

**UNTERMYER GARDENS CONSERVANCY, INC.
FINANCIAL STATEMENTS
FOR THE YEARS ENDED
DECEMBER 31, 2020 AND 2019**

**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.

We have audited the accompanying financial statements of Untermeyer Gardens Conservancy, Inc., which comprise the statements of financial position as of December 31, 2020 and 2019, 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.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Untermyer Gardens Conservancy, Inc. as of December 31, 2020 and 2019, 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.

Michael A. Decca Company

Garden City, New York
September 17, 2021

UNTERMYER GARDENS CONSERVANCY, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2020 AND 2019

ASSETS

	2020	2019
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 1,319,590	\$ 893,836
Contributions and Grants Receivable	72,500	69,500
Total Current Assets	1,392,090	963,336
PROPERTY AND EQUIPMENT		
Property and Equipment, Net of Accumulated Depreciation of \$46,120 in 2020 and \$36,832 in 2019	12,823	22,111
Total Property and Equipment - Net	12,823	22,111
OTHER ASSETS		
Cash - Restricted	58,800	58,800
Contributions and Grants Receivable, Noncurrent	70,000	60,000
Total Other Assets	128,800	118,800
TOTAL ASSETS	\$ 1,533,713	\$ 1,104,247

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts Payable	\$ 45,832	\$ 9,306
Accrued Expenses	107,935	96,713
Total Current Liabilities	153,767	106,019
TOTAL LIABILITIES	153,767	106,019
NET ASSETS		
Net Assets Without Donor Restrictions:		
Undesignated	699,163	601,955
Board Designated	150,575	91,775
Total Net Assets Without Donor Restrictions	849,738	693,730
Net Assets With Donor Restrictions	530,208	304,498
TOTAL NET ASSETS	1,379,946	998,228
TOTAL LIABILITIES AND NET ASSETS	\$ 1,533,713	\$ 1,104,247

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, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>TOTAL</u>
Revenue and Support:			
Contributions	\$ 493,034	\$ 146,522	\$ 639,556
Grants	161,363	124,810	286,173
Tours, Lectures and Workshops	35,221	-	35,221
Donations In-Kind	13,113	-	13,113
PPP Loan Forgiveness	64,240	-	64,240
Gross Special Events Revenue	236,776	82,868	319,644
Less Cost of Direct Benefits to Donors	<u>(7,817)</u>	<u>-</u>	<u>(7,817)</u>
Net Special Events Revenue	228,959	82,868	311,827
Net Assets Released from Restrictions	<u>128,490</u>	<u>(128,490)</u>	<u>-</u>
Total Revenue and Support	<u>1,124,420</u>	<u>225,710</u>	<u>1,350,130</u>
Expenses:			
Program Services:			
Education and Outreach	111,965	-	111,965
Garden	578,270	-	578,270
Supporting Services:			
Management and General	131,092	-	131,092
Development	<u>147,085</u>	<u>-</u>	<u>147,085</u>
Total Expenses	<u>968,412</u>	<u>-</u>	<u>968,412</u>
CHANGE IN NET ASSETS	156,008	225,710	381,718
Net Assets, Beginning of Year	<u>693,730</u>	<u>304,498</u>	<u>998,228</u>
Net Assets, End of Year	<u>\$ 849,738</u>	<u>\$ 530,208</u>	<u>\$ 1,379,946</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, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>TOTAL</u>
Revenue and Support:			
Contributions	\$ 392,345	\$ -	\$ 392,345
Grants	144,550	60,000	204,550
Tours, Lectures and Workshops	43,960	-	43,960
Gross Special Events Revenue	543,030	201,330	744,360
Less Cost of Direct Benefits to Donors	<u>(138,554)</u>	<u>-</u>	<u>(138,554)</u>
Net Special Events Revenue	404,476	201,330	605,806
Net Assets Released from Restrictions	<u>146,741</u>	<u>(146,741)</u>	<u>-</u>
Total Revenue and Support	<u>1,132,072</u>	<u>114,589</u>	<u>1,246,661</u>
Expenses:			
Program Services:			
Education and Outreach	103,348	-	103,348
Garden	655,814	-	655,814
Supporting Services:			
Management and General	106,692	-	106,692
Development	<u>164,524</u>	<u>-</u>	<u>164,524</u>
Total Expenses	<u>1,030,378</u>	<u>-</u>	<u>1,030,378</u>
CHANGE IN NET ASSETS	101,694	114,589	216,283
Net Assets, Beginning of Year	<u>592,036</u>	<u>189,909</u>	<u>781,945</u>
Net Assets, End of Year	<u>\$ 693,730</u>	<u>\$ 304,498</u>	<u>\$ 998,228</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, 2020

