New York Landmarks Conservancy, Inc.

Financial Statements

December 31, 2023

PKF O'CONNOR DAVIES
ACCOUNTANTS AND ADVISORS

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. (the “Organization”) which comprise the statement of financial position as of December 31, 2023, 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 the Organization as of December 31, 2023, 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 the Organization 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 the Organization’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 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 access 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 a 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 the Organization'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 the Organization'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, 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 17, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.

PKF O'Connor Davies, LLP

April 15, 2024

New York Landmarks Conservancy, Inc.

Statement of Financial Position
December 31, 2023
(with comparative amounts at December 31, 2022)

	2023	2022
ASSETS		
Cash and cash equivalents	$ 2,708,460	$ 4,798,505
Pledges receivable	40,000	400,000
Program-related loans receivable	274,792	295,841
Prepaid expenses and other assets	103,000	-
Cash and cash equivalents held for others	64,623	58,830
Investments	14,676,188	10,955,299
Right of use asset - operating lease, net	3,803,716	4,104,853
Investments held in perpetuity	2,392,068	2,392,068
	$ 24,062,847	$ 23,005,396
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued liabilities	$ 41,714	$ 32,997
Grants payable	944,541	934,745
Lease payable	4,090,049	4,295,822
Amounts Held for Others		
Queens Historic Properties Fund	64,623	58,830
Total Liabilities	5,140,927	5,322,394
Net Assets		
Without Donor Restrictions		
Undesignated	2,517,463	2,356,323
Board designated	12,300,303	11,068,046
Total Without Donor Restrictions	14,817,766	13,424,369
With donor restrictions	4,104,154	4,258,633
Total Net Assets	18,921,920	17,683,002
	$ 24,062,847	$ 23,005,396

See notes to financial statements

New York Landmarks Conservancy, Inc.

Statement of Activities
Year Ended December 31, 2023
(with summarized totals for the year ended December 31, 2022)

	Without Donor Restrictions	With Donor Restrictions	2023 Total	2022 Total
OPERATING REVENUE AND SUPPORT				
Contributions and grants	$ 2,206,016	$ 249,501	$ 2,455,517	$ 3,800,692
Contributed services	459,021	-	459,021	16,934
Special events, net of direct benefit to donors of $337,963 and $228,593	924,139	-	924,139	1,059,213
Government grants	50,000	-	50,000	49,500
Investment return used for operations	680,821		680,821	-
Endowment income allocation	-	145,000	145,000	-
Program services income	-	56,681	56,681	41,525
	4,319,997	451,182	4,771,179	4,967,864
Net assets released from restrictions	828,768	(828,768)	-	-
Total Operating Revenue and Support	5,148,765	(377,586)	4,771,179	4,967,864
EXPENSES				
Program	3,194,424	-	3,194,424	2,745,104
Administration	639,956	-	639,956	421,628
Development and fundraising	758,735	-	758,735	760,475
Total Expenses	4,593,115	-	4,593,115	3,927,207
Excess of Operating Revenue and Support Over Expenses	555,650	(377,586)	178,064	1,040,657
NON-OPERATING ACTIVITIES				
Non-operating investment return	837,747	223,107	1,060,854	(2,729,006)
Change in Net Assets	1,393,397	(154,479)	1,238,918	(1,688,349)
NET ASSETS				
Beginning of year	13,424,369	4,258,633	17,683,002	19,371,351
End of year	$ 14,817,766	$ 4,104,154	$ 18,921,920	$ 17,683,002

See notes to financial statements

New York Landmarks Conservancy, Inc.

