

**UNTERMYER GARDENS CONSERVANCY, INC.
FINANCIAL STATEMENTS
FOR THE YEARS ENDED
DECEMBER 31, 2022 AND 2021**

**MICHAEL A DUCA COMPANY
Certified Public Accountants, P.C.**

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Independent Auditors' Report

To the Board of Directors
Untermeyer Gardens Conservancy, Inc.

Opinion

We have audited the financial statements of Untermeyer Gardens Conservancy, Inc. , which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Untermeyer Gardens Conservancy, Inc. as of December 31, 2022 and 2021, and the 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 for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Untermeyer Gardens Conservancy, Inc. 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 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 Untermeyer Gardens Conservancy, Inc. 's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's 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 auditor's 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 GAAS 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 financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks 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 Untermyer Gardens Conservancy, Inc. 's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Untermyer Gardens Conservancy, Inc. 's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among 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.

Michael A. Deuca Company
Garden City, New York
November 6, 2023

UNTERMYER GARDENS CONSERVANCY, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2022 AND 2021

ASSETS

	2022	2021
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 813,396	\$ 1,961,473
Contributions and Grants Receivable	113,323	99,663
Investments	771,851	24,941
Prepaid Expenses and Other Assets	10,687	2,700
Total Current Assets	1,709,257	2,088,777
PROPERTY AND EQUIPMENT		
Property and Equipment, Net of Accumulated Depreciation of \$54,162 in 2022 and \$51,486 in 2021	4,781	7,457
Total Property and Equipment - Net	4,781	7,457
OTHER ASSETS		
Long-Term Investments	95,675	116,657
Total Other Assets	95,675	116,657
TOTAL ASSETS	\$ 1,809,713	\$ 2,212,891

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts Payable	\$ 30,051	\$ 56,977
Accrued Expenses	203,523	157,664
Total Current Liabilities	233,574	214,641
TOTAL LIABILITIES	233,574	214,641
NET ASSETS		
Net Assets Without Donor Restrictions:		
Undesignated	969,899	992,774
Board Designated	355,635	323,775
Total Net Assets Without Donor Restrictions	1,325,534	1,316,549
Net Assets With Donor Restrictions	250,605	681,701
TOTAL NET ASSETS	1,576,139	1,998,250
TOTAL LIABILITIES AND NET ASSETS	\$ 1,809,713	\$ 2,212,891

See independent auditors' report and accompanying notes to financial statements.

UNTERMYER GARDENS CONSERVANCY, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>TOTAL</u>
Revenue and Support:			
Contributions	\$ 835,813	\$ 225,387	\$ 1,061,200
Grants	135,000	103,220	238,220
Tours, Lectures and Workshops	51,851	-	51,851
Investment Return, Net	(47,190)	-	(47,190)
Donations In-Kind	14,819	-	14,819
Gross Special Events Revenue	627,430	15,000	642,430
Less Cost of Direct Benefits to Donors	<u>(173,829)</u>	<u>-</u>	<u>(173,829)</u>
Net Special Events Revenue	453,601	15,000	468,601
Net Assets Released from Restrictions	<u>774,703</u>	<u>(774,703)</u>	<u>-</u>
Total Revenue and Support	<u>2,218,597</u>	<u>(431,096)</u>	<u>1,787,501</u>
Expenses:			
Program Services:			
Education and Outreach	147,520	-	147,520
Garden	1,652,886	-	1,652,886
Supporting Services:			
Management and General	181,966	-	181,966
Development	<u>227,240</u>	<u>-</u>	<u>227,240</u>
Total Expenses	<u>2,209,612</u>	<u>-</u>	<u>2,209,612</u>
CHANGE IN NET ASSETS	8,985	(431,096)	(422,111)
Net Assets, Beginning of Year	<u>1,316,549</u>	<u>681,701</u>	<u>1,998,250</u>
Net Assets, End of Year	<u>\$ 1,325,534</u>	<u>\$ 250,605</u>	<u>\$ 1,576,139</u>

See independent auditors' report and accompanying notes to financial statements.

