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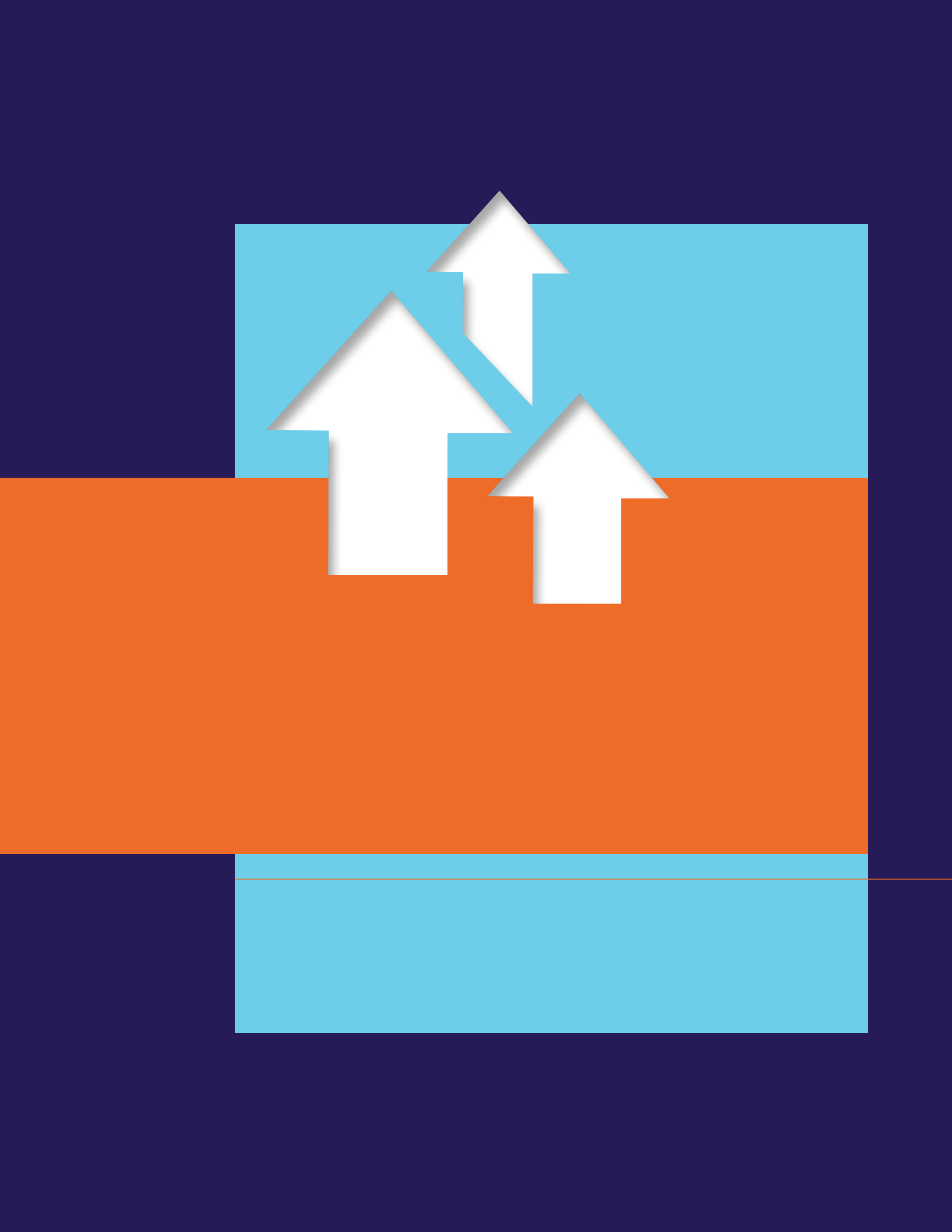
FACTS

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2 0 1 6 A N N U A L R E P O R T



# A Message from Ronna Brown and Philip Li

## STRATEGIC IMPACT, STARTING WITH NUMBERS

In this year's annual report, we are reporting on the key elements of progress we've made toward achieving our strategic goals by sticking to the central facts. Knowing that most members use our annual report as a quick reference for seeing what we did in the last year, we are highlighting some key numbers - how many members we serve in multiple areas, how many convenings we organize, again, in multiple ways and for many different purposes, and how our budget does reflect our strategic priorities and vision for the future.

We are using the completion of the period covered by our 2014-2016 Strategic Plan as an opportunity to structure this report around its goals for member engagement, public policy and institutional sustainability. There is plenty of narrative for those who want to dig in. The most prominent visuals, however are charts, graphs and statistics that illustrate the objectives we've achieved.

You can skim the report and get an accurate sense of what we're doing, or you can read more deeply to learn about some major aspects of our work. Of course, there is even more information on our website, [www.philanthropynewyork.org](http://www.philanthropynewyork.org).

A major accomplishment in 2016 was developing a new five-year strategic plan, so this report also gives a nod to the future and shares some of the exciting new directions we see ahead.

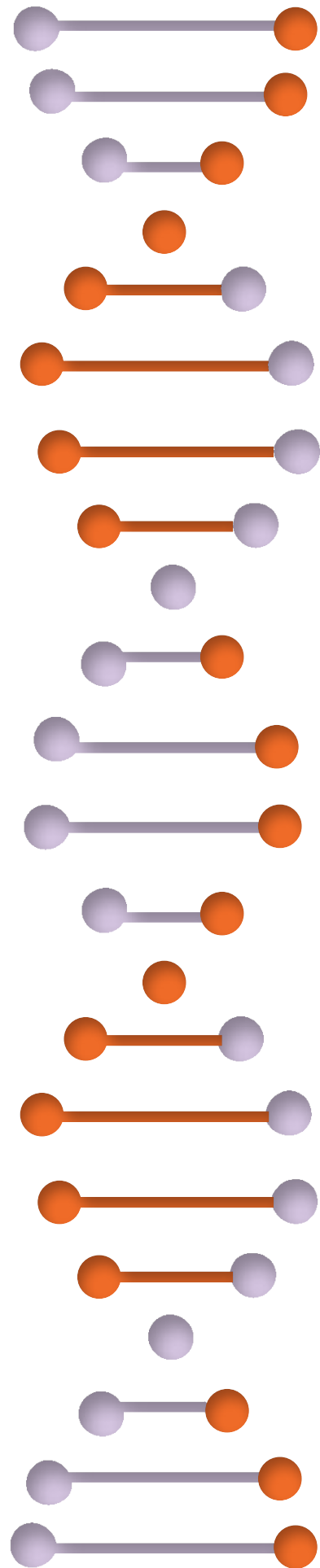
We're not taking anything for granted. We appreciate your support of PNY, and please know that we always want to hear from you about how we're doing on every aspect of our work, including this report. Let us know what you think!



**Ronna D. Brown**  
President



**Philip Li**  
Board Chair 2015-2017  
President & CEO,  
Robert Sterling Clark Foundation





# Our Vision

PHILANTHROPY NEW YORK, THROUGH ITS LEADERSHIP, SERVES AS A CONNECTOR OF PEOPLE, INSTITUTIONS, IDEAS AND RESOURCES, AS WELL AS A CATALYST FOR ADVOCACY AND ACTION FOR CHANGE.

In this report, we examine our 2016 progress toward this vision in the three main areas of our 2014-2016 Strategic Plan:

## **Member Engagement**

**page 6**

We aim to deepen the value of Philanthropy New York membership.

## **Informative Public Policy**

**page 14**

We aim to increase the frequency, quality and depth of connections between the philanthropic sector and leaders in government, business, nonprofits, academia and media.

## **Institutional Sustainability**

**page 24**

We seek to capitalize on new opportunities to increase member value and generate additional revenues.

Each section highlights our objectives from the 2014-2016 Strategic Plan, and then provides details on this past year's progress toward our goals.

GOAL

Member  
Engagement

In 2016, Philanthropy New York continued to make strong progress in its goal to shape engagement opportunities that further enhanced members' knowledge and networks. The sheer number of opportunities continues to increase, but consistent with the three strategies under member engagement laid out in our strategic plan (which are further articulated in the following pages), we also created a greater number of "deep dive" format programs, strengthened our offerings for colleagues at all points of their careers and more closely aligned our offerings with the needs of our members based on evaluation and demonstrated impact.

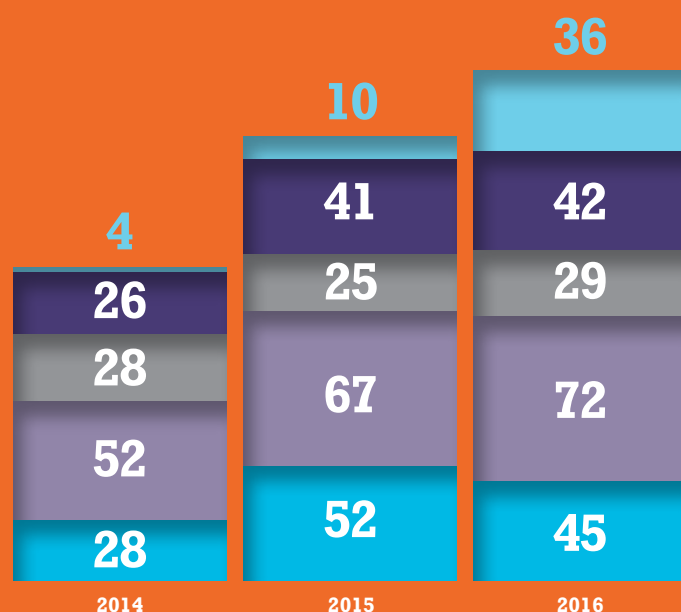
We had a total of 4,958 attendees at programs. Of this number, 3,522 attendees were members and 1,184 were non-members. We had 1,326 individual members attend at least one program in 2016. Of our 280 member organizations, we had staff or trustees of 250 attend at least one program in 2016, as compared to 242 in 2015 and 210 in 2014.

In 2016, we held a total of 224 events, including five long programs (conference/half-day), 31 livestreamed programs, and 23 webinars, with 125 programs held at Philanthropy New York.

### Engaged Member Organizations



**89%**  
of our member organizations had staff or trustees attend a program in 2016



### Increasing Opportunities to Engage

#### Skills-Based Programs

(Legal, Financial, Philanthropy 101, etc.)

#### Issue-Based Programs

(Education, Health, Gender, etc.)

#### Philanthropic Strategies

(DEI, Impact Investing, Leadership, etc.)

#### Peer Networks

(CEO Roundtables, Young Leaders, etc.)

#### Committees

(Board, Public Policy, Membership, etc.)

\*Beginning in 2015, we began to track Committee meetings along with the rest of our programming in an attempt to draw a clear connection to the learning, networking and professional development that occurs when members engage with PNY through their Committee roles. So while the increase in overall program "events" are not comparable from 2014 to 2016, the numbers remain relevant.

# Strategy 1

## More “Deep-Dive” Formats

1

“Philanthropy New York will expand its offerings of programs that provide a ‘deeper dive’ or ‘conference format,’ including more program formats and content that appeal to foundation executives and trustees, both as audience and participant/presenter.”

In 2016, PNY developed and presented an impressive number of program series: Philanthropy 101, Essential Skills and Strategies for New Grantmakers, Financial Series, Legal Series (these four series are now presented yearly and form the “PNY Core”), along with additional series on Impact Investing and Justice Reform.

