

**New York Landmarks Conservancy, Inc.**

Financial Statements

December 31, 2020



## Independent Auditors' Report

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

We have audited the accompanying financial statements of New York Landmarks Conservancy, Inc. (the "Organization"), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses 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, 2020, 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.

**Board of Directors**  
**New York Landmarks Conservancy, Inc.**  
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***Report on Summarized Comparative Information***

We have previously audited the Organization's December 31, 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 22, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019 is consistent, in all material respects, with the audited financial statements from which it has been derived.

*PKF O'Connor Davies, LLP*

April 22, 2021

**New York Landmarks Conservancy, Inc.**

Statement of Financial Position  
December 31, 2020  
(with comparative amounts at December 31, 2019)

	2020	2019
<b>ASSETS</b>		
Cash and cash equivalents	\$ 3,556,556	\$ 2,989,901
Pledges receivable	82,500	20,500
Program-related loan receivable	58,109	80,951
Due from New York City Historic Properties Fund, Inc.	-	38,644
Prepaid expenses and other assets	109,249	58,128
Cash and cash equivalents held for others	106,952	106,867
Investments	11,691,957	11,042,972
Property and equipment, net	65,950	86,544
Investments held in perpetuity	2,392,068	2,392,068
	<b>\$ 18,063,341</b>	<b>\$ 16,816,575</b>
 <b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Accounts payable and accrued liabilities	\$ 70,130	\$ 58,551
Grants payable	682,908	799,516
Deferred rent	25,878	48,725
Paycheck Protection Program loan	291,607	-
Amounts Held for Others		
Queens Historic Properties Fund	106,952	106,867
Total Liabilities	1,177,475	1,013,659
 Net Assets		
Without Donor Restrictions		
Undesignated	1,620,519	1,425,555
Board designated	10,999,975	10,190,389
Total Without Donor Restrictions	12,620,494	11,615,944
With donor restrictions	4,265,372	4,186,972
Total Net Assets	16,885,866	15,802,916
	<b>\$ 18,063,341</b>	<b>\$ 16,816,575</b>

See notes to financial statements

## New York Landmarks Conservancy, Inc.

### Statement of Activities Year Ended December 31, 2020 (with summarized totals for the year ended December 31, 2019)

	Without Donor Restrictions	With Donor Restrictions	2020 Total	2019 Total
<b>OPERATING REVENUE AND SUPPORT</b>				
Contributions	\$ 1,987,140	\$ 457,450	\$ 2,444,590	\$ 2,328,067
Special events, net of direct benefit to donors of \$235,562 and \$323,770	742,049	-	742,049	1,124,366
Government grants	25,920	-	25,920	27,000
Investment return used for operations	660,000	357,188	1,017,188	429,369
Program services income	110	26,180	26,290	51,760
	3,415,219	840,818	4,256,037	3,960,562
Net assets released from restrictions	846,414	(846,414)	-	-
Total Operating Revenue and Support	4,261,633	(5,596)	4,256,037	3,960,562
<b>EXPENSES</b>				
Program	2,875,287	-	2,875,287	2,621,922
Administration	293,887	-	293,887	299,899
Development and fundraising	612,627	-	612,627	682,355
Total Expenses	3,781,801	-	3,781,801	3,604,176
Excess (Deficit) of Operating Revenue and Support Over Expenses	479,832	(5,596)	474,236	356,386
<b>NON-OPERATING ACTIVITIES</b>				
Non-operating investment return	524,718	83,996	608,714	1,805,203
Change in Net Assets	1,004,550	78,400	1,082,950	2,161,589
<b>NET ASSETS</b>				
Beginning of year	11,615,944	4,186,972	15,802,916	13,641,327
End of year	\$ 12,620,494	\$ 4,265,372	\$ 16,885,866	\$ 15,802,916

See notes to financial statements

**New York Landmarks Conservancy, Inc.**

Statement of Functional Expenses  
Year Ended December 31, 2020  
(with summarized totals for the year ended December 31, 2019)

