

**FRIENDS OF THE HIGH LINE, INC.**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2021**



**LUTZ AND CARR**  
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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of  
Friends of the High Line, Inc.

### **Opinion**

We have audited the accompanying financial statements of Friends of the High Line, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, 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 Friends of the High Line, Inc. as of December 31, 2021, and the changes in 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 Friends of the High Line, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Friends of the High Line, 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, including omissions, 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 Friends of the High Line, 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 Friends of the High Line, 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.

## **Report on Summarized Comparative Information**

We have previously audited Friends of the High Line, Inc.'s 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 27, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Lotz + Carr, LLP*

## FRIENDS OF THE HIGH LINE, INC.

## STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2021 WITH COMPARATIVE TOTALS FOR 2020

(Dollars in thousands)

	<u>2021</u>	<u>2020</u>
<b>Assets</b>		
Cash and cash equivalents (Notes 1b and 10a)	\$ 5,800	\$ 5,045
Unconditional promises to give (Notes 1e, 4, and 10b)	16,155	27,811
Accounts receivable and other current assets	784	741
Inventory (Note 1g)	247	204
Investments (Notes 1c, 1d, and 5)		
Operations	9,186	7,754
Endowments (Note 8)	62,781	54,814
Campaign for the High Line	8,730	9,775
Property and equipment, at cost (net of accumulated depreciation) (Notes 1h and 6)	<u>358</u>	<u>477</u>
<b>Total Assets</b>	<u><u>\$104,041</u></u>	<u><u>\$106,621</u></u>
<b>Liabilities and Net Assets</b>		
Liabilities		
Accounts payable and accrued expenses	\$ 1,487	\$ 838
Construction and renovation costs payable	32	212
Refundable advances	1,532	1,953
Deferred compensation plan liability (Note 11a)	<u>262</u>	<u>216</u>
Total Liabilities	<u>3,313</u>	<u>3,219</u>
Commitments (Notes 9 and 11)		
Net Assets		
Without Donor Restrictions (Note 3a)		
Operations		
Undesignated	2,352	1,230
Board designated operating reserve	5,091	5,102
Board designated for future periods and purposes	<u>100</u>	<u>100</u>
Total Operations	7,543	6,432
Board designated High Line Fund	53,977	46,910
Campaign for the High Line	<u>9,617</u>	<u>9,270</u>
Total Without Donor Restrictions	<u>71,137</u>	<u>62,612</u>
With Donor Restrictions (Note 3b)		
Time and Purpose Restrictions		
Operations	9,899	15,926
Campaign for the High Line	<u>12,476</u>	<u>19,021</u>
Total Time and Purpose Restrictions	22,375	34,947
Investment in perpetuity (Notes 3b and 8)	<u>7,216</u>	<u>5,843</u>
Total With Donor Restrictions	<u>29,591</u>	<u>40,790</u>
Total Net Assets	<u>100,728</u>	<u>103,402</u>
<b>Total Liabilities and Net Assets</b>	<u><u>\$104,041</u></u>	<u><u>\$106,621</u></u>

See notes to financial statements.

## FRIENDS OF THE HIGH LINE, INC.

## STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2021 WITH COMPARATIVE TOTALS FOR 2020

(Dollars in thousands)

	2021				2020			
	Without Donor Restrictions			With Donor Restrictions				
	Board	Campaign		Time and Purpose	Investment			
	Designated	for the		Restrictions	in Perpetuity			
	High Line	High Line		Operations	Campaign			
	Fund							
	Operations		Total	Operations	Campaign	Total	Total	Total
<b>Changes in Net Assets</b>								
Revenues and Other Support								
Contributions (Notes 10c)	\$ 4,320	\$ -	\$ 2,401	\$ 969	\$ 818	\$ 1,373	\$ 3,160	\$ 9,881
Benefit income	3,452	-	3,452	-	-	-	-	3,452
Less: Direct benefit expense (Note 7)	(563)	-	(563)	-	-	-	-	(563)
Donated services (Note 7)	382	-	382	-	-	-	-	382
Investment income (Note 5)	(13)	7,067	5	1,036	-	-	1,036	8,095
Sublicensing restaurant income (Note 9c)	-	-	-	-	-	-	-	-
Sublicensing concessions income	145	-	145	-	-	-	-	145
Facility and venue rentals	384	-	384	-	-	-	-	384
Merchandise sales, net of cost of goods sold \$5 (2021) and \$11 (2020)	-	-	-	-	-	-	-	-
Repairs, maintenance and improvement funding (Note 9f)	897	-	897	-	-	-	-	897
Other revenue	196	-	197	-	-	-	-	197
	9,200	7,067	2,407	2,005	818	1,373	4,196	22,870
Net assets released from restrictions								
Satisfaction of program and period restrictions (\$1,813 in 2020)	5,448	-	370	(5,448)	(370)	-	(5,818)	-
Write off of restricted pledges	-	-	-	(2,448)	(6,993)	-	(9,441)	(9,441)
Appropriations for use in operations	136	-	136	(136)	-	-	(136)	-
CARES Act grant funds (Note 12)	1,768	-	1,768	-	-	-	-	1,768
	16,552	7,067	2,777	(6,027)	(6,545)	1,373	(11,199)	15,197
<b>Total Revenues and Other Support</b>	<b>16,552</b>	<b>7,067</b>	<b>2,777</b>	<b>(6,027)</b>	<b>(6,545)</b>	<b>1,373</b>	<b>(11,199)</b>	<b>15,197</b>
Expenses (Note 13)								
Program Services								
High Line planning and construction	57	-	2,156	-	-	-	-	2,213
High Line operations	6,522	-	6,522	-	-	-	-	6,522
Programming and education	3,449	-	3,449	-	-	-	-	3,449
Total Program Services	10,028	-	2,156	-	-	-	-	12,184
Supporting Services								
Management and general	2,698	-	2,698	-	-	-	-	2,698
Fundraising	2,715	-	2,715	-	-	-	-	2,715
Campaign for the High Line Fundraising	-	-	274	-	-	-	-	274
Total Supporting Services	5,413	-	274	-	-	-	-	5,687
	15,441	-	2,430	-	-	-	-	17,871
<b>Total Expenses</b>	<b>15,441</b>	<b>-</b>	<b>2,430</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17,871</b>
Increase (decrease) in net assets	1,111	7,067	347	(6,027)	(6,545)	1,373	(11,199)	(2,674)
Net assets, beginning of year	6,432	46,910	9,270	15,926	19,021	5,843	40,790	103,402
	7,543	53,977	9,617	9,899	12,476	7,216	29,591	100,728
<b>Net Assets, End of Year</b>	<b>7,543</b>	<b>53,977</b>	<b>9,617</b>	<b>9,899</b>	<b>12,476</b>	<b>7,216</b>	<b>29,591</b>	<b>100,728</b>

