

**New York Restoration Project  
and  
Consolidated Entities**

Consolidated Financial Statements

September 30, 2022

## **Independent Auditors' Report**

### **The Board of Trustees New York Restoration Project**

#### ***Opinion***

We have audited the accompanying consolidated financial statements of New York Restoration Project and Consolidated Entities (the "Organization"), which comprise the consolidated statements of financial position as of September 30, 2022 and 2021, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Organization as of September 30, 2022 and 2021, and the consolidated changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis of Opinion***

We conducted our audits 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 relating to our audits. 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 consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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 consolidated 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 consolidated 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 a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

*PKF O'Connor Davies, LLP*

June 16, 2023

## New York Restoration Project and Consolidated Entities

### Consolidated Statements of Financial Position

	September 30	
	2022	2021
<b>ASSETS</b>		
Cash and cash equivalents	\$ 1,517,860	\$ 1,291,518
Investments	4,197,728	4,906,141
Contributions receivable	-	140,000
Government grants receivable	133,912	5,843
Prepaid expenses	374,567	352,708
Other assets	60,615	60,615
Property and equipment, net	11,465,755	12,146,056
Total Assets	\$ 17,750,437	\$ 18,902,881
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Line of credit	\$ 1,930,000	\$ 1,280,000
Accounts payable and accrued expenses	120,604	173,965
Loans payable	6,688	8,771
Deferred fundraising revenue	817,230	611,128
Total Liabilities	2,874,522	2,073,864
Net Assets		
Without Donor Restrictions		
Undesignated	8,797,337	10,499,555
Board-designated	1,158,119	1,448,785
Capital	-	15,500
Total Without Donor Restrictions	9,955,456	11,963,840
With donor restrictions	4,920,459	4,865,177
Total Net Assets	14,875,915	16,829,017
Total Liabilities and Net Assets	\$ 17,750,437	\$ 18,902,881

See notes to consolidated financial statements

**New York Restoration Project and Consolidated Entities**

Consolidated Statements of Activities

	Year Ended					
	September 30, 2022			September 30, 2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>PUBLIC SUPPORT AND REVENUE</b>						
Contributions	\$ 2,615,104	\$ 1,038,500	\$ 3,653,604	\$ 2,416,199	\$ -	\$ 2,416,199
Grant income	344,480	-	344,480	872,485	-	872,485
Special events, net of direct costs of \$698,155 in 2022 and \$0 in 2021	1,815,529	-	1,815,529	2,255,405	-	2,255,405
Donated goods and services	336,261	-	336,261	205,363	-	205,363
Other income	37,104	-	37,104	43,056	-	43,056
Investment return appropriated for operations	-	160,537	160,537	50,000	150,000	200,000
Spend rate allocation	160,537	(160,537)	-	150,000	(150,000)	-
Net assets released from restrictions	<u>277,905</u>	<u>(277,905)</u>	<u>-</u>	<u>471,000</u>	<u>(471,000)</u>	<u>-</u>
Total Public Support and Revenue	<u>5,586,920</u>	<u>760,595</u>	<u>6,347,515</u>	<u>6,463,508</u>	<u>(471,000)</u>	<u>5,992,508</u>
<b>EXPENSES</b>						
Program services	5,043,767	-	5,043,767	3,898,253	-	3,898,253
Management and general	1,128,850	-	1,128,850	1,076,343	-	1,076,343
Fundraising	<u>1,258,437</u>	<u>-</u>	<u>1,258,437</u>	<u>1,697,858</u>	<u>-</u>	<u>1,697,858</u>
Total Expenses	<u>7,431,054</u>	<u>-</u>	<u>7,431,054</u>	<u>6,672,454</u>	<u>-</u>	<u>6,672,454</u>
(Deficiency) Excess of Public Support and Revenue over Expenses	(1,844,134)	760,595	(1,083,539)	(208,946)	(471,000)	(679,946)
<b>NON OPERATING ACTIVITIES</b>						
Investment return in excess of amounts appropriated for operations	<u>(164,250)</u>	<u>(705,313)</u>	<u>(869,563)</u>	<u>191,021</u>	<u>309,129</u>	<u>500,150</u>
Change in Net Assets	(2,008,384)	55,282	(1,953,102)	(17,925)	(161,871)	(179,796)
<b>NET ASSETS</b>						
Beginning of year	<u>11,963,840</u>	<u>4,865,177</u>	<u>16,829,017</u>	<u>11,981,765</u>	<u>5,027,048</u>	<u>17,008,813</u>
End of year	<u>\$ 9,955,456</u>	<u>\$ 4,920,459</u>	<u>\$ 14,875,915</u>	<u>\$ 11,963,840</u>	<u>\$ 4,865,177</u>	<u>\$ 16,829,017</u>