Statement of Functional Expenses
Year Ended December 31, 2023
(with summarized totals for the year ended December 31, 2022)

	Program								
	Sacred Sites Program	Public Policy	Technical Services	Emergency Grants	Easements	Nonprofit Technical Assistance Grant Program	New York City Historic Properties Fund	Endangered Buildings	Total Program
Salaries	$ 361,547	$ 207,492	$ 81,922	$ 50,228	$ 36,904	$ 32,833	$ -	$ 43,426	$ 814,352
Payroll taxes and benefits	103,615	61,264	24,188	14,830	10,896	9,694	-	12,822	237,309
Total Salaries and Related Expenses	465,162	268,756	106,110	65,058	47,800	42,527	-	56,248	1,051,661
Professional fees and purchased services	52,002	49,823	9,659	29,372	4,351	3,871	-	5,120	154,198
In-kind legal	-	227,091	-	-	-	-	-	-	227,091
Occupancy and insurance	91,456	55,325	21,844	13,393	9,840	8,755	-	11,579	212,192
Equipment lease and maintenance	1,496	905	357	219	161	143	-	189	3,470
Telephone	3,539	2,141	845	518	381	339	-	448	8,211
Postage, shipping and messenger	2,033	1,230	486	298	219	195	-	257	4,718
Copying, printing and photos	1,047	634	250	153	113	100	-	133	2,430
Supplies	3,263	1,974	779	478	351	312	-	413	7,570
Travel, catering, and meetings	12,732	3,277	1,294	3,900	583	1,068	-	686	23,540
Other events	6,700	254,438	-	-	-	-	-	-	261,138
Grants - direct	648,850	-	156,915	50,000	-	44,248	89,610	18,000	1,007,623
Dues and subscriptions	4,140	2,359	932	571	420	373	-	494	9,289
Depreciation	-	-	-	-	-	-	-	-	-
Fees	4,788	2,896	1,144	701	515	458	-	606	11,108
Special events	-	-	-	-	-	-	-	-	-
Advertising	24,278	82,520	18,724	65,826	134	119	18,426	158	210,185
Total Expenses Before Reimbursement and Direct Donor Benefit Expenses	1,321,486	953,369	319,339	230,487	64,868	102,508	108,036	94,331	3,194,424
Reimbursement of expenses	-	-	-	-	-	-	-	-	-
Direct donor benefit expenses	-	-	-	-	-	-	-	-	-
Total Expenses Reported by Function on the Statement of Activities	$ 1,321,486	$ 953,369	$ 319,339	$ 230,487	$ 64,868	$ 102,508	$ 108,036	$ 94,331	$ 3,194,424

See notes to financial statements

New York Landmarks Conservancy, Inc.

Statement of Functional Expenses *(continued)*
Year Ended December 31, 2023
(with summarized totals for the year ended December 31, 2022)

	Administration					
	Management and General	New York City Historic Properties Fund	Total Administration	Development and Fundraising	2023 Total	2022 Total
Salaries	$ 222,277	$ 232,980	$ 455,257	$ 306,289	$ 1,575,898	$ 1,561,489
Payroll taxes and benefits	65,629	51,717	117,346	90,434	445,089	456,348
Total Salaries and Related Expenses	287,906	284,697	572,603	396,723	2,020,987	2,017,837
Professional fees and purchased services	26,208	680	26,888	36,113	217,199	170,693
In-kind legal	231,930	-	231,930	-	459,021	16,934
Occupancy and insurance	69,428	75,932	145,360	81,668	439,220	450,597
Equipment lease and maintenance	970	1,408	2,378	1,336	7,184	7,072
Telephone	2,293	3,331	5,624	3,160	16,995	16,316
Postage, shipping and messenger	1,317	1,974	3,291	1,815	9,824	8,604
Copying, printing and photos	7,841	986	8,827	935	12,192	9,970
Supplies	2,115	3,072	5,187	2,914	15,671	11,592
Travel, catering, and meetings	3,510	23	3,533	4,837	31,910	25,983
Other events	-	-	-	-	261,138	237,037
Grants - direct	-	-	-	-	1,007,623	890,442
Dues and subscriptions	2,528	-	2,528	3,483	15,300	12,780
Depreciation	-	-	-	-	-	31,667
Fees	3,103	-	3,103	4,275	18,486	17,914
Special events	-	-	-	337,963	337,963	228,593
Advertising	807	-	807	221,476	432,468	474,940
Total Expenses Before Reimbursement and Direct Donor Benefit Expenses	639,956	372,103	1,012,059	1,096,698	5,303,181	4,628,971
Reimbursement of expenses	-	(372,103)	(372,103)	-	(372,103)	(473,171)
Direct donor benefit expenses	-	-	-	(337,963)	(337,963)	(228,593)
Total Expenses Reported by Function on the Statement of Activities	$ 639,956	$ -	$ 639,956	$ 758,735	$ 4,593,115	$ 3,927,207

See notes to financial statements

New York Landmarks Conservancy, Inc.

