

FOUR FREEDOMS PARK CONSERVANCY, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2022 (Audited) AND 2021 (Unaudited)

FOUR FREEDOMS PARK CONSERVANCY, INC.

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Four Freedoms Park Conservancy, Inc.

Opinion

We have audited the accompanying financial statements of Four Freedoms Park Conservancy, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Four Freedoms Park Conservancy, Inc. as of December 31, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Four Freedoms Park 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.

Other Matter

The 2021 financial statements were reviewed by us, and our report thereon, dated October 26, 2022, stated we were not aware of any material modifications that should be made to those statements for them to be in accordance with accounting principles generally accepted in the United States of America. However, a review is substantially less in scope than an audit and does not provide a basis for the expression of an opinion on the financial statements as a whole.

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 Four Freedoms Park Conservancy, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is 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 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 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 Four Freedoms Park 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 Four Freedoms Park 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.

Lotz + Carr, LLP

FOUR FREEDOMS PARK CONSERVANCY, INC.

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
	<u>(Audited)</u>	<u>(Unaudited)</u>
Assets		
Cash (Note 4a)	\$1,286,117	\$ 713,877
Contributions receivable (Note 1b)		
Without donor restrictions	112,634	25,000
With donor restrictions	17,500	-
Prepaid expenses	6,620	5,886
Property and equipment, at cost (net of accumulated depreciation and amortization) (Notes 1d and 5)	76,468	53,109
Security deposit	391	-
	<hr/>	<hr/>
Total Assets	<u>\$1,499,730</u>	<u>\$ 797,872</u>
 Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	<u>\$ 68,199</u>	<u>\$ 47,785</u>
Commitments (Note 6)		
Net Assets		
Without donor restrictions	1,371,531	700,087
With donor restrictions (Note 3)	60,000	50,000
Total Net Assets	<u>1,431,531</u>	<u>750,087</u>
	<hr/>	<hr/>
Total Liabilities and Net Assets	<u>\$1,499,730</u>	<u>\$ 797,872</u>

FOUR FREEDOMS PARK CONSERVANCY, INC.

STATEMENTS OF ACTIVITIES

YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022			2021		
	Without Donor Restrictions	(Audited) With Donor Restrictions	Total	Without Donor Restrictions	(Unaudited) With Donor Restrictions	Total
Changes in Net Assets						
Revenue and Support						
Contributions (Notes 4b and 6)	\$ 1,226,092	\$ 35,000	\$1,261,092	\$ 471,105	\$ 50,000	\$521,105
Fundraising benefit	186,300	-	186,300	-	-	-
Less: Direct benefit expenses	(45,127)	-	(45,127)	-	-	-
Donated legal services (Note 7)	3,129	-	3,129	19,665	-	19,665
Park usage fees	207,150	-	207,150	87,688	-	87,688
Other income	72	-	72	14,721	-	14,721
Net assets released from restrictions	25,000	(25,000)	-	50,000	(50,000)	-
Total Revenue and Support	1,602,616	10,000	1,612,616	643,179	-	643,179
Expenses						
Program Services	691,013	-	691,013	618,841	-	618,841
Supporting Services						
Management and general	71,499	-	71,499	71,979	-	71,979
Fundraising	168,660	-	168,660	57,678	-	57,678
Total Expenses	931,172	-	931,172	748,498	-	748,498
Increase (decrease) in Net Assets Before Transfer of Property and Equipment	671,444	10,000	681,444	(105,319)	-	(105,319)
Transfer of property and equipment (Notes 5 and 6)	-	-	-	(31,595)	-	(31,595)
Increase (decrease) in net assets	671,444	10,000	681,444	(136,914)	-	(136,914)
Net assets, beginning of year	700,087	50,000	750,087	837,001	50,000	887,001
Net Assets, End of Year	\$ 1,371,531	\$ 60,000	\$1,431,531	\$ 700,087	\$ 50,000	\$750,087

See notes to financial statements.