See notes to financial statements.

## FRIENDS OF THE HIGH LINE, INC.

## STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2021 WITH COMPARATIVE TOTALS FOR 2020

(Dollars in thousands)

	Program Services			Supporting Services			2021	2020
	High Line Planning and Construction	High Line Operations	Programming and Education	Management and General	Fundraising	Campaign Fundraising	Total Expenses	Total Expenses
Salaries, payroll taxes and employee benefits	\$ 247	\$ 4,422	\$ 1,742	\$ 1,957	\$ 1,715	\$ -	\$ 10,083	\$ 10,230
Professional fees and consulting	3	690	402	426	508	262	2,291	1,423
Legal fees (Note 7)	34	43	13	75	29	-	194	109
Audit and accounting fees	-	-	-	54	-	-	54	52
Contract labor, stipends and honoraria	-	2	135	-	-	-	137	30
High Line direct costs - construction, renovations and maintenance	1,920	-	-	-	-	-	1,920	1,181
Printing and publications	-	61	36	2	127	7	233	141
Postage and shipping	-	5	13	3	41	-	62	35
Repairs, maintenance and equipment rental	1	351	5	2	5	-	364	387
Security	-	466	-	1	11	-	478	392
Other expenses	-	2	23	12	25	5	67	171
Occupancy	1	60	18	2	13	-	94	108
Art production	-	-	922	-	-	-	922	284
Supplies	4	201	50	31	112	-	398	402
Travel and meetings	-	8	23	6	7	-	44	29
Catering and other event expenses (Note 7)	-	6	15	38	57	-	116	60
Insurance	1	21	25	9	14	-	70	73
Telephone and internet	1	18	6	3	6	-	34	37
Licenses, permits and fees	-	4	7	3	-	-	14	5
Credit card and other processing fees	-	-	1	46	32	-	79	72
Staff development and certifications	1	10	3	26	-	-	40	26
Total expenses before depreciation and amortization	2,213	6,370	3,439	2,696	2,702	274	17,694	15,247
Depreciation and amortization	-	152	10	2	13	-	177	250
Total Expenses, 2021	<u>\$ 2,213</u>	<u>\$ 6,522</u>	<u>\$ 3,449</u>	<u>\$ 2,698</u>	<u>\$ 2,715</u>	<u>\$ 274</u>	<u>\$ 17,871</u>	
Total Expenses, 2020	<u>\$ 1,789</u>	<u>\$ 6,569</u>	<u>\$ 2,699</u>	<u>\$ 2,008</u>	<u>\$ 2,432</u>	<u>\$ -</u>		<u>\$ 15,497</u>

See notes to financial statements.

## FRIENDS OF THE HIGH LINE, INC.

## STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2021 WITH COMPARATIVE TOTALS FOR 2020

(Dollars in thousands)

	<u>2021</u>	<u>2020</u>
<b>Cash Flows From Operating Activities</b>		
Increase (decrease) in net assets	\$ (2,674)	\$ 8,027
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Depreciation and amortization	177	250
Realized (gain) loss on investments	(11,256)	143
Unrealized (gain) loss on investments	4,471	(3,228)
Write off of restricted pledges	9,441	-
(Increase) decrease in:		
Unconditional promises to give	2,215	(2,959)
Accounts receivable and other current assets	(43)	(349)
Inventory	(43)	(41)
Increase (decrease) in:		
Accounts payable and accrued expenses	649	(581)
Construction and renovation costs payable	(180)	210
Refundable advances	(421)	628
Deferred compensation plan liability	46	40
Net Cash Provided By Operating Activities	<u>2,382</u>	<u>2,140</u>
<b>Cash Flows From Investing Activities</b>		
Purchase of investments	(104,650)	(19,119)
Proceeds from sale of investments	103,081	19,339
Purchase of property and equipment	(58)	(17)
Net Cash Provided (Used) By Investing Activities	<u>(1,627)</u>	<u>203</u>
Net increase in cash and cash equivalents	755	2,343
Cash and cash equivalents, beginning of year	<u>5,045</u>	<u>2,702</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 5,800</u>	<u>\$ 5,045</u>

See notes to financial statements.

