

OLD WESTBURY GARDENS, INC.

Financial Statements
With Independent Auditors' Report

March 31, 2024 and 2023

OLD WESTBURY GARDENS, INC.

Table of Contents

	<u>Page</u>
Independent Auditors' Report	1-2
Financial Statements	
Statements of Financial Position	3
Statements of Activities	5
Statement of Functional Expenses - 2024 (with comparative totals for 2023)	7
Statements of Cash Flows	8
Notes to Financial Statements	9

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of
Old Westbury Gardens, Inc.

Opinion

We have audited the accompanying financial statements of Old Westbury Gardens, Inc. (a nonprofit organization), which comprise the statement of financial position as of March 31, 2024 and 2023, and the related statements of activities, functional expenses and cash flows for the years 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 Old Westbury Gardens, Inc. as of March 31, 2024 and 2023, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Old Westbury Gardens, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 Old Westbury Gardens, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's 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 auditor's 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 Old Westbury Gardens, 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 Old Westbury Gardens, 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.



Satty, Levine & Ciacco, CPAs, P.C.
Melville, New York
September 19, 2024

OLD WESTBURY GARDENS, INC.

Statements of Financial Position

	March 31,					
	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
ASSETS:						
Cash and cash equivalents	\$ 346,317	\$ 18,745	\$ 365,062	\$ 390,423	\$ 18,745	\$ 409,168
Accounts receivable	32,924	-	32,924	26,212	-	26,212
Contributions and pledges receivable, net	-	210,193	210,193	-	519,706	519,706
Inventory	154,519	-	154,519	142,949	-	142,949
Prepaid expenses and other assets	119,293	-	119,293	114,447	-	114,447
Investments	2,954,574	3,444,767	6,399,341	2,674,120	3,274,349	5,948,469
Leases right-of-use assets	91,983	-	91,983	43,590	-	43,590
Property, plant and equipment-net	9,488,153	1,250,000	10,738,153	9,625,910	1,250,000	10,875,910
Beneficial interest in perpetual trust	-	20,817,296	20,817,296	-	19,084,510	19,084,510
Total Assets	<u>\$ 13,187,763</u>	<u>\$ 25,741,001</u>	<u>\$ 38,928,764</u>	<u>\$ 13,017,651</u>	<u>\$ 24,147,310</u>	<u>\$ 37,164,961</u>
LIABILITIES AND NET ASSETS:						
Liabilities:						
Accounts payable and accrued expenses	\$ 299,941	\$ -	\$ 299,941	\$ 548,614	\$ -	\$ 548,614
Leases liabilities	94,668	-	94,668	43,584	-	43,584
Loans payable	2,191,591	-	2,191,591	2,531,688	-	2,531,688
Deferred revenue	375,052	-	375,052	184,096	-	184,096
Deferred compensation	-	-	-	81,914	-	81,914
Total liabilities	<u>2,961,252</u>	<u>-</u>	<u>2,961,252</u>	<u>3,389,896</u>	<u>-</u>	<u>3,389,896</u>

(continued)

See notes to financial statements

OLD WESTBURY GARDENS, INC.

Statements of Financial Position

(continued)

	March 31,					
	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
LIABILITIES AND NET ASSETS, continued:						
Net assets:						
Without donor restrictions:						
Undesignated:						
Current operations	(1,745,895)	-	(1,745,895)	(3,934,804)	-	(3,934,804)
Centennial fund	2,484,253	-	2,484,253	3,936,649	-	3,936,649
Net investment in property, plant and equipment	9,488,153	-	9,488,153	9,625,910	-	9,625,910
With donor restrictions, purpose or time:						
Capital projects	-	391,851	391,851	-	544,841	544,841
Education programs and initiatives	-	1,113,971	1,113,971	-	1,260,488	1,260,488
Education and outreach	-	263,618	263,618	-	205,749	205,749
Dianne Wittlinger tree fund	-	74,684	74,684	-	58,580	58,580
Unappropriated general endowment funds	-	386,480	386,480	-	257,433	257,433
Property, plant and equipment	-	186,392	186,392	-	229,000	229,000
With donor restrictions, in perpetuity:						
General endowments	-	852,152	852,152	-	852,152	852,152
Education and outreach	-	191,280	191,280	-	191,280	191,280
Dianne Wittlinger tree fund	-	213,277	213,277	-	213,277	213,277
Trust assets (beneficial interest)	-	20,817,296	20,817,296	-	19,084,510	19,084,510
Property, plant and equipment	-	1,250,000	1,250,000	-	1,250,000	1,250,000
Total net assets	10,226,511	25,741,001	35,967,512	9,627,755	24,147,310	33,775,065
Total Liabilities and Net Assets	\$ 13,187,763	\$ 25,741,001	\$ 38,928,764	\$ 13,017,651	\$ 24,147,310	\$ 37,164,961

See notes to financial statements

OLD WESTBURY GARDENS, INC.

