

Glynwood Center, Inc.

Financial Statements

March 31, 2023 and 2022

Independent Auditors' Report

Board of Directors
Glynwood Center, Inc.

Opinion

We have audited the accompanying financial statements of Glynwood Center, Inc. which comprise the statements of financial position as of March 31, 2023 and 2022 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 Glynwood Center, Inc. as of March 31, 2023 and 2022, 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Glynwood Center, 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 these 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 Glynwood Center, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Glynwood Center, 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 Glynwood Center, 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.

PKF O'Connor Davies, LLP

Harrison, New York
December 18, 2023

Glynwood Center, Inc
Statements of Financial Position

	March 31,	
	2023	2022
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 215,490	\$ 358,572
Short-term investments	1,257,853	1,852,491
Accounts receivable	17,721	13,865
Government grants receivable	130,413	-
Contributions receivable, net	713,077	273,645
Prepaid expenses	17,405	9,190
Total Current Assets	2,351,959	2,507,763
Property and equipment, net	4,040,081	3,395,513
Endowment fund investments	23,144,582	26,339,178
	\$ 29,536,622	\$ 32,242,454
 LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and accrued expenses	\$ 585,010	\$ 180,451
Deposits held	95,539	100,792
Refundable advance	-	162,000
Deferred revenue	170,927	76,496
Current portion of long-term debt	18,617	-
Total Current Liabilities	870,093	519,739
Long-term debt, net of current portion	26,058	-
Total Liabilities	896,151	519,739
Net Assets		
Without donor restriction		
Investment in property and equipment	3,995,406	3,395,513
Undesignated	526,206	752,839
Total Without Donor Restriction	4,521,612	4,148,352
With donor restriction		
Time or purpose restricted	23,618,859	27,074,363
Invesments held in perpetuity	500,000	500,000
Total With Donor Restriction	24,118,859	27,574,363
Total Net Assets	28,640,471	31,722,715
	\$ 29,536,622	\$ 32,242,454

See notes to financial statements

Glynwood Center, Inc
Statement of Activities
Year Ended March 31, 2023

	Without Donor Restriction	With Donor Restrictions			Total
		Time or Purpose Restricted	Investments Held in Perpetuity	Total	
OPERATING SUPPORT AND REVENUE					
Individual and corporate contributions	\$ 1,276,565	193,969	\$ -	\$ 193,969	\$ 1,470,534
Foundation contributions	816,575	1,295,535	-	1,295,535	2,112,110
Government grants	-	320,181	-	320,181	320,181
Earned income	1,058,545	-	-	-	1,058,545
Investment income, net	31,877	(1,954,919)	-	(1,954,919)	(1,923,042)
In-kind contributions	35,900	-	-	-	35,900
Other income	8,245	-	-	-	8,245
Total Support and Revenue	<u>3,227,707</u>	<u>(145,234)</u>	<u>-</u>	<u>(145,234)</u>	<u>3,082,473</u>
Net assets released from restrictions	2,070,593	(2,070,593)	-	(2,070,593)	-
Net assets transferred from endowment	<u>1,239,677</u>	<u>(1,239,677)</u>	<u>-</u>	<u>(1,239,677)</u>	<u>-</u>
Total Operating Support and Revenue	<u>6,537,977</u>	<u>(3,455,504)</u>	<u>-</u>	<u>(3,455,504)</u>	<u>3,082,473</u>
OPERATING EXPENSES					
Program services	4,893,927	-	-	-	4,893,927
Management and general	637,776	-	-	-	637,776
Fundraising	633,014	-	-	-	633,014
Total Operating Expenses	<u>6,164,717</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,164,717</u>
Change in Net Assets	373,260	(3,455,504)	-	(3,455,504)	(3,082,244)
NET ASSETS					
Beginning of year	<u>4,148,352</u>	<u>27,074,363</u>	<u>500,000</u>	<u>27,574,363</u>	<u>31,722,715</u>
End of year	<u>\$ 4,521,612</u>	<u>\$ 23,618,859</u>	<u>\$ 500,000</u>	<u>\$ 24,118,859</u>	<u>\$ 28,640,471</u>

See notes to financial statements

Glynwood Center, Inc
Statement of Activities
Year Ended March 31, 2022

	Without Donor Restriction	With Donor Restrictions			Total
		Time or Purpose Restricted	Investments Held in Perpetuity	Total	
OPERATING SUPPORT AND REVENUE					
Individual and corporate contributions	\$ 1,099,736	\$ 314,706	\$ -	\$ 314,706	\$ 1,414,442
Foundation contributions	219,338	921,454	-	921,454	1,140,792
Government grants	313,100	58,842	-	58,842	371,942
Earned income	812,183	-	-	-	812,183
Investment income, net	170	711,096	-	711,096	711,266
In-kind contributions	24,850	-	-	-	24,850
Other income	163	-	-	-	163
Total Support and Revenue	<u>2,469,540</u>	<u>2,006,098</u>	<u>-</u>	<u>2,006,098</u>	<u>4,475,638</u>
Net assets released from restrictions	728,992	(728,992)	-	(728,992)	-
Net assets transferred from endowment	<u>1,161,000</u>	<u>(1,161,000)</u>	<u>-</u>	<u>(1,161,000)</u>	<u>-</u>
Total Operating Support and Revenue	<u>4,359,532</u>	<u>116,106</u>	<u>-</u>	<u>116,106</u>	<u>4,475,638</u>
OPERATING EXPENSES					
Program services	3,596,108	-	-	-	3,596,108
Management and general	620,778	-	-	-	620,778
Fundraising	410,420	-	-	-	410,420
Total Operating Expenses	<u>4,627,306</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,627,306</u>
Change in Net Assets	(267,774)	116,106	-	116,106	(151,668)
NET ASSETS					
Beginning of year	<u>4,416,126</u>	<u>26,958,257</u>	<u>500,000</u>	<u>27,458,257</u>	<u>31,874,383</u>
End of year	<u>\$ 4,148,352</u>	<u>\$ 27,074,363</u>	<u>\$ 500,000</u>	<u>\$ 27,574,363</u>	<u>\$ 31,722,715</u>

