

**Philanthropy New York, Inc.**

Financial Statements

December 31, 2024

## **Independent Auditors' Report**

**Board of Directors**  
**Philanthropy New York, Inc.**

### ***Opinion***

We have audited the accompanying financial statements of Philanthropy New York, Inc. ("PNY"), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Philanthropy New York, Inc. as of December 31, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Philanthropy New York, 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.

### ***Emphasis of Matter***

As discussed in Note 13 to the financial statements, PNY has restated its 2023 financial statements to correct net assets as of December 31, 2023.

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

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Philanthropy New York, 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 Philanthropy New York, 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 Philanthropy New York, 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*

March 25, 2025

**Philanthropy New York, Inc.**

Statement of Financial Position  
December 31, 2024

**ASSETS**

Cash and cash equivalents	\$ 4,331,089
Restricted cash	179,277
Investments, at fair value	5,034,366
Grants and contribution receivable	1,465,000
Accounts receivable	11,187
Prepaid expenses	53,693
Property and equipment, at cost, net	49,679
ROU assets - operating leases, net	<u>2,042,592</u>
	<u>\$ 13,166,883</u>

**LIABILITIES AND NET ASSETS**

Liabilities

Accounts payable and accrued expenses	\$ 166,426
Unearned dues and management fees	266,431
Operating lease payable	<u>2,368,072</u>
Total Liabilities	<u>2,800,929</u>

Net Assets

Without Donor Restrictions

Operating	1,700,841
Board designated	<u>3,034,052</u>
Total Without Donor Restrictions	4,734,893

With donor restrictions

Total Net Assets	<u>10,365,954</u>
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\$ 13,166,883

See notes to financial statements

**Philanthropy New York, Inc.**

Statement of Activities  
Year Ended December 31, 2024

	Without Donor Restrictions			With Donor Restrictions	Total
	Operating	Board Designated	Total		
<b>SUPPORT AND REVENUE</b>					
Grants and contributions	\$ 69,650	\$ -	\$ 69,650	\$ 4,687,656	\$ 4,757,306
Membership dues and support	1,276,925	320,000	1,596,925	1,177,435	2,774,360
Program fees	85,870	-	85,870	-	85,870
Investment return	572,302	-	572,302	-	572,302
Management fees	212,049	-	212,049	-	212,049
Rental income	394,172	-	394,172	-	394,172
Other	10,250	-	10,250	-	10,250
Net assets released from restrictions and designations	4,313,621	(150,000)	4,163,621	(4,163,621)	-
Total Support and Revenue	6,934,839	170,000	7,104,839	1,701,470	8,806,309
<b>EXPENSES</b>					
Program Services					
Member engagement and communications	1,288,429	-	1,288,429	-	1,288,429
Learning and programs	905,986	-	905,986	-	905,986
Public policy	521,101	-	521,101	-	521,101
Network building	603,458	-	603,458	-	603,458
Fiscal sponsorship	2,704,052	-	2,704,052	-	2,704,052
Total Program Services	6,023,026	-	6,023,026	-	6,023,026
Supporting Services					
Management and general	861,342	-	861,342	-	861,342
Fundraising	71,682	-	71,682	-	71,682
Total Supporting Services	933,024	-	933,024	-	933,024
Total Expenses	6,956,050	-	6,956,050	-	6,956,050
Change in Net Assets	(21,211)	170,000	148,789	1,701,470	1,850,259
<b>NET ASSETS</b>					
Beginning of year, as restated (Note 13)	1,722,052	2,864,052	4,586,104	3,929,591	8,515,695
End of year	\$ 1,700,841	\$ 3,034,052	\$ 4,734,893	\$ 5,631,061	\$ 10,365,954

