

**The Architectural League of New York**

Financial Statements

June 30, 2018

**Board of Directors**  
**The Architectural League of New York**

We have audited the accompanying financial statements of The Architectural League of New York (the "League"), which comprise the statement of financial position as of June 30, 2018, and the related statements of activities, functional expenses and cash flows for the year 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.

***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 of 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 auditors' 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 the League as of June 30, 2018, 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.

***Report on Summarized Comparative Information***

We have previously audited the League's 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 7, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2017 is consistent, in all material respects, with the audited financial statements from which it has been derived.

*PKF O'Connor Davies, LLP*

April 10, 2019

## The Architectural League of New York

Statement of Financial Position  
June 30, 2018  
(with comparative amounts at June 30, 2017)

|   | <u>2018</u>         | <u>2017</u>         |
|---|---------------------|---------------------|
| <b>ASSETS</b>                                       |                     |                     |
| Cash and cash equivalents                           | \$ 296,005          | \$ 964,829          |
| Grants receivable                                   | 146,405             | 103,280             |
| Pledges and other receivables                       | 71,423              | 36,235              |
| Prepaid expenses                                    | 7,579               | 8,918               |
| Investments   | 537,351             | 33,093              |
| Other assets  | 52,796              | 52,796              |
| Beneficial interest in perpetual trust              | 2,848,198           | 2,704,193           |
| Property, equipment and leasehold improvements, net | <u>101,128</u>      | <u>45,903</u>       |
|   | <u>\$ 4,060,885</u> | <u>\$ 3,949,247</u> |
| <br>  |                     |                     |
| <b>LIABILITIES AND NET ASSETS</b>                   |                     |                     |
| Liabilities   |                     |                     |
| Accounts payable and accrued expenses               | \$ 81,253           | \$ 60,550           |
| Deferred membership dues                            | 62,173              | 68,775              |
| Other deferred income                               | <u>65,625</u>       | <u>60,000</u>       |
| Total Liabilities                                   | <u>209,051</u>      | <u>189,325</u>      |
| <br>  |                     |                     |
| Net Assets  |                     |                     |
| Unrestricted  | 142,283             | 214,032             |
| Temporarily restricted                              | 301,995             | 284,339             |
| Permanently restricted                              | <u>3,407,556</u>    | <u>3,261,551</u>    |
| Total Net Assets                                    | <u>3,851,834</u>    | <u>3,759,922</u>    |
|   | <u>\$ 4,060,885</u> | <u>\$ 3,949,247</u> |

See notes to financial statements

## The Architectural League of New York

Statement of Activities  
Year Ended June 30, 2018  
(with summarized totals for the year ended June 30, 2017)