Statements of Activities

	Year Ended March 31,					
	2024			2023		
	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
SUPPORT, REVENUE, AND RECLASSIFICATIONS:						
Support and revenue:						
Contributions	\$ 430,981	\$ 269,268	\$ 700,249	\$ 529,295	\$ 784,441	\$ 1,313,736
Special events:						
Contributions	244,012	-	244,012	370,115	-	370,115
Revenue	45,810	-	45,810	-	-	-
Less: costs of direct benefits to donors	(70,898)	-	(70,898)	(117,947)	-	(117,947)
Contributions and net revenue from special events	218,924	-	218,924	252,168	-	252,168
Admissions and program fees	1,027,778	-	1,027,778	1,803,007	-	1,803,007
Memberships	284,293	-	284,293	286,619	-	286,619
Use of premises	201,701	-	201,701	331,424	-	331,424
Investment income (net of fees)	1,855,706	228,019	2,083,725	943,379	(87,705)	855,674
Sales of books, plants, souvenirs, and refreshments (net of related expenses)	31,820	-	31,820	6,803	-	6,803
Miscellaneous	868,969	-	868,969	28,021	-	28,021
Total Support and Revenue	4,920,172	497,287	5,417,459	4,180,716	696,736	4,877,452
Reclassifications:						
Satisfaction of purpose restrictions	636,382	(636,382)	-	4,552,002	(4,552,002)	-
Total Support, Revenue and Reclassifications	5,556,554	(139,095)	5,417,459	8,732,718	(3,855,266)	4,877,452

(continued)

See notes to financial statements

OLD WESTBURY GARDENS, INC.

Statements of Activities (continued)

	Year Ended March 31,					
	2024			2023		
	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
EXPENSES:						
Program services:						
Gardens and house maintenance	2,685,483	-	2,685,483	2,749,318	-	2,749,318
Visitor services	971,438	-	971,438	2,698,981	-	2,698,981
Educational and community services	227,160	-	227,160	264,633	-	264,633
Total program services	3,884,081	-	3,884,081	5,712,932	-	5,712,932
Supporting services:						
Management and general	556,234	-	556,234	817,797	-	817,797
Development	517,483	-	517,483	462,485	-	462,485
Total supporting services	1,073,717	-	1,073,717	1,280,282	-	1,280,282
Total Expenses	4,957,798	-	4,957,798	6,993,214	-	6,993,214
Changes in Net Assets, before other changes	598,756	(139,095)	459,661	1,739,504	(3,855,266)	(2,115,762)
Other changes:						
Change in value of beneficial interest in perpetual trust	-	1,732,786	1,732,786	-	(2,525,543)	(2,525,543)
Change in Net Assets, after other changes	598,756	1,593,691	2,192,447	1,739,504	(6,380,809)	(4,641,305)
Net Assets, Beginning of Year	9,627,755	24,147,310	33,775,065	7,888,251	30,528,119	38,416,370
Net Assets, End of Year	\$ 10,226,511	\$ 25,741,001	\$ 35,967,512	\$ 9,627,755	\$ 24,147,310	\$ 33,775,065

See notes to financial statements

OLD WESTBURY GARDENS, INC.

Statement of Functional Expenses

Year Ended March 31, 2024, with comparative totals for the year ended March 31, 2023

	2024					2023
	Program	Management and General	Development	Cost of Direct Benefit to Donors	Total	Total
Salaries and benefits	\$ 1,915,335	\$ 181,689	\$ 226,325	\$ -	\$ 2,323,349	\$ 2,591,572
Insurance	403,772	40,633	48,643	-	493,048	472,741
Building and grounds, utilities, repairs and maintenance	329,373	3,706	43,318	-	376,397	347,934
Occupancy, travel, and professional fees	267,975	60,934	26,741	-	355,650	354,864
Depreciation and amortization	279,124	26,042	33,814	-	338,980	491,441
Other expenses	145,703	2,244	7,466	-	155,413	238,493
Special events	30,940	-	60,756	70,898	162,594	227,042
Payroll taxes	118,145	13,048	15,452	-	146,645	150,301
Equipment and maintenance	123,903	3,513	4,562	-	131,978	147,806
Interest expense	-	124,418	-	-	124,418	129,451
Food and entertainment, and coordination Fees	105,304 463	15,741 71,148	983 26,288	-	122,028 97,899	205,141 111,266
Office expenses	55,939	8,248	16,812	-	80,999	71,507
Production and service fees	66,618	4,870	6,323	-	77,811	1,331,584
Advertising	41,487	-	-	-	41,487	240,018
	<u>\$ 3,884,081</u>	<u>\$ 556,234</u>	<u>\$ 517,483</u>	<u>\$ 70,898</u>	<u>\$ 5,028,696</u>	<u>\$ 7,111,161</u>
Less cost of direct benefit to donors	-	-	-	(70,898)	(70,898)	(117,947)
	<u><u>\$ 3,884,081</u></u>	<u><u>\$ 556,234</u></u>	<u><u>\$ 517,483</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 4,957,798</u></u>	<u><u>\$ 6,993,214</u></u>

See notes to financial statements

OLD WESTBURY GARDENS, INC.

