

New York Landmarks Conservancy, Inc.

Financial Statements

December 31, 2021

Independent Auditors' Report

**To the Board of Directors of
New York Landmarks Conservancy, Inc.**

Opinion

We have audited the accompanying financial statements of New York Landmarks Conservancy, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of New York Landmarks Conservancy, Inc. as of December 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis of Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of New York Landmarks Conservancy, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements related to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about New York Landmarks Conservancy, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing our audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of New York Landmarks Conservancy, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about New York Landmarks Conservancy, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among others, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited the Organization's December 31, 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 22, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020 is consistent, in all material respects, with the audited financial statements from which it has been derived.

PKF O'Connor Davies, LLP

April 19, 2022

New York Landmarks Conservancy, Inc.

Statement of Financial Position
December 31, 2021
(with comparative amounts at December 31, 2020)

	2021	2020
ASSETS		
Cash and cash equivalents	\$ 3,833,675	\$ 3,556,556
Pledges receivable	97,500	82,500
Program-related loans receivable	329,795	58,109
Prepaid expenses and other assets	21,225	109,249
Cash and cash equivalents held for others	106,978	106,952
Investments	13,368,762	11,691,957
Property and equipment, net	31,666	65,950
Investments held in perpetuity	2,392,068	2,392,068
	\$ 20,181,669	\$ 18,063,341
 LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued liabilities	\$ 29,033	\$ 70,130
Grants payable	670,611	682,908
Deferred rent	3,697	25,878
Paycheck Protection Program loan	-	291,607
Amounts Held for Others		
Queens Historic Properties Fund	106,978	106,952
Total Liabilities	810,319	1,177,475
Net Assets		
Without Donor Restrictions		
Undesignated	2,098,063	1,620,519
Board designated	12,765,769	10,999,975
Total Without Donor Restrictions	14,863,832	12,620,494
With donor restrictions	4,507,518	4,265,372
Total Net Assets	19,371,350	16,885,866
	\$ 20,181,669	\$ 18,063,341

See notes to financial statements

New York Landmarks Conservancy, Inc.

Statement of Activities
Year Ended December 31, 2021
(with summarized totals for the year ended December 31, 2020)

	Without Donor Restrictions	With Donor Restrictions	2021 Total	2020 Total
OPERATING REVENUE AND SUPPORT				
Contributions	\$ 2,016,781	\$ 290,506	\$ 2,307,287	\$ 2,444,590
Contributed services	57,945	-	57,945	-
Special events, net of direct benefit to donors of \$271,087 and \$235,562	1,189,353	-	1,189,353	742,049
Government grants	28,080	-	28,080	25,920
Investment return used for operations	-	-	-	1,017,188
Program services income	121	28,225	28,346	26,290
	3,292,280	318,731	3,611,011	4,256,037
Net assets released from restrictions	474,303	(474,303)	-	-
Total Operating Revenue and Support	3,766,583	(155,572)	3,611,011	4,256,037
EXPENSES				
Program	2,274,142	-	2,274,142	2,875,287
Administration	394,274	-	394,274	293,887
Development and fundraising	713,247	-	713,247	612,627
Total Expenses	3,381,663	-	3,381,663	3,781,801
Excess (Deficit) of Operating Revenue and Support Over Expenses	384,920	(155,572)	229,348	474,236
NON-OPERATING ACTIVITIES				
Forgiveness of Paycheck Protection Program loans	589,319	-	589,319	-
Non-operating investment return	1,269,099	397,718	1,666,817	608,714
Change in Net Assets	2,243,338	242,146	2,485,484	1,082,950
NET ASSETS				
Beginning of year	12,620,494	4,265,372	16,885,866	15,802,916
End of year	\$ 14,863,832	\$ 4,507,518	\$ 19,371,350	\$ 16,885,866

See notes to financial statements

New York Landmarks Conservancy, Inc.