UNTERMYER GARDENS CONSERVANCY, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>TOTAL</u>
Revenue and Support:			
Contributions	\$ 828,923	\$ 75,000	\$ 903,923
Grants	44,000	124,000	168,000
Tours, Lectures and Workshops	42,228	-	42,228
Investment Return, Net	36,499	-	36,499
Donations In-Kind	10,823	-	10,823
PPP Loan Forgiveness	63,117	-	63,117
Gross Special Events Revenue	555,379	132,010	687,389
Less Cost of Direct Benefits to Donors	<u>(74,570)</u>	<u>-</u>	<u>(74,570)</u>
Net Special Events Revenue	480,809	132,010	612,819
Net Assets Released from Restrictions	<u>179,517</u>	<u>(179,517)</u>	<u>-</u>
Total Revenue and Support	<u>1,685,916</u>	<u>151,493</u>	<u>1,837,409</u>
Expenses:			
Program Services:			
Education and Outreach	193,490	-	193,490
Garden	696,316	-	696,316
Supporting Services:			
Management and General	133,341	-	133,341
Development	<u>195,958</u>	<u>-</u>	<u>195,958</u>
Total Expenses	<u>1,219,105</u>	<u>-</u>	<u>1,219,105</u>
CHANGE IN NET ASSETS	466,811	151,493	618,304
Net Assets, Beginning of Year	<u>849,738</u>	<u>530,208</u>	<u>1,379,946</u>
Net Assets, End of Year	<u>\$ 1,316,549</u>	<u>\$ 681,701</u>	<u>\$ 1,998,250</u>

See independent auditors' report and accompanying notes to financial statements.

**UNTERMYER GARDENS CONSERVANCY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>Program Services</u>		<u>Supporting Services</u>		<u>TOTAL</u>
	<u>Education and Outreach</u>	<u>Garden</u>	<u>Management and General</u>	<u>Development</u>	
<u>Personnel</u>					
Salaries	\$ 84,800	\$ 20,563	\$ 95,041	\$ 173,003	\$ 373,407
Payroll Taxes and Employee Benefits	7,637	3,297	15,293	17,833	44,060
Total Personnel	<u>92,437</u>	<u>23,860</u>	<u>110,334</u>	<u>190,836</u>	<u>417,467</u>
<u>Other Costs</u>					
Professional Services and Consultants	-	33,340	34,679	5,000	73,019
Insurance	-	-	3,995	-	3,995
Postage and Printing	-	-	3,356	1,751	5,107
Intern Program	3,207	-	-	-	3,207
Garden Supplies and Expenses	9,771	36,524	-	-	46,295
Gifts In-Kind	-	14,819	-	-	14,819
Depreciation	-	2,676	-	-	2,676
Horticulturists and Seasonal Workers	-	502,145	488	-	502,633
Lecture Supplies and Expenses	256	-	-	-	256
Fees	4,241	-	11,934	-	16,175
Office Supplies and Expenses	-	-	12,276	12,588	24,864
Telephone	-	-	4,904	-	4,904
Travel	-	-	-	5,467	5,467
Miscellaneous	2,095	-	-	-	2,095
Restoration Expenses	-	1,039,522	-	-	1,039,522
Special Event Expenses	35,513	-	-	11,598	47,111
Total Expenses	<u>\$ 147,520</u>	<u>\$ 1,652,886</u>	<u>\$ 181,966</u>	<u>\$ 227,240</u>	<u>\$ 2,209,612</u>

The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of Untermyer Gardens Conservancy, Inc. The expenses are allocated based on estimates of time and effort except for those costs that directly benefit program services, management and general services or development services. These direct costs are insurance, intern program-new listing, gifts in-kind, depreciation, lecture, misc, telephone, travel and restoration expenses.