Statements of Cash Flows

	Year Ended March 31,	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 2,192,447	\$ (4,641,305)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	317,193	478,016
Amortization	21,787	13,425
Net change in value of beneficial interest trust	(1,732,786)	2,525,543
Realized gain on investments	(151,739)	(79,297)
Unrealized (gain) loss on investments	(621,449)	509,283
Contributions restricted for long-term investment	(111,392)	(474,492)
Interest and dividends restricted for reinvestment	(36,750)	(20,001)
Changes in:		
Accounts receivable	(6,712)	(20,944)
Contributions and pledges receivable	309,513	303,074
Inventory	(11,570)	-
Prepaid expenses and other assets	(4,846)	5,276
Accounts payable and accrued expenses	248,673	(232,572)
Deferred revenue	(190,956)	(19,386)
Deferred compensation	81,914	(5,872)
Net Cash Provided (Used) by Operating Activities	<u>303,327</u>	<u>(1,659,252)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant, and equipment	(179,436)	(11,120)
Purchase of investments	(1,759,141)	(1,109,383)
Proceeds from sale of investments	1,764,003	2,270,945
Net Cash (Used) Provided by Investing Activities	<u>(174,574)</u>	<u>1,150,442</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from contributions restricted for:		
Investment in land, buildings and equipment	111,392	474,492
Other financing activities:		
Payments on loans	(945,097)	(399,335)
Proceeds from borrowing on loans payable	605,000	165,000
Principal paid on financing leases	19,096	14,402
Interest and dividends restricted for reinvestment	36,750	20,001
	<u>(284,251)</u>	<u>(199,932)</u>
Net Cash (Used) Provided by Financing Activities	<u>(172,859)</u>	<u>274,560</u>
Change in Cash and Cash Equivalents	(44,106)	(234,250)
Cash and Cash Equivalents, Beginning of Year	409,168	643,418
Cash and Cash Equivalents, End of Year	<u>\$ 365,062</u>	<u>\$ 409,168</u>

See notes to financial statements

OLD WESTBURY GARDENS, INC.

Notes to Financial Statements

March 31, 2024 and 2023

1. NATURE OF ORGANIZATION:

Old Westbury Gardens, Inc. (Gardens) is a corporation organized pursuant to paragraph (a)(5) of Section 102 of the Not-for-Profit Law of the State of New York. The Gardens is exempt from tax under Section 501(c)(3) of the Internal Revenue Code and has been classified as an organization other than a private foundation. It operates as a historic museum and garden open to the public from April through December. The Gardens' main source of revenue consists of grants, contributions, memberships, investment income, and sales of admission for various programs, concerts, workshops, and events.

2. SIGNIFICANT ACCOUNTING POLICIES:

The financial statements have been prepared on the accrual basis of accounting. The significant accounting policies followed are described below to enhance the usefulness of the statements to the reader. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of petty cash, bank checking accounts and bank savings accounts. Funds on deposit in banks are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per banking institution. At March 31, 2024, the Gardens' cash balances did not exceed federally insured limits. At March 31, 2023, the Gardens' cash balance exceeded federally insured limits by approximately \$75,000. The Gardens has not experienced any losses on such accounts and does not believe it is exposed to any significant credit risk on these accounts.

ACCOUNTS RECEIVABLE

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Receivables are expected to be collected within one year, and are therefore recorded at net realizable value. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. At March 31, 2024 and 2023, there were no allowances.

CONTRIBUTIONS AND PLEDGES RECEIVABLE

Unconditional pledges to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. Discounts on those amounts, if necessary based on the expected collection of pledges in future years, are computed using risk adjusted interest rates applicable to the years in which the promises are received. Management believes all receivable balances are collectible; therefore, no provision for uncollectible accounts was made. Conditional pledges to give are not included as support until the conditions are substantially met.

OLD WESTBURY GARDENS, INC.

Notes to Financial Statements

March 31, 2024 and 2023

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

INVENTORY

Inventory is stated at the lower of cost or net realizable value utilizing the first-in first-out method and consists of books, plants, souvenirs, and refreshments for sale in the Gardens' gift shop.

INVESTMENTS

Investments consist of money market funds, mutual funds, and corporate stocks and are stated at cost or fair value. Investment income (net of fees) are included as revenue in the accompanying statements of activities. See Note 5 for investment income composition. Donated investments are recorded at the fair value on the date of donation and thereafter carried in accordance with the above provisions.

PROPERTY, PLANT, AND EQUIPMENT, NET

Items capitalized as property, plant, and equipment include land, buildings, building and land improvements, furniture, fixtures and equipment, and are reported at cost on the date of purchase or, if donated, at fair market value on the date of donation. The costs of additions and betterments are capitalized when they exceed \$5,000, and expenditures for repairs and maintenance are expensed when incurred. When property, plant, and equipment are sold or retired, the related costs and accumulated depreciation are removed from the accounts and any gain or loss is reported as income.