The PNY Core features multi-part learning series that explore areas where members have requested a perennial refresher. These professional development and skills-based programs center on specific lines of inquiry and are designed to meet the needs of philanthropic professionals at every stage of their career arc.



Made possible with support from the Fund for 2025, in this final year of our strategic plan, we:

### Launched Philanthropy 101

We developed and implemented an entirely new series, Philanthropy 101, launched in September of 2016. Philanthropy 101 is designed to help any new staff person with professional experience outside of philanthropy better understand the philanthropic sector and roles. The offering is a pilot, and the curriculum was developed in partnership with the Dorothy A. Johnson Center for Philanthropy's Grantmaking School team. This interactive course provides an historical overview of philanthropy, reviews a foundation's leadership and governance, debates the current big issues in philanthropy, provides an overview of grantmaking and explores the various roles within philanthropy.

### Strengthened Essential Skills and Strategies

In 2016, we invested significant resources to revise and expand our popular Essential Skills and Strategies for New Grantmakers curriculum (presented in January 2017) with a special focus on learning modules that are more interactive and focused on participant engagement. ESS orients new program officers and directors to their role as funders and helps them build a framework for understanding and implementing ethical and effective grantmaking. The training prepares program officers and directors for the “art and science” of philanthropy. It offers the tools and skills to be

## 4 New Series



effective grantmakers and helps participants understand their role as funders. This three-day intensive for new program officers and program staff has been updated with new resources, more interactive opportunities for peer reflection and timely thinking around issues grantmakers grapple with most.

### Developed Four Additional Program Series

Our four-part **Impact Investing Series** explored the many new ways funders can have a social impact using all of their financial resources. Participants benefited from insights of philanthropic leaders in the world of impact investing. We presented programs on the impact investing continuum, active ownership and divestment, the Rikers social impact bond experiment and getting your board on board with impact investing.

Our **Legal Series** was developed in response to member feedback after we hosted a program which provided an overview of legal and regulatory boundaries, focusing especially on questions that often arise with family foundations. Program participants identified a need for more learning about legal and regulatory boundaries on several key topics, not just for family foundations, but for a wide range of philanthropic organizations that do not have their own in-house counsel. Aimed at program officers, executive directors of small foundations, grants managers, as well as legal staff, the four-part series provided an overview of the legal and regulatory boundaries in individual grantmaking, international grantmaking, self-dealing (family foundations and family offices), and fiscal sponsorships.

The expansion of our **Financial Series** was conceptualized and substantially planned in 2016, and presented in 2017. The series included Intro to Financial Statements, What to Look for in a Nonprofit's Financial Statements, Looking at the 990 (Parts 1 and 2), Using Financial Statements Together with the 990 to Understand Potential Grantees and Using the 990 as a Tool for Understanding Organizational Capacity.

Our **Justice Reform Series** grew out of member interest following the successful 37th Annual Meeting on the topic. First we worked with existing issue-based working groups to produce programs on the links between justice and education, health and gender issues. Next, we developed a series called "Ending the Criminalization of Poverty," which was presented in 2017.

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"I review grantees of all sizes across the country. The ability to read their financials with more acumen will be hugely beneficial, especially for those grantees with whom I cannot visit."

– Financial Series participant, in evaluation form comments

## Strategy 2

# Programming for Philanthropic Professionals at All Career Points

2

“Philanthropy New York will strengthen and augment its offerings of programs designed to provide training and a deeper understanding of philanthropy, grants management, program areas and best business practices for colleagues at all points in their careers, and in all areas of professional responsibility across foundations.”

Over the past three years, we have significantly increased the frequency, number and types of peer networks we offer to our membership.

### More Peer Networks

This includes the 2015 launch of the COO Roundtable, and the build out of our CEO lunches. In 2016, we also began formally supporting the Foundation Lawyers Network and the Foundation Financial Managers Group. We now support an extraordinary number and breadth of peer networks:

- For administrative support staff: PACNET (Philanthropic Assistants and Coordinators Network)
- For CEOs: CEO Roundtables
- For communications professionals: ComNetworkNY (formerly Public Policy Communicators)
- For COOs: COO Roundtable
- For financial executives: Foundation Financial Managers Group
- For HR and operations professionals: Foundation Administrators Network
- For foundation general counsels: Foundation Lawyers Network
- For managers of volunteerism programs: Service for Impact
- For young professionals: Young Leaders Breakfast Club

We developed and beta tested new listserv services for our professional network cohorts that better integrate with our member data systems and allow members better access to ongoing conversations. These have launched with two of our networks, and we anticipate rolling them out with all networks by the end of 2017.

As a Result of PNY's  
Programs and Services...

**59%**  
said: "I have  
established a new network  
of thought partners  
that help inform  
my work."\*

\*59% refers to the percentage of respondents to  
our member engagement survey, who had attended  
at least one program in the previous year.

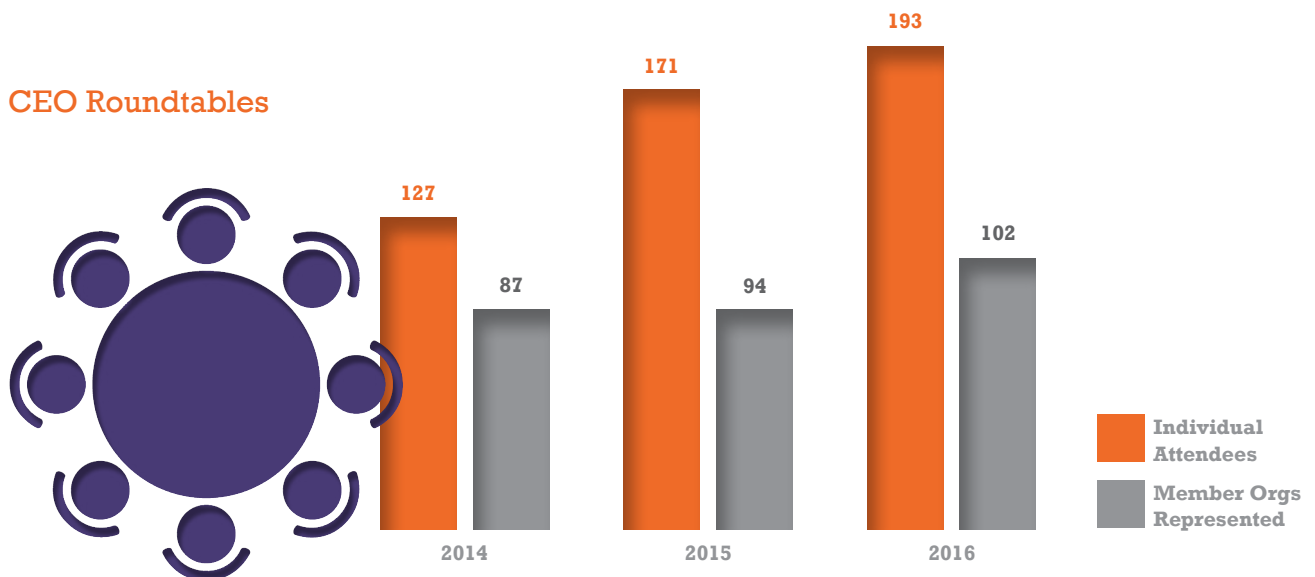
### More CEO Roundtables

We have increased participation in our CEO roundtables during this strategic plan period. Between 2014 and 2016, we increased individual attendance by more than 50% and increased the number of member organizations represented by 17%. (Our total number of members remained close to 280 during this same period.) We now have CEO Roundtables specifically for large foundations, mid-sized foundations and small foundations, as well as for CEOs of corporate foundations and CEOs of living-donor and family foundations.

### Increasing Frequency of Young Leaders Breakfast Club

We launched our fourth Young Leaders Breakfast Club cohort just six months after completing the previous cohort (our fastest turnaround to date). The biggest challenge continues to be accommodating the demand for the program among our younger members. We engaged a team of YLBC alum to plan content and network building activities, which took place in 2017.

### CEO Roundtables



## Strategy 3

# Evaluate Programmatic Impact

3

“Philanthropy New York’s programs, other services and resources will be used strategically and tactically to support these goals and will be evaluated periodically to demonstrate the impact we provide.”

### Member Perception Survey

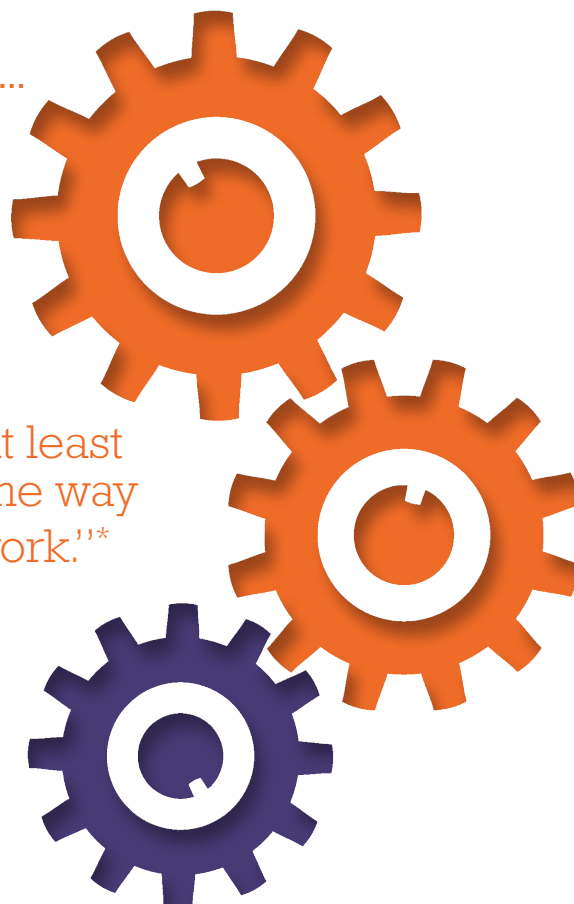
With support from the Fund for 2025, PNY was able to undertake in 2016 one of the first comprehensive evaluations of a core part of our work. We partnered with the Center for Effective Philanthropy to undertake a survey of our membership to better understand their perceptions of our services and the impact of our networks and programs. Staff worked very closely with CEP to design the survey (the very first time CEP has worked with a Regional Association to gauge impact) and to solicit responses from members who had been involved with PNY. The results of the survey were shared with our board during a day-long off-site retreat and were used as a guide for our new strategic plan.

As a Result of PNY’s  
Programs and Services...

74%

“I have made at least  
one change in the way  
I do my own work.”\*

\*74% refers to the percentage  
of respondents to our member  
engagement survey, who had  
attended at least one program in the  
previous year.





## Evaluation of the Financial Series

Staff undertook the development of an evaluation survey to test learning outcomes and participant perceptions of the five-part Financial Series. Outcomes led to a honing of the curriculum which will be re-launched in 2017 with a sixth program - a primer to ready those with limited exposure to financial statements. We surveyed the participants of the 2016 version of the Financial Series and had a 24% response rate from those attendees.

### Financial Series Satisfaction

**88%**

Of respondents  
said they would  
recommend  
the series to  
colleagues\*



\*This data point comes from post-program evaluation surveys conducted by PNY.