**UNTERMYER GARDENS CONSERVANCY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Program Services</u>		<u>Supporting Services</u>		<u>TOTAL</u>
	<u>Education and Outreach</u>	<u>Garden</u>	<u>Management and General</u>	<u>Development</u>	
<u>Personnel</u>					
Salaries	\$ 89,085	\$ 19,438	\$ 70,126	\$ 145,476	\$ 324,125
Payroll Taxes and Employee Benefits	7,827	3,006	8,145	15,178	34,156
Total Personnel	<u>96,912</u>	<u>22,444</u>	<u>78,271</u>	<u>160,654</u>	<u>358,281</u>
<u>Other Costs</u>					
Professional Services and Consultants	3,372	15,892	26,574	-	45,838
Insurance	-	-	1,651	-	1,651
Postage and Printing	-	-	1,331	2,147	3,478
Intern Program	46,082	-	-	-	46,082
Garden Supplies and Expenses	10,562	34,657	-	-	45,219
Gifts In-Kind : Benches and Plants	-	10,823	-	-	10,823
Depreciation	-	5,366	-	-	5,366
Horticulturists and Seasonal Workers	-	390,937	55	-	390,992
Lecture Supplies and Expenses	579	-	-	-	579
Fees	2,667	-	14,562	-	17,229
Office Supplies and Expenses	-	-	3,860	8,613	12,473
Telephone	-	-	5,593	-	5,593
Travel	-	-	-	5,101	5,101
Miscellaneous	3,728	-	1,444	-	5,172
Restoration Expenses	-	214,360	-	-	214,360
Special Event Expenses	29,588	1,837	-	19,443	50,868
Total Expenses	<u>\$ 193,490</u>	<u>\$ 696,316</u>	<u>\$ 133,341</u>	<u>\$ 195,958</u>	<u>\$ 1,219,105</u>

The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of Untermyer Gardens Conservancy, Inc. The expenses are allocated based on estimates of time and effort except for those costs that directly benefit program services, management and general services or development services. These direct costs are insurance, intern program, gifts in-kind, depreciation, lecture, telephone, travel and restoration expenses.

UNTERMYER GARDENS CONSERVANCY, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (422,111)	\$ 618,304
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation expense	2,676	5,366
Forgiveness of PPP loan	-	(63,117)
Unrealized loss (gain) on investments	55,346	(36,499)
Increase (decrease) in operating assets:		
Contributions and grants receivable	(13,660)	42,837
Donated securities	(427,049)	(3,589)
Prepaid expenses and other assets	(7,987)	(2,700)
Increase (decrease) in operating liabilities:		
Accounts payable	(26,926)	11,145
Accrued expenses	45,859	49,729
NET CASH (USED FOR) PROVIDED BY OPERATING ACTIVITIES	(793,852)	621,476
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	1,157,114	-
Purchase of investments	(1,511,339)	-
Purchase of investment for quasi-endowment	-	(101,510)
NET CASH USED FOR INVESTING ACTIVITIES	(354,225)	(101,510)
CASH FLOWS FROM FINANCING ACTIVITIES		
New borrowings on PPP loan	-	63,117
NET CASH PROVIDED BY FINANCING ACTIVITIES	-	63,117
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(1,148,077)	583,083
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,961,473	1,378,390
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 813,396	\$ 1,961,473

See independent auditors' report and accompanying notes to financial statements.

UNTERMYER GARDENS CONSERVANCY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

Note 1 - Nature of Activities

Untermeyer Gardens Conservancy, Inc. (“the Conservancy”) is a public not-for-profit organization in the state of New York formed in 2011. The Conservancy is dedicated to the revitalization and maintenance of Samuel Untermeyer's monumental garden, now a City of Yonkers municipal park that is open free to the public. The Conservancy supports and oversees improvements to and maintenance of the gardens and their structural elements, and strategically plans, implements, and manages capital projects. The Conservancy delivers education and outreach programs that interpret the rich history of the property, its architecture, and its horticulture, as well as the significant cultural impact of Samuel Untermeyer and his wife Minnie. It promotes community engagement through its volunteer programs, public and private tours, public education programs, school programs, concerts, and events such as the Grand Holiday Illumination of the Walled Garden.