See notes to financial statements

Glynwood Center, Inc

Statement of Functional Expenses
Year Ended March 31, 2023

	Farming	Public Programs	Promoting Regional Food	Total Program Services	Management and General	Fundraising	Total
PERSONNEL							
Salaries	\$ 1,226,769	\$ 305,330	\$ 444,716	\$ 1,976,815	\$ 283,644	\$ 293,450	\$ 2,553,909
Payroll taxes and employee benefits	341,272	81,860	136,352	559,484	73,343	67,302	700,129
Total Personnel Costs	<u>1,568,041</u>	<u>387,190</u>	<u>581,068</u>	<u>2,536,299</u>	<u>356,987</u>	<u>360,752</u>	<u>3,254,038</u>
OTHER THAN PERSONNEL COSTS							
Consultants and professional fees	125,506	6,025	142,479	274,010	56,231	22,080	352,321
Maintenance and repairs	147,431	16,758	-	164,189	-	-	164,189
Outside services	68,465	101,675	5,827	175,967	9,620	8,414	194,001
Travel expenses	22,894	1,632	35,036	59,562	14,747	22,853	97,162
Event and facility use expenses	27,834	12,907	45,139	85,880	355	85,270	171,505
Culinary supplies and materials	189	7,782	1,184	9,155	-	7,536	16,691
Communications	27,305	28,453	29,184	84,942	43,402	25,407	153,751
Supplies and equipment	267,446	26,610	9,129	303,185	52,504	4,164	359,853
Technology	2,605	5,722	6,464	14,791	14,941	6,035	35,767
Insurance	145,023	-	-	145,023	6,128	-	151,151
Utilities and fuel	114,678	-	-	114,678	-	-	114,678
Donated vegetables and meat	91,114	-	-	91,114	-	1,625	92,739
Grants	106,000	-	250,421	356,421	-	-	356,421
CSA SNAP purchases	-	-	23,384	23,384	-	-	23,384
In-kind expense - donated auction items	-	-	-	-	-	35,900	35,900
Sponsorships	-	-	3,000	3,000	-	257	3,257
Professional Development	5,676	810	425	6,911	36,146	2,607	45,664
Miscellaneous	15,102	924	807	16,833	46,715	50,114	113,662
Total Expenses Before Depreciation and Amortization	<u>2,735,309</u>	<u>596,488</u>	<u>1,133,547</u>	<u>4,465,344</u>	<u>637,776</u>	<u>633,014</u>	<u>5,736,134</u>
Depreciation and amortization	428,583	-	-	428,583	-	-	428,583
Total Expenses	<u>\$ 3,163,892</u>	<u>\$ 596,488</u>	<u>\$ 1,133,547</u>	<u>\$ 4,893,927</u>	<u>\$ 637,776</u>	<u>\$ 633,014</u>	<u>\$ 6,164,717</u>

See notes to financial statements

Glynwood Center, Inc

Statement of Functional Expenses
Year Ended March 31, 2022

	Farming	Public Programs	Promoting Regional Food	Total Program Services	Management and General	Fundraising	Total
PERSONNEL							
Salaries	\$ 938,619	\$ 348,518	\$ 320,279	\$ 1,607,416	\$ 306,703	\$ 202,398	\$ 2,116,517
Payroll taxes and employee benefits	<u>263,638</u>	<u>97,906</u>	<u>89,940</u>	<u>451,484</u>	<u>86,136</u>	<u>56,828</u>	<u>594,448</u>
Total Personnel Costs	1,202,257	446,424	410,219	2,058,900	392,839	259,226	2,710,965
OTHER THAN PERSONNEL COSTS							
Consultants and professional fees	33,705	272	26,536	60,513	53,912	27,707	142,132
Maintenance and repairs	158,892	29,556	-	188,448	38	-	188,486
Outside services	59,985	95,016	1,503	156,504	10,085	1,140	167,729
Travel expenses	5,769	1,319	6,097	13,185	6,396	15,407	34,988
Event and facility use expenses	10,258	6,955	5,404	22,617	598	34,162	57,377
Culinary supplies and materials	173	5,907	686	6,766	905	2,036	9,707
Communications	10,209	17,480	15,980	43,669	27,787	26,819	98,275
Supplies and equipment	177,420	58,676	8,416	244,512	46,016	1,197	291,725
Technology	5,338	7,073	215	12,626	10,094	9,366	32,086
Insurance	138,261	-	-	138,261	6,118	-	144,379
Utilities and fuel	99,929	-	-	99,929	-	-	99,929
Donated vegetables and meat	-	49,365	-	49,365	-	-	49,365
Grants	10,000	-	96,519	106,519	765	400	107,684
CSA SNAP purchases	-	-	10,667	10,667	-	-	10,667
In-kind expense - donated auction items	-	-	-	-	-	24,850	24,850
Sponsorships	-	125	3,000	3,125	200	-	3,325
Miscellaneous	<u>5,288</u>	<u>6,639</u>	<u>274</u>	<u>12,201</u>	<u>64,470</u>	<u>8,110</u>	<u>84,781</u>
Total Expenses Before Depreciation, Amortization and Income Taxes	1,917,484	724,807	585,516	3,227,807	620,223	410,420	4,258,450
Depreciation and amortization	368,301	-	-	368,301	-	-	368,301
Income taxes	-	-	-	-	555	-	555
Total Expenses	<u>\$ 2,285,785</u>	<u>\$ 724,807</u>	<u>\$ 585,516</u>	<u>\$ 3,596,108</u>	<u>\$ 620,778</u>	<u>\$ 410,420</u>	<u>\$ 4,627,306</u>