See notes to consolidated financial statement

## New York Restoration Project and Consolidated Entities

### Consolidated Statement of Functional Expenses Year Ended September 30, 2022

	Program Services			Total Program Services	Supporting Services		2022 Total	2021 Total
	Operations and Maintenance	Engagement and Programs	Capital Activities		Management and General	Fundraising		
Payroll and benefits	\$ 1,962,123	\$ 582,991	\$ 225,813	\$ 2,770,927	\$ 557,073	\$ 827,387	\$ 4,155,387	\$ 3,658,987
Professional fees	67,824	2,520	121,777	192,121	194,814	225,261	612,196	684,820
Program materials and supplies	453,213	137,605	159,127	749,945	194,285	1,339	945,569	971,472
Occupancy	100,058	38,073	5,413	143,544	35,223	33,696	212,463	220,385
Office expense	295,043	66,225	17,899	379,167	147,455	170,754	697,376	689,476
Depreciation and amortization	777,315	-	-	777,315	-	-	777,315	383,191
Event expenses	-	-	-	-	-	698,155	698,155	-
Bad debt expense	-	-	-	-	-	-	-	42,119
Interest expense	30,748	-	-	30,748	-	-	30,748	22,004
<b>Total Expenses and Direct Costs of Special Events</b>	<b>3,686,324</b>	<b>827,414</b>	<b>530,029</b>	<b>5,043,767</b>	<b>1,128,850</b>	<b>1,956,592</b>	<b>8,129,209</b>	<b>6,672,454</b>
Less direct costs of special events	-	-	-	-	-	(698,155)	(698,155)	-
	<b>\$ 3,686,324</b>	<b>\$ 827,414</b>	<b>\$ 530,029</b>	<b>\$ 5,043,767</b>	<b>\$ 1,128,850</b>	<b>\$ 1,258,437</b>	<b>\$ 7,431,054</b>	<b>\$ 6,672,454</b>

\* The statement of functional expenses does not include capitalized expenditures of \$938,120 for the year ended September 30, 2021.

See notes to consolidated financial statements

**New York Restoration Project and Consolidated Entities**

Consolidated Statement of Functional Expenses  
Year Ended September 30, 2021

	Program Services			Total Program Services	Supporting Services		2021 Total
	Operations and Maintenance	Engagement and Programs	Capital Activities		Management and General	Fundraising	
Payroll and benefits	\$ 1,831,613	\$ 535,724	\$ 22,268	\$ 2,389,605	\$ 482,150	\$ 787,232	\$ 3,658,987
Professional fees	32,934	45,491	19,245	97,670	242,995	344,155	684,820
Program materials and supplies	381,800	59,228	37,569	478,597	162,564	330,311	971,472
Occupancy	84,062	45,079	6,409	135,550	45,204	39,631	220,385
Office expense	188,453	154,205	48,978	391,636	101,311	196,529	689,476
Depreciation and amortization	383,191	-	-	383,191	-	-	383,191
Bad debt expense	-	-	-	-	42,119	-	42,119
Interest expense	22,004	-	-	22,004	-	-	22,004
<b>Total Expenses</b>	<b>\$ 2,924,057</b>	<b>\$ 839,727</b>	<b>\$ 134,469</b>	<b>\$ 3,898,253</b>	<b>\$ 1,076,343</b>	<b>\$ 1,697,858</b>	<b>\$ 6,672,454</b>

\* The statement of functional expenses does not include capitalized expenditures of \$938,120 for the year ended September 30, 2021.