Statement of Functional Expenses
Year Ended December 31, 2021
(with summarized totals for the year ended December 31, 2020)

	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	\$ 340,711	\$ 203,696	\$ 86,451	\$ 60,240	\$ 28,278	\$ 14,505	\$ -	\$ 38,348	\$ 772,229
Payroll taxes and benefits	88,078	58,704	24,914	17,361	8,150	4,180	-	11,051	212,438
Total Salaries and Related Expenses	428,789	262,400	111,365	77,601	36,428	18,685	-	49,399	984,667
Professional fees and purchased services	48,073	27,040	11,476	7,997	3,754	8,150	-	5,091	111,581
In-kind legal	-	-	-	-	-	-	-	-	-
Occupancy and insurance	75,226	50,138	21,279	14,827	6,960	3,570	-	9,439	181,439
Equipment lease and maintenance	1,514	1,009	428	298	140	72	-	190	3,651
Telephone	3,942	2,627	1,115	777	365	187	-	495	9,508
Postage, shipping and messenger	2,424	1,229	521	363	171	87	-	231	5,026
Copying, printing and photos	1,697	640	272	189	89	46	-	120	3,053
Supplies	1,969	1,312	557	388	182	93	-	247	4,748
Travel, catering, and meetings	3,578	1,256	533	371	174	89	-	236	6,237
Other events	-	17,160	-	-	-	-	-	-	17,160
Grants - direct	477,860	-	38,250	29,850	-	-	98,334	45,000	689,294
Dues and subscriptions	5,464	3,482	1,478	1,030	483	248	-	656	12,841
Depreciation	7,161	4,773	2,026	1,412	663	340	-	899	17,274
Fees	4,680	3,120	1,324	923	433	222	-	587	11,289
Special events	-	-	-	-	-	-	-	-	-
Advertising	11,710	123,894	16,868	47,174	746	383	14,587	1,012	216,374
Total Expenses Before Reimbursement and Direct Donor Benefit Expenses	1,074,087	500,080	207,492	183,200	50,588	32,172	112,921	113,602	2,274,142
Reimbursement of expenses	-	-	-	-	-	-	-	-	-
Direct donor benefit expenses	-	-	-	-	-	-	-	-	-
Total Expenses Reported by Function on the Statement of Activities	\$ 1,074,087	\$ 500,080	\$ 207,492	\$ 183,200	\$ 50,588	\$ 32,172	\$ 112,921	\$ 113,602	\$ 2,274,142

See notes to financial statements

New York Landmarks Conservancy, Inc.

Statement of Functional Expenses *(continued)*

Year Ended December 31, 2021

(with summarized totals for the year ended December 31, 2020)

	Administration					
	Management and General	New York City Historic Properties Fund	Total Administration	Development and Fundraising	2021 Total	2020 Total
Salaries	\$ 195,214	\$ 287,837	\$ 483,051	\$ 275,969	\$ 1,531,249	\$ 1,588,497
Payroll taxes and benefits	56,259	91,918	148,177	79,532	440,147	431,136
Total Salaries and Related Expenses	<u>251,473</u>	<u>379,755</u>	<u>631,228</u>	<u>355,501</u>	<u>1,971,396</u>	<u>2,019,633</u>
Professional fees and purchased services	25,914	-	25,914	36,634	174,129	209,150
In-kind legal	57,945	-	57,945	-	57,945	-
Occupancy and insurance	32,534	84,628	117,162	67,927	366,528	377,312
Equipment lease and maintenance	967	1,391	2,358	1,367	7,376	6,048
Telephone	2,518	3,621	6,139	3,559	19,206	14,532
Postage, shipping and messenger	1,177	1,694	2,871	1,665	9,562	10,063
Copying, printing and photos	3,233	882	4,115	867	8,035	39,918
Supplies	1,258	1,809	3,067	1,778	9,593	11,203
Travel, catering, and meetings	1,203	-	1,203	1,701	9,141	10,445
Other events	-	-	-	-	17,160	77,348
Grants - direct	-	-	-	-	689,294	1,094,513
Dues and subscriptions	3,337	-	3,337	4,718	20,896	13,130
Depreciation	4,574	5,971	10,545	6,465	34,284	35,594
Fees	2,990	-	2,990	4,226	18,505	15,827
Special events	-	-	-	271,087	271,087	235,562
Advertising	5,151	-	5,151	226,839	448,364	335,653
Total Expenses Before Reimbursement and Direct Donor Benefit Expenses	<u>394,274</u>	<u>479,751</u>	<u>874,025</u>	<u>984,334</u>	<u>4,132,501</u>	<u>4,505,931</u>
Reimbursement of expenses	-	(479,751)	(479,751)	-	(479,751)	(488,568)
Direct donor benefit expenses	-	-	-	(271,087)	(271,087)	(235,562)
Total Expenses Reported by Function on the Statement of Activities	<u>\$ 394,274</u>	<u>\$ -</u>	<u>\$ 394,274</u>	<u>\$ 713,247</u>	<u>\$ 3,381,663</u>	<u>\$ 3,781,801</u>