FOUR FREEDOMS PARK CONSERVANCY, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022				2021			
	(Audited)				(Unaudited)			
	Program Services	Supporting Services		Total Expenses	Program Services	Supporting Services		Total Expenses
Management and General		Fundraising	Management and General			Fundraising		
Salaries	\$143,735	\$ 12,270	\$ 19,282	\$175,287	\$164,423	\$ 14,036	\$ 22,057	\$200,516
Payroll taxes and employee benefits	33,256	2,839	4,461	40,556	33,280	2,841	4,464	40,585
Consultants	42,125	3,596	5,651	51,372	9,668	825	1,297	11,790
Insurance	24,368	2,080	3,269	29,717	29,556	2,523	3,965	36,044
Office supplies and expenses	22,187	1,832	2,879	26,898	14,008	1,196	1,879	17,083
Professional fees	47,183	36,055	18,747	101,985	17,387	47,062	-	64,449
Equipment rentals	77,420	-	77,353	154,773	1,366	-	-	1,366
Program supplies and expenses	190,335	-	-	190,335	260,445	-	-	260,445
Promotion	39,325	-	7,377	46,702	-	-	14,222	14,222
Rent and utilities	38,085	3,251	5,109	46,445	24,970	432	679	26,081
Repairs and maintenance	2,881	-	-	2,881	40,303	237	601	41,141
Technology	3,030	259	13,355	16,644	3,747	320	5,731	9,798
Travel	8,084	7,696	8,628	24,408	2,576	220	346	3,142
Miscellaneous expense	7,701	657	1,033	9,391	10,495	1,723	1,549	13,767
Depreciation and amortization	11,298	964	1,516	13,778	6,617	564	888	8,069
Total Expenses	<u>\$691,013</u>	<u>\$ 71,499</u>	<u>\$ 168,660</u>	<u>\$931,172</u>	<u>\$618,841</u>	<u>\$ 71,979</u>	<u>\$ 57,678</u>	<u>\$748,498</u>

See notes to financial statements.

FOUR FREEDOMS PARK CONSERVANCY, INC.

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
	<u>(Audited)</u>	<u>(Unaudited)</u>
Cash Flows From Operating Activities		
Increase (decrease) in net assets	\$ 681,444	\$ (136,914)
Adjustments to reconcile increase (decrease) in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	13,778	8,069
Transfer of property and equipment	-	31,595
(Increase) decrease in:		
Contributions receivable	(105,134)	25,000
Prepaid expenses	(734)	3,121
Security deposit	(391)	-
Increase (decrease) in:		
Accounts payable and accrued expenses	2,536	19,825
Security deposits payable	-	(14,250)
Net Cash Provided (Used) By Operating Activities	<u>591,499</u>	<u>(63,554)</u>
Cash Flows From Investing Activities		
Payments for property and equipment	<u>(19,259)</u>	<u>(57,759)</u>
Net increase (decrease) in cash	572,240	(121,313)
Cash, beginning of year	<u>713,877</u>	<u>835,190</u>
Cash, End of Year	<u><u>\$1,286,117</u></u>	<u><u>\$ 713,877</u></u>

FOUR FREEDOMS PARK CONSERVANCY, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022 (Audited) AND 2021 (Unaudited)

Note 1 - Organization and Summary of Significant Accounting Policies

a - Organization

Four Freedoms Park Conservancy, Inc. (the "Organization" or "Conservancy"), a not-for-profit organization, was incorporated in the State of New York on June 30, 2011. The Conservancy programs Franklin D. Roosevelt Four Freedoms State Park on Roosevelt Island (the "Park"), on behalf of the people of New York, and in partnership with the New York State Office of Parks, Recreation, and Historic Preservation (the "State") under a friends' programming agreement.