Depreciation of property, plant, and equipment is provided utilizing the straight-line method over the estimated useful lives of the respective assets as follows:

Buildings	40 years
Building improvements	15 years
Land improvements	7 - 20 years
Furniture, fixtures, and equipment	3 - 5 years

Donations of property, plant, and equipment are recorded as support at their estimated fair value at the date of donation. Such donations are reported as support without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use are reported as with donor restrictions support. If there are no donor stipulations regarding how long those donated assets must be maintained, the Gardens reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Gardens reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

During 1996, land adjacent to the Gardens' property was donated to the Gardens. Use of this land has been restricted by the donor to enhance the land base of the Gardens and is to be maintained in its natural state, to be used as a "buffer," and cannot be developed or sold by the Gardens. An appraised value of \$1,250,000 was ascribed to this property when donated and is reflected as net assets with donor restrictions, in perpetuity in the financial statements.

OLD WESTBURY GARDENS, INC.

Notes to Financial Statements

March 31, 2024 and 2023

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

FAIR VALUE MEASUREMENTS AND FAIR VALUE OF FINANCIAL INSTRUMENTS

The Gardens uses appropriate valuation techniques to determine cost or fair value based on inputs available. When available, the Gardens measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs are only used when Level 1 or Level 2 inputs were not available.

The Gardens measures fair value as the price that would be received to sell an asset or paid to transfer a liability (exit price) in an orderly transaction between market participants at the measurement date. The Gardens also prioritizes, within the measurement of fair value, the use of market based information over entity-specific information and establishes a three-level hierarchy for fair value measurements based on the transparency of information used in the valuation of an asset as of the measurement date.

The three levels of the fair value hierarchy follow:

Level 1 - Inputs that reflect unadjusted quoted prices in active markets for identical assets that the Gardens has the ability to access at the measurement date. The types of investments included in Level 1 are corporate stocks and exchange traded funds.

Level 2 - Inputs other than quoted prices that are observable for the asset either directly or indirectly, including inputs in markets that are not considered to be active. The Gardens did not have any investments valued at Level 2.

Level 3 - Fair value is determined based on pricing inputs that are unobservable and include situations where there is little, if any, market activity for the asset. Investments included in Level 3 consisted of the following:

Beneficial interest in perpetual trust—The fair value of beneficial interest in perpetual trusts is determined by using the Gardens' percentage interest in the trust and the fair value of the trust as determined by the trustee.

Investment portfolio by valuation hierarchy as of March 31, 2024 and 2023, are as follows:

	March 31, 2024			
	Total	Level 1	Level 2	Level 3
Corporate stocks	\$ 4,288,118	\$ 4,288,118	\$ -	\$ -
Exchange traded funds	1,974,411	1,974,411	-	-
Money market funds carried at cost	136,812			
Total investments	6,399,341	6,262,529	-	-
Beneficial interest in perpetual trust	20,817,296	-	-	20,817,296
Total	\$ 27,216,637	\$ 6,262,529	\$ -	\$ 20,817,296

OLD WESTBURY GARDENS, INC.

Notes to Financial Statements

March 31, 2024 and 2023

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

FAIR VALUE MEASUREMENTS AND FAIR VALUE OF FINANCIAL INSTRUMENTS, continued

	March 31, 2023			
	Total	Level 1	Level 2	Level 3
Corporate stocks	\$ 3,648,333	\$ 3,648,333	\$ -	\$ -
Exchange traded funds	2,230,861	2,230,861	-	-
Money market funds carried at cost	69,275			
Total investments	5,948,469	5,879,194	-	-
Beneficial interest in perpetual trust	19,084,510	-	-	19,084,510
Total	\$ 25,032,979	\$ 5,879,194	\$ -	\$ 19,084,510

LOANS PAYABLE

The Gardens entered into a line-of-credit agreement with a bank effective February 16, 2024, to borrow up to \$1,000,000. This arrangement does not have a maturity date. Interest is payable monthly with a variable interest rate of 1 percentage point over the Wall Street Journal Prime Rate. The line-of-credit is unsecured. There were \$469,572 and \$692,837 in outstanding borrowings on this line-of-credit at March 31, 2024 and 2023, respectively.

COLLECTIONS

Collection items consist of furniture and works of art that are held for educational and preservation purposes. In conformity with the practice followed by museums, collections, such as art objects and furniture acquired and donated to the Gardens, are not included in the statements of financial position. Purchases of collection items are recorded as decreases in net assets without donor restrictions in the year in which the items are acquired or as net assets with donor restrictions if the assets used to purchase the items are restricted by donors. Contributed collection items are not reflected in the financial statements. Proceeds from sales or insurance recoveries are reflected as increases in the appropriate net asset classes. There were no purchases or sales of collection items for the years ended March 31, 2024 and 2023.

OLD WESTBURY GARDENS, INC.

Notes to Financial Statements

March 31, 2024 and 2023

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

CLASSES OF NET ASSETS

The financial statements report amounts separately by class of net assets:

Net Assets without donor restrictions include all resources which are not subject to donor-imposed restrictions of a more specific nature than those which only obligate the Gardens to utilize funds in furtherance of its mission, designated by the Board of Trustees for specific use and resources invested in property, plant, and equipment.