See notes to consolidated financial statements

## New York Restoration Project and Consolidated Entities

### Consolidated Statements of Cash Flows

	Year Ended	
	September 30	
	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (1,953,102)	\$ (179,796)
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation and amortization	777,315	383,191
Bad debt expense	-	42,119
Donated marketable securities	(42,584)	(107,391)
Unrealized and realized loss (gain) on marketable securities, net	882,936	(601,878)
Change in assets and liabilities		
Contributions receivable	140,000	124,207
Government grants receivable	(128,069)	284,792
Prepaid expenses	(21,859)	(167,053)
Accounts payable and accrued expenses	(53,361)	132,526
Deferred fundraising revenue	206,102	267,945
Net Cash from Operating Activities	(192,622)	178,662
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of marketable securities	(841,801)	(3,111,417)
Proceeds from sale/maturity of marketable securities	709,862	4,241,943
Acquisition of property and equipment	(97,014)	(938,120)
Net Cash from Investing Activities	(228,953)	192,406
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayments under loans payable	(2,083)	(5,199)
Borrowings under line of credit	650,000	-
Net Cash from Financing Activities	647,917	(5,199)
Net Change in Cash and Cash Equivalents	226,342	365,869
<b>CASH AND CASH EQUIVALENTS</b>		
Beginning of Year	1,291,518	925,649
End of Year	\$ 1,517,860	\$ 1,291,518
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Cash paid for interest	\$ 30,748	\$ 22,004

See notes to consolidated financial statements



## **New York Restoration Project and Consolidated Entities**

Notes to Consolidated Financial Statements  
September 30, 2022

### **1. Organization, Nature of Activities and Tax Status**

New York Restoration Project (“NYRP”), formed in 1995, is a nonprofit organization operating under the laws of the State of New York. Its mission is to restore, develop and revitalize underserved parks, community gardens and open space in all five boroughs of the City of New York. Central to NYRP’s mission is creating a context for community to happen. NYRP invests in the communities it serves by providing ongoing maintenance, grounds keeping, and horticultural services, as well as educational and public programming. NYRP is qualified as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code (“IRC”) and is exempt from state and local taxes under comparable laws.

New York Garden Trust (the “Trust”), formed in 1999 under the laws of the State of New York, is qualified as a tax-exempt organization under Section 501(c)(2) of the IRC. The Trust, which is controlled by NYRP, was organized exclusively to hold title to community garden sites acquired from the City of New York.

NYRP and the Trust are collectively referred to as the “Organization.”

NYRP’s major programs include the following: reclaiming, restoring and managing 52 community gardens citywide as well as two New York City Parks properties in Northern Manhattan, Highbridge Park and Sherman Creek Park (Operations and Maintenance); facilitating the creation of meaningful spaces to the community involved by offering educational programs, event programming and organizational support to community groups associated with the Organization’s spaces (Engagement and Programs); and providing continuous capital improvements to open spaces, either directly for the Organization’s properties or working on a fee for service basis for other open space agencies (Capital Activities).

### **2. Summary of Significant Accounting Policies**

#### ***Basis of Presentation and Use of Estimates***

The accompanying consolidated financial statements of the Organization are prepared on the accrual basis of accounting. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures 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.

#### ***Principles of Consolidation***

In preparation of the accompanying consolidated financial statements, all material inter-entity accounts and transactions have been eliminated.