See notes to financial statements

Glynwood Center, Inc
Statements of Cash Flows

	March 31,	
	2023	2022
CASH FLOW FROM OPERATING ACTIVITIES		
Change in net assets	\$ (3,082,244)	\$ (151,668)
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation and amortization	428,583	368,301
Unrealized loss on investments	2,207,430	464,513
Net realized gain on investments	(228,143)	(1,172,964)
Net change in operating assets and liabilities		
Accounts receivable	(3,856)	(5,028)
Contributions receivable, net	(439,432)	(12,932)
Government grants receivable	(130,413)	-
Prepaid expenses	(8,215)	(9,190)
Accounts payable and accrued expenses	404,559	(60,588)
Deposits held	(5,253)	19,142
Refundable advances	(162,000)	(175,362)
Deferred revenue	94,431	(3,045)
Net Cash from Operating Activities	(924,553)	(738,821)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from the sale of investments	11,300,590	6,736,411
Purchase of investments	(9,490,643)	(4,982,725)
Property and equipment acquisitions	(1,073,151)	(897,415)
Net Cash from Investing Activities	736,796	856,271
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from loan	48,035	-
Repayments of loans	(3,360)	(12,522)
Net Cash from Financing Activities	44,675	(12,522)
Net Change in Cash and Cash Equivalents	(143,082)	104,928
CASH AND CASH EQUIVALENTS		
Beginning of year	358,572	253,644
End of year	\$ 215,490	\$ 358,572
SUPPLEMENTAL CASH FLOWS INFORMATION		
Cash paid for income taxes	-	555

See notes to financial statements

Glynwood Center, Inc.

Notes to Financial Statements

March 31, 2023 and 2022

1. Organization

Glynwood Center, Inc. (“Glynwood”) is a not-for-profit organization incorporated under the laws of the State of New York. Glynwood is a tax-exempt public charity under Section 501(c)(3) and 509(a)(1) of the Internal Revenue Code.

Glynwood's mission is to cultivate just and resilient food systems so that communities, farmers, land, and communities thrive. For more than 25 years, Glynwood has been dedicated to the growth of the regional food system in the Hudson Valley and has emerged as a leader in this movement nationally. As a mission-driven 501c(3) non-profit organization, Glynwood's programs aim to educate, inspire, and connect farmers and consumers across the region, simultaneously enhancing local food accessibility and affordability. Rooted in principles of ecosystem, soil, animal, and community well-being, Glynwood actively fosters local food production in the Hudson Valley, champions regenerative agriculture to benefit our natural environment, and educates a national audience about endeavors to regionalize food and agriculture. All of our programs and projects are built around our core strategies of training farmers and supporting future farmers, providing local and nutrient-dense food for every table, educating stakeholders to advance regional food, and building producer coalitions.

Glynwood's campus is located in Cold Spring, NY (Putnam County) on the unceded territory of the Munsee Lenape peoples—or Lenapehoking, the Lenape homeland. The diverse, 225-acre working landscape is home to their administrative headquarters and program facilities, a pasture-based livestock farm, and a certified organic vegetable farm. As part of Glynwood's commitment to environmental health and responsible agriculture, all livestock enterprises are Animal Welfare Approved by A Greener World (AGW); and cattle are Certified Grassfed by AGW. Glynwood also serves the community through a 200+ Community Supported Agriculture (CSA) membership, and a publicly-accessible on-farm store.

The recent history of Glynwood dates to 1929 when the financier George Perkins, his wife Linn, and his mother Evelynna Ball Perkins, purchased the land. Upon Mrs. Perkins' death in 1993, her family preserved the property as a center dedicated to conservation and community stewardship. Today, Glynwood's expanded mission and programs continue the legacy of Glynwood's founders and strengthen the region's health, prosperity and cultural vibrancy. As an organization, Glynwood believes it has a role to play in addressing racism and inequity in the country's food system, and is committed to advancing diversity, equity, inclusion, and access in our organization, and in all of Glynwood's work.

2. Summary of Significant Accounting Policies

Basis of Presentation and Use of Estimates

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

Glynwood Center, Inc.

Notes to Financial Statements
March 31, 2023 and 2022

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

Net Asset Presentation

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Net assets are classified based on the following two categories:

Net Assets Without Donor Restrictions – net assets available for use in general operations and not subject to donor restrictions.

