

HISTORIC HOUSE TRUST OF NEW YORK CITY, INC.

FINANCIAL STATEMENTS

JUNE 30, 2019 AND 2018

HISTORIC HOUSE TRUST OF NEW YORK CITY, INC.

CONTENTS

	<u>Page</u>
<u>Independent Auditors' Report</u>	1-2
<u>Financial Statements</u>	
Statements of Financial Position at June 30, 2019 and 2018	3
Statements of Activities for the Years Ended June 30, 2019 and 2018	4
Statements of Functional Expenses for the Years Ended June 30, 2019 and 2018	5
Statements of Cash Flows for the Years Ended June 30, 2019 and 2018	6
Notes to Financial Statements	7-18

INDEPENDENT AUDITORS' REPORT

To The Board of Directors
Historic House Trust of New York City, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Historic House Trust of New York City, Inc., which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses and cash flows for the year 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 audit. We conducted our audit 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 Historic House Trust of New York City, Inc. as of June 30, 2019, 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.

Report on Prior Year Financial Statements

The financial statements as of June 30, 2018 and for the year then ended were audited by Lederer, Levine & Associates, LLC, which merged with Grassi & Co. as of January 1, 2019, and whose report dated November 15, 2018, expressed an unmodified opinion on those financial statements.

Emphasis of Matter

As discussed in Note 2 to the financial statements, Historic House Trust of New York City, Inc. adopted Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") No. 2016-14. Our opinion is not modified with respect to this matter.

Grassi & Co., CPAs, P.C.

GRASSI & CO., CPAS, P.C.

White Plains, New York
July 1, 2020

HISTORIC HOUSE TRUST OF NEW YORK CITY, INC.
 STATEMENTS OF FINANCIAL POSITION
 JUNE 30, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 473,638	\$ 654,903
Contributions receivable	138,001	29,458
Investments	783,804	488,652
Prepaid expenses	<u>23,116</u>	<u>17,065</u>
 TOTAL ASSETS	 <u>\$ 1,418,559</u>	 <u>\$ 1,190,078</u>
 <u>LIABILITIES AND NET ASSETS</u>		
Liabilities:		
Accounts payable	\$ 22,478	\$ 59,582
Accrued expenses	<u>27,231</u>	<u>28,531</u>
 TOTAL LIABILITIES	 <u>49,709</u>	 <u>88,113</u>
Commitments		
Net Assets:		
Without donor restrictions	<u>401,874</u>	<u>291,513</u>
With donor restrictions:		
Purpose restricted	285,397	137,764
Endowments	<u>681,579</u>	<u>672,688</u>
Total with donor restrictions	<u>966,976</u>	<u>810,452</u>
 TOTAL NET ASSETS	 <u>1,368,850</u>	 <u>1,101,965</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 1,418,559</u>	 <u>\$ 1,190,078</u>

The accompanying notes are an integral part of these financial statements.

HISTORIC HOUSE TRUST OF NEW YORK CITY, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