## **New York Restoration Project and Consolidated Entities**

Notes to Consolidated Financial Statements  
September 30, 2022

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

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

Net assets, revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the Organization's net assets and changes therein are classified and reported as follows:

- Net Assets Without Donor Restrictions – represents resources available for support of Organization operations over which management and the Board of Trustees has discretionary control.
- Net Assets With Donor Restrictions – represents assets that are subject to donor-imposed stipulations. Restrictions could be temporary or perpetual in nature. Donor restricted contributions are reported as increases in net assets with donor restrictions, unless the contribution is received and released in the same fiscal period, in which case it is treated as net assets without donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the consolidated statements of activities as net assets released from restrictions.

#### ***Contributions***

Contributions are recognized at their fair value when received or when an unconditional promise to give is received. Conditional promises to give are recognized as contributions when substantially all conditions are met. Contributions specific to a fundraising event are deferred until the event takes place. Multi-year pledges due after one year are discounted to net present value using the risk-adjusted discount rate in effect on the date of the gifts. Amortization of the discounts is included in contributions revenue.

#### ***Revenue from Government Sources***

Revenue from government agency contracts is recorded as earned pursuant to the terms of the contracts. Revenue earned based on achievement of performance objectives is recognized when all contingencies have been resolved.

#### ***Contributed Property, Services, and Other In-kind and Donated Facilities***

The Organization reports gifts of goods and equipment as support without donor restriction 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. The Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

## **New York Restoration Project and Consolidated Entities**

Notes to Consolidated Financial Statements  
September 30, 2022

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

#### ***Contributed Property, Services, and Other In-kind and Donated Facilities (continued)***

A substantial number of volunteers have donated significant amounts of their time to the Organization's program services and fundraising campaigns. No amounts have been reflected in the accompanying consolidated financial statements for such services because they do not meet the criteria for recognition.

The free use of facilities and donated professional services and supplies provided for program activities, management and general activities, or fundraising activities are recorded in the accompanying consolidated financial statements at their estimated fair values at the date of use or receipt.

#### ***Cash and Cash Equivalents***

Cash balances are insured by the Federal Deposit Insurance Corporation ("FDIC") subject to certain limitations. At times cash balances may be in excess of federally insured limits. For purposes of the consolidated statement of cash flows, the Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

#### ***Contributions and Grants Receivable***

The Organization's receivables consist of unconditional promises to give from donors, and receivables due from federal, state and local funding agencies for reimbursable expenses incurred or services provided.

The Organization has determined that all receivables are fully collectible; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to expense when that determination is made.

#### ***Investments***

Investments are stated at fair value based on quoted prices in active markets. Purchase and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividend income is recorded on the ex-dividend basis. Realized and unrealized gains and losses are included in the determination of the change in net assets. The Organization invests in various investment securities, which are exposed to various risks such as interest rate, market and credit risks. The Organization has certain investments designated as endowments at September 30, 2022 and 2021 (see Note 7).

## **New York Restoration Project and Consolidated Entities**

Notes to Consolidated Financial Statements  
September 30, 2022

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

#### ***Operating Measure***

The Organization has elected to present an operating measure in its consolidated statements of activities. Accordingly, items affecting operations are segregated from those not affecting operations. Items not affecting operations include investment return in excess of amounts appropriated for operations and valuation adjustment for uncollectible receivables with donor restrictions.

#### ***Fair Value Measurements***

Fair value measurements are based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy prioritizes observable and unobservable inputs used to measure fair value into three levels, as follows:

- Level 1: Valuations based on real-time quoted prices (unadjusted) in an active market that is accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.
- Level 2: Valuations based on observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in inactive markets; or model-derived valuations in which all significant inputs are observable or can be derived principally from, or corroborated with, observable market data.
- Level 3: Valuations based on unobservable inputs are used when little or no market data is available. The fair value hierarchy gives lowest priority to Level 3 inputs.

In determining fair value, the Organization utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible in its assessment of fair value. Mutual funds are priced using the net asset value per unit as of the valuation date. Exchange traded funds are valued at the closing price reported on the active market on which the individual securities are traded. There have been no changes in the methodologies used at September 30, 2022 and 2021.