Net Assets With Donor Restrictions – net assets subject to donor imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenue Recognition

Glynwood earns revenue from several sources, the most significant of which are:

Event Facility Rental

Glynwood provides event facility rental for weddings, film/photo shoots, corporate retreats or social events, which may include site rental and lodging. For event facility rentals, the performance obligation is identified at the contract level, which represents Glynwood's promise to provide site rental and/or lodging at an agreed upon fee. Glynwood's performance obligation for event rental is satisfied at a point in time, when the event occurs. Customers are typically charged a refundable security deposit, which is recorded as a liability and will be returned 15 business days after the final on-site event date less any deductions necessary for damage beyond ordinary wear and tear, and/or excess teardown expenses. Glynwood typically requires a "hold the date" deposit for wedding events. The deposit is refundable until a point in time established in the contract, after which the deposit becomes non-refundable and is recognized as revenue. These deposits are initially recorded as a liability. Depending on the type of event facility rental, the total amount of event facility rental fee is due either 30 days prior to or on the day of the event.

Glynwood Center, Inc.

Notes to Financial Statements
March 31, 2023 and 2022

2. Summary of Significant Accounting Policies (continued)

Revenue Recognition (continued)

Community Supported Agriculture Shares

Community Supported Agriculture (“CSA”) is a production and marketing model whereby consumers buy shares of Glynwood’s farm’s harvest in advance. The consumers pledge their support upfront and provide the funds that are needed to plan, seed and maintain Glynwood’s crops throughout the season. While consumers share the risks of independent agriculture, they receive regular distributions of Glynwood’s farm’s food production throughout the 24-week distribution season during which they receive various vegetable crops. For CSA shares, the performance obligation is identified at the contract level which represents the consumer becoming a member through buying either half or full share of Glynwood’s farm’s production before each growing season in exchange receives regular distributions of Glynwood’s farm’s food production throughout the season each week or every other week. Glynwood’s performance obligation for CSA Shares is satisfied over time, when the consumer receives the benefit of receiving the regular distributions of Glynwood’s farm’s food production.

Farm Product Sales

Farm product sales consist of sales of meat, produce and other items sold at Glynwood’s farm store. Glynwood’s performance obligation is satisfied at a point in time, when the products are sold to the customer. The majority of sales are cash or credit card.

Donated Farm Products

Glynwood donates produce and meats to food pantries. The donation is recorded as both a sale and expense at the point in time of the delivery to the food pantry. The sale and expense amount are valued based on the retail price of that would be obtained at the farm store.

See Note 4 for detail of all sources of earned income from contracts with customers.

Cash and Cash Equivalents

For financial-reporting purposes, Glynwood considers all highly liquid debt instruments with a maturity of three months or less at the time of purchase to be cash equivalents, except for those cash equivalents held as part of Glynwood’s investment portfolio.

Contributions and Contributions Receivable

Glynwood recognizes contributions when cash, securities or other assets; an unconditional promise to give, or a notification of a beneficial interest is received. 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.

Glynwood Center, Inc.

Notes to Financial Statements
March 31, 2023 and 2022

2. Summary of Significant Accounting Policies (continued)

Contributions and Contributions Receivable (continued)

An allowance for uncollectible contributions receivable is provided, using management's judgment of potential defaults, which considers factors such as prior collection history, type of contribution and the nature of fund-raising activity. There was no allowance at March 31, 2023 or 2022.

Refundable Advances

Refundable advances consist of unexpended advances Glynwood has received on government cost reimbursement grants.

Deferred Revenue

Deferred revenue primarily consists of cash received from the sale of CSA shares for the FY2024 and FY2023 harvest as well as for events that will occur in FY2024. Revenue will be recognized over time as the agricultural distributions are made and when events occur.

Fair Value Measurements

Glynwood follows U.S. GAAP guidance on Fair Value Measurements which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist. The input or methodology used for valuation of securities is not necessarily an indication of the risk associated with investing in those securities.

Pursuant to U.S. GAAP guidance, alternative investments where fair value is measured using the NAV per share as a practical expedient are not categorized within the fair value hierarchy.

Investment Valuation and Income Recognition

Investments are carried at fair value. Investment income or loss (including interest and dividends, realized gains or losses and unrealized appreciation or depreciation in investment value and investment management fees), is included in the statements of activities as an increase or decrease in without donor restricted net assets unless the income or loss is restricted by donor or law.

Property and Equipment

Property and equipment with a cost of \$5,000 or more with an estimated useful life greater than one year, is capitalized at cost, or if donated, at approximate fair value at the date of donations. Depreciation is computed using the straight-line method over their estimated useful lives, which are approximately 30 years for leasehold improvements, and 3 to 5 years for equipment, vehicles, and furniture.

Glynwood Center, Inc.

Notes to Financial Statements
March 31, 2023 and 2022

2. Summary of Significant Accounting Policies (continued)

Advertising Costs

Glynwood expenses advertising costs as incurred, which aggregated \$8,438 and \$4,467 in 2023 and 2022.

Income Taxes

Glynwood recognizes the effect of tax positions only when they are more likely than not to be sustained. Management has determined that Glynwood had no uncertain tax positions that would require financial statement recognition or disclosure. Glynwood is no longer subject to examinations by the applicable taxing jurisdictions for periods prior to March 31, 2020.

