New York Restoration Project and Consolidated Entities

Consolidated Financial Statements

September 30, 2023

PKF O'CONNOR DAVIES
ACCOUNTANTS AND ADVISORS

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, 2023 and 2022, 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, 2023 and 2022, 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 Consolidated 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.

Emphasis of Matter

As discussed in Note 2 to the consolidated financial statements, the Organization adopted Financial Accounting Standards Board ("FASB") Topic 842, Leases, using the effective date method with October 1, 2022, as the date of initial adoption. Our opinion is not modified with respect to that matter.

Responsibilities of Management for the Consolidated 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.

PKF O'CONNOR DAVIES, LLP
245 Park Avenue, New York, NY 10167 I Tel: 212.867.8000 or 212.286.2600 I Fax: 212.286.4080 I www.pkfod.com

PKF O'Connor Davies, LLP is a member firm of the PKF International Limited network of legally independent firms and does not accept any responsibility or liability for the actions or inactions on the part of any other individual member firm or firms.

Auditors' Responsibilities for the Audit of the Consolidated 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 a

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information on page 23 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

PKF O'Connor Davies, LLP

March 6, 2024

New York Restoration Project and Consolidated Entities

Consolidated Statements of Financial Position

	September 30	
	2023	2022
ASSETS		
Cash and cash equivalents	$ 697,117	$ 1,517,860
Investments	5,188,695	4,197,728
Contributions receivable	570,224	-
Government grants receivable	3,676	133,912
Prepaid expenses	372,757	374,567
Other assets	60,615	60,615
Right-of-use assets - operating leases	393,593	-
Property and equipment, net	10,726,434	11,465,755
Total Assets	$ 18,013,111	$ 17,750,437
LIABILITIES AND NET ASSETS		
Liabilities		
Line of credit	$ 968,853	$ 1,930,000
Accounts payable and accrued expenses	296,711	120,604
Finance leases obligations	83,796	-
Loans payable	3,560	6,688
Operating lease liabilities	396,440	-
Deferred fundraising revenue	1,272,735	817,230
Total Liabilities	3,022,095	2,874,522
Net Assets		
Without Donor Restrictions		
Undesignated	8,193,714	8,797,337
Board-designated	1,226,665	1,158,119
Total Without Donor Restrictions	9,420,379	9,955,456
With donor restrictions	5,570,637	4,920,459
Total Net Assets	14,991,016	14,875,915
Total Liabilities and Net Assets	$ 18,013,111	$ 17,750,437

See notes to consolidated financial statements

New York Restoration Project and Consolidated Entities

Consolidated Statements of Activities

	Year Ended					
	September 30, 2023			September 30, 2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND REVENUE						
Contributions	$ 3,399,356	$ 605,000	$ 4,004,356	$ 2,615,104	$ 1,038,500	$ 3,653,604
Grant income	462,316	-	462,316	344,480	-	344,480
Special events, net of direct costs of $593,536 in 2023 and $698,155 in 2022	1,247,032	-	1,247,032	1,815,529	-	1,815,529
Donated goods and services	309,739	-	309,739	336,261	-	336,261
Other income	40,550	-	40,550	37,104	-	37,104
Investment return appropriated for operations	-	164,583	164,583	-	160,537	160,537
Spend rate allocation	164,583	(164,583)	-	160,537	(160,537)	-
Net assets released from restrictions	313,015	(313,015)	-	277,905	(277,905)	-
Total Public Support and Revenue	5,936,591	291,985	6,228,576	5,586,920	760,595	6,347,515
EXPENSES						
Program services	5,800,346	-	5,800,346	5,043,767	-	5,043,767
Management and general	1,073,554	-	1,073,554	1,128,850	-	1,128,850
Fundraising	1,368,592	-	1,368,592	1,258,437	-	1,258,437
Total Expenses	8,242,492	-	8,242,492	7,431,054	-	7,431,054
(Deficiency) Excess of Public Support and Revenue over Expenses	(2,305,901)	291,985	(2,013,916)	(1,844,134)	760,595	(1,083,539)
NON OPERATING ACTIVITIES						
Sale of air rights	1,764,850	-	1,764,850	-	-	-
Investment return in excess of amounts appropriated for operations	5,974	358,193	364,167	(164,250)	(705,313)	(869,563)
Change in Net Assets	(535,077)	650,178	115,101	(2,008,384)	55,282	(1,953,102)
NET ASSETS						
Beginning of year	9,955,456	4,920,459	14,875,915	11,963,840	4,865,177	16,829,017
End of year	$ 9,420,379	$ 5,570,637	$ 14,991,016	$ 9,955,456	$ 4,920,459	$ 14,875,915