**FRIENDS OF THE HIGH LINE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**  
**(Dollars in thousands)**

**Note 1 - Organization and Summary of Significant Accounting Policies**

**a - Organization**

Friends of the High Line, Inc. (the "Organization") is a non-profit conservancy responsible for maintaining an extraordinary public space on the High Line. The High Line is a 1.45-mile elevated freight rail line transformed into a public park on Manhattan's West Side. It is owned by The City of New York, and maintained and operated by Friends of the High Line under a license agreement (Note 9).

Founded in 1999 by community residents, Friends of the High Line worked to preserve and transform the structure, and now works with the New York City Department of Parks & Recreation in overseeing maintenance, operations, and public programming for the park. Friends of the High Line also works to raise private funds to support the park's annual operating budget.

**b - Cash and Cash Equivalents**

For purposes of the statement of cash flows, the Organization considers all highly liquid instruments, purchased with a maturity of three months or less, such as money market funds and short-term deposits, to be cash equivalents, except for amounts being managed within the investment account.

**c - Fair Value Measurements**

Fair value is defined as the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Fair value is a market-based measurement, not an entity-based measurement. Generally accepted accounting principles establish a framework for measuring fair value which maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those the market participants would use in pricing the asset based on market data obtained from sources independent of the Organization. Unobservable inputs reflect the Organization's assumptions about the inputs market participants would use in pricing the asset, based on the best information available in the circumstances. Fair value measurements are categorized into three levels as follows:

- Level 1 Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date.
- Level 2 Inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active.
- Level 3 Inputs that are unobservable.



**FRIENDS OF THE HIGH LINE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**  
**(Dollars in thousands)**

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

c - Fair Value Measurements (continued)

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

d - Investments

The Organization reflects investments in marketable securities at fair value in the statement of financial position, except for certain limited partnerships and investment funds which are reported at cost. Interest, dividends, and gains and losses on investments are reflected in the statement of activities as increases and decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or by law. Gains and other investment income that are limited to specific uses by donor-imposed restrictions are reported as increases in net assets with donor restrictions if the restrictions are met in the same fiscal year in which the gains and other investment income are recognized.

Investments are measured at fair value on a recurring basis. Investments with fair values that are based on quoted market prices in active markets are classified within Level 1.

Investments that trade in markets that are not considered to be active, but are valued using other observable inputs are classified within Level 2.

Alternative investments, which do not have readily determinable fair values, are reported based upon the underlying net asset value per share or its equivalent, which is estimated at fair value by the fund manager or general partner in a manner consistent with accounting principles generally accepted in the United States for investment companies. The Organization reviews and evaluates the values provided by the fund managers and general partners and agrees with the valuation methods and assumptions used in determining the net asset values of these investments. These estimated fair values may differ significantly from the values that would have been used had a ready market for these investments existed.

The classification of investments in the fair value hierarchy is not necessarily an indication of the risks, liquidity, or degree of difficulty in estimating the fair value of each investment's underlying assets and liabilities.

**FRIENDS OF THE HIGH LINE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**  
**(Dollars in thousands)**

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

**e - Contributions and Unconditional Promises to Give**

Contributions are recognized when the donor makes a promise to give to the Organization, that is, in substance, unconditional. Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met. The Organization records fundraising benefit revenue equal to the fair value of the direct benefit to donors, and contributions income for the excess received when the event takes place.

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 is met, net assets with donor restrictions are reclassified to net assets without donor restrictions.

The Organization uses the allowance method to determine uncollectable promises to give. The allowance is based on prior years' experience and management's analysis of specific promises made.

**f - Revenue Recognition**

The Organization has multiple revenue streams that are accounted for as exchange transactions including, sublicensing restaurant income, sublicensing concessions income, facility and venue rentals, repairs maintenance and improvement funding and other revenue. Revenues are recognized when control of the promised goods or services is transferred to customers in an amount that reflects the consideration the Organization expects to be entitled to in exchange for these goods or services. The Organization records deferred revenue in situations when amounts are collected, but the revenue recognition criteria outlined above are not met. Such revenue is recognized when all criteria are subsequently met.

Sublicensing restaurant income is recognized in the month the restaurant's gross receipts are earned.

Sublicensing concessions income is recognized at the point of sale.

Facility and venue rentals is recognized on the date facility and venue rental occurs.

Merchandise sales is presented net of discounts and recognized when products are sold. Sales taxes collected from customers are excluded from revenues and the obligation is included in accrued liabilities until the taxes are remitted to the appropriate authorities.

**FRIENDS OF THE HIGH LINE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**  
**(Dollars in thousands)**

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

f - Revenue Recognition (continued)

Repairs, maintenance and improvement funding is recognized on completion of improvements to the High Line area on an annual basis.

g - Inventory

The Organization's inventory consists primarily of books and apparel and is stated at the lower of cost, as determined by the average cost method, or market.

h - Property and Equipment

Purchased property and equipment acquired are recorded at cost and are depreciated using the straight-line method over the estimated useful life of the related asset. Leasehold improvements are depreciated over the term of the lease. Expenditures paid for the maintenance of or improvements to the High Line are not capitalized due to the Organization's status as a non-owner licensee.

i - Financial Statement Presentation

The financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles, 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 be maintained in perpetuity.

The Organization presents information related to its operations separately from information related to the Campaign for the High Line (the "Campaign"). Operations include the regular, recurring revenues and expenses from managing, maintaining, and providing programming on the High Line. The Campaign includes fundraising for direct costs related to the construction and renovation of the High Line.