## **New York Restoration Project and Consolidated Entities**

Notes to Consolidated Financial Statements  
September 30, 2022

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

#### ***Property and Equipment***

Property and equipment are capitalized at either their cost at the date of acquisition or their fair value at the date of the donation. Depreciation is recognized using the double declining balance method over the estimated useful lives of the assets:

Capital improvements - community gardens	39 years
Office equipment	3-7 years
Website development	5 years
Vehicles and boats	5-7 years

Leasehold improvements are amortized using the straight-line method over the shorter of the life of the improvement or the remaining length of the lease or license agreement.

#### ***Impairment of Land and Other Long-Lived Assets***

The Organization regularly reviews land and other long-lived assets for impairment whenever events or circumstances indicate that the carrying amount of an asset may not be recoverable and, if so, the carrying value is reduced to the current estimated fair value. No such losses were recorded for the years ended September 30, 2022 and 2021.

#### ***Deferred Fundraising Revenue***

Contributions related to and received in advance of a fund-raising event or stipulated contract year are deferred until the actual occurrence of the event or the appropriate fiscal year, at which time the contributions are then recognized as revenue.

#### ***Functional Allocations of Expenses***

The costs of providing the various program and supporting services have been summarized on a functional basis in the accompanying consolidated statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, costs have been consistently allocated among the programs and supporting service areas benefited based on annual employee time allocations that have been calculated and reviewed by management, including but not limited to payroll and benefits, professional fees, occupancy and office expense.

## New York Restoration Project and Consolidated Entities

Notes to Consolidated Financial Statements  
September 30, 2022

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

#### ***Subsequent Events***

These consolidated financial statements were approved by management and available for issuance on June 16, 2023. Management has evaluated subsequent events through this date.

#### ***Accounting for Uncertainty in Income Taxes***

The Organization recognizes the effect of income tax positions only if those positions are more likely than not of being 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 prior period to 2019.

### 3. Property and Equipment

The Organization's property and equipment consisted of the following as of September 30:

	<u>2022</u>	<u>2021</u>
Community garden sites - restricted land (1)	\$ 1,142,650	\$ 1,142,650
Capital improvements - community gardens	12,892,366	12,892,366
Office equipment	595,466	593,695
Website development	146,500	146,500
Vehicles and boats	1,082,399	987,156
Leasehold improvements	90,337	90,337
	<u>15,949,718</u>	<u>15,852,704</u>
Less accumulated depreciation and amortization	<u>(4,483,963)</u>	<u>(3,706,648)</u>
	<u>\$ 11,465,755</u>	<u>\$ 12,146,056</u>

(1) Under the contract to acquire the community garden sites (the "Property"), the use of a site or sites is restricted by the Organization's agreement with the City of New York for open-space purposes, unless the Organization, upon written request to and with permission from the City of New York, is permitted to use the Property for other purposes. However, should the Organization elect to use the Property for purposes other than open space, the City of New York, through the Economic Development Corporation, will have the option to reacquire the Property for no consideration. All garden sites have been utilized for open space purposes as of September 30, 2022.

Depreciation and amortization expense was \$777,315 and \$383,191 for the years ended September 30, 2022 and 2021, respectively, and is presented in the statements of functional expenses.

## New York Restoration Project and Consolidated Entities

Notes to Consolidated Financial Statements  
September 30, 2022

### 4. Contributions and Government Grant Receivable

The Organization's contributions receivable as of September 30, 2021 were \$140,000. There were no contributions receivable as of September 30, 2022.

The Organization's government grants receivable as of September 30, 2022 and 2021 are \$133,912 and \$5,843, respectively, and are due within one year.