See notes to financial statements

**Philanthropy New York, Inc.**

**Statement of Functional Expenses  
Year Ended December 31, 2024**

	Program Services						Supporting Services			
	Member Engagement and Communications	Learning and Programs	Public Policy	Network Building	Fiscal Sponsorship	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total Expenses
Payroll, taxes and employee benefits	\$ 723,442	\$ 508,700	\$ 292,624	\$ 338,848	\$ -	\$ 1,863,614	\$ 468,778	\$ 40,183	\$ 508,961	\$ 2,372,575
Grants	-	-	-	-	500,000	500,000	-	-	-	500,000
Rent	262,802	184,797	106,276	123,083	-	676,958	170,317	14,653	184,970	861,928
Real estate taxes	20,098	14,132	8,127	9,413	-	51,770	13,025	1,121	14,146	65,916
Postage, printing and copying	26	18	10	12	4,995	5,061	19	-	19	5,080
Dues and subscriptions	14,167	9,962	5,729	6,635	-	36,493	9,182	790	9,972	46,465
Equipment rental and repair	3,207	2,255	1,297	1,502	-	8,261	2,078	179	2,257	10,518
Office related	4,484	3,153	1,813	2,100	-	11,550	13,306	249	13,555	25,105
Accounting and legal	1,230	865	498	576	-	3,169	798	68	866	4,035
Auditing	-	-	-	-	-	-	16,000	-	16,000	16,000
Staff travel and professional development	12,774	8,982	5,166	5,983	158,663	191,568	8,278	712	8,990	200,558
Meeting facilities and related	8,516	5,988	3,444	3,988	193,362	215,298	5,519	475	5,994	221,292
Consulting	194,765	136,955	78,762	91,218	1,496,424	1,998,124	126,226	10,859	137,085	2,135,209
Management fee	-	-	-	-	329,437	329,437	-	-	-	329,437
Telecommunications	5,804	4,081	2,347	2,718	9,268	24,218	3,763	324	4,087	28,305
Insurance	4,180	2,939	1,690	1,958	2,655	13,422	2,708	233	2,941	16,363
Other	4,858	3,416	1,964	2,275	2,866	15,379	3,149	271	3,420	18,799
Website and database	-	-	-	-	6,382	6,382	-	-	-	6,382
Depreciation and amortization	28,076	19,743	11,354	13,149	-	72,322	18,196	1,565	19,761	92,083
<b>Total</b>	<b>\$ 1,288,429</b>	<b>\$ 905,986</b>	<b>\$ 521,101</b>	<b>\$ 603,458</b>	<b>\$ 2,704,052</b>	<b>\$ 6,023,026</b>	<b>\$ 861,342</b>	<b>\$ 71,682</b>	<b>\$ 933,024</b>	<b>\$ 6,956,050</b>

See notes to financial statements

**Philanthropy New York, Inc.**

Statement of Cash Flows  
Year Ended December 31, 2024

**CASH FLOWS FROM OPERATING ACTIVITIES**

Change in net assets	\$ 1,850,259
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation and amortization	92,083
Amortization of ROU Assets - operating leases	822,219
Realized and unrealized gain on investments	(331,068)
Changes in operating assets and liabilities	
Grants and contributions receivable	(1,065,000)
Accounts receivable	(11,187)
Prepaid expenses	(11,543)
Accounts payable and accrued expenses	3,220
Unearned dues and management fees	135,562
Operating lease payable	<u>(732,132)</u>
Net Cash from Operating Activities	<u>752,413</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Purchases of investments	(915,399)
Proceeds from sale of investments	<u>1,235,360</u>
Net Cash from Investing Activities	<u>319,961</u>
Net Change in Cash and Cash Equivalents	1,072,374

**CASH AND CASH EQUIVALENTS**

Beginning of year	<u>3,437,992</u>
End of year	<u>\$ 4,510,366</u>

**CASH AND CASH EQUIVALENTS COMPRISED OF**

Cash and cash equivalents	\$ 4,331,089
Restricted cash	<u>179,277</u>
Total	<u>\$ 4,510,366</u>

See notes to financial statements

## **Philanthropy New York, Inc.**

### **Notes to Financial Statements**

December 31, 2024

#### **1. Organization**

Philanthropy New York, Inc. ("PNY") is a not-for-profit organization incorporated under the laws of the State of New York. The Internal Revenue Service has determined that PNY 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 operating foundation under Section 509(a)(1) of the Code.