See notes to consolidated financial statement

New York Restoration Project and Consolidated Entities

Consolidated Statement of Functional Expenses
Year Ended September 30, 2023

	Program Services				Supporting Services			
	Operations and Maintenance	Engagement and Programs	Capital Activities	Total Program Services	Management and General	Fundraising	2023 Total	2022 Total
Payroll and benefits	$ 2,163,147	$ 682,310	$ 229,399	$ 3,074,856	$ 557,341	$ 925,597	$ 4,557,794	$ 4,155,387
Professional fees	40,495	15,000	292,880	348,375	309,817	161,205	819,397	612,196
Program materials and supplies	563,362	198,821	37,431	799,614	5,480	16,597	821,691	945,569
Occupancy	128,651	42,665	6,066	177,382	41,469	37,508	256,359	212,463
Office expense	348,729	57,779	5,795	412,303	159,447	227,685	799,435	697,376
Depreciation and amortization	831,274	-	-	831,274	-	-	831,274	777,315
Event expenses	-	-	-	-	-	593,536	593,536	698,155
Interest expense	156,542	-	-	156,542	-	-	156,542	30,748
Total Expenses and Direct Costs of Special Events	4,232,200	996,575	571,571	5,800,346	1,073,554	1,962,128	8,836,028	8,129,209
Less direct costs of special events	-	-	-	-	-	(593,536)	(593,536)	(698,155)
	$ 4,232,200	$ 996,575	$ 571,571	$ 5,800,346	$ 1,073,554	$ 1,368,592	$ 8,242,492	$ 7,431,054

See notes to consolidated financial statements

New York Restoration Project and Consolidated Entities

Consolidated Statement of Functional Expenses
Year Ended September 30, 2022

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

See notes to consolidated financial statements

New York Restoration Project and Consolidated Entities

Consolidated Statements of Cash Flows

	Year Ended September 30	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 115,101	$ (1,953,102)
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation and amortization	831,274	777,315
Donated marketable securities	(130,337)	(42,584)
Unrealized and realized (gain) loss on marketable securities, net	(366,383)	882,936
Amortization of right-of-use assets - operating leases	38,638	-
Change in assets and liabilities		
Contributions receivable	(570,224)	140,000
Government grants receivable	130,236	(128,069)
Prepaid expenses	1,810	(21,859)
Accounts payable and accrued expenses	176,107	(53,361)
Operating lease liabilities	(35,791)	-
Deferred fundraising revenue	455,505	206,102
Net Cash from Operating Activities	645,936	(192,622)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of marketable securities	(1,491,775)	(841,801)
Proceeds from sale and maturity of marketable securities	997,528	709,862
Acquisition of property and equipment	-	(97,014)
Net Cash from Investing Activities	(494,247)	(228,953)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments under loans payable	(3,128)	(2,083)
Repayments on finance lease obligations	(8,157)	-
(Repayments) Borrowings under line of credit	(961,147)	650,000
Net Cash from Financing Activities	(972,432)	647,917
Net Change in Cash and Cash Equivalents	(820,743)	226,342
CASH AND CASH EQUIVALENTS		
Beginning of Year	1,517,860	1,291,518
End of Year	$ 697,117	$ 1,517,860
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for interest	$ 156,542	$ 30,748
Non cash investing and financing activities		
Equipment financed through finance leases	91,953	-

See notes to consolidated financial statements

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.

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

Adoption of New Accounting Policies

Leases

In February 2016, the Financial Accounting Standards Board ("FASB") issued ASU No. 2016-02, *Leases* (Topic 842) which requires organizations that lease assets (lessees) to recognize the assets and related liabilities for the rights and obligations created by the leases on the statement of financial position for leases with terms exceeding 12 months. ASU 2016-02 defines a lease as a contract or part of a contract that conveys the right to control the use of identified assets for a period of time in exchange for consideration. The lessee in a lease will be required to initially measure the right-of-use asset and the lease liability at the present value of the remaining lease payments, as well as capitalize initial direct costs as part of the right-of-use asset.