Note 2 – Summary of Significant Accounting Policies

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

Basis of Presentation

The Conservancy is required to report information regarding its financial position and activities according to two classes of net assets:

Net Assets Without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Conservancy. These net assets may be used at the discretion of the Conservancy's management and the board of directors.

Net Assets With Donor Restrictions – Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by the actions of the Conservancy or by passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions that relate 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.

UNTERMYER GARDENS CONSERVANCY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

Note 2 – Summary of Significant Accounting Policies (continued)

Fair Value of Financial Instruments

Unless otherwise indicated, the fair values of all reported assets and liabilities which represent financial instruments (none of which are held for trading purposes) approximate the carrying values of such amounts.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Conservancy considers all monies in checking, savings, paypal, and money market accounts to be cash. Cash equivalents consist primarily of highly liquid investments available for current use with an initial maturity of three months or less.

Investments

The Conservancy records investment purchases at cost, or if donated, at fair value on the date of donation. Thereafter, investments in marketable securities with readily determinable fair market values and all investments in debt securities are reported at fair market value in the statement of financial position.

Net investment return/(loss) is reported in the statement of activities and changes in net assets and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

Investment income and gains and losses restricted by a donor are reported as increases or decreases in net assets without donor restrictions if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

Contributions and Grants Receivable

The Conservancy's contributions and grants receivable is presented on the statements of financial position at net realizable value. Unless material, the Conservancy does not discount to present value contributions and grants to be received after more than one year.

The allowance for uncollectible contributions and grants receivable is determined based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Contributions and grants receivable is written off when deemed uncollectible. There was no allowance as of December 31, 2022 and 2021.

UNTERMYER GARDENS CONSERVANCY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

Note 2 – Summary of Significant Accounting Policies (continued)

Property and Equipment

Purchased property and equipment are recorded at cost. Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as support without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as support with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Conservancy reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Conservancy reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Depreciation is provided using the straight-line method over the estimated useful lives of the assets.

Asset lives are as follows:

<u>Asset Class</u>	<u>Years</u>
Machinery and Equipment	5
Furniture and Fixtures	5

Expenditures for maintenance and repairs are charged to expense as incurred, and renewal and betterments are capitalized. Upon sales or retirement, the cost of the asset and the related accumulated depreciation is removed from the accounts and the resulting gain or loss is included in the results of operations. The Conservancy's policy is to capitalize assets costing over \$1,500.

Revenue and Revenue Recognition

Contributions

Contributions, including unconditional promises to give, are recognized when received. Contributions are recorded as support with or without donor restrictions, depending on the existence and/or nature of any donor restrictions.

All contributions are recognized as support without donor restrictions unless their use is specifically restricted by the donor. When a donor restriction expires, the stipulated time restriction ends, or the purpose of the restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities and change in net assets as net assets released from restrictions.

Amounts received that are designated for future periods or restricted by the donor for specific purposes are recognized as support with donor restrictions that increases that net asset class. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Conservancy recognizes this as support without donor restrictions.

UNTERMYER GARDENS CONSERVANCY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

Note 2 – Summary of Significant Accounting Policies (continued)

Revenue and Revenue Recognition (continued)

Conditional Promises to Give

Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return or release, are not recognized in revenue until the conditions on which they depend have been substantially met. Government grants and contracts are generally considered conditional contributions as the agreements generally include a barrier that must be overcome and either a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets. The Conservancy recognizes revenue on government grants when reimbursable expenditures under qualified programs are made. Revenue received under government grants is restricted as to the use specified in the grant agreement. Grants received but not yet earned as of fiscal year-end are recorded as deferred revenue.

Tours, Lectures and Workshops

The Conservancy recognizes revenue at the time the event takes place.

Special Events

Special events revenue is comprised of an exchange element based upon the direct benefits donors receive and a contribution element for the difference. The Conservancy recognizes special events revenue equal to the fair value of direct benefits to donors when the special event takes place. The Conservancy recognizes the contribution element of special event revenue immediately, unless there is a right of return if the special event does not take place.