Net assets with donor restrictions are contributed with donor stipulations for specific operating purposes and programs, with time restrictions or not currently available for use until commitments regarding their use have been fulfilled. Net assets with donor restrictions also include contributions and pledges receivable and accumulated endowment earnings that are restricted by the donor for a particular purpose or whose use does not have restrictions but have not yet been appropriated for expenditure. Net assets with donor restrictions also include donations subject to the restrictions of gift instruments requiring that the principal be invested in perpetuity. Generally, the donors permit the Gardens to use all or part of the income earned on related investments, and the net capital appreciation thereon, for general or specific purposes. The Gardens had land donated that has been restricted in perpetuity.

SUPPORT, REVENUE, AND RECLASSIFICATIONS

Contributions are recorded as revenue upon receipt of cash or unconditional promises to give (pledges). Contributions restricted by the donor for a specific purpose are recorded as support in the net assets with donor restrictions until funds have been expended by the Gardens for the purposes specified. Upon satisfaction of the restriction, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported on the statements of activities as reclassifications for satisfaction of purpose restrictions. Donated assets are recorded at their fair market value on the date of donation.

Program revenue is recorded when earned, which is when the product or service has been provided. Sales are recorded when the good has been provided to the customer. Investment income is recorded in the month it is earned. Other income is recorded when earned.

DONATED SERVICES

The Gardens receives a significant amount of donated services from unpaid volunteers who assist in raising funds, developing membership, providing tours, and performing clerical functions. Services donated by unpaid volunteers have not been recognized in the statements of activities because the criteria for recognition under generally accepted accounting principles have not been satisfied.

OLD WESTBURY GARDENS, INC.

Notes to Financial Statements

March 31, 2024 and 2023

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

EXPENSES AND FUNCTIONAL ALLOCATION OF EXPENSES

Directly identifiable expenses are charged to program services and supporting services which include management and general and development. Expenses related to more than one function are charged to program services and supporting services on the basis of periodic time and expense studies. Supporting services expenses include those expenses that are not directly identifiable with any other specific function, but provide for the overall support and direction of the Gardens. All advertising costs are expensed when incurred. Advertising costs were approximately \$41,000 and \$240,000, for the years ended March 31, 2024 and 2023, respectively. The Gardens incurred no joint costs.

OLD WESTBURY GARDENS, INC.

Notes to Financial Statements

March 31, 2024 and 2023

3. LIQUIDITY AND AVAILABILITY OF RESOURCES:

The following reflects the Gardens' financial assets as of March 31, 2024 and 2023, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statements of financial position date.

	March 31,	
	2024	2023
Financial assets:		
Cash and cash equivalents	\$ 365,062	\$ 409,168
Accounts receivable	32,924	26,212
Contributions and pledges receivable	210,193	519,706
Investments	6,399,341	5,948,469
Beneficial interest in perpetual trust	20,817,296	19,084,516
Financial assets, at year end	<u>27,824,816</u>	<u>25,988,071</u>
Less those not available for general expenditure within one year:		
Restricted cash	(18,745)	(18,745)
Contribution and accounts receivable collectible beyond one year	(225,637)	(547,749)
Restrictions by donors held in perpetuity	(2,506,709)	(2,506,709)
Beneficial interest in perpetual trust	(20,817,296)	(19,084,510)
Subject to appropriation or satisfaction of donor restrictions	(2,305,551)	(2,305,551)
	<u>(25,873,938)</u>	<u>(24,463,264)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,950,878</u>	<u>\$ 1,524,807</u>

The Gardens has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Gardens also has an unsecured \$1,000,000 line of credit, which it could draw upon in the event of an anticipated liquidity need. The interest rate is LIBOR plus 1.00 percent, with interest due monthly and principal due upon maturity. Funds that were available under this agreement during the calendar year ended March 31, 2024, was \$530,428. Additionally, the Gardens' restrictions subject to appropriation or satisfaction of donor restrictions is reported net of an estimated endowment appropriation of approximately \$232,000 during fiscal year 2024.

OLD WESTBURY GARDENS, INC.

Notes to Financial Statements

March 31, 2024 and 2023

4. CONTRIBUTIONS AND PLEDGES RECEIVABLE, NET:

Unconditional amounts promised, but not yet collected, have been recorded as pledges receivable and are estimated to be collected as follows:

	March 31,	
	2024	2023
2024	\$ -	\$ 350,997
2025	107,639	98,249
2026	58,249	59,749
2027 and beyond	59,749	38,749
	<u>225,637</u>	<u>547,744</u>
Less reduction of pledges due in excess of one year present value, at a discount rate of 2.31% and 2.31% for March 31, 2024 and 2023	<u>(15,444)</u>	<u>(28,038)</u>
	<u>\$ 210,193</u>	<u>\$ 519,706</u>

5. INVESTMENTS:

Investments consist of the following:

	March 31,	
	2024	2023
Money market funds	\$ 136,812	\$ 69,275
Exchange traded funds	1,974,411	2,230,861
Corporate stocks	4,288,118	3,648,333
	<u>\$ 6,399,341</u>	<u>\$ 5,948,469</u>

Investment income for the year ended March 31, 2024, is comprised of the following:

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Distributions from trust	\$ 1,200,000	\$ -	\$ 1,200,000
Interest, dividends, and capital gains	86,720	36,750	123,470
Realized gains	88,062	37,550	125,612
Unrealized gains	519,769	153,719	673,488
Investment management and broker fees	<u>(38,845)</u>	<u>-</u>	<u>(38,845)</u>
	<u>\$ 1,855,706</u>	<u>\$ 228,019</u>	<u>\$ 2,083,725</u>

OLD WESTBURY GARDENS, INC.