	2019			2018				
	Without Donor Restrictions	With Donor Restrictions		Without Donor Restrictions	With Donor Restrictions		Total	
		Purpose Restricted	Endowments		Purpose Restricted	Endowments		
	Total			Total				
SUPPORT AND REVENUE								
Contributions:								
Foundations	\$ 27,000	\$ 134,000	\$ -	\$ 161,000	\$ 17,370	\$ 30,450	\$ -	\$ 47,820
Government grants	15,500	1,426,921	-	1,442,421	3,500	472,851	-	476,351
Corporations	11,500	-	-	11,500	15,410	-	-	15,410
Individuals	80,249	3,038	-	83,287	91,175	3,094	-	94,269
Donated services, materials and facilities	850,311	-	-	850,311	746,256	-	-	746,256
Special event (net of expenses of \$73,885 for 2019 and \$79,306 for 2018)	375,380	-	-	375,380	377,594	-	-	377,594
Memberships	16,800	-	-	16,800	14,000	-	-	14,000
Investment (loss) income	(758)	-	8,891	8,133	14,395	-	36,566	50,961
Miscellaneous income	63,296	-	-	63,296	40,628	1,020	-	41,648
Net assets released from restrictions	1,416,326	(1,416,326)	-	-	553,281	(553,281)	-	-
TOTAL SUPPORT AND REVENUE	2,855,604	147,633	8,891	3,012,128	1,873,609	(45,866)	36,566	1,864,309
EXPENSES								
Program services	2,354,306	-	-	2,354,306	1,432,450	-	-	1,432,450
Supporting services:								
Management and general	245,766	-	-	245,766	197,895	-	-	197,895
Fundraising	145,171	-	-	145,171	121,677	-	-	121,677
TOTAL EXPENSES	2,745,243	-	-	2,745,243	1,752,022	-	-	1,752,022
CHANGE IN NET ASSETS	110,361	147,633	8,891	266,885	121,587	(45,866)	36,566	112,287
NET ASSETS, BEGINNING OF YEAR	291,513	137,764	672,688	1,101,965	169,926	183,630	636,122	989,678
NET ASSETS, END OF YEAR	\$ 401,874	\$ 285,397	\$ 681,579	\$ 1,368,850	\$ 291,513	\$ 137,764	\$ 672,688	\$ 1,101,965

The accompanying notes are an integral part of these financial statements.

HISTORIC HOUSE TRUST OF NEW YORK CITY, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

	2019					2018				
	Program Services	Supporting Services Management and General	Supporting Services Fundraising	Cost of Direct Benefits of Special Events	Total	Program Services	Supporting Services Management and General	Supporting Services Fundraising	Cost of Direct Benefits of Special Events	Total
Salaries and related expenses	\$ 769,325	\$ 159,091	\$ 108,967	\$ -	\$ 1,037,383	\$ 660,528	\$ 118,965	\$ 79,207	\$ -	\$ 858,700
Restoration	1,389,421	-	-	-	1,389,421	472,851	-	-	-	472,851
Insurance	44,404	7,418	-	-	51,822	41,478	7,105	-	-	48,583
Contributions for maintenance and management of the historic houses	72,852	-	-	-	72,852	112,478	-	-	-	112,478
Professional and consultant fees	3,565	50,623	17,115	-	71,303	26,070	48,764	19,745	-	94,579
Special event	-	-	4,028	73,885	77,913	-	-	4,737	79,306	84,043
Occupancy	42,528	14,308	7,964	-	64,800	49,151	8,774	6,875	-	64,800
Supplies	3,848	1,295	721	-	5,864	1,825	327	256	-	2,408
Travel and conferences	5,907	1,987	1,106	-	9,000	1,848	329	258	-	2,435
Telephone	3,356	1,129	630	-	5,115	38,267	6,830	5,353	-	50,450
Administrative expenses	7,790	8,171	3,669	-	19,630	18,245	6,706	5,171	-	30,122
Advertising	6,126	-	-	-	6,126	9,175	-	-	-	9,175
Membership fees	5,184	1,744	971	-	7,899	534	95	75	-	704
Totals	2,354,306	245,766	145,171	73,885	2,819,128	1,432,450	197,895	121,677	79,306	1,831,328
Less: expenses deducted directly from revenues on the statement of activities	-	-	-	73,885	73,885	-	-	-	79,306	79,306
Total Expenses	\$ 2,354,306	\$ 245,766	\$ 145,171	\$ -	\$ 2,745,243	\$ 1,432,450	\$ 197,895	\$ 121,677	\$ -	\$ 1,752,022

The accompanying notes are an integral part of these financial statements.