	Program								Total Program
	Sacred Sites Program	Public Policy	Technical Services	Emergency Grants	Easements	City Ventures Fund	New York City Historic Properties Fund	Endangered Buildings	
Salaries	\$ 351,840	\$ 215,266	\$ 110,139	\$ 70,600	\$ 30,356	\$ 14,355	\$ -	\$ 37,735	\$ 830,291
Payroll taxes and benefits	85,738	58,340	29,849	19,134	8,227	3,890	-	10,226	215,404
Total Salaries and Related Expenses	437,578	273,606	139,988	89,734	38,583	18,245	-	47,961	1,045,695
Professional fees and purchased services	34,999	23,691	12,121	72,859	3,341	7,251	-	4,153	158,415
Occupancy and insurance	76,745	52,702	26,964	17,285	7,432	3,514	-	9,238	193,880
Equipment lease and maintenance	1,230	845	432	277	119	56	-	148	3,107
Telephone	2,956	2,030	1,039	666	286	135	-	356	7,468
Postage, shipping and messenger	2,709	1,279	654	419	180	85	-	224	5,550
Copying, printing and photos	9,622	4,970	2,543	1,630	701	332	-	871	20,669
Supplies	2,279	1,565	801	513	221	104	-	274	5,757
Travel, catering, and meetings	3,611	1,556	796	510	219	104	-	273	7,069
Other events	-	77,348	-	-	-	-	-	-	77,348
Grants - direct	508,450	-	10,625	79,450	-	20,000	385,988	90,000	1,094,513
Dues and subscriptions	3,465	2,215	1,133	726	312	148	-	388	8,387
Depreciation	7,423	5,098	2,608	1,672	719	340	-	894	18,754
Fees	3,955	2,716	1,390	891	383	181	-	476	9,992
Special events	-	-	-	-	-	-	-	-	-
Advertising	10,808	116,758	6,610	80,479	61	29	3,863	75	218,683
Total Expenses Before Reimbursement and Direct Donor Benefit Expenses	1,105,830	566,379	207,704	347,111	52,557	50,524	389,851	155,331	2,875,287
Reimbursement of expenses	-	-	-	-	-	-	-	-	-
Direct donor benefit expenses	-	-	-	-	-	-	-	-	-
Total Expenses Reported by Function on the Statement of Activities	<u>\$ 1,105,830</u>	<u>\$ 566,379</u>	<u>\$ 207,704</u>	<u>\$ 347,111</u>	<u>\$ 52,557</u>	<u>\$ 50,524</u>	<u>\$ 389,851</u>	<u>\$ 155,331</u>	<u>\$ 2,875,287</u>

See notes to financial statements

**New York Landmarks Conservancy, Inc.**

Statement of Functional Expenses  
Year Ended December 31, 2020  
(with summarized totals for the year ended December 31, 2019)

	Administration New York City Historic Properties Fund			Development and Fundraising	2020 Total	2019 Total
	Management and General	Total Administration		Total		Total
Salaries	\$ 174,187	\$ 297,204	\$ 471,391	\$ 286,815	\$ 1,588,497	\$ 1,535,785
Payroll taxes and benefits	47,207	90,794	138,001	77,731	431,136	417,946
Total Salaries and Related Expenses	<u>221,394</u>	<u>387,998</u>	<u>609,392</u>	<u>364,546</u>	<u>2,019,633</u>	<u>1,953,731</u>
Professional fees and purchased services	19,170	-	19,170	31,565	209,150	308,305
Occupancy and insurance	34,953	78,260	113,213	70,219	377,312	378,864
Equipment lease and maintenance	684	1,131	1,815	1,126	6,048	7,627
Telephone	1,642	2,718	4,360	2,704	14,532	13,979
Postage, shipping and messenger	1,035	1,774	2,809	1,704	10,063	13,066
Copying, printing and photos	4,022	8,605	12,627	6,622	39,918	25,906
Supplies	1,266	2,095	3,361	2,085	11,203	32,520
Travel, catering, and meetings	1,259	44	1,303	2,073	10,445	41,194
Other events	-	-	-	-	77,348	129,304
Grants - direct	-	-	-	-	1,094,513	636,863
Dues and subscriptions	1,792	-	1,792	2,951	13,130	17,198
Depreciation	4,125	5,923	10,048	6,792	35,594	9,012
Fees	2,197	20	2,217	3,618	15,827	23,372
Special events	-	-	-	235,562	235,562	323,770
Advertising	348	-	348	116,622	335,653	484,606
Total Expenses Before Reimbursement and Direct Donor Benefit Expenses	<u>293,887</u>	<u>488,568</u>	<u>782,455</u>	<u>848,189</u>	<u>4,505,931</u>	<u>4,399,317</u>
Reimbursement of expenses	-	(488,568)	(488,568)	-	(488,568)	(471,371)
Direct donor benefit expenses	-	-	-	(235,562)	(235,562)	(323,770)
Total Expenses Reported by Function on the Statement of Activities	<u>\$ 293,887</u>	<u>\$ -</u>	<u>\$ 293,887</u>	<u>\$ 612,627</u>	<u>\$ 3,781,801</u>	<u>\$ 3,604,176</u>