Notes to Financial Statements

March 31, 2024 and 2023

5. INVESTMENTS, continued:

Investment income for the year ended March 31, 2023, is comprised of the following:

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Distributions from trust	\$ 1,210,000	\$ -	\$ 1,210,000
Interest, dividends, and capital gains	71,366	51,381	122,747
Realized gains	42,628	30,797	73,425
Unrealized losses	(339,400)	(169,883)	(509,283)
Investment management and broker fees	(41,215)	-	(41,215)
	<u>\$ 943,379</u>	<u>\$ (87,705)</u>	<u>\$ 855,674</u>

RISKS AND UNCERTAINTIES RELATED TO INVESTMENTS

Investments are exposed to various risks, such as changes in interest rates or credit ratings and market fluctuations. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investments, it is possible that the value of the Gardens' investments and total net assets balance could fluctuate materially.

6. PROPERTY, PLANT, AND EQUIPMENT:

Property, plant, and equipment consist of:

	March 31,	
	2024	2023
Donated land	\$ 1,250,000	\$ 1,250,000
Land and improvements	2,669,943	2,625,543
Buildings and improvements	12,701,030	12,674,030
Furniture, fixtures, and equipment	379,948	398,654
Construction in progress	108,038	-
	<u>17,108,959</u>	<u>16,948,227</u>
Less accumulated depreciation	<u>(6,370,806)</u>	<u>(6,072,317)</u>
	<u>\$ 10,738,153</u>	<u>\$ 10,875,910</u>

Depreciation expense totaled \$317,193 and \$478,016 for the years ended March 31, 2024 and 2023, respectively.

OLD WESTBURY GARDENS, INC.

Notes to Financial Statements

March 31, 2024 and 2023

7. BENEFICIAL INTEREST IN PERPETUAL TRUST:

The J.S. Phipps Family Foundation (the “Foundation”) was established in 1985, by virtue of an irrevocable trust agreement (the “Trust”), as a tax-exempt supporting foundation designed to provide consistent and adequate funding for the Gardens. The Foundation annually disburses funds to the Gardens from the Trust in furtherance of the Gardens’ mission. The principal of the Trust is managed and held by third-party trustees.

The beneficial interest in perpetual trust included in assets in the accompanying statements of financial position represents the present value of the estimated future distributions expected to be received, which is determined to approximate the fair value of the net assets in the Trust at March 31, 2024 and 2023.

8. PENSION PLAN:

The Gardens has adopted a defined contribution pension plan in the form of a 401(k) plan. The Gardens contributes an amount equal to three percent of the employee’s salary and matches employee contributions up to an additional two percent of salary. The total expenses for the years ended March 31, 2024 and 2023, were approximately \$88,000 and \$62,000, respectively.

The Gardens also has a non-qualified 457(b) deferred compensation plan that is offered to the CEO. Contributions for the years ending March 31, 2024 and 2023, totaled approximately \$0 and \$9,400, respectively.

9. LOANS PAYABLE:

In fiscal year 2021, the Gardens was required to repay the Paycheck Protection Program (“PPP”) first draw remaining balance of \$75,240, plus interest accrued at 1% per annum in monthly payments beginning on May 1, 2023. Principal and interest payments will be required through the maturity date of May 1, 2026. The balance of the first draw is \$22,019 and \$38,581 as of March 31, 2024 and 2023, respectively.

In March 2021, the Gardens entered into an agreement to borrow \$2,000,000 to fund capital renovations from its beneficial interest in perpetual trust. Annual interest rate is 3%. Payments of accrued and unpaid interest are due March 15 for the first four years and principal and interest is due for the remaining five years. The maturity date of the loan is March 15, 2030. This loan is secured by the Gardens' investments in the beneficial interest in perpetual trust. The Gardens has a balance remaining of \$1,700,000 and \$1,800,000 as of March 31, 2024 and 2023, respectively.

OLD WESTBURY GARDENS, INC.