Functional Allocation of Expenses

Glynwood allocates its expenses on a functional basis among its program and support services. Expenses that can be specifically identified with a program or support service are allocated directly. Other expenses that are common to several functions are allocated based on estimates made by management. The more significant expense allocations include salaries and related personnel costs. Salaries and personnel costs have been allocated based on time and effort reporting.

Reclassifications

Certain amounts in the 2022 financial statements have been reclassified to conform with the presentation in the 2023 financial statements.

Subsequent Events

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is December 18, 2023.

Glynwood Center, Inc.

Notes to Financial Statements March 31, 2023 and 2022

3. Contributions Receivable, Net

Contributions receivable, net at March 31, are comprised of amounts that are expected to be collected as follows:

	<u>2023</u>	<u>2022</u>
Amount due within one year	\$ 377,024	\$ 198,645
Amount due within two to five years	360,000	75,000
	<u>737,024</u>	<u>273,645</u>
Less: Discount to present value	<u>(23,947)</u>	<u>-</u>
	<u>\$ 713,077</u>	<u>\$ 273,645</u>

Contributions receivable due dates extending beyond one year discounted using the U.S. treasury bill rate for 5-years. The rate used at March 31, 2023 was 3.6%

4. Earned Income

Earned income was derived from the following sources for the years ending March 31:

	<u>2023</u>	<u>2022</u>
Event facility rentals	\$ 271,489	\$ 297,183
Lodging	216,549	192,145
CSA shares	130,011	127,910
Farm product sales	199,692	113,796
Donated farm products	81,214	49,364
Workshops	1,769	3,560
Fees for service	134,121	27,010
Fiscal Sponsorship Fee	22,500	-
Other	1,200	1,215
	<u>\$ 1,058,545</u>	<u>\$ 812,183</u>

5. Deferred Revenue

The change in Glynwood's deferred revenue account for the years ended March 31, is comprised of the following:

	<u>2023</u>	<u>2022</u>
Balance at beginning of the year	\$ 76,496	\$ 79,541
Additions:		
Program Services collected	219,096	114,887
Reductions:		
Program Services earned	<u>(124,665)</u>	<u>(117,932)</u>
Balance at the end of the year	<u>\$ 170,927</u>	<u>\$ 76,496</u>

Glynwood Center, Inc.

Notes to Financial Statements
March 31, 2023 and 2022

6. Investments and Investment Return

The following are major categories of investments measured at fair value on a recurring basis at March 31, grouped by the fair value hierarchy, for those investments subject to categorization within such hierarchy:

<u>Description</u>	2023		
	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Cash equivalents	\$ 996,319	\$ -	\$ 996,319
Mutual funds			
U.S. bonds	1,887,275	-	1,887,275
Domestic equity securities	5,349,828	-	5,349,828
International equity securities	1,608,575	-	1,608,575
Fixed income	2,292,170	-	2,292,170
Equities	677,349	-	677,349
Alternative investments (1)	-	-	11,590,919
Total Investments at Fair Value	<u>\$ 12,811,516</u>	<u>\$ -</u>	<u>\$ 24,402,435</u>

<u>Description</u>	2022		
	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Cash equivalents	\$ 4,247,307	\$ -	\$ 4,247,307
Mutual funds			
U.S. bonds	800,989	-	800,989
Domestic equity securities	6,923,077	-	6,923,077
International equity securities	1,933,410	-	1,933,410
Corporate bonds		391,790	391,790
Equities	935,350	-	935,350
Alternative investments (1)	-	-	12,959,746
Total Investments at Fair Value	<u>\$ 14,840,133</u>	<u>\$ 391,790</u>	<u>\$ 28,191,669</u>

(1) As discussed in Note 2, investments that are measured using the practical expedient are not classified within the fair value hierarchy. The fair value amounts presented in the total column of this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statements of financial position.

Glynwood Center, Inc.

Notes to Financial Statements
March 31, 2023 and 2022

6. Investments and Investment Return *(continued)*

Information regarding alternative investments measured at NAV using the practical expedient at March 31, 2023 is as follows:

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Hedge fund (see "a" below)	\$ 7,561,140	\$ -	Daily- Quarterly	30-90 days
Private equity fund (see "b" below)	774,871	-	N/A	N/A
Pooled investment fund (see "c" below)	<u>3,254,908</u>	-	Daily	Daily
	<u>\$ 11,590,919</u>	<u>\$ -</u>		

(a) This category primarily includes equity investments, either long or short, in marketable securities and publicly traded global equities. Several of the funds in this category invest in fixed income assets, interest rates and currencies, both long and short.

(b) This category includes investments in equity capital through firms making underlying investments in specific companies not quoted on a public exchange, private debt and illiquid real assets including real estate, healthcare, and technology. These funds are illiquid structure with no withdrawals permitted.

(c) This category primarily includes investments in hedge funds, private equity funds or separately managed portfolios. The funds in this category invest in equity investments across a broad range of European industry sectors and countries to achieve long-term capital growth.

Investment return, net for the years ended March 31, is as follows:

	<u>2023</u>	<u>2022</u>
Interest and dividends	\$ 190,764	\$ 161,833
Net realized gains	228,143	1,172,964
Unrealized losses	(2,207,430)	(464,513)
Investment advisory fees	(134,519)	(159,018)
	<u>\$ (1,923,042)</u>	<u>\$ 711,266</u>

Glynwood Center, Inc.

