



The Green-Wood Historic Fund, Inc.

Financial Statements

December 31, 2017 and 2016



Independent Auditors' Report

Board of Trustees

The Green-Wood Historic Fund, Inc.

We have audited the accompanying financial statements of The Green-Wood Historic Fund, Inc., which comprise the statements of financial position as of December 31, 2017 and 2016, and the related statements of activities, 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.

Auditors' 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 auditors' 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 The Green-Wood Historic Fund, Inc. as of December 31, 2017 and 2016, 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.

PKF O'Connor Davies, LLP

March 28, 2018

The Green-Wood Historic Fund, Inc.

Statements of Financial Position

	December 31,	
	<u>2017</u>	<u>2016</u>
ASSETS		
Cash	\$ 1,741,062	\$ 1,776,475
Investments	101,022	84,286
Accounts receivable	98,734	67,020
Fine arts and collectibles	<u>196,550</u>	<u>196,550</u>
	<u>\$ 2,137,368</u>	<u>\$ 2,124,331</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 10,373	\$ 23,765
Due to The Green-Wood Cemetery	<u>989,929</u>	<u>976,109</u>
Total Liabilities	<u>1,000,302</u>	<u>999,874</u>
Net Assets		
Unrestricted	137,066	102,182
Temporarily restricted	<u>1,000,000</u>	<u>1,022,275</u>
Total Net Assets	<u>1,137,066</u>	<u>1,124,457</u>
	<u>\$ 2,137,368</u>	<u>\$ 2,124,331</u>

The Green-Wood Historic Fund, Inc.

Statements of Activities

	<u>Year Ended December 31, 2017</u>			<u>Year Ended December 31, 2016</u>		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUE						
Grants, contributions, and other programs	\$ 805,756	\$ -	\$ 805,756	\$ 679,556	\$ -	\$ 679,556
Support and allocations from The Green-Wood Cemetery for salaries, labor and benefits	220,000	-	220,000	218,000	-	218,000
Special events	365,819	-	365,819	327,845	-	327,845
Book sales	10,903	-	10,903	18,597	-	18,597
Unrealized gain on investments	3,913	-	3,913	14,398	-	14,398
Interest and dividends	4,587	-	4,587	4,884	-	4,884
Net assets released from restriction	<u>22,275</u>	<u>(22,275)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenue	<u>1,433,253</u>	<u>(22,275)</u>	<u>1,410,978</u>	<u>1,263,280</u>	<u>-</u>	<u>1,263,280</u>
EXPENSES						
Program expenses	810,684	-	810,684	820,016	-	820,016
Management and administration	221,956	-	221,956	186,626	-	186,626
Fundraising	<u>365,729</u>	<u>-</u>	<u>365,729</u>	<u>257,225</u>	<u>-</u>	<u>257,225</u>
Total Expenses	<u>1,398,369</u>	<u>-</u>	<u>1,398,369</u>	<u>1,263,867</u>	<u>-</u>	<u>1,263,867</u>
Change in Net Assets	34,884	(22,275)	12,609	(587)	-	(587)
NET ASSETS						
Beginning of year	<u>102,182</u>	<u>1,022,275</u>	<u>1,124,457</u>	<u>102,769</u>	<u>1,022,275</u>	<u>1,125,044</u>
End of year	<u>\$ 137,066</u>	<u>\$ 1,000,000</u>	<u>\$ 1,137,066</u>	<u>\$ 102,182</u>	<u>\$ 1,022,275</u>	<u>\$ 1,124,457</u>

See notes to financial statements

The Green-Wood Historic Fund, Inc.