Donated Services and In-Kind Contributions

Contributed services are not recognized unless the donated services create or enhance non-financial assets or require specialized skills that would typically be purchased if not donated. These donated services are recorded at the respective fair values of the services received.

The Conservancy receives a substantial amount of volunteer services in carrying out its programs and activities. Volunteers perform various administrative, program, and developing functions. However, no amounts have been reflected in the financial statements for those services since they do not meet the criteria for recognition.

In-kind contributions are measured at the fair value of the asset transferred to the Conservancy, or the liability cancelled or settled at the date of donation. The Conservancy received in-kind contributions of \$14,819 and \$10,823, respectively, during the years ended December 31, 2022 and 2021.

UNTERMYER GARDENS CONSERVANCY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

Note 2 – Summary of Significant Accounting Policies (continued)

Artwork and Donated Items

The Conservancy accepts donations of art and other items that are used for auction during annual fundraising events. Donated items are valued at an estimated amount indicated by the donor at the time of donation and approved by management.

Stock Donations

The Conservancy records donations of publicly traded securities at the fair market value at the date of the gift. It is the policy of the Conservancy to liquidate all stock donations upon receipt. Stock sales usually take place within days of being received into the entity's investment account. The Conservancy received and sold stock donations of \$427,023.82 in 2022 and \$317,641 in 2021.

Advertising Costs

Advertising costs which are principally included in functional expenses, are expensed as incurred. There were no advertising expenses during 2022 and 2021.

Functional Allocation of Expenses

The Conservancy allocates its expenses on a functional basis among program services and supporting services. Expenses which can be identified specifically to program services or supporting activities are charged directly to that activity. Other expenses that are common to several functions are allocated among the program and supporting services benefited.

Income Tax Status

The Conservancy is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Conservancy's tax-exempt purpose is subject to taxation as unrelated business income. The Conservancy did not incur income tax expense related to unrelated business income for the years ended December 31, 2022 and 2021.

In addition, the Conservancy qualifies for the charitable deduction under Section 170 (b)(1)(A) and has been classified as an organization other than a private foundation under Section 509 (a)(2).

**UNTERMYER GARDENS CONSERVANCY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

Note 2 – Summary of Significant Accounting Policies (continued)

Accounting for Uncertainty in Income Taxes

The Conservancy recognizes the effect of the income tax positions only if those positions are more likely than not to be sustained. Management has determined that the Conservancy had no material uncertain tax positions that would require financial statement recognition or disclosure. The Conservancy has filed for and received income tax exemptions in the jurisdictions where required to do so.

Additionally, it has filed Internal Revenue Service Form 990 informational returns, as required, and all other applicable returns in jurisdictions where so required. For the years ended December 31, 2022 and 2021, there were no interest or penalties recorded or included in the statement of activities.

Note 3 – Change in Accounting Principle

In February 2016, the FASB issued Accounting Standards Update 2016-02 – Leases (Topic 842) to increase transparency and comparability amount organizations by recognizing lease assets and the corresponding lease liabilities and disclosing key information about leasing arrangements for lessees and lessors. The new standard applies a right-of-use model that requires, for all leases with a lease term of more than 12 months, an asset representing its right of use the underlying asset for the lease term and a liability to make lease payments to be recorded.

The Conservancy confirmed no lease obligations for the years ended December 31, 2022 and 2021.

Note 4 – Contributions and Grants Receivable

During the years ended December 31, 2022 and 2021, the Conservancy raised funds as part of an appeal to donors for the construction of new additions to the gardens and restoration of various existing areas of the gardens. Contributions and grants receivable representing unconditional promises to give were as follows:

	<u>2022</u>	<u>2021</u>
Receivable in one year	\$ 113,323	\$ 99,664
Receivable after one year	-	-
Total	\$ 113,323	\$ 99,664

**UNTERMYER GARDENS CONSERVANCY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

Note 5 – Property and Equipment

Property and equipment are summarized as follows:

	<u>2022</u>	<u>2021</u>
Machinery and Equipment	\$ 27,267	\$ 27,267
Furniture and Fixtures	31,676	31,676
	58,943	58,943
Less: Accumulated Depreciation	(54,162)	(51,486)
	\$ 4,781	\$ 7,457

For the years ended December 31, 2022 and 2021, depreciation expense totaled \$2,676 and \$5,366, respectively.

