

**THE ARCHITECTURAL LEAGUE OF NEW YORK**

**FINANCIAL STATEMENTS**

**JUNE 30, 2025**



## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
The Architectural League of New York

### Opinion

We have audited the accompanying financial statements of The Architectural League of New York (a nonprofit organization), which comprise the statement of financial position as of June 30, 2025, 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 The Architectural League of New York as of June 30, 2025, 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 The Architectural League of New York 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 16 to the financial statements, the 2024 financial statements have been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

### 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 The Architectural League of New York'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 The Architectural League of New York'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 The Architectural League of New York'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.



**Report on Summarized Comparative Information**

We have previously audited The Architectural League of New York's 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 14, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived, as restated for the matter described in the emphasis of matter paragraph.

*Lutz + Carr, LLP*

New York, New York  
May 13, 2026

**THE ARCHITECTURAL LEAGUE OF NEW YORK**

**STATEMENT OF FINANCIAL POSITION**

**JUNE 30, 2025 WITH COMPARATIVE TOTALS FOR 2024**

	<u>2025</u>	<u>2024</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 761,188	\$ 794,032
Contributions receivable	508,360	846,473
Accounts receivable	9,000	25,000
Prepaid expenses and other assets	67,253	70,583
Investments	3,906,561	3,409,189
Operating lease right-of-use asset	694,205	818,256
Property and equipment, at cost, net of accumulated depreciation	5,001	21,277
Beneficial interest in perpetual trust	<u>3,303,352</u>	<u>3,139,076</u>
<b>Total Assets</b>	<u><u>\$9,254,920</u></u>	<u><u>\$9,123,886</u></u>
<b>Liabilities and Net Assets</b>		
Liabilities		
Accounts payable and accrued expenses	\$ 122,490	\$ 157,463
Refundable advances	219,249	215,205
Deferred revenue	34,427	51,764
Loan payable	196,700	196,700
Operating lease liability	793,315	904,737
Total Liabilities	<u>1,366,181</u>	<u>1,525,869</u>
Commitment and Contingency		
Net Assets (Deficit), as restated		
Without Donor Restrictions	<u>(218,689)</u>	<u>(94,580)</u>
With Donor Restrictions		
Time and purpose restrictions	806,807	633,369
Perpetual in nature	7,300,621	7,059,228
Total With Donor Restrictions	<u>8,107,428</u>	<u>7,692,597</u>
Total Net Assets	<u>7,888,739</u>	<u>7,598,017</u>
<b>Total Liabilities and Net Assets</b>	<u><u>\$9,254,920</u></u>	<u><u>\$9,123,886</u></u>

See notes to financial statements.

THE ARCHITECTURAL LEAGUE OF NEW YORK  
STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2025 WITH COMPARATIVE TOTALS FOR 2024

	2025				2024	
	Without Donor Restrictions	With Donor Restrictions Time and Purpose Restrictions	Held in Perpetuity	Total	Total	Total
<b>Changes in Net Assets</b>						
Revenues, Gains and Other Support	\$ 443,253	\$ 855,765	\$ 77,117	\$ 1,376,135	\$ 1,415,792	
Contributions	539,720	-	-	539,720	445,608	
Special events, net of direct benefit to donors of \$378,589 (2025) and \$350,865 (2024)	278,510	-	-	278,510	313,676	
Membership dues	20,000	-	-	20,000	20,000	
Donated services	7,448	-	-	7,448	43,250	
Program service fees	26,230	-	-	26,230	9,885	
Admission fees	16,288	269,238	-	285,526	152,569	
Net investment income	15,439	-	-	15,439	19,132	
Other income	-	-	164,276	164,276	277,555	
Change in value of beneficial interest in perpetual trust	1,346,888	1,125,003	241,393	2,713,284	2,697,267	
Net Assets Released from Restrictions	772,111	(772,111)	-	-	-	
Satisfaction of purpose restrictions	179,454	(179,454)	-	-	-	
Endowment earnings appropriated for expenditure						
Total Revenues, Gains and Other Support	2,298,453	173,438	241,393	2,713,284	2,697,267	
Expenses						
Program Services	1,688,166	-	-	1,688,166	1,634,961	
Supporting Services	371,109	-	-	371,109	426,437	
Management and general	363,287	-	-	363,287	246,948	
Fundraising and membership development	734,396	-	-	734,396	673,385	
Total Supporting Services	2,422,562	-	-	2,422,562	2,308,346	
Total Expenses	(124,109)	173,438	241,393	290,722	388,921	
Increase (Decrease) in Net Assets	(120,241)	674,285	7,043,973	7,598,017	7,209,096	
Net assets (deficit), beginning of year, as previously reported	25,661	(40,916)	15,255	-	-	
Prior period adjustment	(94,580)	633,369	7,059,228	7,598,017	7,209,096	
Net assets (deficit), beginning of year, as restated	(68,919)	592,453	7,074,483	7,598,017	7,209,096	
<b>Net Assets (Deficit), End of Year</b>	<u>\$ (218,689)</u>	<u>\$ 806,807</u>	<u>\$ 7,300,621</u>	<u>\$ 7,888,739</u>	<u>\$ 7,598,017</u>	

See notes to financial statements.

