

New York Landmarks Conservancy, Inc.

Financial Statements

December 31, 2016

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, 2016, 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, 2016, 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, 2015 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 21, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2015 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Report on 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 16 and 17 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.

PKF O'Connor Davies, LLP

April 18, 2017

New York Landmarks Conservancy, Inc.

Statement of Financial Position
December 31, 2016
(with comparative amounts at December 31, 2015)

	2016	2015
ASSETS		
Cash and cash equivalents	\$ 4,050,074	\$ 3,440,250
Pledges receivable	160,000	520,000
Program-related loans receivable	65,423	79,671
Due from New York City Historic Properties Fund, Inc.	42,459	38,328
Prepaid expenses and other assets	10,000	44,973
Cash and cash equivalents held for other agencies	109,196	109,074
Investments	5,805,319	5,632,358
Property and equipment, net	33,583	24,329
Permanently restricted investments	2,397,068	2,397,068
	\$ 12,673,122	\$ 12,286,051
 LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued liabilities	\$ 2,781	\$ 3,493
Grants payable	765,343	976,705
Deferred rent	108,920	121,055
Due to New York City Historic Properties Fund, Inc.	78,000	75,900
Amounts Held for Other Agencies		
Queens Historic Properties Fund	106,390	106,268
West Park Presbyterian Church	2,806	2,806
Total Liabilities	1,064,240	1,286,227
 Net Assets		
Unrestricted		
Undesignated	706,540	667,476
Board designated	7,073,268	6,577,602
Total Unrestricted	7,779,808	7,245,078
Temporarily restricted	1,432,006	1,357,678
Permanently restricted	2,397,068	2,397,068
Total Net Assets	11,608,882	10,999,824
	\$ 12,673,122	\$ 12,286,051

See notes to financial statements

New York Landmarks Conservancy, Inc.

Statement of Activities Year Ended December 31, 2016 (with summarized totals for the year ended December 31, 2015)

	Unrestricted	Temporarily Restricted	Permanently Restricted	2016 Total	2015 Total
OPERATING REVENUE AND SUPPORT					
Contributions	\$ 1,997,441	\$ 568,200	\$ -	\$ 2,565,641	\$ 2,355,253
Special events, net of direct benefit to donor of \$306,915 and \$337,548	820,855	-	-	820,855	1,234,977
Investment return used for operations	182,823	93,826	-	276,649	90,713
Program services income	<u>575</u>	<u>20,975</u>	-	<u>21,550</u>	<u>20,120</u>
	3,001,694	683,001	-	3,684,695	3,701,063
Net assets released from restrictions	<u>648,355</u>	<u>(648,355)</u>	-	-	-
Total Operating Revenue and Support	<u>3,650,049</u>	<u>34,646</u>	-	<u>3,684,695</u>	<u>3,701,063</u>
EXPENSES					
Program	2,057,398	-	-	2,057,398	1,872,638
Administration	320,085	-	-	320,085	259,649
Development and fundraising	<u>790,057</u>	-	-	<u>790,057</u>	<u>800,916</u>
Total Expenses	<u>3,167,540</u>	-	-	<u>3,167,540</u>	<u>2,933,203</u>
Excess of Operating Revenue and Support Over Expenses	482,509	34,646	-	517,155	767,860
NON-OPERATING ACTIVITIES					
Non-operating investment return	<u>52,221</u>	<u>39,682</u>	-	<u>91,903</u>	<u>(121,866)</u>
Change in Net Assets	534,730	74,328	-	609,058	645,994
NET ASSETS					
Beginning of Year	<u>7,245,078</u>	<u>1,357,678</u>	<u>2,397,068</u>	<u>10,999,824</u>	<u>10,353,830</u>
End of Year	<u>\$ 7,779,808</u>	<u>\$ 1,432,006</u>	<u>\$ 2,397,068</u>	<u>\$ 11,608,882</u>	<u>\$ 10,999,824</u>

See notes to financial statements

New York Landmarks Conservancy, Inc.