Statement of Functional Expenses
Year Ended December 31, 2017

	Program Expenses					Total Program Expenses	Supporting Services		Total Expenses
	Public Events and Tours	Genealogy	Historic Collection and Archives	Exhibitions	Educational Programs		Management and Administration	Fundraising	
Salaries expense	\$ 150,847	\$ 14,594	\$ 66,010	\$ 3,919	\$ 41,319	\$ 276,689	\$ 89,828	\$ 79,004	\$ 445,521
Labor expense	56,496	-	-	-	16,142	72,638	-	8,071	80,709
Salary related costs	58,710	5,680	25,691	1,525	16,082	107,688	34,962	30,749	173,399
Labor related costs	19,625	-	-	-	5,607	25,232	-	2,804	28,036
Total Salaries, labor and related costs	285,678	20,274	91,701	5,444	79,150	482,247	124,790	120,628	727,665
Archives supplies	-	-	24,739	-	-	24,739	1,760	-	26,499
General office expenses	250	210	-	-	127	587	15,708	19,388	35,683
Postage and delivery	-	-	-	-	-	-	25	-	25
Dues and subscriptions	-	-	-	-	-	-	1,226	-	1,226
Computer and website programming	13,800	225	1,425	-	2,475	17,925	9,329	2,400	29,654
Marketing and promotions	-	-	-	-	1,250	1,250	31,059	21,275	53,584
Legal fees	-	-	-	-	-	-	11,913	-	11,913
Professional fees	33,783	-	3,080	-	15,231	52,094	20,075	24,970	97,139
Genealogical services	-	28,568	-	-	-	28,568	-	-	28,568
Tour guides	51,236	-	-	-	-	51,236	-	-	51,236
Graphic design and video	4,656	-	-	23,715	-	28,371	-	-	28,371
Special projects	-	-	-	-	2,330	2,330	-	2,500	4,830
Bank and credit card charges	17,762	-	-	-	-	17,762	179	-	17,941
Grant fees	-	-	22,000	-	145	22,145	150	3,000	25,295
Printing and reproductions	39,829	-	-	-	-	39,829	900	42,548	83,277
Food and venue	-	-	-	-	-	-	-	95,012	95,012
Other	41,601	-	-	-	-	41,601	4,842	34,008	80,451
	<u>\$ 488,595</u>	<u>\$ 49,277</u>	<u>\$ 142,945</u>	<u>\$ 29,159</u>	<u>\$ 100,708</u>	<u>\$ 810,684</u>	<u>\$ 221,956</u>	<u>\$ 365,729</u>	<u>\$ 1,398,369</u>

See notes to financial statements

The Green-Wood Historic Fund, Inc.

Statement of Functional Expenses
Year Ended December 31, 2016

	Program Expenses					Total Program Expenses	Supporting Services		Total Expenses
	Public Events and Tours	Genealogy	Historic Collection and Archives	Exhibitions	Educational Programs		Management and Administration	Fundraising	
Salaries expense	\$ 147,940	\$ 19,401	\$ 68,863	\$ -	\$ 43,812	\$ 280,016	\$ 75,231	\$ 55,335	\$ 410,582
Labor expense	45,000	-	-	-	9,356	54,356	-	15,000	69,356
Salary related costs	56,688	7,558	26,769	-	16,849	107,864	28,344	21,258	157,466
Labor related costs	16,698	-	-	-	3,340	20,038	-	5,652	25,690
Total Salaries, labor and related costs	266,326	26,959	95,632	-	73,357	462,274	103,575	97,245	663,094
Supplies	-	-	-	-	5,590	5,590	-	-	5,590
Depreciation	-	-	-	-	-	-	4,900	-	4,900
General office expenses	1,424	-	996	-	-	2,420	10,877	-	13,297
Postage and delivery	6,899	-	-	-	-	6,899	1,365	8,954	17,218
Dues and subscriptions	-	-	-	-	-	-	654	-	654
Computer and website programming	20,400	-	-	-	-	20,400	12,471	5,175	38,046
Marketing and promotions	4,240	335	-	-	-	4,575	7,677	31,818	44,070
Legal fees	-	-	-	-	-	-	21,389	-	21,389
Professional fees	-	-	1,000	-	-	1,000	18,000	24,265	43,265
Genealogical services	-	25,979	-	-	-	25,979	-	-	25,979
Tour guides	20,650	-	-	-	-	20,650	450	375	21,475
Books	657	-	-	-	-	657	1,119	18	1,794
Graphic design and video	-	-	-	-	-	-	3,500	-	3,500
Special projects	194,782	-	-	1,431	-	196,213	-	520	196,733
Bank and credit card charges	19,748	-	-	-	-	19,748	545	-	20,293
Grant to The Green-Wood Cemetery	-	-	4,920	-	600	5,520	-	23	5,543
Printing and reproductions	31,301	-	16,790	-	-	48,091	-	8,507	56,598
Food and venue	-	-	-	-	-	-	104	59,934	60,038
Other	-	-	-	-	-	-	-	20,391	20,391
	<u>\$ 566,427</u>	<u>\$ 53,273</u>	<u>\$ 119,338</u>	<u>\$ 1,431</u>	<u>\$ 79,547</u>	<u>\$ 820,016</u>	<u>\$ 186,626</u>	<u>\$ 257,225</u>	<u>\$ 1,263,867</u>

See notes to financial statements

The Green-Wood Historic Fund, Inc.