Notes to Financial Statements March 31, 2023 and 2022

7. Property and Equipment

Property and equipment at March 31, is as follows:

	<u>2023</u>	<u>2022</u>
Leasehold improvements	\$ 7,759,703	\$ 6,683,219
Equipment and furniture	1,444,961	1,293,079
Vehicles	682,740	629,682
Construction in progress	<u>72,406</u>	<u>280,679</u>
	9,959,810	8,886,659
Accumulated depreciation and amortization	<u>(5,919,729)</u>	<u>(5,491,146)</u>
	<u>\$ 4,040,081</u>	<u>\$ 3,395,513</u>

8. Liquidity and Availability

Financial assets available for general expenditure, that is, without restrictions limiting their use, within one year of March 31, are as follows:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 215,490	\$ 358,572
Short-term Investments	1,257,853	1,852,491
Accounts receivable	17,721	13,865
Government grants receivable	130,413	-
Contributions receivable, net	713,077	273,645
Endowment spending-rate distributions and appropriations	<u>1,251,309</u>	<u>1,239,678</u>
	<u>3,585,863</u>	<u>3,738,251</u>
Less contractual or donor imposed restricted amounts:		
Refundable advances	-	162,000
Deferred revenue	170,927	76,496
Restricted by donor with time or purpose restrictions	<u>974,277</u>	<u>1,235,185</u>
Financial assets available to meet general expenditures over the next twelve months.	<u>\$ 2,440,659</u>	<u>\$ 2,264,570</u>

Glynwood's endowment funds consist of donor-restricted endowments which are subject to an annual spending rate as described in Note 11. The endowment spending-rate distributions and appropriations have been included in financial assets available to meet general expenditures over the next twelve months as these funds are primarily intended to defray costs of maintaining the premises and facilities of the farm which are the majority of the general expenditures of Glynwood.

Glynwood operates to maximize earnings to cover operating and program expenses. Glynwood solicits donations and income from outside sources and invests excess cash in short-term investments.

Glynwood Center, Inc.

Notes to Financial Statements
March 31, 2023 and 2022

9. Paycheck Protection Program Loan (the “PPP loan”) Proceeds

On April 30, 2020, Glynwood received loan proceeds in the amount of \$303,000 under the Paycheck Protection Program (the “PPP”). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (the “CARES Act”), provides for loans to qualifying entities for amounts up to 2.5 times their 2019 average monthly payroll expenses of the qualifying entity. On March 19, 2021, Glynwood received loan proceeds in the amount of \$313,100 under Second Draw provisions of the PPP as authorized by the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act (the “Economic Aid Act”). The Second Draw provisions of the Economic Aid Act provides for loans to qualifying entities for amounts up to 2.5 times their 2019 or 2020 average monthly payroll expenses. The PPP loans bear an interest rate of 1% per annum.

Glynwood has elected to report the First Draw and Second Draw of PPP loan proceeds as a conditional grant under requirements contained in ASU 2018-08, “*Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made.*” Accordingly, Glynwood recognizes income as the conditions of the PPP loans are met. For the year ended March 31, 2021, Glynwood recognized \$303,000 of the proceeds from the PPP loans as government grant income in the statements of activities. On June 28, 2021, Glynwood received notification that the SBA had forgiven the entire amount of the loan. For the year ended March 31, 2021, the Second Draw of PPP loan was recognized as a refundable advance on the statements of financial position. For the year ended March 31, 2022, Glynwood recognized \$313,100 of the proceeds from the PPP loans as government grant income in the statements of activities as Glynwood received notification on October 26, 2021 that the SBA had forgiven the entire amount of the Second PPP loan.

10. Long Term Debt

Glynwood had loans payable that bear interest at rates from 4.24% to 8.24%. These loans were paid off in 2022.

In 2023, Glynwood had a loan payable for a purchase of a vehicle with a 36 month term at an interest rate of 9.79%.

Scheduled future principal payments of long-term debt at March 31, 2023 are payable as follows:

2024	\$ 18,617
2025	18,617
2026	7,441
	<u>\$ 44,675</u>

Glynwood Center, Inc.

Notes to Financial Statements
March 31, 2023 and 2022

11. Net Assets with Donor Restrictions

Perkins Fund I

On December 31, 1998, Glynwood accepted a Deed of Gift from George W. Perkins Foundation (the "Foundation") consisting of all the net assets of the Foundation. The Deed permitted Glynwood to withdraw in each calendar year an amount that does not exceed 6% of the average portfolio value of the Fund, determined at the end of the preceding year and each of the preceding twelve quarters. Glynwood's Board of Directors approved a spending rate of 5% for the years ending March 31, 2023 and 2022. Two thirds of the permitted withdrawal is specifically allocated to defray the costs of maintenance, preservation, upkeep, repair, administration and capital expenditure for the premises and facilities of Glynwood farm. The remaining one third is available for support of programs sponsored and conducted by Glynwood.

The Deed requires that the remaining assets be maintained in a segregated investment account. Waiver of restrictions in the Deed relating to spending policy and use of withdrawals requires prior written approval of the majority of the Perkins family members as specified in the Deed or by action of the Board of Directors of Glynwood if there are no surviving family members.

The balance of net assets with donor restrictions in the Perkins' fund at March 31, 2023 and 2022 was \$13,549,336 and \$15,415,530.

