

The Architectural League of New York

Financial Statements

June 30, 2019

Independent Auditors' Report

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, 2019, 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, 2019, 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.

Change in Accounting Principle

As discussed in Note 2 to the financial statements, during the year ended June 30, 2019 the League adopted new accounting guidance resulting in a change in the manner in which it presents net assets and reports certain aspects of its financial statements. Our opinion is not modified with respect to this matter.

Report on Summarized Comparative Information

We have previously audited the League's 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 10, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018 is consistent, in all material respects, with the audited financial statements from which it has been derived.

PKF O'Connor Davies, LLP

May 15, 2020

The Architectural League of New York

Statement of Financial Position
June 30, 2019
(with comparative amounts at June 30, 2018)

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash and cash equivalents	\$ 276,041	\$ 296,005
Grants receivable	152,501	146,405
Pledges and other receivables	22,121	71,423
Prepaid expenses	13,781	7,579
Investments	585,985	537,351
Other assets	52,796	52,796
Beneficial interest in perpetual trust	2,801,225	2,848,198
Property, equipment and leasehold improvements, net	<u>75,857</u>	<u>101,128</u>
	<u>\$ 3,980,307</u>	<u>\$ 4,060,885</u>
 LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 51,883	\$ 81,253
Deferred membership dues	<u>136,560</u>	<u>127,798</u>
Total Liabilities	<u>188,443</u>	<u>209,051</u>
 Net Assets		
Without donor restrictions	128,888	142,283
With Donor Restrictions		
Time or purpose restricted	319,518	301,995
Investments held in perpetuity	<u>3,343,458</u>	<u>3,407,556</u>
Total Net Assets	<u>3,791,864</u>	<u>3,851,834</u>
	<u>\$ 3,980,307</u>	<u>\$ 4,060,885</u>

See notes to financial statements

The Architectural League of New York

Statement of Activities
Year Ended June 30, 2019
(with summarized totals for the year ended June 30, 2018)

	2019				2018 Total
	Without Donor Restrictions	With Donor Restrictions		Total	
		Time or Purpose Restricted	Investments Held in Perpetuity		
SUPPORT AND REVENUE					
Grants and contributions	\$ 176,235	\$ 325,710	\$ 1,000	\$ 502,945	\$ 677,779
Special events, net of direct benefit to donors of \$301,687 and \$306,788	634,756	-	-	634,756	556,687
Membership dues	326,938	-	-	326,938	325,202
Sales, rentals and royalties	836	-	-	836	4,888
Admission fees	16,655	-	-	16,655	14,639
Program service fees	879	-	-	879	4,914
Interest income	1,574	16,708	-	18,282	6,251
Realized and unrealized gain on investments	5,457	20,344	-	25,801	143
In-kind contributions	27,250	-	-	27,250	26,100
Other income	37,865	-	-	37,865	39,987
Change in value of beneficial interest in perpetual trust	-	-	(46,973)	(46,973)	144,005
Revaluation of pledges receivable	18,125	-	(18,125)	-	-
Net assets released from restrictions	345,239	(345,239)	-	-	-
Total Support and Revenue	<u>1,591,809</u>	<u>17,523</u>	<u>(64,098)</u>	<u>1,545,234</u>	<u>1,800,595</u>
EXPENSES					
Program	1,227,140	-	-	1,227,140	1,295,489
General and administrative	226,537	-	-	226,537	286,165
Fundraising	151,527	-	-	151,527	127,029
Total Expenses	<u>1,605,204</u>	<u>-</u>	<u>-</u>	<u>1,605,204</u>	<u>1,708,683</u>
Change in Net Assets	(13,395)	17,523	(64,098)	(59,970)	91,912
NET ASSETS					
Beginning 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>
End of year	<u>\$ 128,888</u>	<u>\$ 319,518</u>	<u>\$ 3,343,458</u>	<u>\$ 3,791,864</u>	<u>\$ 3,851,834</u>

See notes to financial statements

The Architectural League of New York

Statement of Functional Expenses

Year Ended June 30, 2019

(with summarized totals for the year ended June 30, 2018)