See notes to financial statements

New York Landmarks Conservancy, Inc.

Statement of Cash Flows

Year Ended December 31, 2021

(with comparative amounts for the year ended December 31, 2020)

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 2,485,484	\$ 1,082,950
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	34,284	35,594
Deferred rent	(22,181)	(22,847)
Net realized and unrealized gain on investments	(1,103,058)	(1,382,728)
Forgiveness of Paycheck Protection Program loans	(589,319)	-
Changes in operating assets and liabilities		
Pledges receivable	(15,000)	(62,000)
Due from New York City Historic Properties Fund, Inc.	-	38,644
Prepaid expenses and other assets	88,024	(51,121)
Accounts payable and accrued liabilities	(41,097)	11,579
Grants payable	(12,297)	(116,608)
Net Cash from Operating Activities	824,840	(466,537)
CASH FLOWS FROM INVESTING ACTIVITIES		
Loan repayments	28,314	22,842
Loan disbursements	(300,000)	-
Purchase of property and equipment	-	(15,000)
Proceeds from sales of investments	2,414,893	2,577,679
Purchase of investments	(3,563,478)	(1,368,732)
Change in short term investments	574,838	(475,204)
Net Cash from Investing Activities	(845,433)	741,585
CASH FLOWS FROM FINANCING ACTIVITIES		
Paycheck Protection program loan proceeds	297,712	291,607
Net Change in Cash and Cash Equivalents	277,119	566,655
CASH AND CASH EQUIVALENTS		
Beginning of the year	3,556,556	2,989,901
End of the year	\$ 3,833,675	\$ 3,556,556
NON-CASH FINANCING ACTIVITY		
Forgiveness of Paycheck Protection Program loans	\$ 589,319	\$ -

See notes to financial statements

New York Landmarks Conservancy, Inc.

Notes to Financial Statements
December 31, 2021

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.

Program-Related Loans Receivable

Program-related loans receivable are recorded at cost. Management deems all program-related loans receivable to be collectible at December 31, 2021.

New York Landmarks Conservancy, Inc.

Notes to Financial Statements
December 31, 2021

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.

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.

New York Landmarks Conservancy, Inc.

Notes to Financial Statements
December 31, 2021

2. Summary of Significant Accounting Policies (continued)

Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributable 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.

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 at 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. The Organization recognized contributed services of \$57,945 for the year ended December 31, 2021.

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.

New York Landmarks Conservancy, Inc.

Notes to Financial Statements
December 31, 2021

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

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 2018.

Advertising

Advertising costs are expensed as incurred and amounted to \$448,364 for the year ended December 31, 2021.

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 19, 2022.

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 2020.

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.

4. Pledges Receivable

Pledges receivable at December 31, 2021 are deemed fully collectible by management, and are scheduled to be collected as follows:

2022	\$	67,500
2023		30,000
	\$	<u>97,500</u>

New York Landmarks Conservancy, Inc.