Statements of Cash Flows

	Year Ended December 31,	
	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 12,609	\$ (587)
Adjustments to reconcile change in net assets to net cash from operating activities		
Donated investments	(12,823)	(6,085)
Depreciation	-	4,900
Unrealized gain on investments	(3,913)	(14,398)
Changes in operating assets and liabilities		
Accounts receivable	(31,714)	(17,020)
Due to The Green-Wood Cemetery	13,820	410,133
Accounts payable and accrued expenses	(13,392)	8,867
	(35,413)	385,810
CASH		
Beginning of year	1,776,475	1,390,665
End of year	\$ 1,741,062	\$ 1,776,475

The Green-Wood Historic Fund, Inc.

Notes to Financial Statements
December 31, 2017 and 2016

1. Description of Organization

The Green-Wood Historic Fund, Inc. (the "Organization") is a not-for-profit corporation under the provisions of Section 501(c)(3) of the Internal Revenue Code, located in Brooklyn, NY. The Organization's primary purpose is to preserve and restore The Green-Wood Cemetery's (the "Cemetery") historic and cultural property and to educate the public regarding the historical significance of the Cemetery.

2. Summary of Significant Accounting Policies

Basis of Presentation

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP"). Resources are classified for accounting and reporting purposes into net asset classes according to donor imposed restrictions. Unrestricted net assets are those whose use is not subject to any donor imposed restrictions. Temporarily restricted net assets are those resulting from contributions and other inflows of assets whose use by the Organization is limited by donor imposed stipulations that will be met either by passage of time or that can be fulfilled and removed by actions of the Organization pursuant to those stipulations. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Permanently restricted net assets are donor restricted gifts that must be maintained permanently by the Organization to provide present and future income for operations.

Use of Estimates

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Investments Valuation

Investments are recorded at fair value.

Fair Value Measurements of Financial Instruments

The Organization follows U.S. GAAP guidance on fair value measurements, which define fair value and establish a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices that are observable, either directly or indirectly with fair value being determined through the use of models or other valuation methodologies. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

The Green-Wood Historic Fund, Inc.

Notes to Financial Statements
December 31, 2017 and 2016

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

Property, Plant and Equipment

Purchases of property, plant and equipment expenditures in excess of \$10,000 are capitalized and stated at cost or, if donated, at the estimated fair value of the assets at the date of donation. Depreciation is recognized using the straight line method over the estimated useful lives of such assets as follows:

Benches	7 years
Computer software	3 years

Impairment of Long-Lived Assets

Long-lived assets such as property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The Organization records impairment losses on long-lived assets used in operations if the undiscounted cash flows estimated to be generated by those assets are less than the carrying amounts of those assets. No impairment charges were recognized at December 31, 2017 and 2016.

Fine Arts and Collectibles

The Organizations' collection of fine arts is comprised of various works, including paintings, sculptures and photographs. The collections, maintained for public exhibitions and education rather than for financial gain, are protected, encumbered and preserved, and are subject to an organizational policy that requires the proceeds from sales of collection items to be used to acquire other items for collections.

Grants, Contributions and Other Programs

All grants, contributions and other program revenues are considered available for unrestricted use, unless specifically restricted by the donor or subject to time or other restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are recorded as unrestricted support.

Investment Income Recognition

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis and dividends are recorded when declared. Realized and unrealized gains and losses are included in the determination of the change in net assets.

Functional Expenses

The costs of providing the Organization's programs and other activities have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The Green-Wood Historic Fund, Inc.

Notes to Financial Statements
December 31, 2017 and 2016

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

Advertising Costs

Advertising costs are expensed as incurred. Advertising costs for the years ended December 31, 2017 and 2016 were \$3,460 and \$5,932.