**FRIENDS OF THE HIGH LINE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
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**(Dollars in thousands)**

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

j - Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

k - Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. 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 services, which are made up of High Line planning and construction, High Line operations and Programming and Education. Certain other expenses are attributable to more than one program or supporting function, and require allocation on a reasonable basis. The expenses that are allocated include salaries, payroll taxes and benefits, which are allocated on the basis of estimates of employee time and effort, and repairs, maintenance, and equipment rental, depreciation, insurance and general office expenses, which are allocated on a square footage basis.

l - Tax Status

Friends of the High Line, Inc. is a not-for-profit corporation 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.

m - Comparative Financial Information

The financial statements include certain prior-year summarized comparative information. Such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2020 from which the summarized information was derived.

n - Subsequent Events

The Organization has evaluated subsequent events through April 27, 2022, the date that the financial statements are considered available to be issued.

**FRIENDS OF THE HIGH LINE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
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**(Dollars in thousands)**

**Note 2 - Information Regarding Liquidity and Availability**

The Organization operates with a balanced budget for each fiscal year based on the revenues expected to be available to fund anticipated expenses. A substantial portion of general expenditures during a given year are funded with contributions, benefit income, and other revenue earned during the year. The Organization considers general expenditures to consist of all expenses related to its ongoing program services, and the expenses related to general, administrative and fundraising activities undertaken to support those services.

The Organization regularly monitors liquidity to meet its operating needs and other commitments and obligations, while seeking to maximize the investment of its available funds. Management prepares regular cash flow projections to determine liquidity needs and to maintain liquid financial assets on an ongoing basis sufficient to cover 90 days of general expenditures.

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

	<u>2021</u>	<u>2020</u>
Financial Assets at Year End:		
Cash and cash equivalents	\$ 5,800	\$ 5,045
Unconditional promises to give	16,155	27,811
Accounts receivable	296	411
Investments	<u>80,697</u>	<u>72,343</u>
Total Financial Assets	102,948	105,610
Less: Amounts not Available to be Used within One Year:		
Financial assets for the Campaign for the High Line	(22,093)	(28,291)
Net assets with donor restrictions subject to expenditure for specific purposes or passage of time	(6,938)	(13,865)
Plus: Net assets with donor restrictions expected to be met in less than one year	6,065	6,809
Net assets with donor restrictions for endowment, subject to spending policy and appropriation	(10,177)	(7,904)
Net assets without donor restrictions, subject to spending policy, appropriation and board approval for use of operating reserves	(56,977)	(49,910)
Plus: Amounts appropriated for use within one year	<u>1,892</u>	<u>650</u>
Financial Assets Available to Meet General Expenditures within One Year	<u>\$14,720</u>	<u>\$13,099</u>

**FRIENDS OF THE HIGH LINE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**  
**(Dollars in thousands)**

**Note 2 - Information Regarding Liquidity and Availability (continued)**

The Organization maintains an operating reserve with a minimum balance requirement of \$3,000. These amounts could be made available to meet cash needs for general expenditures at the discretion of the Board of Directors.

**Note 3 - Net Assets**

a - Net Assets Without Donor Restrictions

*Board Designated Operating Reserve*

The Organization maintains an operating reserve with a minimum balance requirement of \$3,000. At December 31, 2021, the balance of the reserve totaled \$5,091.

*Board Designated for Future Periods and Purposes*

In 2015, the Organization received a \$5,000 gift from the estate of a donor. The Organization's Board designated \$4,400 of the funds received towards the Campaign for the High Line and \$600 towards future operating periods and purposes. As of December 31, 2021, \$100 remains designated towards future operating periods.

*Board Designated High Line Fund*

In 2011, the Organization established the Board Designated High Line Fund to sustain the park's long-term maintenance and operations. For 2021, no appropriations were made to operations. For 2020, \$473 was appropriated to operations pursuant to the Organization's spending policy (Note 8). At December 31, 2021, the balance of this Fund was \$53,977.

*Campaign for the High Line*

Campaign for the High Line net assets include funds without donor restrictions raised through a campaign to provide for the direct costs related to the construction and renovation of the High Line, and to establish board designated endowment funds to support the ongoing operations and maintenance of the High Line.

**FRIENDS OF THE HIGH LINE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
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**Note 3 - Net Assets (continued)**

b - Net Assets With Donor Restrictions

Net assets with donor restrictions are restricted for the following future periods and programs:

	<u>2021</u>	<u>2020</u>
Campaign	\$12,476	\$19,021
Operations		
Future periods	3,036	8,865
Art program	1,080	2,226
Maintenance and operations	1,000	1,500
High Line Network	997	1,292
Education and other programs	669	907
Vision Fund	140	140
Community outreach and development	100	100
Horticulture	6	512
	<u>7,028</u>	<u>15,542</u>
Accumulated investment earnings - endowment funds with donor restrictions	2,961	2,061
Allowance for uncollectible amounts	(90)	(90)
Less: Discount to present value	<u>-</u>	<u>(1,587)</u>
Subtotal - Operations	<u>9,899</u>	<u>15,926</u>
Endowment for Sustainability - to support the operations of the High Line including, but not limited to, horticulture, maintenance, visitor services, public programs, public art commissions, and school and youth programs.	1,898	1,898
Horticultural and Stewardship Fund - to support the horticultural care and general maintenance of the public park on the High Line.	3,873	2,500
Public Programs Fund - to support public programs on the park, including the High Line teen job program, school field trips and public art projects.	<u>1,445</u>	<u>1,445</u>
Subtotal - Investment in Perpetuity	<u>7,216</u>	<u>5,843</u>
	<u>\$29,591</u>	<u>\$40,790</u>