GOAL

Informative  
Public  
Policy

As articulated in our 2014-2016 Strategic Plan, Philanthropy New York aims to increase the frequency, quality and depth of connections between the philanthropic sector and leaders in government, business, nonprofits, academia and media to shape more accurate perceptions of the role of philanthropy - both the strengths and the limitations of the sector. Philanthropy New York's focus is creating meaningful opportunities for members to engage in and learn more about public policy work that enhances members' charitable mission. PNY made great progress in 2016 on all policy fronts.

Cutting across all three strategies of our public policy objectives, PNY in 2016 entered into its second year execution of the Public Policy Fellowship made possible by the Fund for 2025. In 2016, we doubled the number of academic institutions where we disseminated the fellowship application. This year we hired our second Public Policy Fellow, who has helped increase the output of our International Grantmakers Network, made important contributions to the Education Working Group's member survey and helped develop the work of our budding justice reform group. Our inaugural Public Policy Fellow, who is in her second and final year with PNY, has been essential to increasing the output of the Health Working Group, Funders for Gender Equity and the Committee for Equitable and Inclusive Philanthropy.



### Policy Programs Advance Philanthropic Practice

**81%**

Of respondents said  
issue-based programs  
were helpful for professional  
growth and practice\*

\*81% refers to the percentage of respondents to our member engagement survey, who had attended at least one program in the previous year.

## Strategy 1

# Create Opportunities for Philanthropy and Policy Leaders to Connect

1

“PNY will proactively convene members and leaders from the public policy and other sectors to foster the exchange of knowledge on issues that our members fund and in which they have strong expertise and provide important leadership.”

In this area of our public policy work, our objective has been to utilize mechanisms such as issue-based working groups and opportunistic responses to member concerns to bring together funders, nonprofits, government officials, community leaders and others to increase direct information sharing and provide opportunities for PNY members to influence the decision-making of others and share their own expertise. Our work to bring funders and policy leaders together for shared learning is concentrated within the support and management of issue-based working groups, partnerships with other nonprofit groups to communicate with government on timely issues, programming on new and evolving policy topics and our Annual Meeting focusing a broad swath of our membership on a single timely issue.

### Issue-Based Working Groups

A large portion of our work in this strategy area is supporting and convening working groups (a.k.a. local affinity groups), which develop programming and have various approaches to deepening relationships with government officials.



### Education Working Group

In 2016, the Education Working Group developed or co-sponsored seven programs, spanning topics such as school discipline, school integration and education inequity. It administered a survey to understand members' funding priorities and strategies in the local K-12 Public Education space, convened a survey briefing to discuss results with members and published survey findings in an informal report called "Connecting the Education Funding Dots."



### Funders for Gender Equity

In 2016, the group formerly known as Funders of Women and Girls changed its name to Funders for Gender Equity to reflect its broader set of concerns. The group co-sponsored the development of four programs, spanning such topics as the sexual-abuse-to-prison pipeline, immigrant women's leadership and teen girl mental health. Their December program marked the first collaborative program with the Education Working Group, focusing on school pushout and gender norms. Creating an important new resource for all kinds of funders, FGE completed a "gender lens tool" for grantmakers interested in applying a gender analysis to their funding.



### **Health Working Group**

The Health Working Group co-sponsored the development of four programs, covering topics like primary care deserts, collaborative place-making, healthcare workforce development and prison diversion programs. It also organized a meeting with Michael Hickey, Director, Strategy and Partnerships at NYC Office of Community Schools, in July to discuss the challenges and opportunities for Community Schools and their current health-based initiatives. In December, HWG leaders organized an “emergency” convening of New York-based health funders to discuss the post-election landscape and strategies related to the potential repeal of the Affordable Care Act.



### **International Grantmakers Network**

International Grantmakers Network is sometimes referred to as an issue-based working group and sometimes as a peer network because it is concerned with both professional skills and some common programmatic interests. IGN developed or co-sponsored five programs/brown bags, spanning topics such as the Sustainable Development Goals, rapid fund deployment, and the role of the arts in post-conflict rebuilding. This year we also developed an international grantmaking news section on the New York PhilanthroPost. At the end of the year, IGN initiated the development of a survey to understand membership funding areas and geographies.



### **Justice Reform Group (ad hoc)**

Building on member interest in justice reform, which was the primary subject of PNY’s 2016 Annual Meeting, we grew a list of funders interested in continuing programming and organizing on this complex issue. There are about 25 key funders advising us on programming and a longer list of funders generally interested in the topic. In the months following the Annual Meeting we developed five justice-themed programs in partnership with existing issue-based working groups. We developed a separate four-part series on “Ending the Criminalization of Poverty” which was mostly assembled in 2016 and presented in 2017.



### **Support for Five Other Groups**

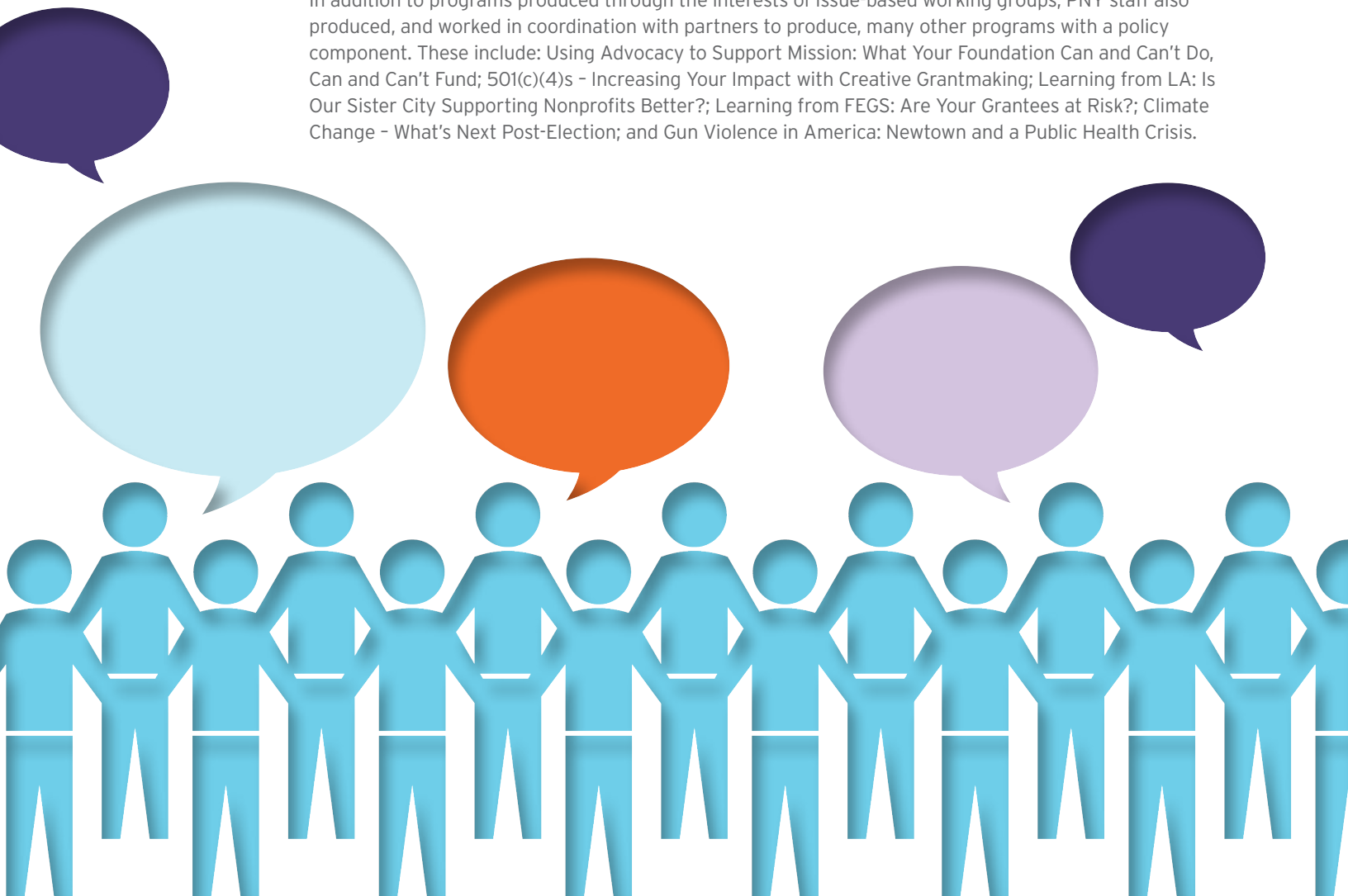
While PNY staff are responsible for supporting the groups above, we also work in conjunction with outside organizers to present information and co-sponsor programs presented by local funder groups on the arts, food systems, juvenile justice, workforce and youth. PNY hosts many of their programs, disseminates information about their work through our media and collects and disseminates news and resources about the issues they care about. This year we organized a multi-working group gathering in December that was attended by representatives of nine different groups that allowed the groups to share what they are planning for 2017 and consider areas of potential synergy and common cause.

### **Convenings on OMB Guidance on Indirect Costs, Real Costs & Nonprofit Sustainability**

Following a well-received “summit” we organized in October 2015, we brought State and City government leaders, nonprofit advocacy organizations, larger service providers and funders together in May 2016. The session was an opportunity to hear from the City and State on their progress in implementing OMB Guidance, but served to affirm that neither was taking the actions sought by nonprofits. This session was a critical step in the process that later lead PNY to take an official policy position on the issue (see page 23).

### **Core Concepts and Member-Generated Public Policy Programs**

In addition to programs produced through the interests of issue-based working groups, PNY staff also produced, and worked in coordination with partners to produce, many other programs with a policy component. These include: Using Advocacy to Support Mission: What Your Foundation Can and Can't Do, Can and Can't Fund; 501(c)(4)s - Increasing Your Impact with Creative Grantmaking; Learning from LA: Is Our Sister City Supporting Nonprofits Better?; Learning from FECS: Are Your Grantees at Risk?; Climate Change - What's Next Post-Election; and Gun Violence in America: Newtown and a Public Health Crisis.



### **37th Annual Meeting: Rethinking American Justice**

The PNY Annual Meeting is an important aspect of our convening power and, for each of the past five years, has focused on a specific policy concern. The 37th Annual Meeting took place on May 10, on the theme of “Rethinking American Justice.” The half-day conference included local and national experts on justice reform, including “The New Jim Crow” author Michelle Alexander and Chair of the Independent Commission on New York City Criminal Justice and Incarceration Reform Hon. Jonathan Lippman.

PNY’s annual meeting is not just an opportunity for our members to come together to learn on a timely public policy issue, it has also served as a jumping-off point for intense programming on that subject in the following year. Justice reform galvanized many of our members and we responded to those expressed interests by forming an ad hoc funder group that continued to grow throughout the year. The planning for the annual meeting also laid the ground work of the five justice reform programs we produced in 2016, as well as the “Ending the Criminalization of Poverty” series that was planned in 2016 and presented in 2017.



## Strategy 2

# Timely Information For and About Philanthropy

2

“We will also serve as a conduit of timely information about issues affecting the philanthropic sector; we will provide numerous ways—virtual and face-to-face—for members to discuss and debate these issues.”