Notes to Financial Statements

March 31, 2024 and 2023

10. NET ASSETS WITH DONOR RESTRICTIONS:

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

Net assets with donor restrictions, time and purpose were available for the following purposes:

March 31, 2024				
	Beginning Balance	Additions/ Investment Activity	Releases	Ending Balance
Capital projects and other donor restricted projects	\$ 544,841	\$ 149,092	\$ (302,082)	\$ 391,851
Education programs and initiatives	1,260,488	8,783	(155,300)	1,113,971
Property, plant and equipment	229,000	111,392	(154,000)	186,392
Education and outreach	205,749	57,869	-	263,618
Dianne Wittlinger tree fund	58,580	41,104	(25,000)	74,684
Unappropriated general endowment funds	257,433	129,047	-	386,480
Total	<u>\$ 2,556,091</u>	<u>\$ 497,287</u>	<u>\$ (636,382)</u>	<u>\$ 2,416,996</u>

March 31, 2023				
	Beginning Balance	Additions/ Investment Activity	Releases	Ending Balance
Capital projects and other donor restricted projects	\$ 381,283	\$ 278,118	\$ (114,560)	\$ 544,841
Education programs and initiatives	1,469,998	31,832	(241,342)	1,260,488
Property, plant and equipment	3,925,608	474,492	(4,171,100)	229,000
Education and outreach	228,007	(22,258)	-	205,749
Dianne Wittlinger tree fund	99,391	(15,811)	(25,000)	58,580
Unappropriated general endowment funds	307,070	(49,637)	-	257,433
Total	<u>\$ 6,411,357</u>	<u>\$ 696,736</u>	<u>\$ (4,552,002)</u>	<u>\$ 2,556,091</u>

OLD WESTBURY GARDENS, INC.

Notes to Financial Statements

March 31, 2024 and 2023

10. NET ASSETS WITH DONOR RESTRICTIONS, continued:

Net assets with donor restrictions, in perpetuity represent contributions made for the following purposes and are restricted to investment in perpetuity. Income from these funds is available without donor restriction use until those amounts are appropriated for expenditure by the Gardens in a manner consistent with the standard of prudence prescribed by NYPMIFA. Net assets with donor restrictions, in perpetuity consist of the following:

	March 31,	
	2024	2023
Donor restricted endowment funds:		
General endowments	\$ 852,152	\$ 852,152
Education and outreach	191,280	191,280
Dianne Wittlinger tree fund	213,277	213,277
Property, plant and equipment	1,250,000	1,250,000
Beneficial interest in perpetual trust	20,817,296	19,084,510
	<u>\$ 23,324,005</u>	<u>\$ 21,591,219</u>

11. ENDOWMENT FUNDS:

The Gardens' endowments include donor-restricted funds and consist of individual funds established for the purchase of trees, and the funding of capital improvement projects and educational programs. As required by generally accepted accounting principles (GAAP), net assets associated with endowment funds, are classified and reported based on the existence or absence of donor-imposed restrictions as specified in the Summary of Significant Accounting Policies outlined in these notes.

The Gardens classifies as net assets with donor restriction, perpetuity (a) the original value of gifts donated to the donor-restricted endowment held in perpetuity, (b) the original value of subsequent gifts to the donor-restricted endowment held in perpetuity, and (c) accumulations to the endowment held in perpetuity made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in net assets with donor restriction, perpetuity is classified as net assets with donor restrictions, time and purpose until those amounts are appropriated for expenditure by the Gardens. The Gardens considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the Gardens and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the Gardens
- (7) The investment policies of the Gardens
- (8) In appropriate situations (i.e. underwater endowments) to curtail or eliminate spending.

OLD WESTBURY GARDENS, INC.

Notes to Financial Statements

March 31, 2024 and 2023

11. ENDOWMENT FUNDS, continued:

RETURNS OBJECTIVES, RISK PARAMETERS AND SPENDING POLICY

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or endowment agreement requires the Gardens to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature are reported in net assets with donor restrictions. There were no such deficiencies as of March 31, 2024 and 2023.

Return Objectives and Risk Parameters

The Gardens follows investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the historical value of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Gardens must hold in perpetuity, or for donor-specified periods. Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to produce results that are in line with recognized market indices for these investments while assuming a conservative level of investment risk. The Gardens expects its endowment funds, over time, to provide an average rate of return of at least five percent (5%) annually. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Gardens relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Gardens targets a well-diversified and balanced asset allocation to achieve its long-term return and growth objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Gardens has a policy of appropriating funds for distribution only to fund specific projects and programs, when needed. This spending policy allows the endowment funds to grow annually. This is consistent with the Gardens' objective to maintain the historical value of the endowment assets held in perpetuity, as well as to provide additional real growth through new gifts and investment return.

Endowment net asset composition by type of fund as of March 31, 2024, was as follows:

	Without Donor Restrictions	With Donor Restrictions		Total
		Accumulated Earnings	Original Gift Amount	
Donor restricted endowment funds	\$ -	\$ 724,682	\$ 1,256,709	\$ 1,981,391
Donor restricted property endowment	-	-	1,250,000	1,250,000
	<u>\$ -</u>	<u>\$ 724,682</u>	<u>\$ 2,506,709</u>	<u>\$ 3,231,391</u>

OLD WESTBURY GARDENS, INC.