**FRIENDS OF THE HIGH LINE, INC.**  
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**Note 4 - Unconditional Promises to Give**

Unconditional promises to give are expected to be collected as follows:

	<b>2021</b>			
	<b><u>Operations</u></b>	<b><u>Campaign</u></b>	<b><u>Perpetual in Nature</u></b>	<b><u>Total</u></b>
Due in less than one year	\$2,520	\$ 700	\$ -	\$ 3,220
Due in one to five years	-	12,730	1,500	14,230
	2,520	13,430	1,500	17,450
Less: Discount to net present value	-	(1,078)	(127)	(1,205)
Less: Valuation allowance	(90)	-	-	(90)
	<u>\$2,430</u>	<u>\$12,352</u>	<u>\$1,373</u>	<u>\$16,155</u>

  

	<b>2020</b>			
	<b><u>Operations</u></b>	<b><u>Campaign</u></b>	<b><u>Perpetual in Nature</u></b>	<b><u>Total</u></b>
Due in less than one year	\$5,173	\$ 5,440	\$ -	\$10,613
Due in one to five years	2,370	13,826	-	16,196
Due in six to thirty-nine years	2,924	11,696	-	14,620
	10,467	30,962	-	41,429
Less: Discount to net present value	(1,587)	(6,941)	-	(8,528)
Less: Valuation allowance	(90)	(5,000)	-	(5,090)
	<u>\$8,790</u>	<u>\$19,021</u>	<u>\$ -</u>	<u>\$27,811</u>

Unconditional promises to give due after one year are reflected at present value of estimated future cash flows using a discount rate of 3%.



**FRIENDS OF THE HIGH LINE, INC.**  
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**Note 5 - Investments**

The following summarizes investments at December 31:

	<b>2021</b>		<b>2020</b>	
	<b><u>Cost</u></b>	<b><u>Fair Value</u></b>	<b><u>Cost</u></b>	<b><u>Fair Value</u></b>
Money market funds and cash held for investment	\$ 948	\$ 948	\$ 1,259	\$ 1,259
Mutual Funds and Exchange Traded Funds:				
Equity funds	38,165	38,785	21,419	26,796
Fixed income funds	32,590	32,690	25,064	25,774
Real estate fund	-	-	761	746
Diversified strategies-balanced funds	3,087	3,086	5,554	6,129
Corporate bonds	-	-	2,342	2,351
Mortgage backed securities	-	-	505	509
Alternative Investments:				
Hedge funds	760	1,003	5,375	5,560
Private equity funds	<u>1,198</u>	<u>4,185</u>	<u>1,644</u>	<u>3,219</u>
	<u>\$76,748</u>	<u>\$80,697</u>	<u>\$63,923</u>	<u>\$72,343</u>

The following summarizes investments at December 31, by the levels within the fair value hierarchy used to measure their respective fair values:

	<b>2021</b>			
	<b><u>Fair Value</u></b>	<b><u>Level 1 (Quoted Prices In Active Markets for Identical Assets)</u></b>	<b><u>Level 2 (Quoted Reasonably Available Observable Inputs)</u></b>	<b><u>Level 3 (Significant Unobservable Inputs)</u></b>
Money market funds and cash held for investment	\$ 948	\$ 948	\$ -	\$ -
Mutual Funds and Exchange Traded Funds:				
Equity funds	38,785	38,785	-	-
Fixed income funds	32,690	32,690	-	-
Diversified strategies-balanced funds	<u>3,086</u>	<u>3,086</u>	<u>-</u>	<u>-</u>
	<u>75,509</u>	<u>\$75,509</u>	<u>\$ -</u>	<u>\$ -</u>
Alternative investments measured at net asset value	<u>5,188</u>			
	<u>\$80,697</u>			

**FRIENDS OF THE HIGH LINE, INC.**  
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**Note 5 - Investments (continued)**

	<b>2020</b>			
	<b>Fair Value</b>	<b>Level 1 (Quoted Prices In Active Markets for Identical Assets)</b>	<b>Level 2 (Quoted Reasonably Available Observable Inputs)</b>	<b>Level 3 (Significant Unobservable Inputs)</b>
Money market funds and cash held for investment	\$ 1,259	\$ 1,259	\$ -	\$ -
Mutual Funds and Exchange Traded Funds:				
Equity funds	26,796	26,796	-	-
Fixed income funds	25,774	25,774	-	-
Real estate fund	746	746	-	-
Diversified strategies-balanced funds	6,129	6,129	-	-
Corporate bonds	2,351	-	2,351	-
Mortgage backed securities	509	-	509	-
	<u>63,564</u>	<u>\$60,704</u>	<u>\$ 2,860</u>	<u>\$ -</u>
Alternative investments measured at net asset value	<u>8,779</u>			
	<u>\$72,343</u>			

Net investment income for 2021 and 2020 is summarized as follows:

	<b>2021</b>	<b>2020</b>
Interest and dividends	\$ 1,409	\$ 992
Realized gain (loss) on sale of investments	11,256	(143)
Unrealized gain (loss) on investments	(4,471)	3,228
Investment management fees	<u>(99)</u>	<u>(128)</u>
Net Investment Income	<u>\$ 8,095</u>	<u>\$3,949</u>

**FRIENDS OF THE HIGH LINE, INC.**  
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**Note 5 - Investments (continued)**

The investments included in the Organization's investment portfolio, valued using the net asset value, are redeemable based on the following terms and conditions as of December 31, 2021:

Hedge Funds	
Redeemed in 2021, proceeds expected in 2022	\$1,003
Private Equity Funds	
No opportunity for redemption, distributions only made at fund's discretion	<u>4,185</u>
	<u>\$5,188</u>

The following are descriptions of the investment strategies of these investments:

*Hedge Funds*

These funds invest in equity, fixed income, and derivative investments and vary their investment strategies in response to changing market opportunities.