HISTORIC HOUSE TRUST OF NEW YORK CITY, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 266,885	\$ 112,287
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Unrealized losses on investments	90,669	3,325
Realized gains on investments	(88,403)	(50,018)
Changes in operating assets and liabilities:		
(Increase) decrease in assets:		
Contributions receivable	(108,543)	17,197
Prepaid expenses	(6,051)	(2,802)
(Decrease) increase in liabilities:		
Accounts payable	(37,104)	41,458
Accrued expenses	<u>(1,300)</u>	<u>4,718</u>
Net cash provided by operating activities	<u>116,153</u>	<u>126,165</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of investments	(785,119)	(43,739)
Proceeds from sales of investments	<u>487,701</u>	<u>203,489</u>
Net cash (used in) provided by investing activities	<u>(297,418)</u>	<u>159,750</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(181,265)	285,915
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>654,903</u>	<u>368,988</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 473,638</u>	<u>\$ 654,903</u>

The accompanying notes are an integral part of these financial statements.

HISTORIC HOUSE TRUST OF NEW YORK CITY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

Note 1 - Organization and Nature of Activities

Historic House Trust of New York City, Inc. (“HHT”), in partnership with NYC Parks, advocates for, promotes, and provides expertise to preserve 23 publicly owned historic sites located throughout the city’s five boroughs.

HHT is incorporated in the State of New York as a nonprofit organization and is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. Contributions to HHT are tax deductible within the limits prescribed by such regulations. The majority of HHT’s support is derived from the City of New York (see Notes 7 and 8), contributions and a special event.

Note 2 - Summary of Significant Accounting Policies

Adoption of FASB ASU No. 2016-14 - Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities

Effective July 1, 2018, HHT adopted the provisions of Financial Accounting Standards Board (“FASB”) Accounting Standards Update (“ASU”) No. 2016-14. The ASU provides for changes in financial statement presentation that affect classification of net assets and presentation of expenses. It also provides for enhanced disclosures of methods used to allocate costs among functions and available resources and liquidity.

Basis of Accounting

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

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

HISTORIC HOUSE TRUST OF NEW YORK CITY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

Note 2 - Summary of Significant Accounting Policies (cont'd.)

Fair Value of Financial Instruments

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. To increase the comparability of fair value measurements, a three-tier fair value hierarchy, which prioritizes the inputs used in the valuation methodologies, is as follows:

Level 1 - Valuations based on quoted prices for identical assets and liabilities in active markets.

Level 2 - Valuations based on observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data.

Level 3 - Valuations based on unobservable inputs reflecting HHT's own assumptions, consistent with reasonably available assumptions made by other market participants. These valuations require significant judgment.

At June 30, 2019 and 2018, the fair value of HHT's financial instruments, including cash and cash equivalents, contributions receivable, and accounts payable and accrued expenses, approximated book value due to the short maturity of these instruments.

Refer to Note 5 - Fair Value Measurements for assets measured at fair value.

Cash and Cash Equivalents

Cash and cash equivalents include all cash balances and highly liquid investments with an original maturity of three months or less when acquired. HHT places its temporary cash investments with high credit quality financial institutions.

Contributions Receivable

Contributions receivable, which are due in one year, are stated net of an allowance for doubtful accounts. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows, unless management deems such discount to be immaterial to the financial statements. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met.

HISTORIC HOUSE TRUST OF NEW YORK CITY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

Note 2 - Summary of Significant Accounting Policies (cont'd.)

Allowance for Doubtful Accounts

HHT determines whether an allowance for doubtful accounts should be provided for contributions and accounts receivable. Such estimates are based on management's assessment of the aged basis of the receivables, current economic conditions and historical information. Receivables are written off against the allowance for doubtful accounts when all reasonable collection efforts have been exhausted. Interest is not charged on outstanding receivables. Bad debt expense is charged if the receivable is determined to be uncollectible based on periodic review by management. HHT has not recorded an allowance for doubtful accounts for contributions receivable at June 30, 2019 and 2018.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values.

Net Assets

HHT's net asset classifications are reported as follows:

Without Donor Restrictions:

Net assets without donor restrictions represent those resources that have no donor restrictions as to their use.

With Donor Restrictions:

Purpose Restricted

Purpose restricted net assets represent those resources that have been restricted by donors to specific purposes. Net assets released from restrictions represent the satisfaction of the restricted purposes specified by the donor and/or explicit appropriation by the members of the Board of Directors.