Statement of Cash Flows
Year Ended December 31, 2016
(with comparative amounts for the year ended December 31, 2015)

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 609,058	\$ 645,994
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	6,006	8,087
Deferred rent	(12,135)	(6,806)
Net realized and unrealized (gain) loss on investments	(213,806)	216,295
Changes in operating assets and liabilities		
Pledges receivable	360,000	460,124
Due from New York City Historic Properties Fund, Inc.	(4,131)	27,243
Prepaid expenses and other assets	34,973	(44,973)
Accounts payable and accrued liabilities	(712)	(43,228)
Grants payable	(211,362)	(228,064)
Due to New York City Historic Properties Fund, Inc.	2,100	3,984
Net Cash from Operating Activities	569,991	1,038,656
 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(15,260)	-
Loans issued	(85,000)	-
Loan repayments	99,248	17,699
Proceeds from sales of investments	3,056,865	2,320,797
Purchase of investments	(3,017,759)	(2,251,771)
Change in short term investments	1,739	(24,086)
Net Cash from Investing Activities	39,833	62,639
Net Change in Cash and Cash Equivalents	609,824	1,101,295
 CASH AND CASH EQUIVALENTS		
Beginning of the year	3,440,250	2,338,955
End of the year	\$ 4,050,074	\$ 3,440,250

See notes to financial statements

New York Landmarks Conservancy, Inc.

Notes to Financial Statements
December 31, 2016

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. The Organization 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

Basis of Presentation and 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 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, 2016

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 \$5,000. 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.

Functional Allocation of Expenses

The cost of providing programs and other activities have been summarized on a functional basis in the accompanying financial statements. Accordingly, expenses have been charged to program and supporting services based on direct expenses and other specific allocation methods.

New York Landmarks Conservancy, Inc.

Notes to Financial Statements
December 31, 2016

2. Summary of Significant Accounting Policies (continued)

Net Asset 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 as to 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, or require specialized skills, and are provided by individuals possessing such specialized skills and would typically need to be purchased if not provided by donation.

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 2013.

New York Landmarks Conservancy, Inc.

Notes to Financial Statements
December 31, 2016

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

Advertising

Advertising costs are expensed as incurred and amounted to \$328,541 and \$317,632 for the years ended December 31, 2016 and 2015.

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 18, 2017.

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 U.S. GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for 2015.

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, 2016 are deemed fully collectible by management. Collection of these pledges is expected in 2017.

5. Program-Related Loans Receivable

Program-related 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, 2016.

New York Landmarks Conservancy, Inc.

Notes to Financial Statements
December 31, 2016

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

Based on an evaluation of the historical collectability of outstanding loans receivable, management has deemed that an allowance for uncollectible amounts was not necessary at December 31, 2016. Ultimate losses, however, may vary materially from current estimates at December 31, 2016. Management reviews these estimates on an ongoing basis, and as changes become necessary, adjusts the allowance accordingly.

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

2017	\$ 46,792
2018	<u>18,631</u>
	<u>\$ 65,423</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 2016, the Organization was reimbursed \$388,842 by NYCHPF for direct expenses and for common costs associated with the administration and management of NYCHPF. At December 31, 2016, the Organization had a receivable from NYCHPF of \$42,459.

7. Investments and Investment Return

Investments at December 31, 2016 consist of:

Mutual Funds, at Fair Value	
Global cash	\$ 160,853
US large cap growth	1,383,819
US large cap value	1,463,586
US large cap	511,498
US mid cap	351,143
International equities	1,055,775
Short term fixed income	239,956
US taxable core	1,115,146
Preferred securities	238,184
Global fixed income other	562,020
REITs	242,160
MLP/energy infrastructure	246,317
Global multi asset	<u>542,600</u>
Total Mutual Funds	8,113,057
Cash and cash equivalents, at cost	<u>89,330</u>
Total Investments	<u>\$ 8,202,387</u>

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

New York Landmarks Conservancy, Inc.

Notes to Financial Statements
December 31, 2016

7. Investments and Investment Return *(continued)*

Investment return for 2016 consists of the following:

Interest and dividend income	\$ 214,850
Investment fees	(60,104)
Net realized and unrealized gain on investments	<u>213,806</u>
	<u>\$ 368,552</u>

8. Property and Equipment

Property and equipment consist of the following at December 31, 2016:

Furniture and equipment	\$ 178,547
Leasehold improvements	<u>58,894</u>
	237,441
Accumulated depreciation	<u>(203,858)</u>
	<u>\$ 33,583</u>

9. Due to NYCHPF

Investment earnings of \$78,000 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:

2017	\$ 247,752
2018	247,752
2019	247,752
2020	247,752
2021	<u>185,814</u>
	<u>\$ 1,176,822</u>

Rental expense for 2016 was \$242,901, which included letter of credit fees and tax escalation costs charged by the lessor amounting to \$23,268.

New York Landmarks Conservancy, Inc.

Notes to Financial Statements
December 31, 2016

11. Board Designated Net Assets

The Board of Directors designated a portion of the Organization's accumulated unrestricted net assets of \$7,073,268 to be used for preservation easements, endangered buildings, grants and operating purposes.

12. Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes at December 31, 2016:

City Ventures Fund	\$ 35,239
Lucy G. Moses Awards Endowment	320,614
Emergency Grant Program	53,725
Sacred Sites Program	658,732
25 Year Anniversary Fund Endowment	119,389
NYSCA	30,000
Brendan Gill Endowment for Historic Preservation	166,196
Porzeolt Foundation	10,000
Ford Foundation	38,111
	<u>\$ 1,432,006</u>

Net assets were released from donor restrictions by incurring expenses satisfying the following restricted purposes in 2016:

Brendan Gill Endowment for Historic Preservation	\$ 78,000
City Ventures Fund	17,593
Lucy G. Moses Awards Endowment	57,769
Emergency Grant Program	79,320
Sacred Sites Program	277,958
Ford Foundation	51,889
25 Year Anniversary Fund Endowment	15,826
NYSCA	30,000
Gould Library	15,000
Pledges receivable (timing)	25,000
	<u>\$ 648,355</u>

New York Landmarks Conservancy, Inc.

Notes to Financial Statements
December 31, 2016

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, 2016:

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 of Directors 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 of Directors 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 of Director's interpretation of State law.

New York Landmarks Conservancy, Inc.

Notes to Financial Statements
December 31, 2016

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 of Directors utilizes various spending methods to determine its annual drawdown from the endowment funds as follows:

Board Designated - at the discretion of the Board of Directors
Donor Restricted

Lucy G. Moses Awards Endowment – 4% of the trailing 5 year average of the fair value balance of the endowment fund to offset allocated expenses

Brendan Gill Endowment for Historic Preservation – 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

Changes in endowment and other invested funds for 2016 consist of the following:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Balance, beginning of year, endowment funds	\$ 4,523,554	\$ 274,243	\$ 2,397,068	\$ 7,194,865
Interest and dividends	125,677	62,515	-	188,192
Investment fees	(36,018)	(17,948)	-	(53,966)
Capital appreciation	126,218	60,601	-	186,819
Expenditures	(186,074)	-	-	(186,074)
Transfers	<u>(86,081)</u>	<u>(93,826)</u>	-	<u>(179,907)</u>
Balance, end of year, endowment funds	4,467,276	285,585	2,397,068	7,149,929
Other investments, not part of endowment funds				
Operating fund	724,672	-	-	724,672
Sacred Sites Program	-	<u>327,786</u>	-	<u>327,786</u>
Total Investments	<u>\$ 5,191,948</u>	<u>\$ 613,371</u>	<u>\$ 2,397,068</u>	<u>\$ 8,202,387</u>

New York Landmarks Conservancy, Inc.

Notes to Financial Statements
December 31, 2016

14. Endowment (continued)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Comprised of the following:				
Board Designated	\$ 4,437,846	\$ -	\$ -	\$ 4,437,846
25 Year Anniversary Endowment	-	119,389	278,843	398,232
Lucy G. Moses Awards Endowment	(48,570)	-	335,000	286,430
Brendan Gill Endowment	<u>78,000</u>	<u>166,196</u>	<u>1,783,225</u>	<u>2,027,421</u>
Total Endowment Funds	4,467,276	285,585	2,397,068	7,149,929
Operating fund	724,672	-	-	724,672
Sacred Sites Program	-	<u>327,786</u>	-	<u>327,786</u>
Total Investments	<u>\$ 5,191,948</u>	<u>\$ 613,371</u>	<u>\$ 2,397,068</u>	<u>\$ 8,202,387</u>
Donor endowed	\$ 29,430	\$ 285,585	\$ 2,397,068	\$ 2,712,083
Board designated	<u>4,437,846</u>	-	-	<u>4,437,846</u>
Total Endowment Funds	4,467,276	285,585	2,397,068	7,149,929
Operating fund	724,672	-	-	724,672
Sacred Sites Program	-	<u>327,786</u>	-	<u>327,786</u>
Total Investments	<u>\$ 5,191,948</u>	<u>\$ 613,371</u>	<u>\$ 2,397,068</u>	<u>\$ 8,202,387</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. Aggregate cumulative losses absorbed by the unrestricted net assets at December 31, 2016 amounted to \$48,570.

15. Grants Payable

The Organization issues grants to other non-profit organizations. Grants are given throughout the entire State of New York to maintain, repair and restore historic buildings and are given to Sacred Sites, endangered buildings and for emergency preservation. An annual grant is given to the New York City Historic Properties Fund, which is the Organization's main financing vehicle for restoration work throughout New York City. Grants are expensed at time of commitment and are considered a payable at that time.

16. 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 \$63,391 in 2016.