*Private Equity Funds*

These funds employ buyout and venture capital strategies, with a particular focus on purchase, improvement and development of companies not traded on a stock exchange.

Based on information provided by the investment fund managers, management expects that the investment horizon of the nonredeemable private equity funds will be ten years or more.

At December 31, 2021, the Organization had outstanding commitments to invest in private equity funds in the amount of \$623.

**FRIENDS OF THE HIGH LINE, INC.**  
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**Note 6 - Property and Equipment**

Property and equipment consist of the following at December 31:

	<u>Life</u>	<u>2021</u>	<u>2020</u>
Computer equipment	3-5 years	\$ 62	\$ 62
Equipment and furniture	3-7 years	551	551
Website	3-5 years	115	115
Software	3 years	195	195
High Line machinery and equipment	5-10 years	<u>1,030</u>	<u>972</u>
		1,953	1,895
Less: Accumulated depreciation		<u>(1,595)</u>	<u>(1,418)</u>
		<u>\$ 358</u>	<u>\$ 477</u>

Depreciation expense for the years ended December 31, 2021 and 2020 was \$177 and \$250, respectively.

**Note 7 - Donated Services**

The Organization received the following donated services and materials:

	<u>2021</u>	<u>2020</u>
Direct benefit and other event expenses	\$ 65	\$ 1
Communications services	183	212
Legal fees	<u>134</u>	<u>97</u>
	<u>\$ 382</u>	<u>\$310</u>

**Note 8 - Endowment Funds**

The Organization's endowment consists of the donor-restricted funds described in Note 3b and the Board Designated High Line Fund. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

**FRIENDS OF THE HIGH LINE, INC.**  
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**Note 8 - Endowment Funds (continued)**

Consistent with New York State Not-for-Profit Corporation Law and the New York Prudent Management of Institutional Funds Act ("NYPMIFA"), the Organization classifies as net assets with donor restrictions, perpetual in nature (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of any applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the endowment funds with donor restrictions that is not classified as perpetual in nature is classified as net assets with donor restrictions, subject to spending policy and appropriation, until those amounts are appropriated for expenditure by the Organization.

In making a determination to appropriate or accumulate donor-restricted endowment funds, the Organization considers the factors contained within NYPMIFA.

Balances in endowment funds for the years ended December 31, 2021 and 2020 are summarized as follows:

	<b>2021</b>			
	<b><u>With Donor Restrictions</u></b>			
	<b><u>Without Donor Restrictions</u></b>	<b><u>Investment Income Above Original Gift Amount</u></b>	<b><u>Investment in Perpetuity</u></b>	<b><u>Total</u></b>
Board designated endowment	\$53,977	\$ -	\$ -	\$53,977
Donor-restricted endowment	-	2,961	5,843	8,804
Total Endowment Funds	<u>\$53,977</u>	<u>\$2,961</u>	<u>\$5,843</u>	<u>\$62,781</u>
	<b>2020</b>			
	<b><u>With Donor Restrictions</u></b>			
	<b><u>Without Donor Restrictions</u></b>	<b><u>Investment Income Above Original Gift Amount</u></b>	<b><u>Investment in Perpetuity</u></b>	<b><u>Total</u></b>
Board designated endowment	\$46,910	\$ -	\$ -	\$46,910
Donor-restricted endowment	-	2,061	5,843	7,904
Total Endowment Funds	<u>\$46,910</u>	<u>\$2,061</u>	<u>\$5,843</u>	<u>\$54,814</u>

In addition to the above invested funds, unconditional promises to give, perpetual in nature, at December 31, 2021 totaled \$1,373.

**FRIENDS OF THE HIGH LINE, INC.**  
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**Note 8 - Endowment Funds (continued)**

Changes in endowment funds for the years ended December 31, 2021 and 2020 are summarized as follows:

	<b>2021</b>			
	<b><u>With Donor Restrictions</u></b>			
	<b><u>Without Donor Restrictions</u></b>	<b><u>Investment Income Above Original Gift Amount</u></b>	<b><u>Investment in Perpetuity</u></b>	<b><u>Total</u></b>
Endowment funds, beginning of year	\$46,910	\$2,061	\$5,843	\$54,814
Net investment income	7,067	1,036	-	8,103
Transfer to fund operations	-	(136)	-	(136)
Endowment Funds, End of Year	<u>\$53,977</u>	<u>\$2,961</u>	<u>\$5,843</u>	<u>\$62,781</u>

  

	<b>2020</b>			
	<b><u>With Donor Restrictions</u></b>			
	<b><u>Without Donor Restrictions</u></b>	<b><u>Investment Income Above Original Gift Amount</u></b>	<b><u>Investment in Perpetuity</u></b>	<b><u>Total</u></b>
Endowment funds, beginning of year	\$44,419	\$1,433	\$5,843	\$51,695
Net investment income	2,964	760	-	3,724
Transfer to fund operations	(473)	(132)	-	(605)
Endowment Funds, End of Year	<u>\$46,910</u>	<u>\$2,061</u>	<u>\$5,843</u>	<u>\$54,814</u>

Endowment assets include board-designated funds raised through the Campaign for the High Line and donor-restricted funds that the Organization must hold in perpetuity. Under its endowment investment policy, as approved by the Organization's Finance Committee, endowment assets are invested in a manner that is intended to achieve a favorable long-term portfolio-wide target rate of return of 5% in real terms by taking a balanced approach to investing, while limiting significant exposure to risk. The Organization's investment objectives are to safeguard its assets and preserve the real purchasing power of its assets while earning investment returns that are commensurate with its risk tolerance and sufficient to meet its operational requirements.