Endowment

Endowment restricted net assets represent resources that have donor-imposed restrictions that require the principal to be maintained in perpetuity, the income from which is expendable to support operations.

Contributions

Unconditional contributions, including promises to give cash and other assets, are reported at fair value at the date the contribution is received. The gifts are reported as net assets with donor restrictions if they are received with donor stipulations that limit use of the donated assets. When donor restrictions expire, that is, when a time restriction ends or a purpose restriction is fulfilled, purpose restricted net assets are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

HISTORIC HOUSE TRUST OF NEW YORK CITY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

Note 2 - Summary of Significant Accounting Policies (cont'd.)

Functional Reporting of Expenses

The costs of providing HHT's services have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Restoration expenses are directly charged to program services. Expenses attributable to more than one functional expense category are allocated using a variety of cost allocation techniques such as time and effort.

Reclassification

Certain line items in the June 30, 2018 financial statements have been reclassified to conform to the June 30, 2019 presentation.

Uncertainty in Income Taxes

HHT applies the provisions pertaining to uncertain tax (FASB Accounting Standards Codification ("ASC") Topic 740) and has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements. HHT is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

New Accounting Pronouncements

ASU No. 2018-08

In June 2018, the FASB issued ASU No. 2018-08, *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*, which will assist organizations in evaluating the transfer of assets and the nature of the related transaction. Organizations will be required to determine whether transactions should be accounted for as contributions (nonreciprocal transactions) or as exchange (reciprocal) transactions and if a contribution is conditional. The guidance in this ASU requires that organizations determine whether a contribution is conditional based on whether an agreement includes 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 presence of both indicates that the recipient is not entitled to the transferred assets or a future transfer of assets until it has overcome any barriers in the agreement.

For nonpublic entities who are recipients, the amendments of ASU No. 2018-08 are effective for annual reporting periods beginning after December 15, 2018, and interim periods within annual periods beginning after December 15, 2019. Early application is permitted for all entities.

HISTORIC HOUSE TRUST OF NEW YORK CITY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

Note 2 - Summary of Significant Accounting Policies (cont'd.)

New Accounting Pronouncements (cont'd.)

ASU No. 2014-09

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. This ASU is the result of a joint project of the FASB and the International Accounting Standards Board ("IASB") to clarify the principles for recognizing revenue and to develop a common revenue standard for U.S. GAAP and International Financial Reporting Standards ("IFRS"). The guidance in this ASU affects any entity that either enters into contracts with customers to transfer goods or services or enters into contracts for the transfer of nonfinancial assets unless those contracts are within the scope of other standards.

The ASU provides that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity should apply the following five-step process to recognize revenue:

- Step 1: Identify the contract with a customer.
- Step 2: Identify the performance obligations in the contract.
- Step 3: Determine the transaction price.
- Step 4: Allocate the transaction price to the performance obligations in the contract.
- Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

For nonpublic entities, the amendments of ASU No. 2014-09 are effective for annual reporting periods beginning after December 15, 2018, and interim periods within annual periods beginning after December 15, 2019. Early application is permitted under certain circumstances.

HHT has not yet determined if these ASUs will have a material effect on its financial statements.

HISTORIC HOUSE TRUST OF NEW YORK CITY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

Note 3 - Available Resources and Liquidity

HHT regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. HHT has various sources of liquidity at its disposal, including cash and cash equivalents and marketable debt and equity securities.

The following reflects HHT's financial assets as of June 30, 2019, reduced by amounts not available for general use within one year of the statement of financial position date because of contractual or donor-imposed restrictions or internal designations.