|  | 2018              |                           |                           | Total               | 2017<br>Total       |
|--|-------------------|---------------------------|---------------------------|---------------------|---------------------|
|  | Unrestricted      | Temporarily<br>Restricted | Permanently<br>Restricted |                     |                     |
| <b>SUPPORT AND REVENUE</b>                                 |                   |                           |                           |                     |                     |
| Grants and contributions                                   | \$ 286,794        | \$ 388,985                | \$ 2,000                  | \$ 677,779          | \$ 522,158          |
| Special events, net of expenses of \$306,788 and \$277,076 | 556,687           | -                         | -                         | 556,687             | 633,874             |
| Membership dues  | 325,202           | -                         | -                         | 325,202             | 327,193             |
| Sales, rentals and royalties                               | 4,888             | -                         | -                         | 4,888               | 2,625               |
| Admission fees   | 14,639            | -                         | -                         | 14,639              | 17,194              |
| Program service fees                                       | 4,914             | -                         | -                         | 4,914               | -                   |
| Interest income  | 894               | 5,357                     | -                         | 6,251               | 593                 |
| Realized and unrealized gain (loss) on investments         | 4,238             | (4,095)                   | -                         | 143                 | 8,886               |
| In-kind contributions                                      | 26,100            | -                         | -                         | 26,100              | 23,900              |
| Other income   | 39,987            | -                         | -                         | 39,987              | 32,385              |
| Change in value of beneficial interest in perpetual trust  | -                 | -                         | 144,005                   | 144,005             | 248,676             |
| Net assets released from restrictions                      | 372,591           | (372,591)                 | -                         | -                   | -                   |
| Total Support and Revenue                                  | <u>1,636,934</u>  | <u>17,656</u>             | <u>146,005</u>            | <u>1,800,595</u>    | <u>1,817,484</u>    |
| <b>EXPENSES</b>  |                   |                           |                           |                     |                     |
| Program expenses   | 1,295,489         | -                         | -                         | 1,295,489           | 1,100,610           |
| General and administrative expenses                        | 286,165           | -                         | -                         | 286,165             | 266,042             |
| Fundraising expenses                                       | 127,029           | -                         | -                         | 127,029             | 124,969             |
| Total Expenses   | <u>1,708,683</u>  | <u>-</u>                  | <u>-</u>                  | <u>1,708,683</u>    | <u>1,491,621</u>    |
| Change in Net Assets                                       | (71,749)          | 17,656                    | 146,005                   | 91,912              | 325,863             |
| <b>NET ASSETS</b>  |                   |                           |                           |                     |                     |
| Beginning of year  | <u>214,032</u>    | <u>284,339</u>            | <u>3,261,551</u>          | <u>3,759,922</u>    | <u>3,434,059</u>    |
| End of year  | <u>\$ 142,283</u> | <u>\$ 301,995</u>         | <u>\$ 3,407,556</u>       | <u>\$ 3,851,834</u> | <u>\$ 3,759,922</u> |

See notes to financial statements

## The Architectural League of New York

Statement of Functional Expenses  
Year Ended June 30, 2018  
(with summarized totals for the year ended June 30, 2017)

|  | 2018                |                               |                   | 2017<br>Total       |                     |
|--|---------------------|-------------------------------|-------------------|---------------------|---------------------|
|  | Program             | General and<br>Administrative | Fundraising       |                     | Total               |
| Salaries and wages                       | \$ 601,963          | \$ 206,624                    | \$ 80,747         | \$ 889,334          | \$ 754,004          |
| Employee benefits                        | 125,594             | 28,644                        | 16,568            | 170,806             | 146,260             |
| Professional fees                        | 61,750              | 13,104                        | 7,580             | 82,434              | 91,471              |
| Artist fees                              | 62,892              | -                             | -                 | 62,892              | 45,626              |
| Rent and utilities                       | 109,146             | 20,226                        | 11,699            | 141,071             | 135,840             |
| Printing and duplicating                 | 3,120               | -                             | -                 | 3,120               | 26,242              |
| Telephone and internet                   | 3,424               | 781                           | 452               | 4,657               | 4,780               |
| Internet and web hosting                 | 14,513              | 2,222                         | 1,285             | 18,020              | 20,235              |
| Equipment and maintenance                | 6,175               | 1,352                         | 782               | 8,309               | 6,553               |
| Postage, messenger, shipping             | 9,156               | 898                           | 565               | 10,619              | 7,011               |
| Supplies                                 | 10,562              | 2,399                         | 1,388             | 14,349              | 8,465               |
| Insurance                                | 8,813               | 2,010                         | 1,162             | 11,985              | 12,371              |
| Travel and transportation                | 30,733              | -                             | -                 | 30,733              | 39,319              |
| Publications, subscriptions, memberships | 12,090              | 306                           | 178               | 12,574              | 2,564               |
| Bank, credit card fees, payroll fees     | 20,677              | 3,728                         | 2,156             | 26,561              | 21,659              |
| Honoraria and awards                     | 36,029              | -                             | -                 | 36,029              | 34,527              |
| Regrants                                 | 82,700              | -                             | -                 | 82,700              | 30,000              |
| Meetings, receptions and meals           | 17,834              | 890                           | 664               | 19,388              | 27,877              |
| Exhibition and program production        | 4,433               | -                             | -                 | 4,433               | 10,350              |
| Depreciation and amortization            | 12,077              | 2,754                         | 1,593             | 16,424              | 5,297               |
| Mills administration                     | 34,428              | -                             | -                 | 34,428              | 28,435              |
| Donated services and supplies            | 26,100              | -                             | -                 | 26,100              | 23,900              |
| Advertising                              | 459                 | 105                           | 60                | 624                 | 3,335               |
| Miscellaneous                            | 821                 | 122                           | 150               | 1,093               | 5,500               |
|  | <u>\$ 1,295,489</u> | <u>\$ 286,165</u>             | <u>\$ 127,029</u> | <u>\$ 1,708,683</u> | <u>\$ 1,491,621</u> |
| Total Expenses                           |                     |                               |                   |                     |                     |