### 5. Fair Value Measurements

The following tables summarize the Organization's fair value measurements on a recurring basis as of September 30:

	<u>2022</u>	<u>2021</u>
Mutual Funds		
Equity mutual funds	\$ 2,353,355	\$ 2,920,056
Non-US fixed income	749,791	1,278,668
Global fixed income	527,161	-
US fixed income	<u>567,421</u>	<u>707,417</u>
Total Investments	<u>\$ 4,197,728</u>	<u>\$ 4,906,141</u>

All investments were level 1 investments as of September 30, 2022 and 2021.

The following table represents the investment return for the years ended September 30:

	<u>2022</u>	<u>2021</u>
Interest and dividends	\$ 173,910	\$ 98,272
Realized gain on investments	59,835	319,586
Unrealized (loss) gain on investments	<u>(942,771)</u>	<u>282,292</u>
	<u>\$ (709,026)</u>	<u>\$ 700,150</u>

### 6. Line of Credit – Bank

On September 17, 2019, the Organization obtained a \$3,000,000 line of credit with a maturity date of November 30, 2021, which was extended to March 28, 2022. The line was collateralized by certain assets of the Organization, required monthly interest-only payments on the unpaid principal balance and bore interest at either a variable or fixed LIBOR rate plus 1.50%. On April 20, 2022, the Organization obtained a new \$3,000,000 line of credit from a commercial bank. The line is collateralized by certain assets of the Organization and bears interest at one month SOFR plus 1.85%. The line was used to retire the previous line of credit balance of \$1,280,000. The Organization has since drawn an additional \$650,000 from the new line.

## New York Restoration Project and Consolidated Entities

### Notes to Consolidated Financial Statements September 30, 2022

#### 7. Net Assets With Donor Restrictions

The following summarizes the changes in net assets with donor restrictions and the nature of the restrictions for the years ended September 30, 2022 and 2021:

	Balance, October 1, 2021	Investment Income and Contributions	Released from Restrictions	Balance, September 30, 2022
Subject to expenditure for specified purpose:				
Sherman Creek	\$ 24,405	\$ -	\$ (24,405)	\$ -
Programming	-	300,000	-	300,000
Garden and park projects	-	403,500	-	403,500
Accumulated earnings on endowment assets	1,130,328	(544,776)	(160,537)	425,015
Other	3,500	-	(3,500)	-
Total Subject to Expenditure for Specified Purpose	<u>1,158,233</u>	<u>158,724</u>	<u>(188,442)</u>	<u>1,128,515</u>
Subject to passage of time:				
Cultivating Community	250,000	-	(250,000)	-
Subject to be maintained in perpetuity:				
Restricted by donors for:				
Endowment assets to support operations	2,314,294	335,000	-	2,649,294
Land held by New York Garden Trust	1,142,650	-	-	1,142,650
Total Subject to be Maintained in Perpetuity	<u>3,456,944</u>	<u>335,000</u>	<u>-</u>	<u>3,791,944</u>
Total Net Assets With Donor Restrictions	<u>\$ 4,865,177</u>	<u>\$ 493,724</u>	<u>\$ (438,442)</u>	<u>\$ 4,920,459</u>
	Balance, October 1, 2020	Investment Income and Contributions	Released from Restrictions	Balance, September 30, 2021
Subject to expenditure for specified purpose:				
Sherman Creek	\$ 295,405	\$ -	\$ (271,000)	\$ 24,405
Accumulated earnings on endowment assets	821,199	459,129	(150,000)	1,130,328
Other	3,500	-	-	3,500
Total Subject to Expenditure for Specified Purpose	<u>1,120,104</u>	<u>459,129</u>	<u>(421,000)</u>	<u>1,158,233</u>
Subject to passage of time:				
Cultivating Community	450,000	-	(200,000)	250,000
Subject to be maintained in perpetuity:				
Restricted by donors for:				
Endowment assets to support operations	2,314,294	-	-	2,314,294
Land held by New York Garden Trust	1,142,650	-	-	1,142,650
Total Subject to be Maintained in Perpetuity	<u>3,456,944</u>	<u>-</u>	<u>-</u>	<u>3,456,944</u>
Total Net Assets With Donor Restrictions	<u>\$ 5,027,048</u>	<u>\$ 459,129</u>	<u>\$ (621,000)</u>	<u>\$ 4,865,177</u>