Cash and cash equivalents	\$	473,638
Contributions receivable		138,001
Investments		783,804
Total financial assets		<u>1,395,443</u>
Contractual or donor-imposed restrictions:		
Purpose restricted		(285,397)
Endowments		(681,579)
Receivables due in more than one year		<u>(5,020)</u>
Financial assets available to meet cash needs for general expenditures within one year	\$	<u><u>423,447</u></u>

Note 4 - Contributions Receivable

Contributions receivable consists of the following at June 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Due within one year	\$ 132,981	\$ 25,938
One to five years	<u>5,020</u>	<u>3,520</u>
	<u>\$ 138,001</u>	<u>\$ 29,458</u>

HISTORIC HOUSE TRUST OF NEW YORK CITY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

Note 5 - Fair Value Measurements

	2019			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
Mutual Funds - Equities based	\$ 635,228	\$ -	\$ -	\$ 635,228
Exchange Traded Funds	142,671	-	-	142,671
Equities	5,905	-	-	5,905
	\$ 783,804	\$ -	\$ -	\$ 783,804
	2018			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
Mutual Funds - Equities based	\$ 450,309	\$ -	\$ -	\$ 450,309
Mutual Funds - Fixed Income based	32,470	-	-	32,470
Equities	5,873	-	-	5,873
	\$ 488,652	\$ -	\$ -	\$ 488,652

Note 6 - Investment Income

Investment income consists of the following for the years ended June 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Interest and dividends	\$ 11,800	\$ 12,655
Unrealized losses on investments	(90,669)	(3,325)
Realized gains on investments	88,403	50,018
	9,534	59,348
Less: Investment fees	1,401	8,387
	\$ 8,133	\$ 50,961

HISTORIC HOUSE TRUST OF NEW YORK CITY, INC.
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2019 AND 2018

Note 7 - Government Grant - Sole Source Contract

The City of New York (the "City"), a municipal corporation of the State of New York acting by and through the Commissioner of the Department of Parks and Recreation (the "Department"), and HHT entered into a number of agreements to provide funding for the restoration of eligible sites as follows:

In June 2011, HHT entered into an agreement with the City for the restoration of eligible sites. The maximum contract amount is \$5,000,000. The term of the contract is 1,095 consecutive calendar days from the commencement date. The term of this contract has ended. However, this contract is currently being amended to make a payment of \$15,000 owed for retainage for restoration on one of HHT's eligible sites.

In September 2015, HHT entered into a new agreement with the City for the restoration of eligible sites. The current maximum of this contract is \$10,000,000. However, this contract's maximum is currently in the process of being increased to \$20,000,000. The term of the contract is September 24, 2015 to September 24, 2020.

For the fiscal years ended June 30, 2019 and 2018, \$1,389,421 and \$472,851, respectively, was earned by HHT under these agreements.

Note 8 - Donated Services, Materials and Facilities

For the fiscal years ended 2019 and 2018, the City and the Department paid certain costs on behalf of HHT. The Department's cost is considered to be equivalent to the fair value of the donated services, materials and facilities.

Included in donated services, materials and facilities are the following for the years ended June 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Salaries and fringe benefits	\$ 717,763	\$ 592,098
Computer equipment	347	279
Office space (occupancy)	64,800	64,800
Maintenance of the historic houses	60,961	37,909
Telephone	5,115	50,450
Computer maintenance	1,325	720
	<u>\$ 850,311</u>	<u>\$ 746,256</u>

HISTORIC HOUSE TRUST OF NEW YORK CITY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

Note 9 - Net Assets With Donor Restrictions

Net assets with donor restrictions consisted of the following as of June 30, 2019 and 2018:

	<u>2019</u>		<u>2018</u>	
	Purpose Restricted	Endowments	Purpose Restricted	Endowments
Latimer Now and Dyckman	\$ -	\$ -	\$ 7,212	\$ -
Curatorial program	23,880		23,880	
Landmark Preservation program	49,614	-	49,614	-
Property management program	18,270	-	18,618	-
Emergency maintenance	23,440	-	23,440	-
Program support	165,193	-	10,000	-
Promotion and marketing	5,000	-	5,000	
Endowment fund	-	681,579	-	672,688
	<u>\$ 285,397</u>	<u>\$ 681,579</u>	<u>\$ 137,764</u>	<u>\$ 672,688</u>