Statement of Cash Flows
Year Ended December 31, 2023
(with comparative amounts for the year ended December 31, 2022)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 1,238,918	$ (1,688,349)
Adjustments to reconcile change in net assets to net cash from operating activities		
Amortization of right to use assets- operating lease	301,137	296,322
Depreciation	-	31,667
Net realized and unrealized (gain) loss on investments	(1,370,468)	3,061,023
Changes in operating assets and liabilities		
Pledges receivable	360,000	(302,500)
Prepaid expenses and other assets	(103,000)	21,225
Accounts payable and accrued liabilities	8,717	3,964
Grants payable	9,796	264,134
Payments on lease payable	(205,773)	(109,050)
Net Cash from Operating Activities	239,327	1,578,436
CASH FLOWS FROM INVESTING ACTIVITIES		
Loan repayments	20,203	33,954
Proceeds from sales of investments	6,338,647	4,778,725
Purchase of investments	(8,651,010)	(5,256,387)
Change in short term investments	(37,212)	(169,898)
Net Cash from Investing Activities	(2,329,372)	(613,606)
Net Change in Cash and Cash Equivalents	(2,090,045)	964,830
CASH AND CASH EQUIVALENTS		
Beginning of the year	4,798,505	3,833,675
End of the year	$ 2,708,460	$ 4,798,505

See notes to financial statements

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.

Adoption of New Accounting Policies

Credit Losses

In June 2016, the Financial Accounting Standards Board issued an accounting pronouncement related to the measurement of credit losses on financial instruments. This pronouncement and subsequently issued Accounting Standards Updates, clarified certain provisions of the new guidance, changed the impairment model for most financial assets and required the use of an "expected loss" model for instruments measured at amortized cost. Under this model, entities are required to estimate the lifetime expected credit losses on such instruments and record an allowance to offset the amortized cost basis of the financial asset, resulting in a net presentation of the amount expected to be collected on the financial asset.

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

Adoption of New Accounting Policies (continued)

The adoption of this guidance on January 1, 2023 expanded the Organization's required disclosures for its expected credit losses for its program-related loans receivable but did not have a material effect on its financial statements.

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.

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.

The fair values by input levels of the Organization's investments are included in Note 7 to the financial statements.

The Organization follows U.S. GAAP guidance which removed the requirements to categorize within the fair value hierarchy alternative investments where fair value is measured using the Net Asset Value ("NAV") per share as a practical expedient.

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

Fair Value Measurements (continued)

The Organization holds alternative investments (see Note 7) which are valued on a quarterly basis using the NAV for the fund which is calculated by a third party. The fair value of alternative investments has been estimated using NAV as reported by the management of the respective alternative investment funds. U.S. GAAP guidance provides for the use of NAV as a "Practical Expedient" for estimating fair value of alternative investments. The NAV reported by each alternative investment fund is used as a practical expedient to estimate the fair value of the Organization's interest.

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. As of December 31, 2023, property and equipment of $272,040 is fully depreciated but still in use.

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.

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.

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

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.

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.

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 2020.

Advertising

Advertising costs are expensed as incurred and amounted to $432,468 for the year ended December 31, 2023.

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

Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is April 15, 2024.

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 2022.

Leases

The Organization determines if an arrangement is a lease at inception. The operating lease is included in right of use assets – operating lease ("ROU asset"), and lease payable on the accompanying statement of financial position.

ROU asset represents the right to use an underlying asset for the lease term and lease payable represents the obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The lease does not provide an implicit borrowing rate. The Organization uses a risk-free rate based on the information available at the commencement date in determining the present value of lease payments. The operating lease ROU asset includes any lease payments made and excludes lease incentives. The lease term may include options to extend the lease and when it is reasonably certain that the Organization will exercise that option, such amounts are included in ROU assets and lease liabilities. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

The Organization's lease agreement does not contain any material residual value guarantees or material restrictive covenants.