## New York Restoration Project and Consolidated Entities

Notes to Consolidated Financial Statements  
September 30, 2022

### 7. Net Assets With Donor Restrictions (*continued*)

The following is a reconciliation of the investment activity for the years ended September 30 of the donor-restricted endowment fund:

	With Donor Restrictions		
	Accumulated		
	Earnings	Corpus	Total
Balance, September 30, 2020	\$ 821,199	\$ 2,314,294	\$ 3,135,493
Investment return	459,129	-	459,129
Spend rate allocation	(150,000)	-	(150,000)
Balance, September 30, 2021	1,130,328	2,314,294	3,444,622
Investment return	(544,776)	335,000	(209,776)
Spend rate allocation	(160,537)	-	(160,537)
Balance, September 30, 2022	<u>\$ 425,015</u>	<u>\$ 2,649,294</u>	<u>\$ 3,074,309</u>

#### ***Interpretation of Relevant Law***

Based on the interpretations of the New York Prudent Management of Institutional Funds Act (“NYPMIFA”) and U.S. GAAP and absent explicit donor stipulations to the contrary, the Board of Trustees has interpreted NYPMIFA as requiring the preservation in perpetuity of the fair value of the original gift as of the gift date of the donor-restricted endowment funds.

#### ***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 seeking to maintain the purchasing power of the endowment assets and assuming a moderate level of investment risk.

The Organization’s investment objective is to earn the highest possible yield consistent with a prudent level of risk.

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places a greater emphasis on equity-based investments specific to each investment pool to achieve its long-term return objectives within prudent risk constraints.

## New York Restoration Project and Consolidated Entities

Notes to Consolidated Financial Statements  
September 30, 2022

### 7. Net Assets With Donor Restrictions (*continued*)

#### **Spending Policy**

The Organization's Board of Trustees has authorized a policy designed to preserve the value of these pooled investments in real terms (after inflation) and provide a predictable flow of funds to assure the investment pool's continued growth. The Organization's investment pool includes contributions, interest, dividends, and realized and unrealized gains and losses, net of investment management fees. The policy permits the use of a spending rate of up to a maximum of 5% applied to a moving average of the investment pool as of September 30 of the three previous years.

### 8. Paycheck Protection Program

Program (the "PPP Loan") in the amount of \$631,000 from the 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. If not forgiven, the PPP Loan will mature in five years and has an interest rate of 1% per annum. Management believes the conditions were met in fiscal year 2021 and as such, during 2021, recognized the full amount of the PPP Loan as grant income on the accompanying 2021 consolidated statement of activities. In fiscal year 2022, the amount was forgiven in full.

### 9. Donated Goods and Services

Donated goods consisted of the following for the years ended September 30:

	2022	2021
Legal services*	\$ 334,192	\$ 154,073
Search services**	-	40,000
Garden supplies and other gifts***	2,069	11,290
	<u>\$ 336,261</u>	<u>\$ 205,363</u>

\* Donated legal services are from a law firm in which a Board member of the Organization is counsel. Legal services were valued at the usual and customary rates charged by the law firm for similar services. There were no donor restrictions for the donated legal services. Donated legal services were used in the course of programmatic and management and general expenses.

\*\* Search services are valued at the customary rates charged by the search firm. There were no donor restrictions for the search services. Search services were used as part of the Organization's management and general expenses.

\*\* Garden supplies and other gifts are valued at the market rate of the supplies on the open market. There were no donor restrictions for the donated garden supplies and other gifts. Donated garden supplies and other gifts were used as part of the Organization's programmatic expenses.