Face-to-face convening is a crucial aspect of our policy work, but so too is our use of interactive communications utilizing our website, social media, live-streaming and other media, which since its 2014 launch has grown under the New York PhilanthroPost brand.

### The New York PhilanthroPost is Growing and Strengthening Our Community’s Voice

The number of New York PhilanthroPost subscribers at the end of 2016 was up to 5,491 (4,194 receive the Weekly and 283 get the Daily), up from 5,100 at the end of 2015.

We increased the amount of original content for our Insights column, working closely with contributors to produce 80 pieces, 53 of which were written exclusively for the New York PhilanthroPost and 27 were reposts that originally appeared in other media. We also produced 24 feature pieces authored by PNY President Ronna Brown and SVP Michael Remaley, which aim to illuminate key issues that are crucial for sector leaders to understand.

The New York PhilanthroPost’s Editorial Board has 14 members and met twice in 2016. Its members gave advice on improving the New York PhilanthroPost, including reorganizing our topical coverage areas and started providing direct links to many of our articles rather than routing readers through our site. We added coverage of international grantmaking news, eliminated the bi-monthly version and moved those subscribers over to a weekly version of the news.

new york  
philanthro **Post**

Subscriptions Up **7.5%**





## Building New Platforms

We continue to increase the number of programs that we livestream. This year we produced 31 livestreamed programs and an additional 11 program clips and audience reaction interviews that highlighted pieces of key program moments.

These types of PNY video resources will be the main focus of the newly developed PhilTV, which we previewed to the PNY Board in December and launched in January 2017. In addition to live and recorded PNY programs, PhilTV has curated video content from our members and their grantees, PHIL Talks from our annual meetings, socially relevant viral videos and “PhilTV This Week,” a weekly video roundup of the top philanthropy news stories of the week. PhilTV is the home of short clips highlighting interesting ideas from programs and the new “After the Q&A” interview series with members, along with other new video content by and for our members.



## Strategy 3

# Foster Exchange Across Sectors

3

**“PNY will function as a conduit for the philanthropic sector to influence how public policy gets discussed and implemented.”**

This strategy has a great deal of overlap with the convening discussed on page 18 in strategy one. An additional key component here includes identifying issues. To do this, we use our Public Policy Committee as well as the creation and dissemination of Issue Guides.

### **Public Policy Committee**

The Public Policy Committee, which met twice in 2016, is essential to identifying the policy issues that the philanthropic sector should be following and our organization should consider taking action. In 2016, the group was engaged in the process of review and revisions to PNY’s policy procedure document, which was approved by the board in December. This process more specifically defined the parameters for which Philanthropy New York may make official policy statements.

The group also spent a considerable amount of time at the end of the year weighing in on a draft “slate” of issues and potential actions that our organization might be called to focus on in the coming year.

### **Advocating for Indirect Costs, “Real Costs” and Nonprofit Sustainability**

PNY continued the work begun in 2015 urging New York State and New York City to implement OMB Guidance on Indirect Costs into its contracts with nonprofits. This year, PNY issued two distinct public policy positions urging New York State and New York City to (1) act in compliance with OMB Guidance on Indirect Costs and (2) abide by the core intent of OMB Guidance by providing adequate indirect costs in all contracts, not just those with federal funds. This action has been mentioned by several nonprofit leaders as one of the many significant pressure points that led the de Blasio administration to establish the Nonprofit Revitalization Committee and was named by the National Council of Nonprofits as one of the most significant nonprofit “wins” of 2016 across the nation.

We have also continued to be a voice for philanthropy as an active member of an ad hoc group of nonprofit advocacy organizations and large human service nonprofits to organize around larger issues of “Real Cost” understanding in government contracting and in philanthropic relationships. In June, we convened a group of about a dozen funders of local human service organizations to explore their interests in an ambitious “Real Costs NY” initiative that would expand upon work of California regional associations. We then drafted an initiative outline and held meetings with the nonprofit advocacy groups that would be central partners in the initiative.

## New Policy Parameters

The overriding factors to be considered are:

- 1) The relevance and importance of the issue to the philanthropic sector and Philanthropy New York members.
- 2) The potential impact taking a stand might have on the issue itself, on Philanthropy New York's members, on our organization and/or the nonprofits our members support.
- 3) The potential divisiveness of the issue within the membership.

Philanthropy New York urges New York State and New York City to immediately act in compliance with OMB Guidance on Indirect Costs.



## 2 New Policy Positions Adopted in 2016



Philanthropy New York encourages New York State and New York City to integrate contracting procedures that will consistently reimburse nonprofits for their full federally negotiated indirect cost rate or, for nonprofits that don't have one, a negotiated rate in accordance with federal cost principles or a minimum rate of 10 percent of total direct costs.

GOAL

Institutional  
Sustainability



This area of our 2014-2016 Strategic Plan deals with our own organizational stability and long-term financial health. In 2016, PNY's finances and long-term organizational prospect remained exceptionally strong and we made progress in all four sustainability strategies.

## Strategy 1

### **90%+ Renewal Rate and Increase Membership Among Staffed Foundations With Substantial Grantmaking**

1

“Over the period of this plan, Philanthropy New York will work to maintain a 90+% renewal rate, and to increase the representation in its membership of staffed foundations with substantial grantmaking.”



Throughout the plan, PNY maintained well over a 90% renewal rate and continued to onboard new members, all of which are staffed foundations.

Our membership remains steady around 280 organizations while the number of members paying more than \$10,000 increased slightly during this plan. In 2016, we welcomed 15 new members. In a typical year, we gain and lose roughly the same number of member organizations.

## Strategy 2

### **New Office and Meeting Space that Expands PNY's Capacity to Serve as a Convening Hub**

2

“The Board will secure and support Philanthropy New York's move to new office and meeting space by mid-2015, when our current lease will expire. A key priority here is finding physical space that can meet PNY's greatly expanded capacity to serve as a convening hub for foundations, policymakers and nonprofit leaders.”



We essentially achieved this objective when we moved to 1500 Broadway in summer 2015, but our physical space continues to evolve. This year, PNY worked with vendors to tweak design elements and audiovisual production. We also monitored and evaluated our conference room usage and staffing costs and reported those to the Sustainability Committee. In 2016, our conference facilities were used by 48 different members for their own gatherings, for a total of 159 meetings.

## Strategy 3

### **Support Staff Leadership**

3

**“In order to implement this ambitious plan, the Board will support and work with the President to ensure the staffing needed to solidify Philanthropy New York’s leadership position.”**

We also focus on Human Resources as a core element of institutional sustainability. In 2016, Philanthropy New York hired four new staff members, three as a result of turnover and one to welcome a second Public Policy Fellow. As a result, we felt it would be a prudent use of our resources to provide several in-house professional development trainings. These included a 2.5 hour training on meeting facilitation, a skill every staff member at PNY is required to use regularly and a half day public speaking training. In addition, as a result of the increased dialogue and interest among our membership for more racial justice work, we are bringing Race Forward in-house for a full day training in January to prep our entire staff for increased racial equity work with our membership.

## Strategy 4

### **Investigate the Potential of Fee-Based Business Lines**

4

**“Philanthropy New York will investigate and, as appropriate, develop fee-based business lines through which member and non-member organizations can draw on our staff’s fiscal, governance, and facilitation expertise to support our members’ activities and projects.”**

We conducted research on similar nonprofit conference facilities and determined that, while there is a market, and we are currently charging fair rates for afterhours use, we do not have the capacity to expand our conference facilities rentals beyond our members and member grantees.

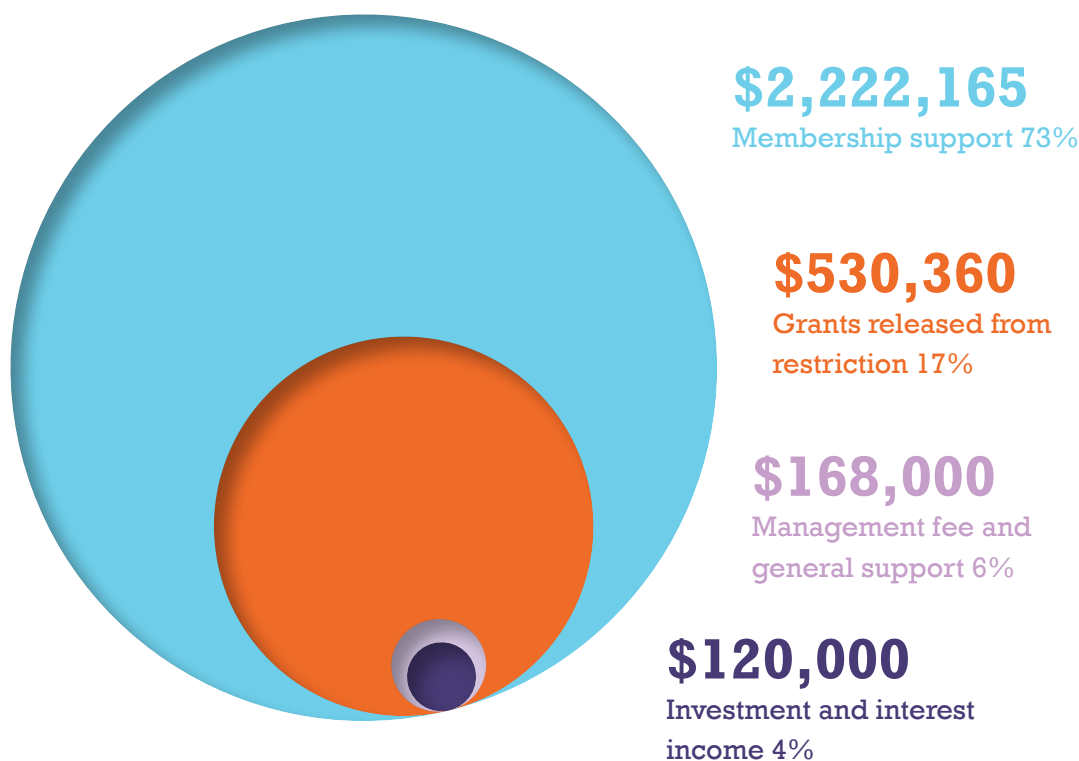
We analyzed a possible addition of consulting services and a Captive Insurance plan for members and determined that neither would be workable in the current NYC market. We hoped that a captive insurance plan might provide members with excellent health insurance benefits and a way to control the escalating costs of health insurance. We have decided to pause this process. Given the timing and resources needed to accomplish the captive, and the decisions that many of our members faced in renewing plans, we did not want to ask our membership to delay other plans to ensure good coverage for 2017. We will remain attuned to the changes in the marketplace and federal/state law in the approaching year.

# Our Finances

We ended 2016 in a strong financial position with a small surplus that has been restricted by the board for future use. This year continues a three-year trend of positive revenues over expenses. The charts below show our total revenues and expenses for 2016, and a comparison of our revenues and expenses over the past three years.