See notes to financial statements

**New York Landmarks Conservancy, Inc.**

Statement of Cash Flows  
Year Ended December 31, 2020  
(with comparative amounts for the year ended December 31, 2019)

	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 1,082,950	\$ 2,161,589
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	35,594	9,012
Deferred rent	(22,847)	(14,615)
Net realized and unrealized gain on investments	(1,382,728)	(1,959,996)
Changes in operating assets and liabilities		
Pledges receivable	(62,000)	3,000
Due from New York City Historic Properties Fund, Inc.	38,644	(909)
Prepaid expenses and other assets	(51,121)	(53,128)
Accounts payable and accrued liabilities	11,579	53,548
Grants payable	(116,608)	(74,622)
Due to New York City Historic Properties Fund, Inc.	-	(83,684)
Net Cash from Operating Activities	(466,537)	40,195
 <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Paycheck Protection program loan proceeds	291,607	-
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Loan repayments	22,842	50,889
Purchase of property and equipment	(15,000)	(80,000)
Proceeds from sales of investments	2,577,679	2,300,956
Purchase of investments	(1,368,732)	(2,526,987)
Change in short term investments	(475,204)	(69,892)
Net Cash from Investing Activities	741,585	(325,034)
Net Change in Cash and Cash Equivalents	566,655	(284,839)
 <b>CASH AND CASH EQUIVALENTS</b>		
Beginning of the year	2,989,901	3,274,740
End of the year	\$ 3,556,556	\$ 2,989,901

See notes to financial statements



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

Notes to Financial Statements  
December 31, 2020

## **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, 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 contributions with donor restrictions that are permanent in nature 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 realizable 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, 2020

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

#### ***Cash and Cash Equivalents Held for Others***

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 others.

#### ***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 depreciated 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, 2020

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

#### ***Functional Allocation of Expenses***

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Salaries are allocated on the basis of staff estimates of time and effort. Direct program costs such as grants, construction and professional fees are allocated directly to the programs. Special event costs are netted with the contributions. All other costs that are not charged directly to a program are allocated based on the percentage of overall salary allocation.

#### ***Net Asset Presentation***

Net assets without donor restrictions have no restriction as to use or purpose imposed by donors. Net assets with donor restrictions are subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature, and are limited to a specific time period or purpose. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained 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, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

The Organization reports gifts of goods and equipment at fair value on the date of the gift. Such gifts are reported as support without donor restrictions 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.

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

Notes to Financial Statements  
December 31, 2020

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

#### ***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 examinations by the applicable taxing jurisdictions for periods prior to 2017.

#### ***Advertising***

Advertising costs are expensed as incurred and amounted to \$335,653 for the year ended December 31, 2020.

#### ***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, 2021.

#### ***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 2019.

### **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.

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.

## New York Landmarks Conservancy, Inc.

Notes to Financial Statements  
December 31, 2020

### 4. Pledges Receivable

Pledges receivable at December 31, 2020 are deemed fully collectible by management. Collection of these pledges is expected in 2021.

### 5. Program-Related Loan Receivable

Program-related loan receivable consists of an unsecured loan made to a church for landmark restoration and preservation of its historic property. The loan is payable in equal monthly installments of \$2,080, including interest at 3% per annum, through May 1, 2023. The loan is deemed fully collectible by management. Future minimum principal payments are due as follows as of December 31:

2021	\$	23,536
2022		24,252
2023		10,321
	\$	<u>58,109</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 2020, the Organization was reimbursed \$488,568 by NYCHPF for direct expenses and common costs associated with the administration and management of NYCHPF. At December 31, 2020, the Organization had no outstanding receivable from NYCHPF.

### 7. Investments

Investments at December 31, 2020 consist of:

Mutual Funds, at Fair Value	
US large cap growth	\$ 2,819,913
US large cap value	2,637,725
US large cap	877,122
US mid cap	731,882
International equities	1,993,652
US taxable core	2,112,583
Preferred securities	390,578
Short term fixed income	921,172
REITs	126,662
Global multi asset	746,684
Other	5,333
Total Mutual Funds, at Fair Value	<u>13,363,306</u>
Cash and cash equivalents, at cost	720,719
Total Investments	<u>\$ 14,084,025</u>

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

## New York Landmarks Conservancy, Inc.

Notes to Financial Statements  
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### 8. Property and Equipment

Property and equipment consist of the following at December 31, 2020:

Furniture and equipment	\$ 213,146
Leasehold improvements	58,894
	<u>272,040</u>
Accumulated depreciation	(206,090)
	<u>\$ 65,950</u>

During 2020, fully depreciated property and equipment amounting to \$60,400 were written off by management.