The Organization has a lease agreement with lease and non-lease components, which are generally accounted for separately. Variable lease components in this lease are utilities, insurance, storage, and maintenance expenses and are recognized in operating expenses in the period in which the obligation is incurred.

The Organization applies the short-term lease exemption to all of its classes of underlying assets. During the year ended December 31, 2023, there were no short-term lease costs.

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

Program-Related Loans Receivable and Allowance for Credit Losses

Prior to January 1, 2023, program-related loans receivable were recorded at the present value of their estimated future cash flows per the loan agreement less subsequent payments per the loan agreement and an allowance for doubtful accounts. The net amount of program-related loans receivable and corresponding allowance for doubtful accounts were presented on the accompanying 2022 statement of financial position. Receivable balances were assessed at every reporting date for impairment and an allowance was recorded if the receivable was considered impaired. No allowance for doubtful accounts was historically deemed necessary. Subsequent to January 1, 2023, program-related loans receivable are recorded at the amount per the loan agreement less subsequent payments per the loan agreement and an allowance for credit losses that are not expected to be recovered. The amount of program-related loans receivable and corresponding allowance for credit losses are presented on the accompanying 2023 statement of financial position. The Organization maintains allowances for credit losses resulting from the expected failure or inability of its loan recipients to make required payments. The Organization recognizes the allowance for credit losses at inception and reassesses at every reporting date based on the remaining program-related loan receivable's expected collectability. The allowance is based on multiple factors including historical experience with bad debts, the credit quality of the customer base, the aging of such receivables and current macroeconomic conditions, as well as expectations of conditions in the future, if applicable. The Organization's allowance for credit losses is based on the assessment of the collectability of assets pooled together with similar risk characteristics.

The Organization records a provision for expected credit losses using a cumulative loss rate method based on the ratio of its historical write-offs to its outstanding loan balance as of the specific reporting date. At each reporting period, the Organization assesses whether financial assets in a pool continue to display similar risk characteristics. If particular program-related loan receivables no longer display risk characteristics that are similar to those of the program-related loan receivables in the pool, the Organization may determine that it needs to move those program-related loan receivables to a different pool or perform an individual assessment of expected credit losses for those specific program-related loan receivables.

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, 2023 are deemed fully collectible by management, and are scheduled to be fully collected in the year ending December 31, 2024.

5. Program-Related Loans Receivable

Program-related loans receivable consist of two unsecured loans, one of which was made to a church for landmark restoration and preservation of their historic buildings. Monthly payments for the church loan are $876, including interest at 2% 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:

2024	$ 10,097
2025	10,300
2026	254,395
	$ 274,792

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 2023, the Organization was reimbursed $372,103 by NYCHPF for direct expenses and common costs associated with the administration and management of NYCHPF. At December 31, 2023, the Organization had no outstanding receivable from NYCHPF relating to this contract.

7. Investments

The following summarizes the inputs used to measure the fair value of investments at December 31, 2023:

	Level 1	Total
Mutual Funds, at Fair Value		
US large cap growth	$ 1,438,552	$ 1,438,552
US large cap value	1,413,867	1,413,867
US large cap	2,891,402	2,891,402
US mid cap	791,564	791,564
International equities	2,272,226	2,272,226
US taxable core	2,223,823	2,223,823
Preferred securities	681,861	681,861
Ultra short term fixed income	673,004	673,004
Short term fixed income	3,390,952	3,390,952
Floating rate loan fund	404,499	404,499
Total Mutual Funds, at Fair Value	16,181,750	16,181,750
Cash and cash equivalents, at cost	-	475,154
Alternative investments *	-	411,352
Total Investments	$ 16,181,750	$ 17,068,256

* As discussed in Note 2, alternative investments are valued at NAV and are not included in the fair value hierarchy. Amounts in the total column are presented to permit a reconciliation to the statement of financial position.

During the year ended December 31, 2023, there were no transfers in or out of Levels 1, 2, or 3 of the fair value hierarchy.