Note 6 – Investments

Investments are stated at fair market value and consisted of the following as of December 31:

	<u>2022</u>	<u>2021</u>
Stock Funds	\$ 10,194	\$ 24,941
Exchange Traded Products	95,675	116,657
Money Market Funds	823,424	-
Total Investments	\$ 867,526	\$ 141,598

Note 7 – Fair Value Measurements

Generally accepted accounting principles establish a framework for measuring fair values. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described as follows:

UNTERMYER GARDENS CONSERVANCY, INC.
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Note 7 – Fair Value Measurements (continued)

Generally accepted accounting principles establish a framework for measuring fair values. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Conservancy has the ability to access.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2022 and 2021.

Mutual funds: Valued at the net asset value of shares held at year-end. Mutual funds produce a daily NAV that is validated with a sufficient level of observable activity (i.e., purchases and sales at NAV) to support classification of the fair value measurement as Level 1 in the fair value hierarchy.

Exchange traded products and common stocks: Valued at the closing price reported on the active market where individual securities are traded and are classified as Level 1 assets in the fair value hierarchy.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Conservancy believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

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Note 7 – Fair Value Measurements (continued)

The following table summarizes the valuation of the Conservancy’s investments by GAAP hierarchy as described above as of December 31, 2022:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money Market				
US Treasury Bills	\$ 761,657	\$ 761,657	\$ -	\$ -
Total Money Market	761,657	761,657	-	-
Stock Funds				
Stock Funds Donated	10,194	10,194	-	-
Total Stock Funds	10,194	10,194	-	-
Exchange Traded Products				
Exchange Traded Funds Trust	95,675	95,675	-	-
Total Exchange Traded Products	95,675	95,675	-	-
Total	<u>\$ 867,526</u>	<u>\$ 867,526</u>	<u>\$ -</u>	<u>\$ -</u>

The following table summarizes the valuation of the Conservancy’s investments by GAAP hierarchy as described above as of December 31, 2021:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Stock Funds				
Stock Funds Donated	\$ 24,941	\$ 24,941	\$ -	\$ -
Total Stock Funds	24,941	24,941	-	-
Exchange Traded Products				
Exchange Traded Funds Trust	116,657	116,657	-	-
Total Exchange Traded Products	116,657	116,657	-	-
Total	<u>\$ 141,598</u>	<u>\$ 141,598</u>	<u>\$ -</u>	<u>\$ -</u>

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Note 8 – Availability and Liquidity

Financial assets available for general expenditure, that is, without donor or other restrictions limiting use, within one year of the date of the statement of financial position, comprise the following:

	<u>2022</u>	<u>2021</u>
Financial assets, available at year end	\$ 1,709,257	\$ 2,088,778
Less amounts not available to be used within one year:		
Net assets with donor restrictions	(250,605)	(681,701)
Board designated	(355,635)	(323,775)
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,103,017</u>	<u>\$ 1,083,302</u>

The Conservancy is substantially supported by contributions and grants from donors. Contributions and grants given without donor restrictions are available to meet cash needs for general expenditures. Donor contributions and grants may also contain restrictions that require resources to be used in a certain manner or in a future period. The Conservancy, therefore, must maintain adequate resources to meet those responsibilities to its donors and certain financial assets may not be available for general expenditure within one year.

The Conservancy regularly monitors its expenditures and cash flows to ensure the fulfillment of all obligations. The Conservancy manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged.

Although the Conservancy does not intend to spend from the board-designated funds, in the event the need arises to utilize the board-designated funds for liquidity purposes, the board-designated funds could be drawn upon through board resolution.