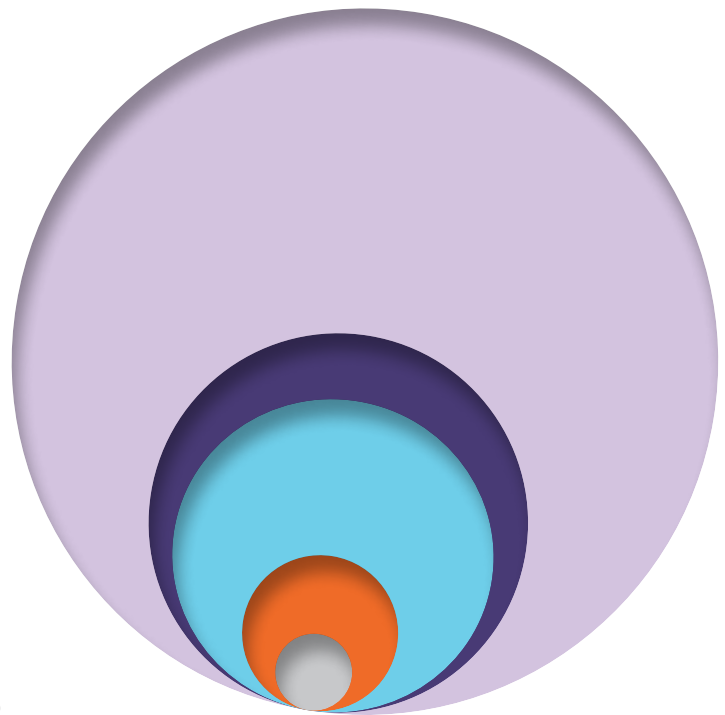
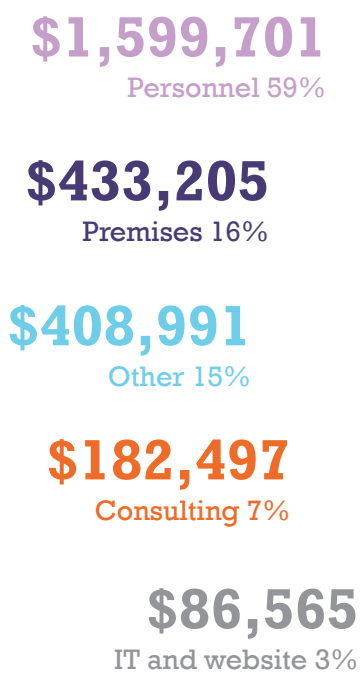
The charts on this and the following page illustrate Philanthropy New York's core operating finances and do not include Philanthropy New York's fiscal sponsorship program, which should be noted when comparing the figures here with those in the auditor's report starting on page 37.

## 2016 Total Revenues





## 2016 Total Expenses



## Where We're Heading Next

In December 2016, Philanthropy New York's Board of Directors approved a new strategic plan. The 2017-2021 plan was developed through an extensive process led by a Strategic Planning Committee of members, with assistance from a widely regarded strategic planning consultant, Cynthia Gibson.

As in the previous plan, this new plan updates our contemporary objectives around programming and networks for our members, public policy leadership and long-term sustainability. But this new plan also adds an important new area of work: "Distilling and highlighting innovative sectoral practices that build a stronger philanthropic ecosystem."

We plan to do this by recognizing and analyzing emerging trends in philanthropy; collaborating with colleague organizations around promising practices; engaging members to provide lessons learned around implementing new practices; and investing in the development of enriched communications platforms.

The easiest way to think about our plans for the next five years is that we intend to continue growing and strengthening all that we have been doing as an organization, and add on to that work a new emphasis on promising new practices in the sector.

We are very excited about this new direction and we hope our members will be active drivers of it, as they have in all of our accomplishments over the past 40 years.

You can read the Executive Summary of the new plan or the [full plan](#) on our website.

## **Strategic Planning Committee**

**Mike Pratt** (Chair)  
The Scherman Foundation

**Chris Cardona**  
Ford Foundation

**Stephen Foster**  
The Overbrook Foundation

**Michael Haberman**  
JPMorgan Chase & Co.

**Philip Li**  
Robert Sterling Clark Foundation

**Paula Luff**  
Viso Strategies

**Kavitha Mediratta**  
The Atlantic Philanthropies

**Jane O'Connell**  
Altman Foundation

**Pooja O'Hanlon**  
The Elmezzi Foundation

*Supported by consultant  
Cynthia Gibson*

**Thank You!**

We Are  
280 Member  
Organizations  
Strong

1661 Foundation	The Frances L. & Edwin L. Cummings Memorial Fund
42nd Street Development Corporation	The Nathan Cummings Foundation
A&A Fund	The Dammann Fund, Inc.
The Achelis and Bodman Foundations	Daphne Foundation
Aetna Foundation	Deutsche Bank Americas Foundation
Rita Allen Foundation	Cleveland H. Dodge Foundation, Inc.
Alpern Family Foundation, Inc.	Geraldine R. Dodge Foundation
Altman Foundation	Jean & Louis Dreyfus Foundation, Inc.
American Express	Doris Duke Charitable Foundation
Andrus Family Fund	The Dyson Foundation
Arabella Advisors	The Educational Foundation of America
Arcus Foundation	The ELMA Philanthropies Services (U.S.) Inc.
Catherine & Joseph Aresty Foundation	The Elmezzi Foundation
ASPCA	EMPower - The Emerging Markets Foundation
The Atlantic Philanthropies	The Endeavor Foundation
Lily Auchincloss Foundation, Inc.	Engineering Information Foundation
AXA Foundation	The Estée Lauder Companies, Inc
Bank of America Charitable Foundation	The Fertel Foundation
The Barker Welfare Foundation	FJC
The Bay and Paul Foundations	J.C. Flowers Foundation
The David Berg Foundation	Ford Foundation
Bessemer Trust	Fordham Street Foundation
The Morton K. and Jane Blaustein Foundation	Fortitude Fund
Bloomberg LP	Foundation for a Just Society
Bloomberg Philanthropies	Foundation for Child Development
BNY Mellon Foundation	The Freeman-Harrison Family Foundation
Booth Ferris Foundation	Fund for the City of New York
The Samuel Bronfman Foundation	Gap Foundation
Brooklyn Community Foundation	The Gerstner Family Foundation
The William C. Bullitt Foundation	The Howard Gilman Foundation
The Bulova Stetson Fund	Bernard F. and Alva B. Gimbel Foundation
Florence V. Burden Foundation	The Joyce and Irving Goldman Family Foundation
The Louis Calder Foundation	Goldman Sachs Office of Corporate Engagement
Capital One	Edwin Gould Foundation
Carnegie Corporation of New York	William T. Grant Foundation
Casey Family Programs	Grassy Creek Foundation
The Century Foundation	William Caspar Graustein Memorial Fund
The Y.C. Ho/Helen and Michael Chiang Foundation	The Greenwall Foundation
Child Care and Early Education Fund	The Guardian Life Insurance Company of America
Citi	Harry Frank Guggenheim Foundation
Citi Foundation	Stella and Charles Guttman Foundation, Inc.
The Clark Foundation	The John A. Hartford Foundation, Inc.
The Edna McConnell Clark Foundation	The Merrill G. & Erita E. Hastings Foundation
Robert Sterling Clark Foundation	Hau'oli Mau Loa Foundation
Collegiate Church Corp.	Dorothea Haus Ross Foundation
The Commonwealth Fund	Edward W. Hazen Foundation, Inc.
Con Edison	William Randolph Hearst Foundation
Berthe M. Cote Foundation	The Heckscher Foundation for Children
Credit Suisse Americas Foundation	The Leona M. and Harry B. Helmsley Charitable Trust
The Cricket Island Foundation	Herman Goldman Foundation

F.B. Heron Foundation  
 Conrad N. Hilton Foundation  
 Hoffman Brothers Foundation  
 Hope for New York  
 HSBC Bank USA, N.A.  
 The Charles Evans Hughes Memorial Foundation, Inc.  
 Mary J. Hutchins Foundation, Inc.  
 The Hyde and Watson Foundation  
 IBM Corporation  
 Ittleson Foundation, Inc.  
 J.P. Morgan Private Bank Private Foundation Services  
 Jerome Foundation  
 Jewish Foundation for Education of Women  
 Jewish Women's Foundation of New York  
 Johnson & Johnson  
 Johnson Family Foundation  
 Jonas Center for Nursing and Veterans Healthcare / Barbara  
 & Donald Jonas Family Fund  
 The JPB Foundation  
 JPMorgan Chase & Co.  
 Elaine & William Kaplan Family Private Foundation  
 The J.M. Kaplan Fund, Inc.  
 Kavelman Group Philanthropic Advisors  
 Mafruz Khan Advisory Services  
 The Esther A. & Joseph Klingenstein Fund, Inc.  
 Susan G. Komen Greater New York City  
 Korean American Community Foundation  
 The Emily Davie & Joseph S. Kornfeld Foundation  
 Samuel H. Kress Foundation  
 The Albert Kunstadter Family Foundation  
 Eugene M. Lang Foundation  
 The Jacob and Valeria Langeloth Foundation  
 Lavelle Fund for the Blind, Inc.  
 LCU Fund for Women's Education  
 The Frances Lear Foundation  
 Leon Levy Foundation  
 Leon Lowenstein Foundation, Inc.  
 The Lester Fund  
 Levitt Foundation  
 The Lucius N. Littauer Foundation, Inc.  
 Long Island Community Foundation  
 The Caroline M. Lowndes Foundation  
 The Henry Luce Foundation, Inc.  
 MAC AIDS Fund  
 Macquarie Group Foundation  
 Josiah Macy Jr. Foundation  
 A. L. Mailman Family Foundation, Inc.  
 Dara Major Philanthropy Consulting  
 Markle Foundation  
 Marsh & McLennan Companies

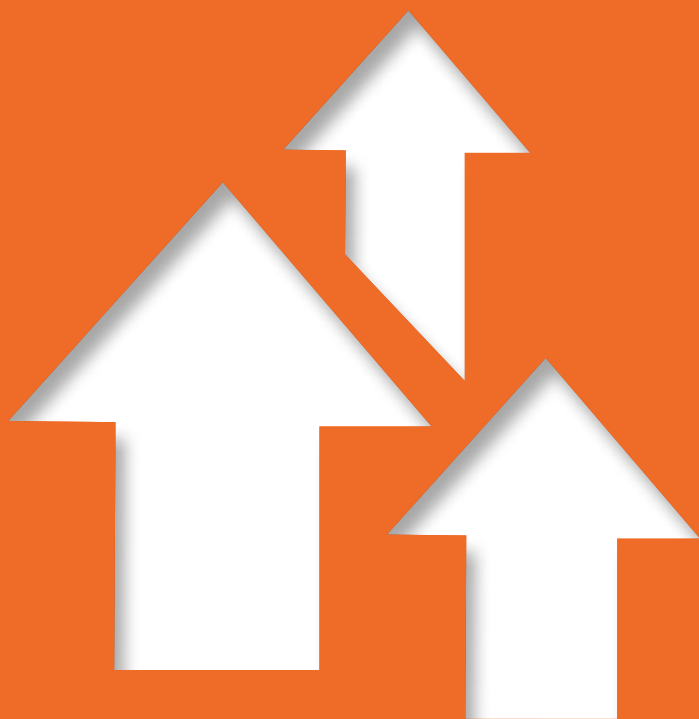
MasterCard Worldwide  
 The Mayday Fund  
 John P. & Anne Welsh McNulty Foundation  
 Media Development Investment Fund  
 The Andrew W. Mellon Foundation  
 Mertz Gilmore Foundation  
 MetLife Foundation  
 Milbank Memorial Fund  
 Joan Mitchell Foundation  
 Mitsubishi Corporation Foundation for the Americas  
 Mitsubishi UFJ Financial Group  
 Mizuho USA Foundation, Inc.  
 The Moody's Foundation  
 Moore Philanthropy  
 Morgan Stanley  
 Ms. Foundation for Women  
 Musicians Foundation, Inc.  
 National Grid Foundation  
 Neuberger Berman  
 The New York Community Trust  
 New York Foundation  
 New York Life Foundation  
 New York State Health Foundation  
 The New York Stem Cell Foundation, Inc.  
 The New York Women's Foundation  
 Newman's Own, Inc.  
 Stavros Niarchos Foundation  
 Eric and Jane Nord Family Fund  
 Norman Foundation, Inc.  
 North Star Fund  
 NoVo Foundation  
 Jessie Smith Noyes Foundation  
 The O'Grady Foundation  
 Ralph E. Ogden Foundation  
 Open Society Foundations  
 The Overbrook Foundation  
 The Palette Fund  
 The Patrino Foundation  
 The PCLB Foundation  
 Pershing Square Foundation  
 Peter G. Peterson Foundation  
 Pfizer Inc.  
 Philanthropy Advisors  
 PIMCO Foundation  
 The Pinkerton Foundation  
 Poses Family Foundation  
 Posner-Wallace Foundation  
 Proteus Fund  
 The Prudential Foundation  
 The Rauch Foundation