The Conservancy programs Franklin D. Roosevelt Four Freedoms State Park to the highest standard. As founder of this extraordinary civic space, the Conservancy has a simple mission: to advance President Roosevelt's legacy and inspire, educate, and engage public in the ideals of the Four Freedoms: freedom of speech and expression, freedom of worship, freedom from want, and freedom from fear.

b - Contributions and Contributions Receivable

Contributions are recognized when the donor makes a promise to give to the Organization, that is, in substance, unconditional. Conditional promises to give, that have a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported on the statement of activities as net assets released from restrictions.

The Organization uses the allowance method to determine uncollectible contributions receivable. The allowance, when necessary, is based on prior years' experience and management's analysis of specific promises made.

Contributions receivable as of December 31, 2022 and 2021 are due within one year.

c - Investments

The policy of the Organization is to sell donated investments soon after receipt and consider them cash donations valued at the sale price.

d - Property and Equipment

Property and equipment are recorded at cost and are being depreciated and amortized using the straight-line method over the estimated useful lives of the assets. Contributed property is recognized at fair market value at the date of donation.

FOUR FREEDOMS PARK CONSERVANCY, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022 (Audited) AND 2021 (Unaudited)

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

e - Revenue Recognition

Program service revenue relates to fees received in exchange for program services and consists primarily of license fees for park usage. Revenue is recognized when the program service is provided. Any revenue received which has not been earned is recorded as deferred revenue.

f - Financial Statement Presentation

The financial statements of the Organization have been prepared in accordance with accounting principles generally accepted in the United States, which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

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 Organization. These net assets may be used at the discretion of the Organization's management and 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 actions of the Organization or the passage of time. Other donor restrictions are perpetual in nature whereby the donor has stipulated the funds to be maintained in perpetuity.

g - Functional Allocation of Expenses

The cost of providing the various programs and supporting services has been summarized on a functional basis in the statement of activities. Expenses are applied directly to programs where applicable or allocated on a reasonable and consistent basis. A substantial portion of the Organization's expenses are directly related to program activities. Certain other expenses are attributable to more than one program or supporting function and require allocation. The expenses that are allocated include salaries, payroll taxes and employee benefits, insurance, office supplies and expenses, and rent and utilities, which are allocated on the basis of staff time and effort.

h - Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

FOUR FREEDOMS PARK CONSERVANCY, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022 (Audited) AND 2021 (Unaudited)

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

i - Tax Status

Four Freedoms Park Conservancy, Inc. is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and has been designated as an organization which is not a private foundation. The Conservancy also includes the Franklin D. Roosevelt Four Freedoms Park, LLC (the "LLC"), a single member limited liability company which had been formed to build the first memorial to President Franklin D. Roosevelt in his home state of New York. The LLC has no assets, liabilities, or activity, and is treated as a disregarded entity for income tax purposes.

j - Subsequent Events

The Organization has evaluated subsequent events through November 2, 2023, the date that the financial statements are considered available to be issued.

k - Reclassifications

Certain reclassifications have been made to the 2021 financial statements to conform to the presentation for 2022.

l - New Accounting Standard

For 2022, the Organization adopted Financial Accounting Standards Board (FASB) Accounting Standard Update (ASU) 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which requires nonprofit entities to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets. The standard also increases the disclosure requirements around contributed nonfinancial assets, including disaggregating by category the types of contributed nonfinancial assets a nonprofit entity has received. Adoption of this standard did not have a significant impact on the financial statements, with the exception of increased disclosure.

Note 2 - Information Regarding Liquidity and Availability

The Organization operates based on the revenues expected to be available to fund anticipated expenses. A substantial portion of annual revenue is comprised of contributions and earned income. The Organization considers general expenditures to consist of all expenses related to its ongoing program activities, and the expenses related to general and administrative and fundraising activities undertaken to support those services.

FOUR FREEDOMS PARK CONSERVANCY, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022 (Audited) AND 2021 (Unaudited)

Note 2 - Information Regarding Liquidity and Availability (continued)

The Organization regularly monitors liquidity to meet its operating needs and other commitments and obligations. Management prepares regular cash flow projections to determine liquidity needs.