Purpose restricted and endowment fund net assets were released from restrictions in 2019 and 2018 by incurring expenses satisfying the following:

	<u>2019</u>	<u>2018</u>
Latimer Now and Dyckman	\$ 7,212	\$ 22,176
Property management program	347	-
Community engagement	-	29,837
Emergency maintenance	-	23,863
Program support	1,408,767	477,405
	<u>\$ 1,416,326</u>	<u>\$ 553,281</u>

HISTORIC HOUSE TRUST OF NEW YORK CITY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

Note 10 - Endowments

General

HHT's endowment consists of a donor-restricted fund established primarily to provide long-term support for its charitable programs. As required by U.S. GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

HHT interprets the New York Prudent Management of Institutional Funds Act ("NYPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary.

As a result of this interpretation, HHT classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment and (b) the original value of subsequent gifts to the permanent endowment. Currently, there are no provisions in donor gift instruments that provide for any other accumulations to the permanent endowments.

Return Objectives, Strategies Employed and Spending Policy

It is HHT's policy that any remaining portion of the donor-restricted endowment funds, if any, that is not classified in net assets with donor restrictions is classified as purpose restricted net assets until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by NYPMIFA. The amounts appropriated for expenditure represent amounts that were spent within the year in satisfying the purpose restriction.

HHT has considered the following factors in making a determination to appropriate or calculate donor-restricted endowment funds:

1. Duration of the fund
2. General purposes of the organization and the donor-restricted endowment funds
3. General economic conditions
4. Possible effect of inflation or deflation
5. Expected total return from income and appreciation of investments
6. Other resources of the organization
7. Investment policy of the organization

HISTORIC HOUSE TRUST OF NEW YORK CITY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

Note 10 - Endowments (cont'd.)

Funds with Deficiencies

HHT does not have any funds with deficiencies.

The following tables present the changes in HHT's donor-restricted endowment funds for the years ended June 30, 2019 and 2018:

	2019		
	Accumulated Earnings	Original Donor Gift	Total
Endowment net assets - beginning of year	\$ 221,188	\$ 451,500	\$ 672,688
Interest and dividends	9,797	-	9,797
Net appreciation	(906)	-	(906)
Endowment net assets - end of year	\$ 230,079	\$ 451,500	\$ 681,579

	2018		
	Accumulated Earnings	Original Donor Gift	Total
Endowment net assets - beginning of year	\$ 184,623	\$ 451,500	\$ 636,123
Interest and dividends	8,629	-	8,629
Net appreciation	27,936	-	27,936
Endowment net assets - end of year	\$ 221,188	\$ 451,500	\$ 672,688

Note 11 - Special Events

HHT conducts an annual fundraising gala in which a portion of the gross proceeds paid by the participants represents the fair value of the benefits received by the participants attending the event.

The following event was held during the years ended June 30, 2019 and 2018:

	2019	2018
Founders Award Gala - Gross Revenues	\$ 449,265	\$ 456,900

HISTORIC HOUSE TRUST OF NEW YORK CITY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

Note 12 - Cash or Deferred Profit Sharing Plan

HHT has a cash or deferred profit sharing plan covering all employees who have completed six months of service, work at least 83.3 hours each month and are scheduled to work 1,000 hours in a 12-month benefit period. The participants may contribute up to certain maximums set by the federal government each year, and HHT may match the contribution up to \$2,500 annually. Total expense for the years ended June 30, 2019 and 2018 was \$1,184 and \$1,598, respectively.

Note 13 - Subsequent Events

HHT has evaluated all events or transactions that occurred after June 30, 2019 through July 1, 2020, the date these financial statements were available to be issued. During this period, there were no material subsequent events requiring disclosure, except for the following:

The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of multiple industries. While the disruption is currently expected to be temporary, there is considerable uncertainty regarding the duration of the closings. Therefore, HHT expects this matter to negatively impact its operating results. However, the related financial impact and duration cannot be reasonably estimated at this time.