See notes to financial statements

## The Architectural League of New York

Statement of Cash Flows  
Year Ended June 30, 2018  
(with comparative amounts for the year ended June 30, 2017)

|  | 2018       | 2017       |
|--|------------|------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>  |            |            |
| Change in net assets   | \$ 91,912  | \$ 325,863 |
| Adjustments to reconcile change in net assets<br>to net cash from operating activities |            |            |
| Realized and unrealized gain on investments  | (143)      | (8,886)    |
| Depreciation and amortization  | 16,424     | 5,297      |
| Change in beneficial interest in perpetual trust                                       | (144,005)  | (248,676)  |
| Changes in operating assets and liabilities  |            |            |
| Grants, pledges and other receivables  | (78,313)   | 49,048     |
| Prepaid expenses and other assets  | 1,339      | (4,670)    |
| Accounts payable and accrued expenses  | 20,703     | (22,993)   |
| Deferred membership dues   | (6,602)    | (3,091)    |
| Other deferred income  | 5,625      | 5,208      |
| Net Cash from Operating Activities   | (93,060)   | 97,100     |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>  |            |            |
| Purchase of equipment  | (71,649)   | (43,037)   |
| Purchase of investments  | (531,807)  | -          |
| Proceeds from sale of investments  | 27,692     | -          |
| Net Cash from Investing Activities   | (575,764)  | (43,037)   |
| Net Change in Cash and Cash Equivalents  | (668,824)  | 54,063     |
| <b>CASH AND CASH EQUIVALENTS</b>   |            |            |
| Beginning of year  | 964,829    | 910,766    |
| End of year  | \$ 296,005 | \$ 964,829 |

See notes to financial statements

# The Architectural League of New York

Notes to Financial Statements

June 30, 2018

## 1. Organization

The Architectural League of New York (the "League") is a not-for-profit organization incorporated in the State of New York in 1888. The League encourages and promotes the art and science of architecture and related arts and crafts. The League provides a center where fellow professionals and the public can meet, discuss architectural issues, and present and discuss the work of established and emerging architects. The League sponsors lectures and exhibitions, which are open to members and the public, in the areas of architecture, design and related arts and crafts. Books and other materials are published in connection with these lectures and exhibitions.

The League has been determined to be a non-profit organization which is not a private foundation. It is exempt from income taxes under Section 501(c)(3) of the United States Internal Revenue Code.

## 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.

Net assets are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as permanently restricted, temporarily restricted or unrestricted.

*Unrestricted net assets* - Net assets that are not subject to donor-imposed stipulations.

*Temporarily restricted net assets* – Net assets subject to donor-imposed stipulations that will be met either by actions of the League and/or by the passage of time.

*Permanently restricted net assets* – Net assets subject to donor-imposed stipulations that they be maintained permanently by the League, the income on which is unrestricted.

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

Cash and cash equivalents include cash held in banks and money market funds with maturities of three months or less at the time of purchase.

## The Architectural League of New York

Notes to Financial Statements

June 30, 2018

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

#### ***Fair Value Measurements***

The League 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 market 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 Investment Income Recognition***

Investments are stated at fair value. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis and dividends are recorded on the ex-dividend date. Realized gains and losses on the sale of investments are computed on the specific identification basis. Realized and unrealized gains and losses are included in the determination of the change in net assets.