17. 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, 2016 *(continued)*
 (with summarized totals for the year ended December 31, 2015)

	Program							Total Program
	Sacred Sites Program	Public Policy	Technical Services	Emergency Grants	Easements	City Ventures Fund	Endangered Buildings	
Salaries	\$ 296,649	\$ 199,198	\$ 92,741	\$ 66,204	\$ 28,178	\$ 13,472	\$ 36,163	\$ 732,605
Payroll taxes and benefits	<u>72,376</u>	<u>47,592</u>	<u>22,158</u>	<u>15,817</u>	<u>6,732</u>	<u>3,219</u>	<u>8,640</u>	<u>176,534</u>
Total Salaries and Related Expenses	369,025	246,790	114,899	82,021	34,910	16,691	44,803	909,139
Professional fees and purchased services	63,581	29,708	65,720	13,869	4,202	15,054	18,150	210,284
Occupancy and insurance	77,329	51,926	24,175	17,258	7,345	3,512	9,427	190,972
Equipment lease and maintenance	1,687	1,132	527	376	160	77	206	4,165
Telephone	3,142	2,109	982	701	298	143	383	7,758
Postage, shipping and messenger	3,508	2,345	1,092	779	332	159	426	8,641
Copying, printing and photos	4,662	11,552	1,282	915	390	1,382	500	20,683
Supplies	4,180	2,585	1,203	859	366	175	469	9,837
Travel, catering, and meetings	9,574	3,777	1,719	1,227	522	452	670	17,941
Other events	-	37,066	-	-	-	-	-	37,066
Grants - direct	508,150	-	25,625	75,325	-	3,150	7,500	619,750
Dues and subscriptions	2,941	1,766	822	587	250	119	321	6,806
Depreciation	1,586	1,065	496	354	151	72	193	3,917
Fees	4,099	3,071	1,281	914	389	186	499	10,439
Advertising	-	-	-	-	-	-	-	-
Total Expenses Before Reimbursement	<u>1,053,464</u>	<u>394,892</u>	<u>239,823</u>	<u>195,185</u>	<u>49,315</u>	<u>41,172</u>	<u>83,547</u>	<u>2,057,398</u>
Reimbursement of expenses	-	-	-	-	-	-	-	-
Total Expenses	<u>\$ 1,053,464</u>	<u>\$ 394,892</u>	<u>\$ 239,823</u>	<u>\$ 195,185</u>	<u>\$ 49,315</u>	<u>\$ 41,172</u>	<u>\$ 83,547</u>	<u>\$ 2,057,398</u>

See independent auditors' report

New York Landmarks Conservancy, Inc.

Schedule of Functional Expenses
 Year Ended December 31, 2016 *(continued)*
 (with summarized totals for the year ended December 31, 2015)

	Administration New York			Development and Fundraising	2016 Total	2015 Total
	Management and General	City Historic Properties Fund	Total Administration			
Salaries	\$ 143,634	\$ 238,930	\$ 382,564	\$ 247,058	\$ 1,362,227	\$ 1,262,623
Payroll taxes and benefits	34,317	59,321	93,638	59,027	329,199	305,413
Total Salaries and Related Expenses	177,951	298,251	476,202	306,085	1,691,426	1,568,036
Professional fees and purchased services	21,421	4,676	26,097	36,845	273,226	312,734
Occupancy and insurance	37,442	62,283	99,725	64,401	355,098	338,064
Equipment lease and maintenance	816	1,358	2,174	1,404	7,743	6,862
Telephone	1,521	2,529	4,050	2,615	14,423	15,347
Postage, shipping and messenger	1,691	3,788	5,479	2,908	17,028	15,261
Copying, printing and photos	1,986	3,303	5,289	3,416	29,388	34,592
Supplies	1,849	3,100	4,949	3,206	17,992	18,333
Travel, catering, and meetings	2,662	202	2,864	4,579	25,384	31,273
Other events	-	-	-	29,134	66,200	121,788
Grants - direct	-	78,000	78,000	-	697,750	514,700
Dues and subscriptions	1,273	-	1,273	2,190	10,269	8,593
Depreciation	768	-	768	1,321	6,006	8,087
Fees	1,984	73	2,057	3,412	15,908	16,139
Advertising	-	-	-	328,541	328,541	317,632
Total Expenses Before Reimbursement	251,364	457,563	708,927	790,057	3,556,382	3,327,441
Reimbursement of expenses	-	(388,842)	(388,842)	-	(388,842)	(394,238)
Total Expenses	\$ 251,364	\$ 68,721	\$ 320,085	\$ 790,057	\$ 3,167,540	\$ 2,933,203

See independent auditors' report