**FRIENDS OF THE HIGH LINE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
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**Note 8 - Endowment Funds (continued)**

The investment instruments that will be utilized to achieve the Organization's investments strategy are a conservatively-managed mix of money market instruments, bonds, stocks, and alternative investments including, but not limited to, commodities, currencies, hedge funds, direct real estate, and private equity funds. In order to preserve its purchasing power, the Organization aims to seek returns on its investments that are in excess of the rate of inflation, taking into consideration its spending policy. It seeks to achieve growth in its assets in excess of inflation by emphasizing long-term investment fundamentals in structuring its investments. It also seeks to control risk and reduce the volatility in its portfolio through diversification.

The Organization's spending policy is consistent with its investment objective of achieving real growth on its long-term assets. In order to achieve such long-term growth, the market value used for the Organization's spending policy shall be based on the moving twelve quarter average ending market value of its long-term investments, through the third quarter of the prior fiscal year. The spending rate for the Board Designated High Line Fund shall be set at 4% of such market value or, if less, an amount needed to break even where revenues do not exceed expenses. For donor-restricted funds, the spending rate for a fiscal year shall be determined annually by the Board of Directors based on market performance of the endowments and the Organization's needs for funding of operations supported by the endowments.

**Note 9 - Agreements and Campaign Commitments**

- a - The Organization manages and maintains the High Line under the terms of a license agreement with the New York City ("City") Department of Parks and Recreation ("Parks") that expires on February 23, 2021, unless terminated sooner by Parks, and may be renewed at the discretion of Parks for two successive five year periods. In February 2021, the Organization and Parks agreed to a renewal of the first successive five year period. The license agreement also provides for the use and occupancy of a newly constructed maintenance and operations facility, which the Organization moved its staff into in January 2014. The facility is owned by The City of New York, which provides occupancy to the Organization at no cost. The LEED building is situated adjacent to the southern end of the park and is designed to have direct access to the High Line, and to allow access to public restrooms and an elevator, as well as vehicular access for maintenance vehicles. The building includes a number of public functions, including a public elevator, restrooms, and a meeting room that can be used for public programs.

**FRIENDS OF THE HIGH LINE, INC.**  
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**Note 9 - Agreements and Campaign Commitments (continued)**

a - (continued)

The Organization is responsible for maintaining and repairing the High Line by raising funds from private sources to support more than 98% of the public park's annual budget for staffing and day-to-day maintenance and operations, and for conducting public programming and outreach to cultivate a community around the park. The City of New York is responsible for maintaining the steel and concrete bridge structure, for any repairs arising from structural defects or from defects in construction of the High Line, and for providing utilities for the High Line. The Organization is responsible for the full cost of security staff of approximately \$300 per annum.

Beginning January 2014, and for the term of the agreement, the Organization must spend annually a minimum of \$4,000 (the "Base Amount") with respect to maintenance, repairs, programming, landscaping, and the renovation and rehabilitation of the facilities on the High Line. Effective for 2018, the Base Amount will increase annually by the greater of 2.5% or the change in the Consumer Price Index ("CPI") from the previous twelve-month period ending October 31, up to a maximum of 4%.

The Organization is required to account for separately all revenues derived from activities on the High Line, including horticulture, education, athletic, maintenance, recreation, tours, food, products, programs and concerts, which are required to be expended solely for operating, managing, maintaining and improving the High Line. As more fully described in the agreement, the Organization is also subject to various reporting and other requirements.

- b - In December 2013, the Organization amended its February 2011 license agreement with Parks for the operation and maintenance of food and beverage concessions at High Line locations. The license agreement has a ten-year term, renewable for a subsequent ten-year term, and provides for earlier termination in the event of termination of the license agreement for the maintenance and operation of the High Line (Note 9a). In February 2021, the Organization and Parks agreed to the renewal of the subsequent ten-year term. Under the agreement, the Organization is permitted to operate cafes or other food service establishments, and to enter into sublicense agreements for their operation under a transparent competition process. The agreement also permits the Organization to hold or license a limited number of special events on the High Line. Should annual revenues derived from food and beverage concessions, the sale of merchandise, and special events exceed High Line operation and maintenance costs, such excess revenue shall be paid to the City to fund its operation and maintenance obligations.

No amounts were due to the City in 2021 or 2020, per the terms of the amended agreement.



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**Note 9 - Agreements and Campaign Commitments (continued)**

- c - Under its concession agreement with Parks (Note 9b), the Organization was responsible for the costs of constructing the core and shell of a restaurant at Gansevoort Plaza. Construction was completed in 2014, with costs totaling \$3,900.

The Organization entered into a sublicense agreement with a company (the "Operator") to fit out, furnish, operate, maintain and manage the restaurant and outdoor seating area. The sublicense term is for ten years, which commenced in December 2014, and has a renewal option for an additional five year period. The agreement provides for an annual sublicense fee, based on a percentage of the Operator's gross receipts, subject to a fixed dollar minimum of \$500, increased annually by 3%. The restaurant halted operations in March 2020 due to COVID-19. In November 2021, the sublicense was assigned to a new company and the renewal option was mutually accepted extending the term of the sublicense to December 2029. The sublicense fee resumed in March 2022.