#### ***Property, Equipment and Leasehold Improvements***

Property, equipment and leasehold improvements are recorded at cost. Depreciation and amortization are provided on a straight-line basis over the estimated useful lives of the assets or the remaining lease term, whichever is shorter. All assets in excess of \$1,000 are capitalized.

#### ***Contributions***

The League recognizes contributions when the donor makes an unconditional promise to give and records contributions as unrestricted, temporarily restricted, or permanently restricted support depending upon the existence and/or nature of any donor restrictions. When a donor restriction expires, that is, when a stipulated purpose restriction is accomplished, the time or purpose restriction ends, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statement of activities as net assets released from restriction. The primary sources of revenue are grants and contributions from governments, foundations, individuals and corporations.

#### ***In-kind Contributions***

Contributions of services are recognized at fair value when they are received if the services either create or enhance nonfinancial assets, or require specialized skills, and those skills are provided by individuals possessing those skills, and would typically need to be purchased if not donated. Donated goods are recorded as income and expense at the time they are received which is normally also the time they are placed into service or distributed.



## The Architectural League of New York

Notes to Financial Statements  
June 30, 2018

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

#### ***Allowance for Doubtful Accounts***

An allowance for doubtful accounts 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 the League's historical experience, review of account balances and expectations relative to collections. Management has determined no allowance was necessary at June 30, 2018 and 2017.

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

Membership dues are recorded as revenue during the applicable membership period. Payments received in advance from members of the League for membership dues are reflected as deferred membership dues.

#### ***Advertising Costs***

The League expenses the costs of advertising as they are incurred. Advertising costs were \$624 and \$3,335 for the years ended June 30, 2018 and 2017, respectively.

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

The costs of providing the various programs and activities have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

#### ***Prior-Year Summarized Information***

Information as of and for the year ended June 30, 2017 is presented for comparative purposes only. Certain activity by net asset classification is not included in these financial statements. Accordingly, such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the League's financial statements as of and for the year ended June 30, 2017, from which the summarized comparative information was derived.

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

The League recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Management has determined that the League had no uncertain tax positions that would require financial statement recognition or disclosure. The League is no longer subject to examinations by the applicable taxing jurisdictions for periods prior to June 30, 2015.

#### ***Reclassifications***

Certain 2017 amounts have been reclassified to conform to the 2018 financial statement presentation. The reclassifications had no effect on the 2017 total assets, total liabilities, total net assets or change in net assets.

## The Architectural League of New York

Notes to Financial Statements  
June 30, 2018

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

#### ***Subsequent Events***

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is April 10, 2019.

### 3. Concentration of Credit Risk

Financial instruments that are potentially subject to concentrations of credit risk consist primarily of receivables, which are expected to be collected in the normal course of business, cash and cash equivalents, and investments. The League maintains its cash and cash equivalents and investments in what it believes to be quality financial institutions. At times, these accounts exceed the federal and securities protection insurance limit and subject the League to a concentration of credit risk. The League has not experienced any losses in such accounts due to such concentrations. Investment are managed by professional investment advisors and managers and with an objective of diversifying by type of investments and industry concentrations in order that no individual investment or group of investments represents a significant concentration of market risk.

### 4. Fair Value Measurements

Fair values of assets measured by the fair value hierarchy at June 30 are as follows:

|  | 2018             |                  |                     |                    |
|--|------------------|------------------|---------------------|--------------------|
|  | Level 1          | Level 2          | Level 3             | Total              |
| Equity securities                      | \$123,280        | \$ -             | \$ -                | \$ 123,280         |
| Mutual funds                           | 147,027          | -                | -                   | 147,027            |
| Exchange-Traded products               | 115,725          | -                | -                   | 115,725            |
| Fixed Income Securities                |                  |                  |                     |                    |
| U.S. treasury securities               | -                | 24,276           | -                   | 24,276             |
| U.S. government bonds                  | -                | 15,680           | -                   | 15,680             |
| Asset backed securities                | -                | 60,338           | -                   | 60,338             |
| Corporate bonds                        | -                | 51,025           | -                   | 51,025             |
| Total Investments                      | 386,032          | 151,319          | -                   | 537,351            |
| Beneficial interest in perpetual trust | -                | -                | 2,848,198           | 2,848,198          |
| Total Assets Measured at Fair Value    | <u>\$386,032</u> | <u>\$151,319</u> | <u>\$ 2,848,198</u> | <u>\$3,385,549</u> |
|  |                  |                  |                     |                    |
|  | 2017             |                  |                     |                    |
|  | Level 1          | Level 2          | Level 3             | Total              |
| Equity securities                      | \$ 33,093        | \$ -             | \$ -                | \$ 33,093          |
| Beneficial interest in perpetual trust | -                | -                | 2,704,193           | 2,704,193          |
| Total Assets Measured at Fair Value    | <u>\$ 33,093</u> | <u>\$ -</u>      | <u>\$ 2,704,193</u> | <u>\$2,737,286</u> |

## The Architectural League of New York

Notes to Financial Statements  
June 30, 2018

### 4. Fair Value Measurements *(continued)*

The changes in assets measured at fair value for which Level 3 inputs were used to determine fair values are as follows:

|  | Beneficial<br>Interest in<br>Perpetual<br>Trust |
|--|---|
| Balance, June 30, 2016   | \$ 2,455,517                                    |
| Change in fair value of beneficial interest in perpetual trust | <u>248,676</u>                                  |
| Balance, June 30, 2017   | 2,704,193                                       |
| Change in fair value of beneficial interest in perpetual trust | <u>144,005</u>                                  |
| Balance, June 30, 2018   | <u>\$ 2,848,198</u>                             |

### 5. Property and Equipment

Property and equipment consist of the following as of June 30:

|  | 2018              | 2017             |
|--|-------------------|------------------|
| Furniture and equipment                        | \$ 40,254         | \$ 38,955        |
| Leasehold improvements                         | 36,298            | 36,298           |
| Website design                                 | <u>105,000</u>    | <u>34,650</u>    |
|  | 181,552           | 109,903          |
| Less accumulated depreciation and amortization | <u>80,424</u>     | <u>64,000</u>    |
|  | <u>\$ 101,128</u> | <u>\$ 45,903</u> |

### 6. Beneficial Interest in Perpetual Trust

The League is named as an income beneficiary of the J. Clawson Mills Charitable Trust (the "Trust"). The assets of the Trust are held by the Bank of New York in perpetuity and one half of the Trust income is made available to the League. The estimated fair value of the assets attributed to the Trust has been reported as beneficial interest in perpetual trust in the permanently restricted net asset class in the accompanying financial statements.

Distributions from the Trust are reported as temporarily restricted net assets until appropriated and are restricted to support for research and study in architecture.

### 7. Artwork

The League owns two pieces of artwork valued at \$39,000, based on independent appraisals. The artwork is included in other assets and not depreciated.

## The Architectural League of New York

Notes to Financial Statements  
June 30, 2018

### 8. Temporarily Restricted Net Assets

The League has received contributions that are subject to time restrictions and purpose restrictions that can be fulfilled by actions of the League. Temporarily restricted net assets at June 30 consist of:

|  | <u>2018</u>      | <u>2017</u>      |
|--|------------------|------------------|
| Architectural speculations                     | \$ 7,500         | \$ 7,500         |
| Core program support                           | 18,500           | -                |
| Diversified delivery                           | 11,340           | 40,000           |
| Housing book publication                       | 5,000            | 5,000            |
| Housing Atlas                                  | 28,500           | 35,000           |
| League prize                                   | -                | 10,000           |
| Next generation fund                           | 20,767           | 20,767           |
| Research, scholarship and creative development | 90,973           | 110,908          |
| Sponsored projects                             | -                | 13,345           |
| Time restricted                                | 49,765           | -                |
| Travel grants                                  | 34,650           | 41,819           |
| American roundtable                            | 35,000           | -                |
|  | <u>\$301,995</u> | <u>\$284,339</u> |