Note 9 – Paycheck Protection Program

On February 12, 2021, the Conservancy received loan proceeds in the amount of \$63,117, under the Paycheck Protection Program (“PPP”). Established as part of the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”), the PPP provides for loans to qualifying entities in amounts up to 2.5 times the entity’s average monthly payroll expenses. PPP loans and accrued interest are forgivable after a “covered period” (8 or 24 weeks) as long as the borrower maintains its payroll levels and uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities. The forgiveness amount will be reduced if the borrower terminates employees or reduces salaries during the covered period.

Any unforgiven portion of the PPP loan is payable in equal installments of principal and interest at the interest rate of 1%, with a deferral of payments for 10 months after the end of the covered period. The loan has an original maturity date of two years from the date which can be extended to five years by mutual agreement with the lender.

UNTERMYER GARDENS CONSERVANCY, INC.
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Note 9 – Paycheck Protection Program (continued)

On October 22, 2021, the Conservancy recorded forgiveness upon being legally released from the loan obligation. Forgiveness income in the amount of \$63,117 was recorded for the year ended December 31, 2021.

Note 10 – Board Designated Net Assets

Net assets without donor restrictions are designated by the board for the following purposes:

	<u>2022</u>	<u>2021</u>
Persian Pool Restoration	\$ 24,851	\$ 91,775
Capital Expenditures	275,134	232,000
Establishment of a Quasi-Endowment	30,000	-
Carriage Trail	25,650	-
Total	<u>\$ 355,635</u>	<u>\$ 323,775</u>

Note 11 – Net Assets With Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes:

	<u>2022</u>	<u>2021</u>
Subject to expenditure for specified purpose:		
Hoop House	\$ 15,403	\$ 24,468
Temple of the Sky	30,000	30,000
Youth Horticultural Initiative	15,665	24,681
Stumpery	20,000	20,000
Meadow	3,550	3,550
Color Gardens	20,000	20,000
Garage	132,987	-
Accessibility	13,000	-
Persian Pool	-	557,952
Service Area	-	1,050
Total	<u>\$ 250,605</u>	<u>\$ 681,701</u>

Note 12 – Capital Projects

The Conservancy’s purpose is to assist and support the City of Yonkers Department of Parks, Recreation and Conservation in the restoration of Untermyer Gardens. Alterations, additions, and improvements to Untermyer Gardens requires prior written approval of the Commissioner of Yonkers Parks and becomes the property of the City of Yonkers upon completion.

The Conservancy completed capital projects for the Lower Switchback Fountain, Ornamental Vegetable Garden & Orchard, restoration of the podium of the Temple of the Sky, Hoophouse and the paving of the Amphitheater, costs totaling \$665,079, in 2022.

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Note 13 – Related Party Transactions

During the years ended December 31, 2022 and 2021, the Conservancy received donations of \$706,671 and \$347,109, respectively, from members of the Board of Directors.

Note 14 – Reclassifications

Certain amounts in the prior year's financial statements have been reclassified to conform to the current year's financial statement presentation.

Note 15 – Commitments and Contingencies

Financial awards from federal, state and local governmental entities are received in the form of grants. These grants are subject to subsequent compliance audits. Such audits could result in adjustments to the awards for disallowed costs or noncompliance with grantor restrictions. No provision has been made for any contingencies that may arise from such audits.

Note 16 – Risks and Uncertainties

The Conservancy maintains cash and cash equivalents at a financial institution which, at times, may exceed federally insured limits. The Conservancy has not experienced, nor does it anticipate, any losses in such accounts and believes it is not exposed to significant credit risk on its cash and cash equivalents.

The ongoing COVID-19 pandemic has resulted in substantial volatility in the global economy. The pandemic may potentially have an adverse effect on the results of operations. While management has implemented measures to mitigate the impact of the pandemic, including obtaining a PPP loan under the CARES Act as detailed in Note 9, the extent to which the Conservancy's results are impacted will depend on future developments, which are highly uncertain and cannot be predicted. As a result, management cannot reasonably estimate the overall impact of the pandemic to the Conservancy's future results of operations, cash flows or financial condition.

Note 17 - Subsequent Events

Management has evaluated subsequent events for possible recognition or disclosure in the financial statements through November 6, 2023, the date the financial statements were available for issuance.