- d - Capital funding allocations and commitments of approximately \$112,200 from the City of New York, \$20,700 from Federal sources, \$200 from New York State, and \$6,889 from private developer contributions, totaling \$139,989, have been made towards the total estimated project cost of Sections 1 and 2 of \$153,000. These amounts are not included in the Organization's net assets because they directly funded the construction costs and are not the Organization's assets.
- e - The total cost of Phases 1 and 2 of the construction of Section 3 of the High Line is estimated to be \$65,000 - \$70,000. Friends of the High Line has committed \$30,000 in funding from private philanthropic contributions as part of its Campaign for the High Line towards this construction. The City of New York has dedicated a total of \$11,000 in funding. As part of the development of Hudson Yards, Related Companies and Oxford Properties Group contributed \$29,200 in funding toward the construction of the High Line at the Rail Yards, as well as additional funding for the park's ongoing maintenance. The amounts from the City and the Related Companies amounts are not included in the Organization's net assets because they directly fund the construction costs which are not the Organization's assets. Phase 1 was completed in 2014. Phase 2 was completed in June 2019. The total approximate cost of Phases 1 and 2 was \$68,000.
- f - As outlined in the City's 2011 rezoning of the Eastern Rail Yards, the developer of the Hudson Yards is required to make an annual payment to the City for the ordinary maintenance and repair of the High Line along 30th Street between 10th and 11th Avenue. In December of 2015, the City, acting through Parks, entered into an agreement with the developer of the Hudson Yards that allows the payment to be made directly to Friends of the High Line, the Organization maintaining and operating the High Line. During the years ended December 31, 2021 and 2020, the Organization recognized revenue of \$897 and \$883, respectively.

**FRIENDS OF THE HIGH LINE, INC.**  
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**Note 9 - Agreements and Campaign Commitments (continued)**

- g - As outlined in the City's Special West Chelsea Zoning Resolution, developers with lots under the High Line between West 15th Street and 19th Streets can purchase additional floor area for their development from the City. Additionally, lots near the High Line between 19th Street and 30th Street may purchase additional floor area from the City to be transferred to a development site nearby. These funds are placed into an escrow account maintained by the City, and can be used solely for improvements to the High Line at the discretion of the Chairperson of the City Planning Commission. As of December 31, 2021, developers from several neighboring projects have contributed approximately \$17,000 into the account. As of December 31, 2021 and 2020, the City and the Organization have incurred expenses of \$2,252 and \$1,313, respectively.
- h - In 2021, the Organization committed \$10,000, along with \$20,000 from New York State, and \$20,000 from a private developer towards the estimated project costs of the Moynihan Connector. These amounts are not included in the Organization's net assets because they directly fund the construction costs and are not the Organization's assets.

**Note 10 - Concentrations**

- a - The Organization maintains its cash and cash equivalents at one financial institution located in New York, New York.
- b - At December 31, 2021 and 2020, approximately 71% and 74% of unconditional promises to give represent amounts due from one and two donors, respectively.
- c - For the years ended December 31, 2021 and 2020, approximately 33% and 22% of contributions represent amounts received from two donors.

**Note 11 - Commitments**

- a - During 2012, the Organization established a deferred compensation plan (under Section 457(b) of the Internal Revenue Code) for certain eligible employees. The assets of this plan remain the property of the Organization until distributed to the employee or their beneficiary at retirement or severance from employment. Total employer contributions under this plan for the years ended December 31, 2021 and 2020 was \$20 and \$19, respectively. As of December 31, assets of \$262 (2021) and \$216 (2020) are included in the Organization's investments, and a liability in the same amount is included in the accompanying statement of financial position.

**FRIENDS OF THE HIGH LINE, INC.**  
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**Note 11 - Commitments (continued)**

- b - The Organization maintains a 403(b) defined contribution pension plan for all eligible employees, who may elect to make voluntary contributions. In 2021, the Organization made a discretionary contribution equal to 5% of annual base compensation for those employees qualified under the plan. Total employer contributions under the plan for the years ended December 31, 2021 and 2020 were \$290 and \$209, respectively.
- c - The Organization is involved in various claims and legal actions arising in the ordinary course of business. The City and Parks have agreed to indemnify and hold harmless the Organization from and against any and all liabilities, obligations, damages and expenses arising from maintenance obligations and other activities conducted on the High Line or the maintenance and operations facility.

**Note 12 - CARES Act Grant Funds**

In April 2021, the Organization was granted a \$1,768 loan under the Paycheck Protection Program (PPP) administered by a Small Business Administration (SBA) approved partner. The loan was uncollateralized and was fully guaranteed by the Federal government. The Organization initially recorded the loan as a refundable advance and subsequently recognized grant revenue in accordance with guidance for conditional contributions; that is, once the measurable performance or other barrier and right of return of the PPP loan no longer existed. The Organization has recognized \$1,768 as grant revenue for the year ended December 31, 2021.

In April 2020, the Organization was granted a \$1,500 loan under the Paycheck Protection Program (PPP) administered by a Small Business Administration (SBA) approved partner. The loan was uncollateralized and was fully guaranteed by the Federal government. The Organization initially recorded the loan as a refundable advance and subsequently recognized grant revenue in accordance with guidance for conditional contributions; that is, once the measurable performance or other barrier and right of return of the PPP loan no longer existed. The Organization recognized \$1,500 as grant revenue for the year ended December 31, 2020.

**Note 13 - Related Party Transaction**

During the years ended December 31, 2021, the Organization paid \$20 to a company owned by a Board member for rentals and expenses related to special events. During the year ended December 31, 2020, no such payments were made.