From 1979 to May of 2009, PNY's name was New York Regional Association of Grantmakers, Inc. ("NYRAG"). PNY is a membership organization of foundations, corporate giving programs and other philanthropies in the metropolitan region and beyond. PNY supports the practice of effective philanthropy for the public good through educational activities, publications and communications. PNY actively facilitates collaboration and information sharing is a key provider of philanthropic knowledge in the region. As of December 31, 2024, PNY had 262 members.

During 2024, PNY continued in its role as fiscal sponsor for six active collaborative programs in which some of its members are involved. The programs during 2024 were New York Blacks in Philanthropy Network, Health and Wellness Justice Initiative, NYC Small Business Funders, Cultural Community Initiative, Scholar Retreat and Meeting on Mentoring and Career Development, Capacity Building Project and the Education Philanthropic Ecosystem Initiative. These programs added \$4,652,656 to with and without donor restricted grant revenue and \$2,704,052 in expenses on PNY'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 PNY's financial statements going forward.

#### ***Member Engagement and Communications***

PNY serves as a connector, consultant and problem solver for its members. PNY's staff connect members to their peers and to research, resources, and reports to answer a myriad of challenging questions ranging from the deeply technical aspects of philanthropy, such as grants management to the governance and engagement of board members and trustees. PNY provides a variety of cohort experiences designed to build leadership at every stage of members' careers - from early to seasoned professionals. The organization utilizes its communications to amplify learning from programs, lift the voices of members on critical issues, and share knowledge across the sector. PNY communications support policy and advocacy efforts that amplify the voice of the field and advocate for a stronger philanthropic and nonprofit ecosystem.

#### ***Learning and Programs***

PNY's learning programs convene and connect funders, seed critical conversations, and build members' capacities in their roles and in their work in the field. The organization designs robust learning opportunities that equip members to understand and adapt to shifting norms and emerging trends in the field. Programs help members cultivate key skills and implement practice models that fit their unique needs. Topics range from the professional and leadership development of grantmakers, to public policy and advocacy, to specific funding issues such as the arts, health, education, justice reform and the environment. PNY prioritizes programming that helps funders address root causes of inequity through their philanthropic practices and learning that helps members operationalize equity commitments internally.



## **Philanthropy New York, Inc.**

### **Notes to Financial Statements**

December 31, 2024

#### **1. Organization (*continued*)**

##### ***Public Policy Engagement***

PNY engages in public policy efforts that promote effective philanthropy and build stronger communities. The organization fosters relationships between members and local and federal officials to exchange knowledge and shape local, state and federal legislation; provides analysis, insights, and calls to action via communications such as the Public Policy Corner; and issues public policy statements supporting nonprofits and systemic change. PNY advocates for or against legislation affecting nonprofits and foundations, including presenting testimony, visiting elected officials and submitting amicus briefs.

##### ***Network Building***

PNY facilitates funder collaboration by managing peer-to-peer professional networks and issue-based working groups. These networks are designed to help members learn what's happening at their colleagues' foundations, exchange lessons learned and strategies for strengthening practice, navigate the sector and form lasting connections that improve their own work and that of the larger sector. Peer professional networks are a place where participants can share advice and offer support on topics and issues that cover the full scope of their professional work. Peer networks also help members stay connected to each other and abreast of current issues that relate to their work. Issue-based working groups provide valuable professional connections, enable members to pool resources, develop collaborative funding initiatives and draw on collective expertise to strategize around complex problems.