	<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	\$ 86,856	38,076	\$ 68,822	\$ 117,306	\$ 311,060
Payroll Taxes and Employee Benefits	7,776	4,763	8,906	13,253	34,698
Total Personnel	<u>94,632</u>	<u>42,839</u>	<u>77,728</u>	<u>130,559</u>	<u>345,758</u>
<u>Other Costs</u>					
Professional Services and Consultants	-	10,186	25,066	-	35,252
Insurance	-	-	2,904	-	2,904
Postage and Printing	-	-	447	1,827	2,274
Garden Supplies and Expenses	5,233	13,766	-	-	18,999
Gifts In-Kind : Benches and Plants	-	13,113	-	-	13,113
Depreciation	-	9,288	-	-	9,288
Horticulturists and Seasonal Workers	-	341,133	-	-	341,133
Lecture Supplies and Expenses	4,604	-	-	-	4,604
Fees	-	-	9,342	-	9,342
Office Supplies and Expenses	-	-	5,715	7,224	12,939
Telephone	-	-	5,439	-	5,439
Travel	-	-	245	1,803	2,048
Miscellaneous	1,568	-	4,206	-	5,774
Restoration Expenses	-	141,949	-	-	141,949
Donor Event Expenses	5,928	5,996	-	5,672	17,596
Total Expenses	<u>\$ 111,965</u>	<u>\$ 578,270</u>	<u>\$ 131,092</u>	<u>\$ 147,085</u>	<u>\$ 968,412</u>

The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of Untermeyer 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, depreciation, horticulturists, lecture, fees, telephone and restoration expenses.

UNTERMYER GARDENS CONSERVANCY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019

	<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	\$ 60,513	56,206	\$ 49,365	\$ 131,151	\$ 297,235
Payroll Taxes and Employee Benefits	5,808	6,109	5,782	14,743	32,442
Total Personnel	<u>66,321</u>	<u>62,315</u>	<u>55,147</u>	<u>145,894</u>	<u>329,677</u>
<u>Other Costs</u>					
Professional Services and Consultants	-	14,732	23,458	-	38,190
Insurance	-	-	2,950	-	2,950
Postage and Printing	-	-	222	2,178	2,400
Garden Supplies and Expenses	7,602	65,647	-	-	73,249
Depreciation	-	9,615	-	-	9,615
Horticulturists and Seasonal Workers	-	360,240	-	-	360,240
Lecture Supplies and Expenses	1,457	-	-	-	1,457
Fees	2,513	-	9,509	-	12,022
Office Supplies and Expenses	-	-	7,469	3,827	11,296
Telephone	-	-	6,330	-	6,330
Travel	-	-	587	3,114	3,701
Miscellaneous	264	-	500	-	764
Restoration Expenses	-	136,296	-	-	136,296
Donor Event Expenses	25,191	6,969	520	9,511	42,191
Total Expenses	<u>\$ 103,348</u>	<u>\$ 655,814</u>	<u>\$ 106,692</u>	<u>\$ 164,524</u>	<u>\$ 1,030,378</u>

The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of Untermeyer 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, depreciation, horticulturists, lecture, telephone, and restoration expenses.

