	18,023
Other events	-	-	90,361	-	-	-	-	-	90,361
Grants - direct	530,300	42,000	-	10,625	6,000	-	19,800	-	608,725
Dues and subscriptions	1,458	46	994	358	406	351	149	166	3,928
Depreciation	1,520	48	1,037	374	423	365	156	173	4,096
Fees	3,518	111	2,400	865	978	846	360	401	9,479
Advertising	-	-	-	-	-	-	-	-	-
Total Expenses Before Reimbursement	1,120,184	55,535	488,586	115,935	133,111	111,522	72,490	68,170	2,165,534
Reimbursement of expenses	-	-	-	-	-	-	-	-	-
Total Expenses	1,120,184	55,535	488,586	115,935	133,111	111,522	72,490	68,170	2,165,534

(continued on next page)

New York Landmarks Conservancy, Inc.

Schedule of Functional Expenses
Year Ended December 31, 2014
(with summarized totals for the year ended December 31, 2013)

	Administration			Development and Fundraising	2014 Total	2013 Total
	Management and General	New York City Historic Properties Fund	Total Administration			
Salaries	150,313	270,472	420,785	249,075	1,356,940	1,324,128
Payroll taxes and benefits	36,020	45,392	81,412	59,687	305,748	274,231
Total Salaries and Related Expenses	186,333	315,864	502,197	308,762	1,662,688	1,598,359
Professional fees and purchased services (includes \$5,825 of contributed services in 2014)	15,262	10,063	25,325	25,291	415,034	542,881
Occupancy and insurance	36,889	66,376	103,265	61,125	333,005	296,137
Equipment lease and maintenance	916	1,651	2,567	1,521	8,281	6,701
Telephone	1,471	2,649	4,120	2,440	13,292	12,138
Postage, shipping and messenger	1,708	2,722	4,430	2,106	12,411	13,852
Copying, printing and photos	2,086	3,754	5,840	3,457	30,310	57,014
Supplies	1,826	3,286	5,112	3,026	16,485	14,768
Travel, catering, and meetings	2,677	4,906	7,583	4,437	30,043	31,239
Other events	-	-	-	76,951	167,312	145,348
Grants - direct	-	71,915	71,915	-	680,640	761,188
Dues and subscriptions	860	1,547	2,407	1,424	7,759	14,361
Depreciation	894	1,613	2,507	1,484	8,087	8,016
Fees	2,074	793	2,867	3,436	15,782	14,535
Advertising	-	-	-	209,262	209,262	116,971
Total Expenses Before Reimbursement	252,996	487,139	740,135	704,722	3,610,391	3,633,508
Reimbursement of expenses	-	(415,931)	(415,931)	-	(415,931)	(398,804)
Total Expenses	252,996	71,208	324,204	704,722	3,194,460	3,234,704

See independent auditors' report