##### ***Fiscal Sponsorship***

Fiscal sponsorship is a service PNY offers to strengthen the capacity of grant-making organizations to fulfill their respective missions to serve the public good. Charitable groups, projects, and donor collaborations are offered a tax-exempt home so they can focus on their mission and efficiently manage back-office operations. PNY provides administrative services such as accounting, human resources, and grants management, thereby enabling the sponsored project to focus on mission-related activities such as programming and fundraising.

#### **2. Summary of Significant Accounting Policies**

##### ***Basis of Presentation and Use of Estimates***

The accompanying financial statements have been prepared in accordance 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 revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

##### ***Cash and Cash Equivalents***

PNY considers all highly liquid investments, which can be converted into known amounts of cash and have a maturity period of 90 days or less at the time of purchase, to be cash equivalents. Restricted cash consists of a security deposit as required under the lease for office facilities.

## **Philanthropy New York, Inc.**

Notes to Financial Statements  
December 31, 2024

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

#### ***Fair Value of Financial Instruments***

PNY 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.

#### ***Investments Valuation and Income Recognition***

Investments are carried at their fair value. Interest and dividend income is recorded when earned. Realized and unrealized gains and losses are included in the change in net assets.

#### ***Property and Equipment***

Property and equipment are carried at cost if purchased, or if acquired by a gift, at their fair value at the date of the gift. PNY capitalizes additions to property and equipment for items that have a useful life greater than one year and are in excess of \$2,500. Office furniture and equipment are depreciated using the straight-line basis over the following estimated useful lives:

Leasehold improvements	Remaining life of lease
Furniture and fixtures	5 Years

#### ***Leases***

PNY leases its facilities and determines if an arrangement is a lease at inception. Operating leases are included in right-of-use ("ROU") operating lease assets and operating lease payables on the accompanying statement of financial position.

ROU assets represent the right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising for the leases. ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The lease does not provide an implicit borrowing rate. PNY uses a risk-free rate based on the information available at the commencement date in determining the present value of lease payments. The operating lease ROU assets include any lease payments made and exclude lease incentives. Lease terms may include options to extend the lease and when it is reasonably certain that PNY will exercise that option, such amounts are included in ROU assets and lease liabilities. Lease expense for lease payments is recognized on a straight-line basis over the lease term. PNY's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

## Philanthropy New York, Inc.

Notes to Financial Statements  
December 31, 2024

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

#### ***Net Asset Presentation***

Net assets are categorized as without donor restrictions and with donor restrictions.

*Net Assets Without Donor Restrictions* - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing Board has designated, from net assets without donor restrictions, net assets for an operating reserve.

*Net Assets With Donor Restrictions* - Funds that PNY may use in accordance with donor's restrictions for specific purposes or upon the passage of time or require PNY to maintain them in perpetuity.

#### ***Grants and Contributions Receivable***

Grants and contributions receivable are stated at the amount PNY expects to collect from outstanding balances. Management provides for possible uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that remain outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a reduction in grants and contributions receivable. As of December 31, 2024, no allowance for doubtful accounts has been deemed necessary.

#### ***Contributions and Unconditional Promises to Give***

Contributions and unconditional promises are recognized when the donor makes a promise to give that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets with donor restrictions. When donor restrictions expire (i.e. when a purpose or time restriction is fulfilled), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

#### ***Membership Dues***

Membership support is recognized when an organization commits to join or continues their PNY membership, generally indicated by its dues payment. Membership dues are recognized as revenue over the applicable membership period which is on a semi-annual basis. Membership dues receivable, if any, are reported at their outstanding unpaid balances.

Membership dues contract balances were as follows:

	<u>1/1/2024</u>	<u>12/31/2024</u>
Membership dues contract assets	\$ -	\$ -
Membership dues contract liabilities	88,336	106,510

## Philanthropy New York, Inc.

Notes to Financial Statements  
December 31, 2024

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

#### ***Program Fees***

Program fees are recognized when PNY satisfies a performance obligation by performing a service for a customer. The amount of revenue recognized reflects the consideration PNY expects to receive in exchange for satisfying distinct performance obligations.