	2019					2018
Program	General and Administrative	Fundraising	Cost of Direct Benefit to Donors	Total	Total	
Salaries and wages	\$ 628,795	\$ 130,832	\$ 97,432	\$ -	\$ 857,059	\$ 889,334
Employee benefits	116,772	24,286	18,096	-	159,154	170,806
Professional fees	57,750	11,924	8,884	69,188	147,746	115,257
Artist fees	29,562	-	-	-	29,562	62,892
Rent and utilities	104,384	19,194	14,301	95,610	233,489	293,111
Printing and duplicating	2,845	-	-	-	2,845	3,120
Telephone and internet	3,490	726	541	-	4,757	4,657
Internet and web hosting	17,768	1,860	1,386	-	21,014	18,020
Equipment and maintenance	4,145	862	642	-	5,649	8,309
Postage, messenger, shipping	8,014	801	617	-	9,432	10,619
Supplies	6,952	1,442	1,075	-	9,469	14,624
Insurance	8,228	1,711	1,275	-	11,214	11,985
Travel and transportation	29,434	92	68	1,777	31,371	31,279
Publications, subscriptions, memberships	8,618	527	393	-	9,538	12,574
Bank, credit card fees, payroll fees	22,947	4,244	3,162	-	30,353	26,286
Honoraria and awards	41,789	-	-	-	41,789	36,029
Regrants	20,000	-	-	-	20,000	82,700
Meetings, receptions and meals	22,078	554	409	115,115	138,156	120,855
Exhibition and program production	8,622	-	-	19,997	28,619	24,345
Depreciation and amortization	19,275	4,009	2,987	-	26,271	16,424
Mills administration	36,365	-	-	-	36,365	34,428
Donated services and supplies	27,250	-	-	-	27,250	26,100
Advertising	1,038	217	160	-	1,415	624
Bad debt	-	23,125	-	-	23,125	-
Miscellaneous	1,019	131	99	-	1,249	1,093
Total Functional Expenses	1,227,140	226,537	151,527	301,687	1,906,891	2,015,471
Less direct benefit to donors	-	-	-	(301,687)	(301,687)	(306,788)
Total Expenses	\$ 1,227,140	\$ 226,537	\$ 151,527	\$ -	\$ 1,605,204	\$ 1,708,683

See notes to financial statements

The Architectural League of New York

Statement of Cash Flows
Year Ended June 30, 2019
(with comparative amounts for the year ended June 30, 2018)

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (59,970)	\$ 91,912
Adjustments to reconcile change in net assets to net cash from operating activities		
Realized and unrealized gain on investments	(25,801)	(143)
Depreciation and amortization	26,271	16,424
Bad debt	23,125	-
Change in beneficial interest in perpetual trust	46,973	(144,005)
Changes in operating assets and liabilities		
Grants, pledges and other receivables	20,081	(78,313)
Prepaid expenses and other assets	(6,202)	1,339
Accounts payable and accrued expenses	(29,370)	20,703
Deferred membership dues	<u>8,762</u>	<u>(977)</u>
Net Cash from Operating Activities	<u>3,869</u>	<u>(93,060)</u>
 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of equipment	(1,000)	(71,649)
Purchase of investments	(140,521)	(531,807)
Proceeds from sale of investments	<u>117,688</u>	<u>27,692</u>
Net Cash from Investing Activities	<u>(23,833)</u>	<u>(575,764)</u>
Net Change in Cash and Cash Equivalents	(19,964)	(668,824)
 CASH AND CASH EQUIVALENTS		
Beginning of year	<u>296,005</u>	<u>964,829</u>
 End of year	<u>\$ 276,041</u>	<u>\$ 296,005</u>

See notes to financial statements

The Architectural League of New York

Notes to Financial Statements

June 30, 2019

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 and reported as follows:

Without donor restrictions - those resources that are not subject to donor-imposed restrictions and are available for the support of operations.

With donor restrictions - represent amounts restricted by donors to be used for specific activities or at some future date, or which require the League to maintain in perpetuity, including funds that are subject to restrictions or gift instruments requiring that the principal be invested in perpetuity and the income be used for specific or general purposes. Income and gains earned on endowment fund investments are available to be used in the “without donor restrictions” or “with donor restrictions” net asset classes based upon stipulations by the donors.