Perkins Fund II

In November 2015, members of the Perkins family agreed to create an endowment fund to be used for the preservation, maintenance, upkeep, repair, capital expenditures and carrying charges for the premises and facilities of Glynwood farm. In connection therewith Glynwood received two promises to give totaling \$9,700,000 which are evidenced by a Deed of Gift. The Deed stipulates that the fund will be known as Perkins Fund II and permits Glynwood to withdraw in each calendar year an amount not to exceed 5% of the average fair market value of to the Fund, determined at the end of the preceding year and each of the preceding eight quarters. The Deed also stipulates that any unexpended funds from the annual withdrawal should be set aside to establish a Capital Reserve Fund, the proceeds of which shall be available to defray the costs in future years for such expenses and new equipment as are necessary to preserve the premises and facilities at Glynwood. The Board of Directors approved a spending rate of 5% for the years ending March 31, 2023 and 2022.

The Deed requires funds to be maintained in a segregated investment account. The Deed also calls for the waiver of the above spending and capital reserve fund restrictions with unanimous consent of Glynwood's Board of Directors and two of the three Perkins Family members noted in the Deed. Upon the death or permanent incapacity of the Perkins family members the restrictions can be waived by a supermajority (75%) of the Board of Directors of Glynwood. The balance of net assets with donor restrictions in the Perkins' II fund at March 31, 2023 and 2022 was \$9,115,038 and \$10,368,055.

Glynwood Center, Inc.

Notes to Financial Statements
March 31, 2023 and 2022

11. Net Assets with Donor Restrictions (continued)

Jordan Fund

Henry A. Jordan, who died in April 2010, was the founding Chairman and a long-term supporter of Glynwood. The Henry A. Jordan Revocable Trust, which became irrevocable upon his death, named Glynwood as the beneficiary of \$500,000 to be used as an investment held in perpetuity, the income from which is to be used for the support and programming at Glynwood (as opposed to the construction, furnishing or maintenance of buildings). The Board of Directors has established a spending policy which allows for an annual distribution that is based on 5% of the average portfolio value of the Fund, determined at the end of the preceding year and each of the preceding twelve quarters.

Jordan Fund Unappropriated Earnings

As of March 31, 2023, there was a deficiency of \$19,792 – see Note 12 for further explanation. There was \$55,593 of investment income earned at March 31, 2022 from the Jordan Fund investment held in perpetuity, that had not been appropriated.

Other Net Assets with Donor Restrictions

Other net assets with donor restrictions at March 31, 2023 and 2022 totaled \$974,277 and \$1,235,185, and consisted of support for various agricultural programs.

The following is a summary of net assets with Donor Restrictions at March 31,

	<u>2023</u>	<u>2022</u>
Perkins 1	\$ 13,549,336	\$ 15,415,530
Perkins 2	9,115,038	10,368,055
Jordan unappropriated earnings	(19,792)	55,593
Jordan perpetual endowment	500,000	500,000
Other programs	<u>974,277</u>	<u>1,235,185</u>
Total net assets with donor restrictions	<u>\$ 24,118,859</u>	<u>\$ 27,574,363</u>

Net assets released for other programs consisted of the following for the year ending March 31:

	<u>2023</u>	<u>2022</u>
Time restrictions	\$ 285,000	\$ 110,000
Purpose restrictions		
Property	163,394	396,898
Farming	651,223	7,442
Promoting regional food	<u>970,976</u>	<u>214,652</u>
Total	<u>\$ 2,070,593</u>	<u>\$ 728,992</u>

Glynwood Center, Inc.

Notes to Financial Statements
March 31, 2023 and 2022

12. Endowment

General

Glynwood's endowment consists of funds established for a variety of purposes. Glynwood has funds designated by the Board of Directors to function as an endowment as well as donor-restricted endowment funds. As required by U.S GAAP, net assets associated with endowment funds, including board-designated funds, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Board has interpreted the New York Prudent Management of Institutional Funds Act ("NYPMIFA") as requiring the preservation of the value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, Glynwood classified as investment held in perpetuity (a) the original value of the gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations of investment returns to the permanent endowment 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 classified with donor restrictions under time or purpose restricted net assets until those amounts are appropriated for expenditure by the Board in a manner consistent with the standard of prudence prescribed by NYPMIFA.

Return Objectives, Strategies Employed and Spending Policy

Glynwood utilizes a total return investment approach with its asset allocation diversified over multiple asset classes with the intent of exceeding the targeted spending rate over time as approved by the Board of Directors, while preserving the purchasing power of the endowment. Target allocation percentages are established for various asset classes and are modified over time. Performance is measured against a composite benchmark of investment indices reflecting the target asset allocation. Glynwood has a policy of appropriating for distribution each year based on the gift agreements as described in Note 11.

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires Glynwood to retain as a fund of perpetual durations. The Board of Directors of Glynwood has interpreted NYPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law.

At March 31, 2023, funds with an original gift value of \$500,000, fair value of \$480,208, and deficiencies of \$19,792 were reported in net assets with donor restrictions. In April 2022, the Board of Directors appropriated \$27,504 in accordance with the spending policy described in Note 11. The market decline towards the end of the year caused the funds to be underwater. There were no such losses attributed to with donor restricted net assets of investments held in perpetuity at March 31, 2022.

Glynwood Center, Inc.