Notes to Financial Statements

March 31, 2024 and 2023

11. ENDOWMENT FUNDS, continued:

Endowment net asset composition by type of fund as of March 31, 2023:

		With Donor Restrictions		
	Without Donor Restrictions	Accumulated Earnings	Original Gift Amount	Total
Donor restricted endowment funds	\$ -	\$ 521,663	\$ 1,256,709	\$ 1,778,372
Donor restricted property endowment	-	-	1,250,000	1,250,000
	<u>\$ -</u>	<u>\$ 521,663</u>	<u>\$ 2,506,709</u>	<u>\$ 3,028,372</u>

Changes in endowment net assets for the year ended March 31, 2024:

		With Donor Restrictions		
	Without Donor Restrictions	Accumulated Earnings	Original Gift Amount	Total
Endowment net assets, April 1, 2023	<u>\$ -</u>	<u>\$ 521,663</u>	<u>\$ 2,506,709</u>	<u>\$ 3,028,372</u>
Investment return:				
Interest and dividends, net of fees	-	36,750	-	36,750
Realized gains	-	37,550	-	37,550
Unrealized gains	-	153,719	-	153,719
Total investment return	<u>-</u>	<u>228,019</u>	<u>-</u>	<u>228,019</u>
Amounts appropriated for expenditure	-	(25,000)	-	(25,000)
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Endowment net assets, March 31, 2024	<u>\$ -</u>	<u>\$ 724,682</u>	<u>\$ 2,506,709</u>	<u>\$ 3,231,391</u>

OLD WESTBURY GARDENS, INC.

Notes to Financial Statements

March 31, 2024 and 2023

11. ENDOWMENT FUNDS, continued:

Changes in endowment net assets for the year ended March 31, 2023:

		With Donor Restrictions		
	Without Donor Restrictions	Accumulated Earnings	Original Gift Amount	Total
Endowment net assets, April 1, 2022	\$ -	\$ 634,468	\$ 2,506,709	\$ 3,141,177
Investment return:				
Interest and dividends, net of fees	-	20,001	-	20,001
Realized gains	-	18,162	-	18,162
Unrealized losses	-	(125,968)	-	(125,968)
Total investment return	-	(87,805)	-	(87,805)
Amounts appropriated for expenditure	-	(25,000)	-	(25,000)
Transfers out	-	-	-	-
Endowment net assets, March 31, 2023	\$ -	\$ 521,663	\$ 2,506,709	\$ 3,028,372

12. OPERATING LEASES:

The Gardens evaluated current leases to determine which met the criteria of a lease. The right-of-use (ROU) assets represent the Gardens' right to use underlying assets for the lease term, and the lease liabilities represent Gardens' obligation to make lease payments arising from these leases. The ROU assets and lease liabilities, all of which arise from financing leases, were calculated based on the present value of future lease payments over the lease terms. The Gardens has made an accounting policy election to use a risk-free rate in lieu of its incremental borrowing rate to discount future lease payments. The weighted-average discount rate applied to calculate lease liabilities as of March 31, 2024 and 2023, was 2.01%.

The Gardens' financing leases consist primarily of equipment leases for various departments. These leases expire at various dates through 2028. The leases generally contain renewal options for periods ranging up to 5 to 10 years. Rental expenses for these leases were \$19,096 and \$16,812 for the years ending March 31, 2024 and 2023, respectively.

Cash paid for operating leases for the year ended March 31, 2024 and 2023, was approximately \$5,125 and \$18,500, respectively. There were no noncash investing and financing transactions related to leasing.

OLD WESTBURY GARDENS, INC.

Notes to Financial Statements

March 31, 2024 and 2023

12. OPERATING LEASES, continued:

The right-of-use asset and corresponding liability associated with future lease payments at March 31, 2024 and 2023 are shown below:

	March 31,	
	2024	2023
Finance Right-of-use assets	\$ 91,983	\$ 43,590
Finance Lease liability	94,668	43,584
Weighted average:		
Discount rate	8.26%	2.58%
Remaining lease term (years)	3.50	3.56

Future minimum lease payments required under these financing leases that have an initial or remaining non-cancelable lease term in excess of one year are as follows:

	March 31,	
	2024	2023
2024	\$ -	\$ 9,439
2025	50,675	12,444
2026	37,863	8,482
2027	23,923	5,652
2028 and beyond	13,940	10,833
	126,401	46,850
Less: imputed interest	(31,733)	(3,266)
	<u>\$ 94,668</u>	<u>\$ 43,584</u>

13. CONCENTRATIONS:

The J.S. Phipps Family Foundation disbursed \$1,200,000 and \$1,210,000 for 2024 and 2023, respectively, to the Gardens, all of which were available for use without restrictions. These distributions are recorded as investment income in the accompanying statements of activities and represent approximately 22% and 25% of the Gardens' total revenue for 2024 and 2023, respectively.

14. RELATED PARTIES:

During the years ended March 31, 2024 and 2023, the Gardens received approximately \$394,000 and \$423,000, which represent 7% and 8%, respectively, of its total revenue from board members and other related parties.

OLD WESTBURY GARDENS, INC.

Notes to Financial Statements

March 31, 2024 and 2023

15. CONTINGENCIES:

The Gardens is subject to claims, legal proceedings, and investigations of matters that arise in the ordinary course of operations. In the opinion of management, all such matters are adequately covered by insurance or by accruals and, if not so covered, are without merit and will be vigorously contested or are of such kind or involve such amounts as would not have a significant effect on the financial position or results of operations of the Gardens if disposed of unfavorably.

16. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through September 19, 2024, which represents the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.