### 9. Operating Lease

The Organization occupies offices in New York City at One Whitehall Street, under a noncancellable operating lease expiring February 28, 2022. Future minimum lease payments under the terms of the agreement are as follows as of December 31:

2021	\$ 247,752
2022 (two months)	41,292
	<u>\$ 289,044</u>

Rental expense for 2020 was \$309,248, which included letter of credit fees and tax escalation costs charged by the lessor amounting to \$84,343.

### 10. Net Assets Without Donor Restrictions

At December 31, 2020, the Board of Directors has designated \$10,999,975 of the Organization's accumulated net assets without donor restrictions to be used for preservation grants and easements, restoration of endangered buildings, and future operating purposes.

## New York Landmarks Conservancy, Inc.

Notes to Financial Statements  
December 31, 2020

### 11. Net Assets With Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes or periods at December 31, 2020:

Subject to expenditure for a specified purpose:

City Ventures Fund	\$ 17,898
Emergency Grant Program	89,913
Sacred Sites Program	482,206
Porzeolt Foundation	7,702
Lucy G. Moses Awards Program	507,404
Brendan Gill Endowment for Historic Preservation	526,493
Frederick Law Olmstead House	7,115
Other	9,494
25 Year Anniversary Fund Endowment	<u>225,079</u>
	<u>1,873,304</u>

Held as endowment and subject to the Organization's spending policy and appropriation:

Lucy G. Moses Awards Endowment	330,000
Brendan Gill Endowment for Historic Preservation	1,783,225
25 Year Anniversary Endowment	<u>278,843</u>
	<u>2,392,068</u>
Total Net Assets with Donor Restrictions	<u>\$ 4,265,372</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by the passage of time in 2020 as follows:

Program restrictions accomplished:

City Ventures Fund	\$ 25,671
Emergency Grant Program	78,550
Sacred Sites Program	179,167
NYCHPF	50,000
Lucy G. Moses Awards Endowment	89,849
Brendan Gill Endowment for Historic Preservation	335,988
25 Year Anniversary Fund Endowment	21,200
Frederick Law Olmstead House	<u>65,989</u>
Total Restrictions Released	<u>\$ 846,414</u>

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

Notes to Financial Statements  
December 31, 2020

### **12. 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 retains in perpetuity (a) the original value of the gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations of investment returns to the 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 retained in perpetuity is subject to appropriation 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 provide adequate funding 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 return 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.

#### ***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 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 of the endowment fund to provide a grant to NYCHPF
- 25 Year Anniversary Endowment – 5% of the trailing 5 year average of the fair value of the endowment fund to provide working capital



**New York Landmarks Conservancy, Inc.**

Notes to Financial Statements  
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**12. Endowment (continued)**

Changes in endowment and other invested funds for 2020 consist of the following:

	Without Donor Restrictions	With Donor Restrictions		Total
		Temporary in Nature	Perpetual in Nature	
Balance, beginning of year, endowment funds	\$ 9,509,439	\$ 743,188	\$ 2,392,068	\$ 12,644,695
Additions	548,000	-	-	548,000
Investment return	221,586	79,608	-	301,194
Investment fees	(58,579)	(20,730)	-	(79,309)
Capital appreciation	918,169	358,049	-	1,276,218
Expenditures	(136,793)	(12,500)	-	(149,293)
Transfers	(1,160,000)	(357,188)	-	(1,517,188)
Balance, end of year, endowment funds	9,841,822	790,427	2,392,068	13,024,317
Other investments, not included in endowment funds				
Operating fund	347,969	-	-	347,969
COVID fund	500,044	-	-	500,044
Astor Fund (Sacred Sites)	-	211,695	-	211,695
Total Investments	<u>\$ 10,689,835</u>	<u>\$ 1,002,122</u>	<u>\$ 2,392,068</u>	<u>\$ 14,084,025</u>
Comprised of the following:				
Board Designated	\$ 9,841,822	\$ -		\$ 9,841,822
Second 25 year endowment	-	225,079	278,843	503,922
Lucy Moses endowment	-	38,855	330,000	368,855
Brendan Gill endowment	-	526,493	1,783,225	2,309,718
Total Endowment Funds	9,841,822	790,427	2,392,068	13,024,317
Operating fund	347,969	-	-	347,969
COVID fund	500,044	-	-	500,044
Astor Fund (Sacred Sites)	-	211,695	-	211,695
Total Investments	<u>\$ 10,689,835</u>	<u>\$ 1,002,122</u>	<u>\$ 2,392,068</u>	<u>\$ 14,084,025</u>
Donor endowed	\$ -	\$ 790,427	\$ 2,392,068	\$ 3,182,495
Board designated	9,841,822	-	-	9,841,822
Total Endowment Funds	9,841,822	790,427	2,392,068	13,024,317
Operating fund	347,969	-	-	347,969
COVID fund	500,044	-	-	500,044
Astor Fund (Sacred Sites)	-	211,695	-	211,695
Total Investments	<u>\$ 10,689,835</u>	<u>\$ 1,002,122</u>	<u>\$ 2,392,068</u>	<u>\$ 14,084,025</u>