Notes to Financial Statements March 31, 2023 and 2022

12. Endowment (continued)

Changes in the endowment investments for the fiscal year ended March 31, were as follows:

	Without Donor Restrictions	With Donor Restrictions				Total
		Time or Purpose Restricted			Investments Held in Perpetuity	
		Operations	Perkins I Fund	Perkins II Fund	Jordan Fund	
Endowment, March 31, 2021	\$ -	\$ 15,686,077	\$ 10,520,742	\$ 82,263	\$ 500,000	\$ 26,789,082
Interest and dividends	-	81,432	56,527	23,704	-	161,663
Investment expenses	-	(93,025)	(62,681)	(3,312)	-	(159,018)
Unrealized investments losses	-	(340,617)	(107,666)	(16,230)	-	(464,519)
Net realized gain on investments	-	762,663	415,133	(4,832)	-	1,172,964
Approved for expenditure	1,161,000	(681,000)	(454,000)	(26,000)	-	(1,161,000)
Drawdowns	(1,161,000)	-	-	-	-	-
Endowment, March 31, 2022	-	15,415,530	10,368,055	55,593	500,000	26,339,178
Interest and dividends	-	88,150	59,744	20,011	-	167,905
Investment expenses	-	(78,861)	(52,987)	(2,671)	-	(134,519)
Unrealized investments losses	-	(1,267,219)	(874,330)	(61,006)	-	(2,202,555)
Net realized gain on investments	-	118,504	99,961	(4,215)	-	214,250
Approved for expenditure	1,239,677	(726,768)	(485,405)	(27,504)	-	(1,239,677)
Drawdowns	(1,239,677)	-	-	-	-	-
Endowment, March 31, 2023	\$ -	\$ 13,549,336	\$ 9,115,038	\$ (19,792)	\$ 500,000	\$ 23,144,582

13. Defined Contribution Plan

Glynwood maintains a defined contribution plan covering full time employees. Pension contributions, which are based on employee wages, are funded as incurred. Pension expense for the twelve months ended was \$83,341 was \$63,431 at March 31, 2023 and 2022.

14. In-Kind Contributions

During the years ended March 31, 2023 and 2022, Glynwood recognized in-kind contributions in the amounts of \$35,900 and \$24,850 in the statements of activities. These contributions consisted of donated items for Glynwood's annual fundraising auction. The contributions were recorded at their fair value which was based on an estimate of what each item would cost to purchase them in the open market. There were no restrictions on these contributions and the in-kind expense is recorded as fundraising expense in the statements of functional expense.

Many individuals volunteer their time and perform a variety of tasks that assist Glynwood with its programs, fundraising and various committee assignments each year. These volunteer hours are not recognized in the financial statements because they do not meet the criteria for recognition under U.S. GAAP, which states that, in order to record the value of services, the services must either (a) create or enhance nonfinancial assets or (b) the service must require specialized skills.

Glynwood Center, Inc.

Notes to Financial Statements
March 31, 2023 and 2022

15. Concentration of Credit Risk

Financial instruments that potentially subject Glynwood to concentrations of credit and market risk consist principally of cash and cash equivalents on deposit with financial institutions, investments held at financial institutions, and receivables. Deposits held at financial institutions insured by the Federal Deposit Insurance Corporation (“FDIC”) are insured up to \$250,000. Investment holdings at financial institutions insured by the Securities Investor Protection Corporation (“SIPC”) are insured up to \$500,000 (\$250,000 for cash holdings). At times cash balances may exceed the FDIC and/or the SIPC limit. As of March 31, 2023 and 2022, the Glynwood’s uninsured cash balances on deposit totaled approximately \$0 and \$403,600. As of March 31, 2023 and 2022, the Glynwood’s uninsured investment holdings totaled approximately \$26,072,900 and \$25,271,300. The investment portfolio is diversified by type of investments and industry concentrations so that no individual investment or group of investments represents a significant concentration of credit risk

Major Donors - For the year ended March 31, 2023, donations of \$1,725,000 from three major donors accounted for approximately 44% of total contributions and program support. Contributions receivable of \$660,000 from two major donors accounted for approximately 93% of total contributions receivable at March 31, 2023. For the year ended March 31, 2022, donations of \$1,169,554 from two major donors accounted for approximately 40% of total contributions and program support. Contributions receivable of \$250,000 from two major donors accounted for approximately 91% of total contributions receivable at March 31, 2022.

16. Leases

Glynwood Farm

Pursuant to a lease executed in October 1995 (“the lease”), Glynwood leases its premises and facilities, including approximately 225 acres of land, the farm and related structures collectively known as “Glynwood Farm”, from Open Space Conservancy, Inc. (“Open Space”), a non-profit land conservancy. During 2015, Glynwood exercised its option for an additional ten-year renewal and amended the lease to include three additional (10) ten year renewal options with the lease expiring in October 2055. The lease requires Glynwood to pay \$10 per year rent to Open Space and to be solely responsible for the upkeep, operation, repair, maintenance, management, and insurance of the Glynwood Farm. The lease provides that Glynwood has an option to purchase Glynwood Farm at a price based in fair market value at the time of exercise with various adjustments set forth in lease, but in no event will the purchase price be less than \$2,924,982.

In-kind contributions have not been recognized for the fair value of this lease as management has determined the amounts are immaterial to the financial statements.

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