Alternative investments consist of non-traditional, not readily marketable investments, some of which may be structured as offshore limited partnerships, venture capital funds, hedge funds, private equity funds and common trust funds. The underlying investments of such funds, whether invested in stock or other securities, are generally not currently traded in a public market and typically are subject to restrictions on resale. Values determined by investment managers and general partners of underlying securities that are thinly traded or not traded in an active market may be based on historical cost, appraisals, a review of the investees' financial results, financial conditions and prospects, together with comparisons to similar companies for which quoted market prices are available or other estimates that require varying degrees of judgment.

Because of the inherent uncertainty of valuations, the estimated fair values may differ significantly from the values that would have been used had a ready market for such investments existed or had such investments been liquidated, and those differences could be material.

7. Investments *(continued)*

Information regarding investments valued at NAV at December 31, 2023 is as follows:

Investment Funds	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Domestic Credit Investments (a)				
Oaktree Strategic Credit Fund, LP	$ 411,352	$ -	Quarterly	29 days in advance

a. This category includes one statutory trust. The fund invests broadly in various private credit financing and public debt financing opportunities primarily within the United States of America.

Investment earnings consist of the following for the year ended December 31, 2023:

Realized and unrealized gain on investments	$ 1,370,468
Interest and dividends	605,330
Investment fees	(89,123)
	$ 1,886,675

8. Commitments and Contingencies

The Organization occupies offices in New York City at One Whitehall Street (the “Facility”) under a noncancellable operating lease expiring December 31, 2034.

The Organization amortizes the operating lease right-of-use asset over the remaining life of the lease agreement. The right-of-use asset consists of the following at December 31, 2023:

Right of use assets - operating lease	$ 4,401,175
Less: accumulated amortization	(597,459)
	$ 3,803,716

The weighted average discount rate and remaining lease term of the lease at December 31, 2023 is as follows:

Weighted Average	
Discount rate	2.26%
Remaining lease term in years	11

8. Commitments and Contingencies *(continued)*

The Facility is occupied under an operating lease requiring future minimum payments as follows for the years ending December 31:

2024	$ 356,310
2025	399,600
2026	399,600
2027	399,600
2028	439,560
Thereafter	2,637,360
Total Undiscounted Operating Lease Payments	4,632,030
Less: imputed interest	(541,981)
Present Value of Operating Lease Liabilities	$ 4,090,049

Supplemental cash flow information related to operating leases was as follows for the year ended December 31, 2023:

Cash paid for amounts included in the measurement of operating lease liabilities	$ 299,700

Occupancy and insurance expense for the Organization for 2023 was $439,220 with $93,927 related to imputed interest on the lease payable, $301,137 related to amortization on the right of use asset - operating lease $4,410 related to utilities, $19,468 related to insurance, $6,046 related to storage, and $14,232 related to property maintenance.

9. Net Assets Without Donor Restrictions

At December 31, 2023, the Board of Directors has designated $12,300,303 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.

9. Net Assets With Donor Restrictions *(continued)*

Net assets with donor restrictions are restricted for the following purposes or periods at December 31, 2023:

Subject to expenditure for a specified purpose:	
Time Restriction	$ 40,000
Nonprofit Technical Assistance Grant Program	61,276
Emergency Grant Program	99,159
Sacred Sites Program	133,242
Lucy G. Moses Awards Program	707,290
Brendan Gill Endowment for Historic Preservation	358,563
Frederick Law Olmstead House	62,012
25 Year Anniversary Fund Endowment	90,241
Mellon Tents	160,303
	1,712,086
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
Second 25 Year Anniversary Endowment	278,843
	2,392,068
Total Net Assets with Donor Restrictions	$ 4,104,154

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by the passage of time in 2023 as follows:

Program restrictions accomplished:	
Nonprofit Technical Assistance Grant Program	$ 44,797
Emergency Grant Program	50,787
Sacred Sites Program	345,581
Lucy G. Moses Awards Endowment	126,447
Brendan Gill Endowment for Historic Preservation	89,610
Frederick Law Olmstead House	1,851
25 Year Anniversary Fund Endowment	145,000
Mellon Tents	24,695
Total Restrictions Released	$ 828,768

10. 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.