#### ***Management Fees***

PNY acts a fiscal sponsor for various organizations and assesses an administrative fee of 9% on all fiscal sponsorship revenue received. This fee represents compensation for the administrative services provided to sponsored organizations. PNY recognizes 50% of the administrative fee when the revenue is received and defers the remaining 50% until the funds are completely distributed to the sponsored organization.

Management fees contract balances were as follows:

	<u>1/1/2024</u>	<u>12/31/2024</u>
Management fees contract assets	\$ -	\$ -
Management fees contract liabilities	42,533	159,921

#### ***Accounts Receivable and Allowance for Credit Losses***

Accounts receivable are recorded at amortized cost less an allowance for credit losses that are not expected to be recovered. An allowance for credit losses is established for amounts where there exists doubt as to whether an amount will be fully collected. The determination of this allowance is an estimate based on PNY's historical experience, review of account balances and expectations relative to collections. Management has determined no allowance was necessary at December 31, 2024.

#### ***Functional Allocation of Expenses***

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Where feasible, PNY allocates its expenses directly to specific programs or functions. Additionally, PNY utilizes an indirect cost allocation methodology to allocate its expenses. The expenses that are allocated include salaries, benefits, and payroll taxes, which are allocated on the basis of monthly percentages of the total administrative allowable costs against the total program expenses. These monthly percentages are based on estimates of time and effort. Additionally, other expenses such as staff travel, consulting and rent are allocated across specific programs or functions based on an estimated percentage of time and effort spent by staff on the natural type of expense.

## Philanthropy New York, Inc.

Notes to Financial Statements  
December 31, 2024

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

#### ***Accounting for Uncertainty in Income Taxes***

PNY recognizes the effect of income tax positions only when they are more likely than not to be sustained. Management has determined that PNY had no uncertain tax positions that would require financial statement recognition or disclosure. PNY is no longer subject to examinations by the applicable taxing jurisdictions for the periods prior to 2021.

#### ***Subsequent Events Evaluation by Management***

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 March 25, 2025.

### 3. Concentrations of Credit Risk

Financial instruments that potentially subject PNY to concentrations of credit and market risk consist principally of cash and cash equivalents and investments held at financial institutions. 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 balances may exceed the FDIC and the SIPC limit.

At December 31, 2024, two funding sources accounted for approximately 83% of grants and contributions receivable. In addition, during the year ended December 31, 2024, two funding sources accounted for approximately 56% of grants and contributions revenue.

### 4. Grants and Contributions Receivable

Grants and contributions receivable are due within one to two years. Management expects all receivables to be collected, accordingly, no allowance has been provided for. Grants and contributions receivable as of December 31, 2024 are summarized as follows:

2025	\$	900,000
2026		<u>565,000</u>
	\$	<u><u>1,465,000</u></u>

## Philanthropy New York, Inc.

### Notes to Financial Statements December 31, 2024

#### 5. Fair Value Measurements

The following are major categories of investments at fair value on a recurring basis at December 31, 2024:

Equity mutual funds (Level 1)	\$ 4,107,700
Corporate bonds (Level 2)	<u>926,666</u>
Total	<u>\$ 5,034,366</u>

Investment return is composed of the following for the year ended December 31, 2024:

Interest and dividends	\$ 245,877
Realized and unrealized gain on investments	331,068
Investment fees	<u>(4,643)</u>
Total	<u>\$ 572,302</u>

#### 6. Property and Equipment

Property and equipment consist of the following at December 31, 2024:

Furniture and fixtures	\$ 717,444
Leasehold improvements	<u>182,502</u>
Total Property and Equipment	899,946
Less: accumulated depreciation and amortization	<u>(850,267)</u>
Property and Equipment, net	<u>\$ 49,679</u>

During the year ended December 31, 2024, PNY wrote off \$166,389 of fully depreciated furniture and fixtures.