## New York Landmarks Conservancy, Inc.

Notes to Financial Statements  
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### 12. Endowment (*continued*)

#### ***Underwater Endowment Funds with Deficiencies***

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or NYPMIFA requires the Organization to retain as a fund of perpetual duration. There were no underwater endowment funds as of December 31, 2020.

### 13. Grants Payable

The Organization issues grants to other non-profit organizations. Grants are given 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, Inc., which is the Organization's main financing vehicle for restoration work throughout New York City. Grants are expensed and considered a payable at that time of commitment and do not span more than one year.

### 14. 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 to the plan totaled \$77,654 in 2020.

### 15. Liquidity and Availability of Financial Assets

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, are comprised of the following at December 31, 2020.

Cash and cash equivalents	\$ 3,556,556
Pledges receivable	82,500
Program-related loans receivable	23,536
Investments	848,013
	<u>\$ 4,510,605</u>

As part of the Organization's liquidity management, the Organization strives to maintain funds to cover all donor restricted non-endowed funds in either checking or money market accounts. At year-end, any shortfalls are reconciled and funds are transferred from the investment account to a checking account. Investments without donor restrictions can be used if needed. The balance of these investments as of December 31, 2020 was \$848,013. Also, there are Board designated investments of approximately \$9.8 million that can be made available if needed.

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

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### **16. Paycheck Protection Program Loan**

On April 7, 2020, The Organization received a loan under the Paycheck Protection Program (the "PPP Loan") in the amount of \$291,607 from the Small Business Administration ("SBA"). If certain defined conditions are met, the PPP Loan may be forgiven by the SBA, otherwise the Organization will be required to repay the loan in full. Management believes its use of the loan proceeds, including amounts expended through December 31, 2020, will be forgiven.

The PPP Loan was subsequently forgiven in full by the SBA on January 28, 2021.

### **17. Risks and Uncertainties**

The Organization's operations and financial performance may be affected by the recent COVID-19 outbreak which has spread globally and is expected to adversely affect economic conditions throughout the world. If the outbreak continues and conditions worsen, the Organization may experience a disruption in operations as well as a decline in revenue and support activities. Economic uncertainty is related to a potential reduction in grants and contributions due to budget cuts and a decrease in discretionary income of potential donors, as well as a potential decline in the fair value of investments. The outbreak may adversely affect the Organization's activities, financial condition, results of operations, and cash flows. Management is closely monitoring the impact of COVID-19 and believes that the Organization is taking appropriate actions to mitigate the negative impact. However, management is unable to estimate the financial impact, if any, related to this matter.

### **18. Subsequent Events**

On February 16, 2021, the Organization qualified for and received a loan pursuant to the Second Draw Paycheck Protection Program (the "Program"), a program implemented by the SBA under the Consolidated Appropriations Act (the "CAA"), from a qualified PPP lender, for an aggregate principal amount of \$297,712 (the "PPP 2 Loan"). The PPP 2 Loan bears interest at a fixed rate of 1.0% per annum, with the first six months of interest deferred, has a term of five years, and is unsecured and guaranteed by the SBA. The principal amount of the PPP 2 Loan is subject to forgiveness under the Program upon the Organization's request to the extent that the PPP 2 Loan proceeds are used to pay expenses permitted by the Program, including payroll costs, covered rent and mortgage obligations, and covered utility payments incurred by the Organization. The Organization intends to apply for forgiveness of the PPP 2 Loan with respect to these covered expenses. The Organization believes that most, if not all, of the PPP 2 Loan will meet the requirements for debt forgiveness. To the extent that all or part of the PPP 2 Loan is not forgiven, the Organization will be required to pay interest on the PPP 2 Loan through the date the principal is repaid in full or the maturity date.

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