10. Endowment *(continued)*

Spending Rate Methods

The spending policies for board designated endowment funds are set at the discretion of the Board of Directors. These funds are used for preservation grants and easements, restoration of endangered buildings and future operating purposes. The annual appropriation amounts are presented and approved with the Organization's annual budget. Within the Board designated endowment funds, an amount of $1 million dollars is held in perpetuity to fund any obligation under the terms of easements held by the Organization. The Organization invests its endowment funds and allocates the related earnings for expenditure in accordance with the total return concept.

The Board of Directors utilizes various targeted spending methods to determine the estimated annual drawdown from the Organization's donor restricted 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

The above targeted spending policies for donor restricted endowment funds and any and all actual appropriation amounts are approved annually at the discretion of the Organization's Board of Directors and must be consistent with the requirements of NYPMIFA as set forth in Section 553 of the New York Not-for-Profit Corporation Law including, but not limited to, the prudence standard of NYPMIFA. Under the prudence standard, an Organization may spend so much of a donor restricted endowment fund as the Organization determines is prudent for the uses, benefits, purposes, and duration for which the endowment fund is established, considering certain factors enumerated in Section 553(a) of the New York Not-for-Profit Corporation Law. The Investment Committee of the Board of Directors reviews and reassesses periodically the adequacy of the current spending policies in light of current operational circumstances.

10. Endowment *(continued)*

Changes in endowment and other invested funds for 2023 consist of the following:

	Without Donor Restrictions	With Donor Restrictions Temporary in Nature	With Donor Restrictions Perpetual in Nature	Total
Balance, beginning of year, endowment funds	$ 9,745,524	$ 368,416	$ 2,392,068	$12,506,008
Investment return	353,813	95,658	-	449,471
Investment fees	(68,137)	(18,634)	-	(86,771)
Capital appreciation	1,049,682	283,267	-	1,332,949
Expenditures	(18,000)	(234,610)	-	(252,610)
Transfers	40,965	-	-	40,965
Balance, end of year, endowment funds	11,103,847	494,097	2,392,068	13,990,012
Other investments, not included in endowment funds				
Operating fund	3,024,961	-	-	3,024,961
Astor Fund (Sacred Sites)	-	53,283	-	53,283
Total Investments	$ 14,128,808	$ 547,380	$ 2,392,068	$17,068,256
Comprised of the following:				
Board Designated	$ 11,103,847	$ -	$ -	$11,103,847
Second 25 year Anniversary endowment	-	90,241	278,843	369,084
Lucy G. Moses endowment	-	45,293	330,000	375,293
Brendan Gill endowment	-	358,563	1,783,225	2,141,788
Total Endowment Funds	11,103,847	494,097	2,392,068	13,990,012
Operating fund	3,024,961	-	-	3,024,961
Astor Fund (Sacred Sites)	-	53,283	-	53,283
Total Investments	$ 14,128,808	$ 547,380	$ 2,392,068	$17,068,256
Donor endowed	$ -	$ 494,097	$ 2,392,068	$ 2,886,165
Board designated	11,103,847	-	-	11,103,847
Total Endowment Funds	11,103,847	494,097	2,392,068	13,990,012
Operating fund	3,024,961	-	-	3,024,961
Astor Fund (Sacred Sites)	-	53,283	-	53,283
Total Investments	$ 14,128,808	$ 547,380	$ 2,392,068	$17,068,256

10. 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, 2023.

11. 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.

12. 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 $64,461 in 2023.

13. Contributed Services

The Organization received contributed services as follows for the year ended December 31, 2023:

	Amount	Usage in Program/Activities	Donor Restriction	Fair Value Techniques
Legal services	$ 227,091	Public Policy Program	None	Estimated based on current rates of legal services provided by law firm
Legal services	231,930	Management and General	None	Estimated based on current rates of legal services provided by law firm
	$ 459,021			

The Organization does not have a policy to monetize donations of non-financial assets.

14. 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, 2023:

Cash and cash equivalents	$ 2,708,460
Pledges receivable	40,000
Program-related loans receivable	10,097
Investments	14,676,188
Total Financial Assets	17,434,745
Donor restricted net assets temporary in nature	(1,712,086)
Board designated endowment	(12,300,303)
	$ 3,422,356

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, 2023 was $3,024,961. Also, there are Board designated investments of approximately $11.1 million that can be made available if needed.

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