## Philanthropy New York, Inc.

### Notes to Financial Statements December 31, 2024

#### 7. Net Assets With Donor Restrictions

PNY has been designated as a fiscal sponsor for various other programs, and has variance power over the funds.

The transactions in the net assets with donor restrictions during the year ended December 31, 2024 were as follows:

	Balance at December 31, 2023	Additions	Net Assets Released from Restrictions	Balance at December 31, 2024
Membership Support	\$ 1,113,180	\$ 1,177,435	\$(1,113,180)	\$ 1,177,435
Board Chair Recognition Gift	16,000	-	-	16,000
Website Redesign	75,000	-	(75,000)	-
City Hall Engagement	61,953	25,000	(86,953)	-
Leading with Race Equity	25,000	-	(25,000)	-
Young Leaders Breakfast Blub	-	10,000	(5,000)	5,000
Fund for 2025	1,205,857	-	(154,436)	1,051,421
Total	<u>2,496,990</u>	<u>1,212,435</u>	<u>(1,459,569)</u>	<u>2,249,856</u>
Fiscal Sponsor Projects				
New York Blacks in Philanthropy Network	915	-	-	915
Health and Wellness Justice Initiative	3,600	38,150	(38,434)	3,316
NYC Small Business Funders	1,215,435	970,000	(719,875)	1,465,560
Cultural Community Initiative	594	69,500	(70,094)	-
Scholar Retreat and Meeting on Mentoring and Career Development	212,057	410,006	(266,959)	355,104
Capacity Building Project	-	1,915,000	(686,076)	1,228,924
Education Philanthropic Ecosystem Initiative	-	1,250,000	(922,614)	327,386
Total Fiscal Sponsor Projects	<u>1,432,601</u>	<u>4,652,656</u>	<u>(2,704,052)</u>	<u>3,381,205</u>
	<u>\$ 3,929,591</u>	<u>\$ 5,865,091</u>	<u>\$(4,163,621)</u>	<u>\$ 5,631,061</u>

Net assets with donor restrictions were released by incurring expenses satisfying the restricted purpose specified by the donor or as a result of the expiration of donor-imposed time restrictions.

#### 8. Liquidity and Availability of Financial Assets

PNY's financial assets and resources available to meet cash needs for general expenditures within one year of the date of the statement of financial position was as follows as of December 31, 2024:

Financial Assets	
Cash and cash equivalents	\$ 4,331,089
Investments, at fair value	5,034,366
Grants and contribution receivable	1,465,000
Accounts receivable	11,187
Total financial assets	<u>10,841,642</u>
Less: donor restrictions related to time or purpose	(5,631,061)
Board-designated reserve, operations and rent	<u>(3,034,052)</u>
Total Financial Assets Available to Meet General Expenditures Over the Next Twelve Months	<u>\$ 2,176,529</u>

## Philanthropy New York, Inc.

### Notes to Financial Statements

December 31, 2024

#### 8. Liquidity and Availability of Financial Assets *(continued)*

PNY strives to maintain liquid financial assets sufficient to cover 90 days of general expenditures. Management periodically reviews PNY's liquid asset needs and adjusts the cash and cash equivalents balances as necessary. Amounts in excess of operation liquidity needs are invested in various short-term and highly liquid securities.

Additionally, PNY considers net assets with donor restrictions for use in current programs that are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. The governing Board's designated operating reserves are also available for general expenditures.

#### 9. Board Designated Operating Reserve

The Board of Directors adopted a policy directing PNY to maintain a reserve of net assets without donor restrictions 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 approximately six months of operating expenses.

In the event that PNY 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.

In addition to the reserve, PNY may elect to designate a portion of the prior year's surplus towards the operations budget in the following year upon Board approval.