Change in Accounting Principle

On July 1, 2018, the League adopted new guidance regarding the Presentation of Financial Statements for Not-for-Profit Entities. This guidance requires the League to collapse the three-category (unrestricted, temporarily restricted, and permanently restricted) classification of net assets into two categories: with donor restrictions and without donor restrictions. In addition, the new guidance requires the League to make certain expanded disclosures relating to (1) the liquidity of financial assets, and (2) expenses by both their natural and functional classification in one location in the financial statements.

The Architectural League of New York

Notes to Financial Statements

June 30, 2019

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

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.

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 with or without donor 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, net assets with donor restrictions are reclassified as net assets without donor restrictions 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, 2019

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, 2019 and 2018.

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 \$1,415 and \$624 for the years ended June 30, 2019 and 2018, respectively.

Functional Allocation of Expenses

The costs of providing the various programs and supporting services have been summarized on a functional basis in the accompanying statement of activities. Accordingly, certain expenses have been allocated among the programs and supporting services in reasonable ratios determined by management. Specific expenses that are readily identifiable to a single program or activity are charged directly to that function. For example, programs include artist fees, travel and transportation, honoraria and awards, regrants among others. Certain expenses attributable to more than one program or supporting function have been allocated among programs, general and administrative and fundraising. These expenses include salaries and wages, professional fees rent and utilities, rent and utilities, internet and web hosting and depreciation and amortization among others, which are allocated based on estimates of time and effort and building space occupied.

Prior-Year Summarized Information

Information as of and for the year ended June 30, 2018 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, 2018, 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, 2016.

The Architectural League of New York

Notes to Financial Statements

June 30, 2019

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

Reclassifications

Certain fiscal year 2018 amounts have been reclassified to conform to the 2019 financial statement presentation. The reclassifications had no effect on the 2018 total assets, total liabilities, total net assets or change in net assets.

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 May 15, 2020.

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. Investments are managed by professional investment advisors and managers with an objective of diversifying by type of investments and industry concentrations so that no individual investment or group of investments represents a significant concentration of market risk.

The Architectural League of New York

Notes to Financial Statements
June 30, 2019

4. Fair Value Measurements

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

	2019			
	Level 1	Level 2	Level 3	Total
Equity securities	\$ 146,206	\$ -	\$ -	\$ 146,206
Mutual funds	157,261	-	-	157,261
Exchange-Traded products	128,676	-	-	128,676
Fixed Income Securities				
U.S. treasury securities	-	37,312	-	37,312
U.S. government bonds	-	2,859	-	2,859
Asset backed securities	-	58,185	-	58,185
Corporate bonds	-	55,486	-	55,486
Total Investments	432,143	153,842	-	585,985
Beneficial interest in perpetual trust	-	-	2,801,225	2,801,225
Total Assets Measured at Fair Value	\$ 432,143	\$ 153,842	\$ 2,801,225	\$ 3,387,210
	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	\$ 386,032	\$ 151,319	\$ 2,848,198	\$ 3,385,549

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

	Beneficial Interest in Perpetual Trust
Balance, June 30, 2017	\$ 2,704,193
Change in fair value of beneficial interest in perpetual trust	144,005
Balance, June 30, 2018	2,848,198
Change in fair value of beneficial interest in perpetual trust	(46,973)
Balance, June 30, 2019	\$ 2,801,225

The Architectural League of New York

Notes to Financial Statements
June 30, 2019

5. Property and Equipment

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

	<u>2019</u>	<u>2018</u>
Furniture and equipment	\$ 41,254	\$ 40,254
Leasehold improvements	36,298	36,298
Website design	105,000	105,000
	<u>182,552</u>	<u>181,552</u>
Less accumulated depreciation and amortization	106,695	80,424
	<u>\$ 75,857</u>	<u>\$ 101,128</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 investments held in perpetuity class in the accompanying financial statements.