Notes to Financial Statements
December 31, 2021

5. Program-Related Loans Receivable

Program-related loans receivable consist of three unsecured loans, two of which were made to churches for landmark restoration and preservation of their historic buildings. Monthly payments for the church loans range from \$876 to \$2,080, including interest ranging from 2% to 3% per annum through June 1, 2026. The remaining loan was made to New York City Historic Properties Fund, Inc. ("NYCHPF") for general operating purposes with interest accruing at 2% per annum through February 1, 2026, and the entire balance due at maturity on February 1, 2026. The loans are deemed fully collectible by management. Future minimum principal payments are due as follows as of December 31:

2022	\$	33,954
2023		20,217
2024		10,097
2025		10,300
2026		<u>255,227</u>
	\$	<u>329,795</u>

6. Due from New York City Historic Properties Fund, Inc.

The Organization has a management contract with NYCHPF, a related party, whereby NYCHPF reimburses the Organization for management and administrative costs provided. During 2021, the Organization was reimbursed \$479,751 by NYCHPF for direct expenses and common costs associated with the administration and management of NYCHPF. At December 31, 2021, the Organization had no outstanding receivable from NYCHPF relating to this contract.

7. Investments

Investments at December 31, 2021 consist of:

Mutual Funds, at Fair Value	
US large cap growth	\$ 3,059,489
US large cap value	3,083,731
US large cap	878,673
US mid cap	865,892
International equities	2,469,141
US taxable core	2,254,886
Preferred securities	453,338
Short term fixed income	1,505,879
REITs	173,255
Global multi asset	<u>911,180</u>
Total Mutual Funds, at Fair Value	15,655,464
Cash and cash equivalents, at cost	<u>105,366</u>
Total Investments	<u>\$ 15,760,830</u>

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

New York Landmarks Conservancy, Inc.

Notes to Financial Statements
December 31, 2021

7. Investments (continued)

Investment earnings consist of the following for the year ended December 31, 2021:

Realized and unrealized gain on investments	\$ 1,103,058
Interest and dividends	662,792
Investment fees	<u>(99,033)</u>
	<u>\$ 1,666,817</u>

8. Property and Equipment

Property and equipment consist of the following at December 31, 2021:

Furniture and equipment	\$ 213,146
Leasehold improvements	<u>58,894</u>
	272,040
Accumulated depreciation	<u>(240,374)</u>
	<u>\$ 31,666</u>

9. Operating Lease

The Organization occupies offices in New York City at One Whitehall Street, under a noncancellable operating lease expiring December 31, 2034. Future minimum lease payments under the terms of the agreement are as follows as of December 31:

2022	\$ 207,792
2023	299,700
2024	333,000
2025	399,600
2026	399,600
Thereafter	<u>3,476,520</u>
	<u>\$ 5,116,212</u>

Rental expense for 2021 was \$323,719, which included letter of credit fees and tax escalation costs charged by the lessor amounting to \$98,148.

10. Net Assets Without Donor Restrictions

At December 31, 2021, the Board of Directors has designated \$12,765,769 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, 2021

11. Net Assets With Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes or periods at December 31, 2021:

Subject to expenditure for a specified purpose:	
City Ventures Fund	\$ 11,667
Emergency Grant Program	50,313
Sacred Sites Program	401,039
Porzeolt Foundation	7,702
Lucy G. Moses Awards Program	642,361
Brendan Gill Endowment for Historic Preservation	710,322
Frederick Law Olmstead House	7,115
25 Year Anniversary Fund Endowment	<u>284,931</u>
	<u>2,115,450</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>\$ 4,507,518</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by the passage of time in 2021 as follows:

Program restrictions accomplished:	
City Ventures Fund	\$ 6,225
Emergency Grant Program	29,850
Sacred Sites Program	300,235
NYC HPF	10,000
Lucy G. Moses Awards Endowment	30,160
Brendan Gill Endowment for Historic Preservation	88,333
Other	<u>9,500</u>
Total Restrictions Released	<u>\$ 474,303</u>

New York Landmarks Conservancy, Inc.

Notes to Financial Statements
December 31, 2021

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.