Temporarily restricted net assets released from restrictions consisted of the following for the years ended June 30:

|  | <u>2018</u>      | <u>2017</u>      |
|--|------------------|------------------|
| Core program support                           | \$ 75,500        | \$ -             |
| Diversified delivery                           | 28,660           | -                |
| Housing Atlas                                  | 6,500            | -                |
| League prize                                   | 10,000           | 30,000           |
| Next generation fund                           | -                | 1,093            |
| Research, scholarship and creative development | 158,806          | 168,465          |
| Sponsored projects                             | 63,345           | 8,655            |
| Time restricted                                | 22,500           | 32,500           |
| Travel grants                                  | 7,280            | 7,760            |
| Typecast: Reinventing the Row House            | -                | 7,500            |
| Urban omnibus book                             | -                | 5,000            |
|  | <u>\$372,591</u> | <u>\$260,973</u> |

## The Architectural League of New York

Notes to Financial Statements  
June 30, 2018

### 9. Permanently Restricted Net Assets

Permanently restricted net assets consisted of the following at June 30:

|  | <u>2018</u>        | <u>2017</u>        |
|--|--------------------|--------------------|
| Beneficial interest in perpetual trust | \$2,848,198        | \$2,704,193        |
| Endowment fund                         | <u>559,358</u>     | <u>557,358</u>     |
|  | <u>\$3,407,556</u> | <u>\$3,261,551</u> |

### 10. Lease Commitment

The League's operating lease for office space expires July 31, 2020. Future minimum annual lease payments required under the lease are as follows:

|      |                  |
|------|------------------|
| 2019 | \$ 86,744        |
| 2020 | 88,479           |
| 2021 | <u>7,385</u>     |
|      | <u>\$182,608</u> |

Rent expense for the years ended June 30, 2018 and 2017 was \$97,284 and \$94,899.

### 11. Endowment Fund

The board established an Endowment fund in October 1998. The fund includes permanently restricted net assets of the Felicia Clark Fund, Joseph Fund, LaRosa Fund, Genevro Fund and other contributions to the Endowment fund. Donations to the Endowment fund are held in a separate investment account. Net investment income from this fund is unrestricted.

#### ***Interpretation of Relevant Law***

The board of directors of the League have interpreted the New York Prudent Management of Institutional Funds Act ("NYPMIFA") as allowing the League to appropriate for expenditures or accumulate so much of the donor-restricted endowment fund as the League determines is prudent for the uses, benefits, purposes, and duration for which the endowment fund is established, subject to the intent of the donors as expressed in their gift instruments except in those cases where the law allows appropriation for spending of the original gift amounts. The assets in the endowment funds shall be donor-restricted assets until appropriated for expenditure by the board. The board is currently in the process of establishing endowment investment and spending policies.

## The Architectural League of New York

Notes to Financial Statements  
June 30, 2018

### 11. Endowment Fund *(continued)*

Unless authorized by the board of directors, the appropriations from the endowment fund should not deplete the historical dollar value of the endowment fund. The following is a reconciliation of the investment activity for the fiscal years ended June 30, 2018 and 2017 in the endowment fund:

|                              | Temporarily<br>Restricted | Permanently<br>Restricted | Total      |
|------------------------------|---------------------------|---------------------------|------------|
| Balance, June 30, 2016       | \$ 5,357                  | \$ 541,358                | \$ 546,715 |
| Contributions                | -                         | 16,000                    | 16,000     |
| Interest and dividends       | 147                       | -                         | 147        |
| Realized and unrealized gain | 2,514                     | -                         | 2,514      |
| Investment fees              | (150)                     | -                         | (150)      |
| Balance, June 30, 2017       | 7,868                     | 557,358                   | 565,226    |
| Contributions                | -                         | 2,000                     | 2,000      |
| Interest and dividends       | 4,905                     | -                         | 4,905      |
| Realized and unrealized loss | (4,095)                   | -                         | (4,095)    |
| Investment fees              | (1,528)                   | -                         | (1,528)    |
| Balance, June 30, 2018       | \$ 7,150                  | \$ 559,358                | \$ 566,508 |

\* \* \* \* \*