Distributions from the Trust are reported as time or purpose restricted 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, 2019

8. Net Assets with Donor Restrictions

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

	<u>2019</u>	<u>2018</u>
Architectural speculations	\$ 7,500	\$ 7,500
Core program support	18,500	18,500
Diversified delivery	11,340	11,340
Housing book publication	5,000	5,000
Housing Atlas	28,500	28,500
Next generation fund	20,767	20,767
Research, scholarship and creative development	104,320	90,973
Time restricted	37,610	49,765
Travel grants	25,981	34,650
Urban Omnibus	15,000	-
American roundtable	45,000	35,000
	<u>\$ 319,518</u>	<u>\$ 301,995</u>

Net assets with donor restrictions released from restrictions consisted of the following for the years ended June 30:

	<u>2019</u>	<u>2018</u>
Core program support	\$ 95,250	\$ 75,500
Diversified delivery	-	28,660
Housing Atlas	-	6,500
League prize	5,000	10,000
Research, scholarship and creative development	169,122	158,806
Sponsored projects	20,000	63,345
Time restricted	12,154	22,500
Travel grants	8,713	7,280
Emerging Voices	20,000	-
Urban omnibus	15,000	-
	<u>\$ 345,239</u>	<u>\$ 372,591</u>

The Architectural League of New York

Notes to Financial Statements
June 30, 2019

9. Investments Held in Perpetuity

Investments held in perpetuity consisted of the following at June 30:

	<u>2019</u>	<u>2018</u>
Beneficial interest in perpetual trust	\$ 2,801,225	\$ 2,848,198
Endowment fund	<u>542,233</u>	<u>559,358</u>
	<u>\$ 3,343,458</u>	<u>\$ 3,407,556</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:

2020	\$ 88,479
2021	<u>7,385</u>
	<u>\$ 95,864</u>

Rent expense for the years ended June 30, 2019 and 2018 was \$101,121 and \$97,284.

11. Endowment Fund

The board established an Endowment fund in October 1998. The fund includes investments held in perpetuity 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 without donor restriction.

Interpretation of Relevant Law

The board of directors of the League has 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, 2019

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, 2019 and 2018 in the endowment fund:

	Time or Purpose Restriction	Investments Held in Perpetuity	Total
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
Contributions	-	1,000	1,000
Revaluation of pledges receivable	-	(18,125)	(18,125)
Interest and dividends	17,551	-	17,551
Realized and unrealized gain	20,344	-	20,344
Investment fees	(5,814)	-	(5,814)
Balance, June 30, 2019	\$ 39,231	\$ 542,233	\$ 581,464

12. Liquidity and Availability of Financial Assets

The following reflect the League's financial assets as of June 30, 2019, reduced by amounts not available for general use within one year of that date because of contractual or donor-imposed restrictions or internal designations.

Financial Assets:

Cash and cash equivalents	\$ 276,041
Grants receivable	152,501
Pledges and other receivables	22,121
Investments	585,985
Beneficial interest in perpetual trust	2,801,225
Total Financial Assets	3,837,873
Less amounts not available to be used within one year:	
Restricted by donor with time or purpose restrictions	319,518
Restricted by donor to be held in perpetuity	3,343,458
	3,662,976
Financial assets available to meet general expenditures over the next twelve months	\$ 174,897

The Architectural League of New York

Notes to Financial Statements

June 30, 2019

12. Liquidity and Availability of Financial Assets *(continued)*

As part of the League's liquidity management strategy, the League structures its financial assets to be available as its general expenditures, liabilities and other obligations come due. The League's working capital and cash flows have cyclical variations during the year attributable to the cash receipts of grants and contributions from donors. A majority of general expenditures over the next twelve months are financed through cash and cash equivalents, grants receivable, investments and future grants and pledges.

13. Subsequent Event

Subsequent to year end, the coronavirus outbreak has had and will have an adverse effect on the results of operations. Given the uncertainty around the extent and timing of the potential future spread or mitigation of the coronavirus and around the imposition or relaxation of protective measures, management cannot reasonably estimate the impact to future results of operations, cash flows, or financial condition.

The COVID-19 pandemic has resulted in substantial volatility in the global financial markets. As a result, the League's investments have incurred a decline in their fair value since June 30, 2019. Because the value of the League's investments has and will fluctuate in response to changing market conditions, the amount of losses, if any, that will be recognized in subsequent periods, cannot be determined.

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