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12. Endowment (continued)

Changes in endowment and other invested funds for 2021 consist of the following:

	Without Donor Restrictions	With Donor Restrictions		Total
		Temporary in Nature	Perpetual in Nature	
Balance, beginning of year, endowment funds	\$ 9,841,822	\$ 790,427	\$ 2,392,068	\$ 13,024,317
Additions	1,350,052	-	-	1,350,052
Investment return	460,231	144,493	-	604,724
Investment fees	(70,446)	(22,476)	-	(92,922)
Capital appreciation	787,768	253,392	-	1,041,160
Expenditures	(265,966)	(101,334)	-	(367,300)
Transfers	(269,666)	-	-	(269,666)
Balance, end of year, endowment funds	11,833,795	1,064,502	2,392,068	15,290,365
Other investments, not included in endowment funds				
Operating fund	296,546	-	-	296,546
Astor Fund (Sacred Sites)	-	173,919	-	173,919
Total Investments	<u>\$ 12,130,341</u>	<u>\$ 1,238,421</u>	<u>\$ 2,392,068</u>	<u>\$ 15,760,830</u>
Comprised of the following:				
Board Designated	\$ 11,833,795	\$ -	\$ -	\$ 11,833,795
Second 25 year endowment	-	284,931	278,843	563,774
Lucy Moses endowment	-	69,249	330,000	399,249
Brendan Gill endowment	-	710,322	1,783,225	2,493,547
Total Endowment Funds	11,833,795	1,064,502	2,392,068	15,290,365
Operating fund	296,546	-	-	296,546
Astor Fund (Sacred Sites)	-	173,919	-	173,919
Total Investments	<u>\$ 12,130,341</u>	<u>\$ 1,238,421</u>	<u>\$ 2,392,068</u>	<u>\$ 15,760,830</u>
Donor endowed	\$ -	\$ 1,064,502	\$ 2,392,068	\$ 3,456,570
Board designated	11,833,795	-	-	11,833,795
Total Endowment Funds	11,833,795	1,064,502	2,392,068	15,290,365
Operating fund	296,546	-	-	296,546
Astor Fund (Sacred Sites)	-	173,919	-	173,919
Total Investments	<u>\$ 12,130,341</u>	<u>\$ 1,238,421</u>	<u>\$ 2,392,068</u>	<u>\$ 15,760,830</u>

New York Landmarks Conservancy, Inc.

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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, 2021.

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 the 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 \$75,199 in 2021.

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, 2021:

Cash and cash equivalents	\$ 3,833,675
Pledges receivable	97,500
Program-related loans receivable	33,954
Investments	<u>296,546</u>
Total Financial Assets	4,261,675
Pledges receivable expected to be collected in 2023	<u>(30,000)</u>
	<u>\$ 4,231,675</u>

As part of the Organization's liquidity management, the Organization strives to maintain an amount equal to 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, 2021 was \$296,546. Also, there are Board designated investments of approximately \$11.8 million that can be made available if needed.

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16. Paycheck Protection Program Loans

On April 7, 2020, the Organization received a loan under the Paycheck Protection Program (“PPP Round 1”) in the amount of \$291,607 from the United States Small Business Administration (“SBA”). On February 12, 2021 the Organization received a second loan under the Paycheck Protection Program (“PPP Round 2”) in the amount of \$297,712. The PPP Round 1 and 2 loans were subsequently forgiven in full by the SBA on January 27, 2021 and November 8, 2021, respectively, and are included in the non-operating section of the accompanying statement of activities as forgiveness of Paycheck Protection Program loans.

17. Risks and Uncertainties

The ongoing Coronavirus pandemic has resulted in substantial volatility in the global economy. The pandemic may potentially have an adverse effect on the results of operations. While management has implemented measures to mitigate the impact of the pandemic, including obtaining two PPP loans under the CARES Act as detailed in Note 16, the extent to which the Organization’s operations are impacted will depend on future developments, which are highly uncertain and cannot be predicted. As a result, management cannot reasonably estimate the overall impact of the Coronavirus pandemic to the Organization’s future results of operations, cash flows, or financial condition.

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