The Organization's financial assets as of December 31, 2022 and 2021 to meet cash needs for general expenditures available within one year are summarized as follows:

	2022	2021
Financial Assets at Year End:		
Cash	\$1,286,117	\$713,877
Contributions receivable	130,134	25,000
Total Financial Assets	1,416,251	738,877
Less: Amounts not Available to be Used within One Year:		
Net assets with donor restrictions, subject to expenditure for specific purposes	(60,000)	(50,000)
Plus: Net assets with donor restrictions expected to be met in less than one year	60,000	25,000
Financial Assets Available to Meet General Expenditures within One Year	\$1,416,251	\$713,877

Note 3 - Net Assets With Donor Restrictions

Net assets with donor restrictions at December 31, 2022 and 2021 are restricted for the following:

	2022	2021
Subject to expenditure for specific purpose:		
Mobile tour project	\$35,000	\$ -
Subject to passage of time	25,000	50,000
	\$60,000	\$50,000

FOUR FREEDOMS PARK CONSERVANCY, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022 (Audited) AND 2021 (Unaudited)

Note 4 - Concentrations

- a - The Organization maintains its cash balances at a financial institution in New York. The balances, at times, may exceed federally insured limits.
- b - For the year ended December 31, 2022, approximately 71% of total contributions were from one individual. For the year ended December 31, 2021, approximately 50% of total contributions were from two foundations and one individual.

Note 5 - Property and Equipment

Property and equipment consist of the following at December 31:

	<u>Life</u>	<u>2022</u>	<u>2021</u>
Furniture and fixtures	5 years	\$67,487	\$32,449
Computer equipment	3 years	3,825	1,726
Website	5 years	<u>21,310</u>	<u>21,310</u>
		92,622	55,485
Less: Accumulated depreciation and amortization		<u>(16,154)</u>	<u>(2,376)</u>
		<u>\$76,468</u>	<u>\$53,109</u>

During the year ended December 31, 2021, property and equipment with a net book value of \$31,595 was transferred to New York State Office of Parks, Recreation, and Historic Preservation upon entering into the friends' programming agreement described in Note 6.

Note 6 - Commitments

In March 2013, the Organization entered into a cooperative agreement with the New York State Office of Parks, Recreation, and Historic Preservation. The agreement granted to the Organization a license to manage and operate the land and improvements comprising the Park. The agreement had an initial term of 10 years, expiring in 2023. There was an option to extend the agreement for an additional 10 years. There was no rent or other fee due from or to either party of the agreement. The agreement stated that the State would employ best efforts to provide an annual subsidy to the Organization to support basic park operations and security and core maintenance activities.

FOUR FREEDOMS PARK CONSERVANCY, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022 (Audited) AND 2021 (Unaudited)

Note 6 - Commitments (continued)

In February 2021, the Organization entered into a friends' programming agreement with the State, which terminated the previous cooperative agreement. The agreement authorizes the Organization to conduct public programming and fundraising efforts. The State will take all operational responsibility and liability for the Park. The agreement has been extended through February 14, 2026. Upon commencement of the agreement, the Organization transferred certain property, equipment and supplies that were used for park maintenance, with a net book value of \$31,595, to the State (Note 5).

The original cooperative agreement asserted that the State shall consent to the Natural Heritage Trust ("NHT"), a public benefit 501(c)(3) corporation of the State of New York, paying up to \$100,000 annually to the Organization from an investment account established by Alphawood Foundation.

In February 2021, an agreement was entered into between NHT and the Organization, whereby the Organization will be eligible for up to \$50,000 annually provided that the Organization raises matching funds from non-State entities. The funds from NHT may only cover non-personnel program costs of the Organization. During the years ended December 31, 2022 and 2021, \$50,000 was received from NHT.

Note 7 - Donated Legal Services

During the years ended December 31, 2022 and 2021, the Organization received donated legal services of \$3,129 and \$19,665, respectively. The services were valued by the service providers based on rates charged for similar services and are utilized in the Organization's program and supporting service activities.