The Organization adopted the requirements of the new standard effective October 1, 2022, using the modified retrospective transition method, which applies the provisions of the standard at the effective date without any adjustment to the comparative periods presented. The Organization adopted the following practical expedients and elected the following accounting policies related to this standard: Carry forward of historical lease classifications and accounting treatment. Accordingly, the Organization will recognize lease payments on a straight-line basis over the lease term and variable payments in the period when the corresponding obligation is incurred. On April 1, 2023, the Organization entered into a long-term lease. Initial adoption of this lease resulted in the recognition of an initial operating lease liability of $432,231, which represents the present value of the remaining operating lease payments of $497,580, with a discounted value at 5% amounting to $65,349 and right-of-use asset of $432,231, which represents the operating lease liability. The standard did not materially impact operating results or liquidity.

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.

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

Net Asset Presentation (continued)

- 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.

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. At September 30, 2023 and 2022, approximately $275,000 and $930,000 exceeded FDIC 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 pries 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, 2023 and 2022 (see Note 8).

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, 2023 and 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 less costs to sell. No such losses were recorded for the years ended September 30, 2023 and 2022.

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.

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

Subsequent Events

These consolidated financial statements were approved by management and available for issuance on March 6, 2024. 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 2020.

3. Property and Equipment

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

	2023	2022
Community garden sites - restricted land (1)	$ 1,142,650	$ 1,142,650
Capital improvements - community gardens	12,892,366	12,892,366
Office equipment	685,647	593,695
Website development	146,500	146,500
Vehicles and boats	1,082,399	1,082,399
Leasehold improvements	90,337	90,337
	16,039,899	15,947,947
Less accumulated depreciation and amortization	(5,313,465)	(4,482,192)
	$ 10,726,434	$ 11,465,755

(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, 2023.

Depreciation and amortization expense was $831,274 and $777,315 for the years ended September 30, 2023 and 2022, respectively, and is presented in the consolidated statements of functional expenses.

4. Contributions and Government Grant Receivable

The Organization's contributions receivable as of September 30, 2023 were $570,224. Management believes that all contributions receivable are fully collectible. Contributions receivable are expected to be received as follows:

Due in 1 year	$ 307,724
Due in 2 to 4 years	262,500
	$ 570,224

There were no contributions receivable as of September 30, 2022.

The Organization's government grants receivable as of September 30, 2023 and 2022 are $3,676 and $133,912, 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:

	2023	2022
Mutual Funds		
Equity mutual funds	$ 3,239,634	$2,353,355
Non-US fixed income	674,547	749,791
Global fixed income	712,106	527,161
US fixed income	562,408	567,421
Total Investments	$ 5,188,695	$4,197,728

All investments were level 1 investments as of September 30, 2023 and 2022.

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

	2023	2022
Interest and dividends	$ 162,367	$ 173,910
Realized gain on investments	53,926	59,835
Unrealized gain (loss) on investments	312,457	(942,771)
	$ 528,750	$ (709,026)

6. Line of Credit – Bank

On September 17, 2019, the Organization obtained a $3,000,000 line of credit with a maturity date of March 28, 2022, which was extended to May 19, 2024. 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. At September 30, 2023 and 2022, $968,853 and $1,930,000 was outstanding on the line of credit.

7. Donated Goods and Services

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

	2023	2022
Legal services*	$ 301,948	$ 334,192
Garden supplies and other gifts**	7,791	2,069
	$ 309,739	$ 336,261

* 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.

** 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.

8. 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, 2023 and 2022:

	Balance, October 1, 2022	Investment Income and Contributions	Released from Restrictions	Balance, September 30, 2023
Subject to expenditure for specified purpose:				
Programming	$ 300,000	$ 275,000	$ (150,000)	$ 425,000
Garden and park projects	403,500	330,000	(163,015)	570,485
Accumulated earnings on endowment assets	425,015	522,776	(164,583)	783,208
Total Subject to Expenditure for Specified Purpose	1,128,515	1,127,776	(477,598)	1,778,693
Subject to be maintained in perpetuity:				
Restricted by donors for:				
Endowment assets to support operations	2,649,294	-	-	2,649,294
Land held by New York Garden Trust	1,142,650	-	-	1,142,650
Total Subject to be Maintained in Perpetuity	3,791,944	-	-	3,791,944
Total Net Assets With Donor Restrictions	$ 4,920,459	$ 1,127,776	$ (477,598)	$ 5,570,637

	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	1,158,233	158,724	(188,442)	1,128,515
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	3,456,944	335,000	-	3,791,944
Total Net Assets With Donor Restrictions	$ 4,865,177	$ 493,724	$ (438,442)	$ 4,920,459

8. 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, 2021	$ 1,130,328	$2,314,294	$ 3,444,622
Contributions	-	335,000	335,000
Investment return	(544,776)	-	(544,776)
Spend rate allocation	(160,537)	-	(160,537)
Balance, September 30, 2022	425,015	2,649,294	3,074,309
Investment return	522,776	-	522,776
Spend rate allocation	(164,583)	-	(164,583)
Balance, September 30, 2023	$ 783,208	$2,649,294	$ 3,432,502

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.