Reader's Digest Partners for Sight Foundation  
 Redlich Horwitz Foundation  
 Renova USA  
 Research to Prevent Blindness  
 Charles H. Revson Foundation  
 Fannie E. Rippel Foundation  
 Irene Ritter Foundation  
 Rockefeller Archive Center  
 Rockefeller Brothers Fund  
 The David Rockefeller Fund, Inc.  
 Rockefeller Family Fund  
 The Rockefeller Foundation  
 Rockefeller Philanthropy Advisors  
 The Alfred & Jane Ross Foundation  
 The Shelley & Donald Rubin Foundation  
 May and Samuel Rudin Family Foundation  
 Russell Sage Foundation  
 Salesforce.org  
 The Fan Fox and Leslie R. Samuels Foundation, Inc.  
 The Sandy River Charitable Foundation  
 SC Group  
 The Scherman Foundation  
 The Schott Foundation for Public Education  
 Edith M. Schweckendieck Trust  
 SeaChange Capital Partners  
 Select Equity Group Foundation  
 SIFMA Foundation  
 Sills Family Foundation  
 Benedict Silverman Foundation  
 Simons Center for Data Analysis  
 The Simons Foundation  
 The Sirus Fund  
 Alfred P. Sloan Foundation  
 Sony USA Foundation Inc.  
 The Soros Economic Development Fund  
 Paul and Daisy Soros Fellowships For New Americans  
 The Spingold Foundation, Inc.  
 Seth Sprague Educational & Charitable Foundation  
 The Spunk Fund, Inc.  
 The Staten Island Foundation  
 The Steinhardt Foundation for Jewish Life  
 Stonewall Community Foundation  
 Summer Fund II  
 Solon E. Summerfield Foundation, Inc.  
 Surdna Foundation  
 TCC Group  
 The Teagle Foundation  
 Tides  
 The Tiffany & Co. Foundation  
 Tiger Foundation

Time Warner Inc. Office of Corporate Responsibility  
 Tinker Foundation Inc.  
 Laurie M. Tisch Illumination Fund  
 Toshiba America Foundation  
 The Tow Foundation  
 Toyota  
 Trinity Wall Street Grants Program  
 Isaac H. Tuttle Fund  
 U.S. Trust  
 UJA-Federation of New York  
 Unbound Philanthropy  
 Unitarian Universalist Veatch Program at Shelter Rock  
 United Hospital Fund  
 United Way of New York City  
 Viacom  
 Viking Global Foundation  
 Viso Strategies Corporation  
 The Laura B. Vogler Foundation, Inc.  
 The Wallace Foundation  
 John A. & Mary Clare Ward Family Foundation  
 The Andy Warhol Foundation for the Visual Arts  
 The Joseph LeRoy and Ann C. Warner Fund, Inc.  
 The Harry and Jeanette Weinberg Foundation  
 Wells Fargo Private Bank  
 Wellspring Advisors, LLC  
 The Wenner-Gren Foundation  
 The Westchester Community Foundation  
 The Whiting Foundation  
 Sarah Williams Consulting  
 The B. Robert Williamson Jr. Foundation  
 Zegar Family Foundation  
 Zeldin Family Foundation

**We also welcomed several new and returning members since January 2017**

ANN INC  
 The Burke Foundation  
 CA Technologies  
 Liz Claiborne and Art Ortenberg Foundation  
 The Covenant Foundation  
 Garcia Family Foundation for Art, Culture and Education  
 The Klarman Family Foundation  
 Silicon Valley Community Foundation  
 The Bernard and Anne Spitzer Charitable Trust  
 The Taft Foundation





# Independent Auditor's Report

To the Board of Directors of  
Philanthropy New York, Inc.

March 2, 2017

We have audited the accompanying financial statements of Philanthropy New York, Inc. (the "Organization") which comprise the statement of financial position as of December 31, 2016 and December 31, 2015 and the related statements of activities, functional expenses and cash flows for the years then ended and the related notes to the financial statements.

## **Management's Responsibility for the Financial Statements**

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

## **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Philanthropy New York, Inc. as of December 31, 2016 and December 31, 2015 and the results of its activities and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Condon O'Meara McGinty & Donnelly LLP.**  
Certified Public Accountants

**Statement of Financial Position  
Assets**

	December 31	
	2016	2015
Cash and cash equivalents		
Operating	\$ 1,237,019	\$ 1,210,184
Restricted	179,277	179,277
Fiscal sponsorships	170,392	1,192,555
Fund for 2025	112,134	2,521,429
Board designated for operations and future rent	445,000	195,000
Total cash and cash equivalents	2,143,822	5,298,445
Investments, at fair value	2,301,712	2,136,521
Investments, at fair value - Fund for 2025	2,921,781	-
Membership dues, grants and other receivables	86,500	122,650
Fund for 2025 receivables	-	718,000
Prepaid expenses	72,937	50,574
Property and equipment, net	2,213,246	2,570,359
<b>Total assets</b>	<b>\$ 9,739,998</b>	<b>\$ 10,896,549</b>

**Liabilities and Net Assets**

**Liabilities**

Accounts payable and accrued expenses	\$ 132,061	\$ 129,982
Unearned dues	82,700	84,375
Unearned management fees	47,071	82,924
Deferred lease	1,491,168	1,638,637
<b>Total liabilities</b>	<b>1,753,000</b>	<b>1,935,918</b>

**Net assets**

Unrestricted		
Operating	1,078,880	1,014,774
Board-designated reserve	1,308,077	1,254,244
Board-designated for operations	50,000	50,000
Board-designated for future rent	395,000	145,000
Total unrestricted	2,831,957	2,464,018
Temporarily restricted	5,155,041	6,496,613
<b>Total net assets</b>	<b>7,986,998</b>	<b>8,960,631</b>
<b>Total liabilities and net assets</b>	<b>\$ 9,739,998</b>	<b>\$ 10,896,549</b>

Statement of Activities  
Year Ended December 31, 2016

	Unrestricted				
	Operating	Board-Designated	Total	Temporarily Restricted	Total
<b>Support and revenue</b>					
Membership dues and grants					
Received in current year	\$ 1,194,040	\$ 250,000	\$ 1,444,040	\$ 805,465	\$ 2,249,505
Released from restrictions	760,800	-	760,800	(760,800)	-
Total membership dues and grants	1,954,840	250,000	2,204,840	44,665	2,249,505
Grants and contributions	30,681	-	30,681	1,144,108	1,174,789
Program fees	20,383	-	20,383	-	20,383
Interest	63,336	-	63,336	-	63,336
Investment return	59,169	-	59,169	-	59,169
Rental	600	-	600	-	600
Management fees	76,162	53,833	129,995	-	129,995
Other	2,950	-	2,950	-	2,950
Net assets released from restrictions	2,530,345	-	2,530,345	(2,530,345)	-
Total support and revenue	4,738,466	303,833	5,042,299	(1,341,572)	3,700,727
<b>Expenses</b>					
Program services					
Member services	841,676	-	841,676	-	841,676
Communications and public policy	614,312	-	614,312	-	614,312
Collaborative programs	466,288	-	466,288	-	466,288
Fiscal sponsorship	2,096,033	-	2,096,033	-	2,096,033
Total program services	4,018,309	-	4,018,309	-	4,018,309
Supporting services					
Management and general	570,186	-	570,186	-	570,186
Fund-raising	138,736	-	138,736	-	138,736
Total supporting services	708,922	-	708,922	-	708,922
Total expenses	4,727,231	-	4,727,231	-	4,727,231
Increase (decrease) in net assets from operating activities	11,235	303,833	315,068	(1,341,572)	(1,026,504)
<b>Non-operating activities</b>					
Unrealized gain on investments	52,871	-	52,871	-	52,871
Change in net assets	64,106	303,833	367,939	(1,341,572)	(973,633)
<b>Net assets, beginning of year</b>	<b>1,014,774</b>	<b>1,449,244</b>	<b>2,464,018</b>	<b>6,496,613</b>	<b>8,960,631</b>
<b>Net assets, end of year</b>	<b>\$ 1,078,880</b>	<b>\$ 1,753,077</b>	<b>\$ 2,831,957</b>	<b>\$ 5,155,041</b>	<b>\$ 7,986,998</b>

Statement of Activities Year Ended December 31, 2015					
	Unrestricted			Temporarily Restricted	Total
	Operating	Board- Designated	Total		
<b>Support and revenue</b>					
Membership dues and grants					
Received in current year	\$ 1,325,510	\$ 100,000	\$ 1,425,510	\$ 721,550	\$ 2,147,060
Released from restrictions	725,655	-	725,655	(725,655)	-
Total membership dues and grants	2,051,165	100,000	2,151,165	(4,105)	2,147,060
Grants	7,927	45,000	52,927	4,348,072	4,400,999
Program fees	11,824	-	11,824	-	11,824
Interest	937	-	937	-	937
Investment return	91,779	-	91,779	-	91,779
Rental	29,985	-	29,985	-	29,985
Management fees	103,476	100,000	203,476	-	203,476
Other	5,100	-	5,100	-	5,100
Net assets released from restrictions	2,547,460	-	2,547,460	(2,547,460)	-
Total support and revenue	4,849,653	245,000	5,094,653	1,796,507	6,891,160
<b>Expenses</b>					
Program services					
Member services	1,234,090	-	1,234,090	-	1,234,090
Communications and public policy	395,368	-	395,368	-	395,368
Collaborative programs	79,583	-	79,583	-	79,583
Fiscal sponsorship	2,157,336	-	2,157,336	-	2,157,336
Total program services	3,866,377	-	3,866,377	-	3,866,377
Supporting services					
Management and general	529,373	-	529,373	-	529,373
Fund-raising	268,936	-	268,936	-	268,936
Total supporting services	798,309	-	798,309	-	798,309
Total expenses	4,664,686	-	4,664,686	-	4,664,686
Increase in net assets from operating activities	184,967	245,000	429,967	1,796,507	2,226,474
<b>Non-operating activities</b>					
Unrealized (loss) on investments	(163,911)	-	(163,911)	-	(163,911)
<b>Change in net assets</b>	<b>21,056</b>	<b>245,000</b>	<b>266,056</b>	<b>1,796,507</b>	<b>2,062,563</b>
<b>Net assets, beginning of year</b>	<b>993,718</b>	<b>1,204,244</b>	<b>2,197,962</b>	<b>4,700,106</b>	<b>6,898,068</b>
<b>Net assets, end of year</b>	<b>\$ 1,014,774</b>	<b>\$ 1,449,244</b>	<b>\$ 2,464,018</b>	<b>\$ 6,496,613</b>	<b>\$ 8,960,631</b>