The transactions in the board designated during the year ended December 31, 2024 were as follows:

	Balance at December 31, 2023	Additions	Releases	Balance at December 31, 2024
Board Designated Reserve	\$ 1,876,052	\$ -	\$ -	\$ 1,876,052
Board Designated Operations	150,000	320,000	(150,000)	320,000
Board Designated Future Rent	838,000	-	-	838,000
	<u>\$ 2,864,052</u>	<u>\$ 320,000</u>	<u>\$ (150,000)</u>	<u>\$ 3,034,052</u>

#### 10. Retirement Plan

PNY maintains a qualified defined contribution 403(b) retirement plan providing annuity retirement coverage for all eligible employees. Employer contributions total up to 13% of each participant's annual compensation for employees who have been with PNY for more than one year. Employer contributions during the year ended December 31, 2024 amounted to \$237,622.

#### 11. Rental Income

On June 4, 2019, PNY entered into a sublease agreement for the premises at 1500 Broadway for the period July 19, 2019 to October 31, 2025. The agreement was undertaken by PNY to reduce or eliminate the organization's liability under the 1500 Broadway lease and cap the real estate tax burden at its current level. Expected minimum lease amounts to be received through the end of the sublease is \$308,478.



## Philanthropy New York, Inc.

### Notes to Financial Statements December 31, 2024

#### 12. Lease Commitments

##### *1500 Broadway*

During September 2014, PNY entered into a ten-year five month lease agreement for office space at 1500 Broadway, which commenced on June 22, 2015. PNY was required to provide a letter of credit as security equal to six months rent 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.

##### *320 East 43<sup>rd</sup> Street*

During August 2018, PNY entered into a ten-year lease agreement with The Ford Foundation for office space at 320 East 43<sup>rd</sup> Street. The lease commencement date was January 11, 2019. During 2021, PNY amended the lease whereby PNY was granted an abatement of the fixed rent commencing on January 1, 2021 and ending on December 31, 2021. During the term of the amendment, PNY was not obligated to pay any fixed rent. PNY remained obligated to continue payment of all additional rent and any other charges payable by PNY under the lease.

The Ford Foundation agreed to reduce or eliminate PNY's current liability under the 1500 Broadway lease by adjusting the rent obligation to the 320 East 43<sup>rd</sup> Street lease.

At December 31, 2024, future minimum annual rental payments are as follows:

2025	\$	728,393
2026		515,159
2027		525,462
2028		535,971
2029		134,653
Total		2,439,638
Less: present value discount		(71,566)
Operating lease payable	\$	<u>2,368,072</u>

At December 31, 2024, PNY has an operating lease liability of \$2,368,072. The average interest rate used in the calculating the lease liability was approximately 1.49%. The weighted-average remaining lease term in years for the operating leases as of December 31, 2024 was 3.64. For the year ended December 31, 2024, supplemental cash flow information for cash paid for amounts included in the measurement of the lease liability from the operating lease included in operating cash flows amounted to \$771,840. Rent expense for the year ended December 31, 2024 totaled \$861,928.

Right of use - operating lease asset	\$	2,864,811
Less accumulated amortization		(822,219)
	\$	<u>2,042,592</u>

## Philanthropy New York, Inc.

### Notes to Financial Statements December 31, 2024

#### 13. Prior Period Adjustment

In 2024, PNY restated its 2023 financial statements in order to properly reflect certain revenues related to fiscal sponsorships that were not properly recognized in the correct fiscal year. In addition, PNY determined that lease asset and lease liability were incorrectly recorded which also resulted in a misstatement of beginning right of use asset and lease liability balances. The adjustments from these restatements were:

	Previously Reported	Prior Period Adjustment	Restated Amount
<u>2023 Statement of Financial Position</u>			
Net Assets - Without Donor Restrictions - Operating	\$ 1,668,789	\$ 53,263	\$ 1,722,052
Net Assets - With Donor Restrictions	3,529,591	400,000	3,929,591

\* \* \* \* \*