Accounting for Uncertainty in Income Taxes

The Organization recognizes the effect of income tax positions only if those positions are more likely than not to be sustained. Management has determined that the Organization had no uncertain tax positions that would require financial statement recognition or disclosure.

Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is March 28, 2018.

3. Concentrations of Credit Risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and investments. The Organization places its cash with various financial institutions and limits the amount of credit exposure by any one financial institution. At times, the cash balance may be in excess of the Federal Deposit Insurance Corporation insurance limit. Excess amounts totaled approximately \$1.5 million at December 31, 2017 and 2016. Investments are diversified to reduce concentrations so that there is no significant concentration of credit risk.

4. Accounts Receivable

Accounts receivable at December 31 consist of the following:

	<u>2017</u>	<u>2016</u>
Grant receivable	\$ 50,000	\$ 50,000
Contributions receivable	<u>48,734</u>	<u>17,020</u>
	<u>\$ 98,734</u>	<u>\$ 67,020</u>

No allowance has been provided as management has deemed the receivable collectible.

5. Investments

Investments consists of common stock equities securities and are valued using level 1 inputs at December 31, 2017 and 2016.

The Green-Wood Historic Fund, Inc.

Notes to Financial Statements
December 31, 2017 and 2016

6. Property, Plant and Equipment

Property, plant and equipment at December 31 consist of the following:

	<u>2017</u>	<u>2016</u>
Benches	\$ 27,319	\$ 27,319
Computer software	<u>39,201</u>	<u>39,201</u>
	66,520	66,520
Accumulated depreciation	<u>(66,520)</u>	<u>(66,520)</u>
	<u>\$ -</u>	<u>\$ -</u>

7. Related Party Transactions

The Organization shares a common board of trustees with the Cemetery and The Green-Wood Cemetery Perpetual Care Fund. The Organization utilizes the Cemetery's personnel on an as needed basis. These salaries and other general and administrative expenses are allocated to the Organization based on actual usage.

The balance payable to the Cemetery at December 31, 2017 and 2016 was \$989,929 and \$976,109 and is due upon demand.

During 2017 and 2016, the Organization received the following from the Cemetery:

	<u>2017</u>	<u>2016</u>
Annual operating support	\$ 100,000	\$ 100,000
Trustee assigned board services	<u>120,000</u>	<u>118,000</u>
	<u>\$ 220,000</u>	<u>\$ 218,000</u>

Currently, the Organization and the Cemetery are working together on the Weir Greenhouse Project ("Greenhouse"). Management has estimated that the purchase of the land and the restoration will cost between \$13 and \$14 million. All grants towards the Greenhouse are received by the Historic Fund and transferred to the Cemetery, as the Cemetery is paying the restoration costs. Certain space in the Greenhouse will be leased to the Historic Fund. The annual rent amount is \$1 and this agreement will expire April 30, 2021, unless terminated earlier or extended. The Greenhouse itself carries a preservation covenant, which states that the Greenhouse is to secure the preservation of historic resources and to ensure that public benefit is derived.

The Historic Fund and the Cemetery will also work together on the construction of a new building, which will house Cemetery and Historic Fund offices and activities. The budget for this building has yet to be determined.

The Green-Wood Historic Fund, Inc.

Notes to Financial Statements
December 31, 2017 and 2016

8. Temporarily Restricted Net Assets

Temporarily restricted net assets activity and balance for the years ended December 31 is as follows:

	<u>Beginning of Year</u>	<u>Additions</u>	<u>Net Assets Released</u>	<u>End of Year</u>
2017				
Repair damages from vandalism, Hurricane Sandy and other restoration projects	\$ 2,275	\$ -	\$ (2,275)	\$ -
Arboretum status project	20,000	-	(20,000)	-
Archive Center	<u>1,000,000</u>	<u>-</u>	<u>-</u>	<u>1,000,000</u>
	<u>\$ 1,022,275</u>	<u>\$ -</u>	<u>\$ (22,275)</u>	<u>\$ 1,000,000</u>
2016				
Repair damages from vandalism, Hurricane Sandy and other restoration projects	\$ 2,275	\$ -	\$ -	\$ 2,275
Arboretum status project	20,000	-	-	20,000
Archive Center	<u>1,000,000</u>	<u>-</u>	<u>-</u>	<u>1,000,000</u>
	<u>\$ 1,022,275</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,022,275</u>

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