## Statement of Cash Flows

	Year Ended December 31	
	2016	2015
<b>Cash flows from operating activities</b>		
Change in net assets	\$ (973,633)	\$ 2,062,563
Adjustment to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation and amortization	380,252	237,534
Change in deferred lease incentives	(147,469)	50,942
Change in unrealized appreciation of investments	(52,871)	163,911
Change in operating assets and liabilities		
Decrease in membership dues, grants and other receivables	36,150	39,643
(Increase) decrease in Fund for 2025 receivables	718,000	(553,000)
(Increase) in prepaid expenses	(22,363)	(1,712)
Increase (decrease) in accounts payable and accrued expenses	2,079	(75,083)
(Decrease) in unearned dues and management fees	(37,528)	(68,506)
Payment of tenant's security deposit payable	-	(5,308)
Net cash provided by (used in) operating activities	(97,383)	1,850,984
<b>Cash flows from investing activities</b>		
Purchases of capital expenditures, net of deferred lease incentives	(23,139)	(1,147,259)
Purchases of investments	(3,504,426)	(592,214)
Proceeds from sales of investments	470,325	304,292
Net cash (used in) investing activities	(3,057,240)	(1,435,181)
<b>Change in cash and cash equivalents</b>	<b>(3,154,623)</b>	<b>415,803</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>5,298,445</b>	<b>4,882,642</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$2,143,822</b>	<b>\$5,298,445</b>
<b>Consists of:</b>		
Operating	1,237,019	\$1,210,184
Restricted	179,277	179,277
Fiscal sponsorships	170,392	1,192,555
Fund for 2025	112,134	2,521,429
Board designated for operations and future rent	445,000	195,000
Total cash and cash equivalents	\$ 2,143,822	\$ 5,298,445

Statement of Functional Expenses  
Year Ended December 31, 2016

	Program Services				
	Member Services	Communications and Public Policy	Collaborative Programs	Fiscal Sponsorship	Total Program Services
<b>Personnel</b>					
Salaries	\$ 363,581	\$ 263,184	\$ 230,865	\$ 40,098	\$ 897,728
Payroll taxes and employee benefits	95,500	69,129	60,640	10,532	235,801
Total personnel	459,081	332,313	291,505	50,630	1,133,529
<b>Other</b>					
Re-grants	-	-	-	1,036,603	1,036,603
Rent, net of amortization	82,417	31,700	38,039	6,339	158,495
Utilities	7,705	2,963	3,556	593	14,817
Postage, mailing and messenger	1,082	446	499	1,478	3,505
Printing and copying	3,036	1,405	1,401	8,905	14,747
Dues and subscriptions	19,032	8,127	8,784	1,554	37,497
Equipment rental and repair	4,658	1,792	2,150	358	8,958
Office related	10,932	4,590	5,045	2,263	22,830
Accounting and legal	895	345	414	784	2,438
Auditing	5,226	2,010	2,412	402	10,050
Staff travel and professional development	12,306	9,678	5,680	53,271	80,935
Meeting facilities and related	11,268	14,631	5,201	18,550	49,650
Typeset and design	1,944	2,078	897	150	5,069
Consulting	58,709	139,393	25,296	891,613	1,115,011
Telecommunications	8,751	3,366	4,039	7,505	23,661
Insurance	4,025	1,549	1,858	310	7,742
Other	2,310	888	1,066	3,317	7,581
Depreciation and amortization	148,299	57,038	68,446	11,408	285,191
<b>Total</b>	<b>\$ 841,676</b>	<b>\$ 614,312</b>	<b>\$ 466,288</b>	<b>\$ 2,096,033</b>	<b>\$ 4,018,309</b>

Statement of Functional Expenses  
Year Ended December 31, 2016

	Supporting Services			2016 Total	2015 Total
	Management and General	Fundraising	Total Supporting Services		
<b>Personnel</b>					
Salaries	\$ 297,771	\$ 71,426	\$ 369,197	\$ 1,266,925	\$ 1,111,635
Payroll taxes and employee benefits	78,214	18,761	96,975	332,776	307,201
Total personnel	375,985	90,187	466,172	1,599,701	1,418,836
<b>Other</b>					
Re-grants	-	-	-	1,036,603	1,384,365
Rent, net of amortization	42,265	10,567	52,832	211,327	305,098
Utilities	3,951	988	4,939	19,756	20,280
Postage, mailing and messenger	555	140	695	4,200	6,261
Printing and copying	1,557	388	1,945	16,692	9,745
Dues and subscriptions	9,760	2,440	12,200	49,697	64,547
Equipment rental and repair	2,389	597	2,986	11,944	11,450
Office related	5,606	1,402	7,008	29,838	61,917
Accounting and legal	459	113	572	3,010	16,043
Auditing	2,680	670	3,350	13,400	13,049
Staff travel and professional development	6,312	1,578	7,890	88,825	73,559
Meeting facilities and related	5,778	1,446	7,224	56,874	83,574
Typeset and design	997	249	1,246	6,315	4,012
Consulting	28,106	7,026	35,132	1,150,143	906,101
Telecommunications	4,487	1,122	5,609	29,270	20,662
Insurance	2,064	515	2,579	10,321	8,494
Other	1,185	297	1,482	9,063	19,159
Depreciation and amortization	76,050	19,011	95,061	380,252	237,534
<b>Total</b>	<b>\$ 570,186</b>	<b>\$ 138,736</b>	<b>\$ 708,922</b>	<b>\$ 4,727,231</b>	<b>\$4,664,686</b>

**Statement of Functional Expenses  
Year Ended December 31, 2015**

	Program Services				
	Member Services	Communications and Public Policy	Collaborative Programs	Fiscal Sponsorship	Total Program Services
<b>Personnel</b>					
Salaries	\$ 606,440	\$ 92,419	\$ 4,119	\$ 52,738	\$ 755,716
Payroll taxes and employee benefits	164,444	29,899	-	14,191	208,534
<b>Total personnel</b>	<b>770,884</b>	<b>122,318</b>	<b>4,119</b>	<b>66,929</b>	<b>964,250</b>
<b>Other</b>					
Re-grants	-	-	-	1,384,365	1,384,365
Rent, net of amortization	138,088	44,117	14,034	-	196,239
Utilities	9,179	2,932	933	-	13,044
Postage, mailing and messenger	2,846	821	251	395	4,313
Printing and copying	8,781	255	81	-	9,117
Dues and subscriptions	28,621	9,144	2,909	1,310	41,984
Equipment rental and repair	4,834	1,544	492	-	6,870
Office related	22,257	10,497	2,262	10,124	45,140
Accounting and legal	(342)	3,517	992	4,186	8,353
Auditing	5,906	1,887	600	-	8,393
Staff travel and professional development	21,441	2,313	514	45,303	69,571
Meeting facilities and related	3,155	16,635	31,448	21,032	72,270
Typeset and design	3,015	261	83	11	3,370
Consulting	88,176	134,130	7,493	618,183	847,982
Telecommunications	7,812	2,666	794	3,228	14,500
Insurance	3,844	1,228	391	-	5,463
Other	8,703	5,473	310	2,270	16,756
Depreciation and amortization	106,890	35,630	11,877	-	154,397
<b>Total</b>	<b>\$ 1,234,090</b>	<b>\$ 395,368</b>	<b>\$ 79,583</b>	<b>\$ 2,157,336</b>	<b>\$ 3,866,377</b>



**Statement of Functional Expenses**  
**Year Ended December 31, 2015**

	Supporting Services			Total
	Management and General	Fundraising	Total Supporting Services	
<b>Personnel</b>				
Salaries	\$ 200,062	\$ 155,857	\$ 355,919	\$ 1,111,635
Payroll taxes and employee benefits	32,889	65,778	98,667	307,201
<b>Total personnel</b>	<b>232,951</b>	<b>221,635</b>	<b>454,586</b>	<b>1,418,836</b>
<b>Other</b>				
Re-grants	-	-	-	1,384,365
Rent, net of amortization	94,062	14,797	108,859	305,098
Utilities	6,252	984	7,236	20,280
Postage, mailing and messenger	1,683	265	1,948	6,261
Printing and copying	543	85	628	9,745
Dues and subscriptions	19,496	3,067	22,563	64,547
Equipment rental and repair	3,293	1,287	4,580	11,450
Office related	15,160	1,617	16,777	61,917
Accounting and legal	6,645	1,045	7,690	16,043
Auditing	4,023	633	4,656	13,049
Staff travel and professional development	3,446	542	3,988	73,559
Meeting facilities and related	9,766	1,538	11,304	83,574
Typeset and design	555	87	642	4,012
Consulting	50,219	7,900	58,119	906,101
Telecommunications	5,322	840	6,162	20,662
Insurance	2,619	412	3,031	8,494
Other	2,078	325	2,403	19,159
Depreciation and amortization	71,260	11,877	83,137	237,534
<b>Total</b>	<b>\$ 529,373</b>	<b>\$ 268,936</b>	<b>\$ 798,309</b>	<b>\$4,664,686</b>

## Note 1

### **Organization and significant accounting policies**

Philanthropy New York, Inc. (the "Organization") is a not-for-profit organization incorporated under the laws of the State of New York. The Internal Revenue Service has determined that the Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (the "Code") and furthermore has been ruled not to be a private foundation under Section 509(a)(1) of the Code.

From 1979 to May of 2009, the Organization's name was New York Regional Association of Grantmakers, Inc. ("NYRAG"). The Organization is a membership organization of foundations, corporate giving programs and other philanthropies in the metropolitan region and beyond. The Organization supports the practice of effective philanthropy for the public good through educational activities, publications and communications. The Organization actively facilitates collaboration and information sharing and is a key provider of philanthropic knowledge in the region.

During 2016, the Organization continued in its role of fiscal sponsor for four collaborative programs in which some of its members are involved. The programs during 2016 were Asset Funders, The New York Blacks in Philanthropy Network, The Veterans on Wall Street Project, and the Board Support for Master Card Professional Project. During 2016, these programs added \$994,108 to restricted and unrestricted grant revenue and \$2,016,271 in expenses on the Organization's Statement of Activities. These programs are temporary in nature and require the support of an organization with a 501(c)(3) designation to carry out their fiscal functions. Because these programs are temporary in nature, they could create significant variances in the Organization's financial statements going forward. The Veterans on Wall Street Project transitioned from the Organization's fiscal sponsorship to become a program of the Bob Woodruff Foundation. This resulted in the transfer of \$1,036,603 in funds.