UNTERMYER GARDENS CONSERVANCY, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 381,718	\$ 216,283
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation expense	9,288	9,615
Forgiveness of PPP loan	(64,240)	-
Increase (decrease) in operating assets:		
Contributions and grants receivable	(13,000)	55,107
Prepaid expenses and other assets	-	20
Increase (decrease) in operating liabilities:		
Accounts payable	36,526	(121)
Accrued expenses	11,222	(67,210)
NET CASH PROVIDED BY OPERATING ACTIVITIES	361,514	213,694
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of equipment	-	(13,040)
NET CASH USED FOR INVESTING ACTIVITIES	-	(13,040)
CASH FLOWS FROM FINANCING ACTIVITIES		
New borrowings on PPP loan	64,240	-
NET CASH PROVIDED BY FINANCING ACTIVITIES	64,240	-
NET INCREASE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	425,754	200,654
CASH, CASH EQUIVALENTS AND RESTRICTED CASH AT BEGINNING OF YEAR	952,636	751,982
CASH, CASH EQUIVALENTS AND RESTRICTED CASH AT END OF YEAR	\$ 1,378,390	\$ 952,636

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

UNTERMYER GARDENS CONSERVANCY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

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

Pursuant to FASB Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities*, 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, 2020 AND 2019**

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.

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the statements of financial position to the sum of the corresponding amounts within the statements of cash flows.

	December 31, 2020	December 31, 2019
Cash and cash equivalents	\$ 1,319,590	\$ 893,836
Cash restricted	58,800	58,800
Total cash, cash equivalents and restricted cash shown in the statement of cash flows	\$ 1,378,390	\$ 952,636

Restricted cash on the statement of financial position represents amounts designated by the board to establish a quasi-endowment in a subsequent period.

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, 2020 and 2019.

UNTERMYER GARDENS CONSERVANCY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

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, 2020 AND 2019

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 \$13,113 and \$0, respectively, during the years ended December 31, 2020 and 2019.

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.

UNTERMYER GARDENS CONSERVANCY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

Note 2 – Summary of Significant Accounting Policies (continued)

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 immediately upon receipt. The possible transaction cost of the sale is considered small compared to the risk of loss that can be experienced with delay in the sale of the stock. Stock sales usually take place within days of being received into the entity's investment account. The Conservancy received and sold stock donations of \$184,879 in 2020 and \$41,873 in 2019.

Advertising Costs

Advertising costs which are principally included in functional expenses, are expensed as incurred. There were no advertising expenses during 2020 and 2019.

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, 2020 and 2019.

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).

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, 2020 and 2019, there were no interest or penalties recorded or included in the statement of activities.

UNTERMYER GARDENS CONSERVANCY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

Note 3 – Change in Accounting Principle

Contributions Received and Contributions Made (ASU No. 2018-08)

In June 2018, the FASB issued ASU No. 2018-08, Not-For-Profit Entities (Topic 958): *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, which clarifies how entities determine whether to account for a transfer of assets (or a reduction, settlement, or cancellation of a liability) as an exchange transaction or a contribution based on whether commensurate value has been received or transferred. The new guidance also clarifies that a contribution is conditional if the agreement includes both a barrier that must be overcome for the recipient to be entitled to the assets transferred and a right of return for the transferred assets or a right of release of the promisor’s obligation to transfer assets. The clarified guidance applies to all entities that receive or make contributions (grants). The Conservancy adopted ASU No. 2018-08 for the year ended December 31, 2020, on a retrospective basis, which did not have a significant impact on the financial statements.

Revenue from Contracts with Customer (ASU No. 2014-09)

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)* which provides a five-step analysis of contracts to determine when and how revenue is recognized and replaces most existing revenue recognition guidance in U.S. generally accepted accounting principles. The core principle of the new guidance is that an entity should recognize revenue to reflect the transfer of goods and services to customers in an amount equal to the consideration the entity receives or expects to receive. The Conservancy adopted ASC 606 for the year ended December 31, 2020.