8. 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.

9. 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, 2023 and 2022.

10. Commitments and Contingencies

Operating Leases

The Organization leases its primary office space under a five-year noncancellable lease that commenced in April 2023. The future minimum commitment for the years ending September 30 is as follows:

2024	$ 93,451
2025	96,255
2026	99,142
2027	102,117
2028	51,813
Total Undiscounted Operating Lease Payable	442,778
Less: Imputed Interest	(46,338)
	$ 396,440

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 September 30, 2023:

Right of use asset - operating lease	$ 432,231
Less: accumulated amortization	(38,638)
	$ 393,593

10. Commitments and Contingencies *(continued)*

The Organization 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.

Rent expense for the year ended September 30, 2023 was as follows:

Operating lease expense	$	48,881
Short term lease expense		143,482
Variable expenses		42,773
	$	235,136

Cash paid under operating leases for September 30, 2023 was $46,035.

Equipment Under Finance Leases

Effective April 1, 2023, the Organization entered into a finance lease agreement for equipment. The lease requires monthly payments of principal and interest imputed at an interest rate of 5%. The right of use asset has a cost of $91,953 and a book value of $83,796 and is included in property and equipment on the consolidated statement of financial position.

Future minimum lease payments at September 30 are as follows:

2024	$	20,736
2025		20,736
2026		20,736
2027		20,736
2028		10,368
		93,312
Less interest		(9,516)
	$	83,796

Lease expense and cash paid for equipment under a finance lease totaled $8,157 and interest expense totaled $2,214 for the year ended September 30, 2023.

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.

10. 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.

11. 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:

	2023	2022
Cash and cash equivalents	$ 697,117	$ 1,517,860
Investments	5,188,695	4,197,728
Contributions receivable	570,224	-
Government grants receivable	3,676	133,912
Total Financial Assets	6,459,712	5,849,500
Less - Those unavailable for general expenditures within one year due to contractual, donor-imposed or board-imposed restrictions	(5,654,652)	(4,935,928)
Add - Amounts with donor restrictions expected to be expended within one year	792,500	250,000
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	$ 1,597,560	$ 1,163,572

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.

New York Restoration Project
And
Consolidated Entities

Supplementary Schedule

New York Restoration Project and Consolidated Entities

Consolidating Statement of Financial Position
At September 30, 2023

	New York Restoration Project	New York Garden Trust	Eliminations	Total
ASSETS				
Cash and cash equivalents	$ 697,117	$ -	$ -	$ 697,117
Investments	5,188,695	-	-	5,188,695
Contributions receivable	570,224	-	-	570,224
Government grants receivable	3,676	-	-	3,676
Prepaid expenses	372,757	-	-	372,757
Other assets	60,615	-	-	60,615
Right-of-use assets - operating leases	393,593	-	-	393,593
Property and equipment, net	9,583,784	1,142,650	-	10,726,434
Total Assets	$ 16,870,461	$ 1,142,650	$ -	$ 18,013,111
LIABILITIES AND NET ASSETS				
Liabilities				
Line of credit	$ 968,853	$ -	$ -	$ 968,853
Accounts payable and accrued expenses	296,710	-	-	296,710
Finance leases obligations	83,796	-	-	83,796
Loans payable	3,560	-	-	3,560
Operating lease liabilities	396,440	-	-	396,440
Deferred fundraising revenue	1,272,735	-	-	1,272,735
Total Liabilities	3,022,094	-	-	3,022,094
Net Assets				
Without Donor Restrictions				
Undesignated	8,193,714	-	-	8,193,714
Board-designated	1,226,665	-	-	1,226,665
Total Without Donor Restrictions	9,420,379	-	-	9,420,379
With donor restrictions	4,427,987	1,142,650	-	5,570,637
Total Net Assets	13,848,366	1,142,650	-	14,991,016
Total Liabilities and Net Assets	$ 16,870,460	$ 1,142,650	$ -	$ 18,013,110

* * * * *

See independent auditors' report