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Cash equivalents consist of highly liquid investments with original maturities of 90 days or less and money market funds.

Investments are stated at fair value, which are based on publicly quoted market values with the resulting change in unrealized appreciation or depreciation included in investment return on the statement of activities.

Fair value measurements establish a hierarchy that prioritizes the inputs used to measure fair value into three broad levels. All of the Organization's investments are measured using Level 1 inputs, which are defined as quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

## Note 1

### **Organization and significant accounting policies** (continued)

Property and equipment are recorded at cost. The Organization capitalizes additions to property and equipment for items that have a useful life greater than one year and are in excess of a nominal amount.

Depreciation of furniture and equipment is being provided for by the straight-line method over the estimated useful lives of the related assets. Leasehold improvements are amortized over the lesser of the life of the lease or estimated useful life.

The Organization's financial instruments that are potentially exposed to concentrations of credit risk consist primarily of cash, cash equivalents, investments and receivables. The Organization places its cash and cash equivalents with what it believes to be quality financial institutions. At times, balances may exceed federally insured limits. The Organization has not experienced any losses in such accounts. The Organization invests in mutual funds, certificates of deposit and bonds. The Organization's investments are exposed to various risks such as market volatility, liquidity, interest rate and credit. Due to the level of uncertainty related to changes in these risks, it is reasonably possible that these risks could materially affect the fair value of the investments reported on the statement of financial position as of December 31, 2016. The Organization's management monitors the collectibility of the receivables. The Organization believes no significant concentration of credit risk exists with respect to its cash, cash equivalents, investments and receivables.

Membership support is recognized when an organization commits to join or continue the Organization membership, generally indicated by its dues payment. Membership dues are recognized as revenue over the applicable membership period. Membership dues receivable are reported at their outstanding unpaid balances. The Organization estimates that, based upon historical bad debts, no allowance for doubtful amounts is needed.

Advertising and promotional costs are charged to operations when incurred.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates by management. Actual results could differ from these estimates.

The Organization has evaluated events and transactions for potential recognition or disclosure through March 2, 2017, which is the date the financial statements were available to be issued.

## Note 2

### Membership

As of December 31, 2016 and 2015, the Organization has 281 members.

During 2014, the Organization received a dues commitment from one of its members totaling \$200,000. The remaining commitment at December 31, 2016 is \$80,000.

## Note 3

### Investments at Fair Value

The Organization's investments, which are valued based on public market quotations, consist of the following as of December 31, 2016 and 2015:

	Fair Value	
	2016	2015
Equity and income mutual fund	\$1,662,681	\$1,497,858
Money market fund	584,342	584,274
Certificate of deposit - 60 months	54,689	54,389
Sub-total	2,301,712	2,136,521
Bond portfolio - Fund for 2025	2,921,781	-
<b>Total</b>	<b>\$5,223,493</b>	<b>\$2,136,521</b>

During 2016, the Board voted to create a ladder bond portfolio of investments for the restricted Fund for 2025 funds that will be released over the next nine years. After a competitive process, the Board retained an investment manager for that portfolio.

## Note 4

**Property and Equipment, Net**

Property and equipment, net, at cost, consist of the following as of December 31, 2016 and 2015:

	2016	2015	Depreciation/ Amortization Period
Furniture and fixtures	\$1,046,637	\$1,034,956	3-10 years
Office equipment and computers	52,590	52,590	10 years
Leasehold improvements	1,761,451	1,754,045	5-10 years
	2,860,678	2,841,591	
Less accumulated depreciation and amortization	(647,432)	(271,232)	
	<b>\$2,213,246</b>	<b>\$2,570,359</b>	

During 2015, fully depreciated assets totaling \$996,003 were removed from the Organization's books.

## Note 5

**Board Designated****Board-designated reserve**

In April 2009, the Board of Directors adopted a policy directing the Organization to maintain a reserve of unrestricted net assets that will provide cash flow security in the event of a temporary shortfall; accommodate unusual or unforeseen emergency cash requirements or temporarily seed projects in anticipation of grant or special supporting funds. This amount is equivalent to 6 months of operating expenses.

In the event that the Organization needs to use reserve funds, management will alert the Finance and Executive Committees prior to withdrawing funds from the reserve; inform these Committees of the basis of the need and proposed timeframe to replenish the reserve and request the approval of the Executive Committee for the amount and use of the reserve funds.

As of December 31, 2016 and December 31, 2015 the reserve is \$1,308,077 and \$1,254,244, respectively.

As of December 31, 2015, the board designated \$145,000 to be reserved for future rent payments, of which \$100,000 is funded through management fees and \$45,000 is funded through grants. During December 2016, the Board approved to increase the reserve to \$395,000 which was funded through membership dues and grants of \$250,000.

**Board-designated for operations**

The Board of Directors approved the use of \$50,000 from the net operating income from 2015 for use in the Organization's operations in 2017.

## Note 6

**Temporarily Restricted Net Assets**

The transactions in the temporarily restricted net assets during the year ended December 31, 2016 were as follows:

	Balance at December 31, 2015	Additions	Net Assets Released from Restrictions	Balance at December 31, 2016
Membership support	839,300	805,465	(760,800)	883,965
Educational Reform Review	15,857	-	-	15,857
Human Services Council Summit	30,650	-	-	30,650
Public Policy	113	-	(113)	-
Financial Series 2017	-	10,000	-	10,000
General Operating Support 2017 Grant	-	40,000	-	40,000
Educational Working Group	84,906	-	(49,959)	34,947
Fund for 2025	4,333,232	100,000	(464,002)	3,969,230
Total	5,304,058	955,465	(1,274,874)	4,984,649
Fiscal Sponsor Projects				
Asset Founders Network	303,388	817,408	(951,873)	168,923
New York Blacks in Philanthropy	1,469	-	-	1,469
Veterans on Wall Street	862,698	176,700	(1,039,398)	-
Board Support for Master Card Professional Project	25,000	-	(25,000)	-
Total Fiscal Sponsor Projects	1,192,555	994,108	(2,016,271)	170,392
Total	\$ 6,496,613	\$ 1,949,573	\$ (3,291,145)	\$ 5,155,041

## Note 7

### Retirement Plan

The Organization maintains a qualified defined contribution 403(b) retirement plan providing annuity retirement coverage for all eligible employees. Employer contributions totaled up to 13% of each participant's annual compensation for employees who have been with the Organization for more than one year. Employer contributions during the years ended December 31, 2016 and December 31, 2015 amounted to \$121,586 and \$114,874, respectively.

## Note 8

### Commitments

During September 2014, the Organization entered into a ten-year five-month lease agreement for new office space. The lease commencement date was June 22, 2015 and the Organization received rent abatement equal to 5 months of base rent. The Organization was required to provide a letter of credit for the security deposit equal to 6 months' rent or \$179,277, which is included in the Statement of Financial Position as restricted cash. The lease provides for additional payments for real estate taxes and operating expenses. In connection with the new lease agreement, the landlord incurred build-out costs on behalf of the Organization totaling \$1,587,695 which is included in the deferred lease account and is being amortized over the life of the lease.

Minimum future obligations under the lease, exclusive of required payments of real estate taxes and operating expenses are included below:

<b>Year Ending</b>	
<b>December 31</b>	<b>Rent</b>
2017	\$ 367,765
2018	376,959
2019	386,383
2020	396,961
2021	440,115
2022	451,117
2023	462,395
2024	473,955
2025	432,646

# Board of Directors

## Officers



**Philip Li**  
*Chair*  
President & CEO,  
Robert Sterling  
Clark Foundation



**Jay Beckner**  
*Vice Chair*  
President, Mertz  
Gilmore Foundation



**Jane B. O'Connell**  
*Vice Chair*  
President, Altman  
Foundation



**Geraldine F. Watson**  
*Treasurer*  
Vice President for  
Finance & Operations,  
Rockefeller Brothers  
Fund



**Kyung Yoon**  
*Secretary*  
Executive Director,  
Korean American  
Community  
Foundation

## Members



**Charles Buice**  
President, Tiger  
Foundation



**Eric Eckholdt**  
Executive  
Director, Credit  
Suisse Americas  
Foundation



**Pamela Foster**  
Managing Director,  
Program Operations,  
and Associate  
General Counsel,  
The Rockefeller  
Foundation



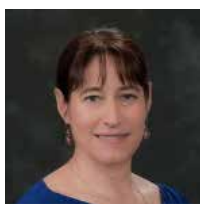
**Stephen Foster**  
President and CEO,  
The Overbrook  
Foundation



**Yancy Rubén  
Garrido**  
Senior Program  
Officer, The Clark  
Foundation



**Jeanne Haws**  
Chief Operating  
Officer, Wellspring  
Advisors, LLC



**Paula Luff**  
Director of  
Sustainability  
and Impact,  
Inherent Group



**Kavitha Mediratta**  
Chief Strategy  
Officer, The Atlantic  
Philanthropies



**Ken Monteiro**  
General Counsel  
and Vice President,  
Ford Foundation



**Yvonne Moore**  
Philanthropic  
Advisor, Moore  
Philanthropy



**Ana Oliveira**  
President & CEO,  
The New York  
Women's Foundation



**Susan Olivo**  
Executive Director,  
Reader's Digest  
Partners for Sight  
Foundation



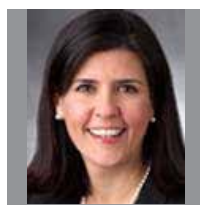
**Mike Pratt**  
President &  
Executive Director,  
The Scherman  
Foundation



**Cynthia Rivera  
Weissblum**  
President and  
CEO, Edwin Gould  
Foundation



**Liz Sak**  
Executive Director,  
The Cricket Island  
Foundation



**Joan Steinberg**  
Managing Director,  
Morgan Stanley  
Community Affairs  
& Morgan Stanley  
Foundation



**Patricia Swann**  
Senior Program  
Officer, The New  
York Community  
Trust



# Staff

## Executive Office



**Ronna Brown**  
President



**Kathryn O'Neal-Dunham**  
Chief Operating Officer



**Leah Gervais**  
Executive Coordinator

## Administration & Finance



**Hajrina Shehu**  
Director,  
Administration and Finance



**Ramona Gadsden**  
Administrative Associate



**Daisy Martinez**  
Office Manager



**Angel Melendez**  
Guest Relations Associate

## Learning Services



**Yi-Ching Lin**  
Director,  
Learning Services

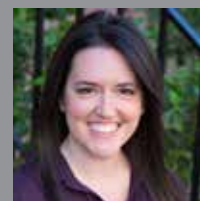


**Jordan Joseph**  
Manager,  
Learning Services



**Bintou Sankareh**  
Associate,  
Learning Services

## Member Services



**Kristen M. Ruff**  
Vice President,  
Member Services

## Public Policy & Communications



**Allyson Goldhagen**  
Assistant Director,  
Member Services



**Michael Hamill Remaley**  
Senior Vice President,  
Public Policy & Communications



**Stephanie Chrispin**  
Public Policy Fellow



**Shiza Pasha**  
Public Policy Fellow



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