## **New York Restoration Project and Consolidated Entities**

Notes to Consolidated Financial Statements  
September 30, 2022

### **10. Retirement Plan**

The Organization maintains a defined contribution 401(k) plan covering all eligible employees. The plan provides for discretionary employer matching contributions for participating and eligible employees. There were no contributions made by the Organization in connection with the plan for the years ended September 30, 2022 and 2021.

### **11. Concentration**

For the year ended September 30, 2021, approximately 14% of the Organization's total public support and revenue was received from one donor. There was no concentration of revenue for the year ended September 30, 2022.

### **12. Commitments and Contingencies**

#### ***Operating Leases***

NYRP leases its primary office space under a ten-year noncancellable lease that commenced in April 2006. The lease was extended to March 31, 2023, and the future minimum commitment for the year ended September 30, 2023 is \$48,000.

NYRP is subject to real estate tax and operating expense escalations under the lease and has deposited \$54,000 with the landlord as lease security, which is included in "other assets" in the accompanying consolidated statements of financial position.

Rental payments under this lease are recognized on a straight-line basis over the term of the lease. The difference between actual rent paid and the expense payable under the terms of the lease is included in "accounts payable and accrued expenses" in the accompanying consolidated statements of financial position. Rent expense under this lease was \$96,000 and \$123,892 for the years ended September 30, 2022 and 2021, respectively.

The Organization has additional office space under lease which is month-to-month. Rent expense was \$54,600 and \$46,200 for the years ended September 30, 2022 and 2021, respectively.

NYRP leases equipment under capital leases. The leases require monthly equal payments of \$1,589. The lease was entered on June 29, 2018 and set to expire on June 29, 2023. The future minimum commitment at September 30, 2023 is \$14,300.

#### ***License Agreement***

Effective January 1, 2000, the Organization entered into a ten-year agreement with the Parks Department to manage, maintain, operate and improve various New York City parks and recreation facilities, as defined in the agreement. This agreement was amended, effective May 2, 2018, for an additional ten-year term, to expire in fiscal year 2028.

## New York Restoration Project and Consolidated Entities

Notes to Consolidated Financial Statements  
September 30, 2022

### 12. Commitments and Contingencies (continued)

#### Government Grants

Government-funded activities are subject to audit by the applicable granting agencies. Such audits might result in disallowances of costs submitted for reimbursement. Management is of the opinion that such cost disallowances, if any, will not have a material effect on the accompanying consolidated financial statements. Accordingly, no amounts have been provided in the accompanying consolidated financial statements for such potential claims.

#### COVID-19

The Organization's operations and financial performance has and may continue to be affected by the COVID-19 outbreak. Economic uncertainty related to the potential reduction and/or delays in contributions related to a decrease in discretionary income from potential donors. 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.

### 13. Liquidity

Financial assets consist of the Organization's cash and cash equivalents, investments, contributions receivable and government grants receivable. The following represents the Organization's financial assets reduced by an amount not available for general use because of contractual, donor-imposed or board-imposed restrictions within one year of September 30:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 1,517,860	\$ 1,291,518
Investments	4,197,728	4,906,141
Contributions receivable	-	140,000
Government grants receivable	<u>133,912</u>	<u>5,843</u>
Total financial assets	5,849,500	6,343,502
Less - Those unavailable for general expenditures within one year due to contractual, donor-imposed or board-imposed restrictions	(4,935,928)	(5,186,812)
Add - Amounts with donor restrictions expected to be expended within one year	<u>250,000</u>	<u>27,905</u>
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u>\$ 1,163,572</u>	<u>\$ 1,184,595</u>

As part of the Organization's liquidity management, the Organization has a policy to structure its financial assets to be available as general expenditures, liabilities, and other obligations come due. The operating cash balance is monitored so as not to go below three months of the average personnel and operating requirements. In addition to the financial assets available to meet cash needs for general expenditures within one year, as discussed in Note 6, the Organization has a line of credit with amounts available for use of \$1,070,000.

\* \* \* \* \*