Upon analysis of various provisions of this standard, the Conservancy determined that the adoption of ASC 606 did not have a significant impact on its financial position, results of operations, or cash flows. The majority of the Conservancy’s revenue arrangements generally consist of a single performance obligation to transfer promised goods or services. Based on the Conservancy’s evaluation of its contracts with customers, the timing and amount of revenue recognized previously is consistent with how revenue is recognized under the new standard. No changes were required to previously reported revenues as a result of the adoption.

Note 4 – Contributions and Grants Receivable

During the years ended December 31, 2020 and 2019, 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:

	2020	2019
Receivable in one year	\$ 72,500	\$ 69,500
Receivable after one year	70,000	60,000
Total	<u>\$ 142,500</u>	<u>\$ 129,500</u>

UNTERMYER GARDENS CONSERVANCY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

Note 5 – Property and Equipment

Property and equipment are summarized as follows:

	2020	2019
Machinery and Equipment	\$ 27,267	\$ 27,267
Furniture and Fixtures	31,676	31,676
	<u>58,943</u>	<u>58,943</u>
Less: Accumulated Depreciation	(46,120)	(36,832)
	<u>\$ 12,823</u>	<u>\$ 22,111</u>

For the years ended December 31, 2020 and 2019, depreciation expense totaled \$9,288 and \$9,615, respectively.

Note 6 – 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:

	2020	2019
Financial assets, available at year end	\$ 1,450,890	\$ 1,022,136
Less amounts not available to be used within one year:		
Net assets with donor restrictions	(530,208)	(304,498)
Board designated	(150,575)	(91,775)
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 770,107</u>	<u>\$ 625,863</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.

**UNTERMYER GARDENS CONSERVANCY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

Note 7 – Paycheck Protection Program

On May 1, 2020, the Conservancy received loan proceeds in the amount of \$64,240 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.

On December 2, 2020, the Conservancy recorded forgiveness upon being legally released from the loan obligation. Forgiveness income in the amount of \$64,240 was recorded for the year ended December 31, 2020.

Note 8 – Board Designated Net Assets

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

	<u>2020</u>	<u>2019</u>
Persian Pool Restoration	\$ 91,775	\$ 91,775
Establishment of a Quasi-Endowment	58,800	-
Total	<u>\$ 150,575</u>	<u>\$ 91,775</u>

Note 9 – Net Assets With Donor Restrictions

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

	<u>2020</u>	<u>2019</u>
Subject to expenditure for specified purpose:		
Hoop House	\$ 32,369	\$ -
Persian Pool	307,460	256,299
Temple of the Sky	30,000	-
Youth Horticultural Initiative	117,669	48,199
	<u>487,498</u>	<u>304,498</u>
Endowments	42,710	-
Total	<u>\$ 530,208</u>	<u>\$ 304,498</u>

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Note 10 – 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 City of Yonkers sends a formal letter to the Conservancy, acknowledging the receipt of a gift-in-kind, upon completion of the capital project. The Conservancy completed and received acknowledgement for the Rock Garden, Rhododendron Walk, and Guard House, project costs totaling \$225,040, in 2020. In 2019, the Gate House and Grotto were completed and acknowledged, project costs totaling \$220,667.

Note 11 – Related Party Transactions

During the years ended December 31, 2020 and 2019, the Conservancy received donations of \$239,952 and \$113,809, respectively, from members of the Board of Directors.

Note 12 – Reclassifications

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

Note 13 – 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 14 – 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 7, 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.

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Note 15 - Subsequent Events

Management has evaluated subsequent events for possible recognition or disclosure in the financial statements through September 17, 2021, the date the financial statements were available for issuance.

On February 12, 2021, the Conservancy received a second Paycheck Protection Program (PPP) loan in the amount of \$63,117. The Conservancy has applied for PPP loan forgiveness.

On April 22, 2021, the Conservancy opened a TD Ameritrade account for the Endowment.