**THE ARCHITECTURAL LEAGUE OF NEW YORK  
STATEMENT OF FUNCTIONAL EXPENSES**

**YEAR ENDED JUNE 30, 2025 WITH COMPARATIVE TOTALS FOR 2024**

	2025				2024	
	Program Services	Supporting Services Management and General	Fundraising and Membership Development	Cost of Direct Benefit to Donors	Total Expenses	Total Expenses
Salaries	\$ 686,613	\$ 155,075	\$ 227,722	\$ -	\$1,069,410	\$ 945,228
Payroll taxes and employee benefits	163,897	37,016	54,358	-	255,271	201,726
Grants and honoraria	503,980	-	-	-	503,980	543,994
Meetings, receptions and meals	17,505	613	1,745	280,105	299,968	299,615
Occupancy	109,296	24,524	36,012	98,484	268,316	246,532
Professional fees	21,612	140,732	12,167	-	174,511	199,817
Artist fees	66,355	-	-	-	66,355	76,583
Software and information technology	26,849	4,255	6,248	-	37,352	38,086
Office and administrative	14,592	2,346	3,445	-	20,383	27,800
Bank fees	20,160	1,228	10,596	-	31,984	31,945
Insurance	8,137	1,808	2,654	-	12,599	15,717
Travel and transportation	25,359	4	557	-	25,920	4,383
Interest expense	6,126	389	3,209	-	9,724	-
Other expenses	7,235	759	1,108	-	9,102	7,200
Depreciation and amortization	10,450	2,360	3,466	-	16,276	20,585
Total	1,688,166	371,109	363,287	378,589	2,801,151	2,659,211
Less: Direct benefit to donors	-	-	-	(378,589)	(378,589)	(350,865)
Total Expenses, 2025	<u>\$1,688,166</u>	<u>\$ 371,109</u>	<u>\$ 363,287</u>	<u>\$ -</u>	<u>\$2,422,562</u>	<u>\$2,308,346</u>
Total Expenses, 2024	<u>\$1,634,961</u>	<u>\$ 426,437</u>	<u>\$ 246,948</u>	<u>\$ -</u>	<u>\$2,422,562</u>	<u>\$2,308,346</u>

See notes to financial statements.

**THE ARCHITECTURAL LEAGUE OF NEW YORK**

**STATEMENT OF CASH FLOWS**

**YEAR ENDED JUNE 30, 2025 WITH COMPARATIVE TOTALS FOR 2024**

	<b>2025</b>	<b>2024</b>
<b>Cash Flows From Operating Activities</b>		
Increase in net assets	\$ 290,722	\$ 388,921
Adjustments to reconcile increase in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	16,276	20,585
Realized (gain) loss on investments	23,877	(424,996)
Unrealized (gain) loss on investments	(221,045)	352,451
Contributions restricted to endowment	(77,117)	(49,634)
Change in value of beneficial interest in perpetual trust	(164,276)	(277,555)
Amortization of operating lease right-of-use asset	124,051	123,368
(Increase) decrease in:		
Contributions receivable	(28,871)	127,955
Accounts receivable	16,000	(23,739)
Prepaid expenses and other assets	3,330	4,844
Increase (decrease) in:		
Accounts payable and accrued expenses	(34,973)	82,600
Refundable advances	4,044	(66,788)
Deferred revenue	(17,337)	(56,756)
Operating lease liability	(111,422)	(106,770)
Net Cash Provided (Used) By Operating Activities	(176,741)	94,486
<b>Cash Flows From Investing Activities</b>		
Purchase of property and equipment	-	(1,578)
Proceeds from sale of investments	2,567,807	7,643,784
Purchase of investments	(2,868,011)	(8,206,189)
Net Cash Used By Investing Activities	(300,204)	(563,983)
<b>Cash Flows From Financing Activities</b>		
Collection of contributions restricted to endowment	444,101	415,564
Net decrease in cash and cash equivalents	(32,844)	(53,933)
Cash and cash equivalents, beginning of year	794,032	847,965
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$ 761,188</b>	<b>\$ 794,032</b>
<b>Supplemental Disclosure of Cash Flow Information</b>		
Interest paid	\$ 9,724	\$ -

See notes to financial statements.

**THE ARCHITECTURAL LEAGUE OF NEW YORK****NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2025****Note 1 - Organization and Summary of Significant Accounting Policies****a - 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.

**b - Cash and Cash Equivalents**

For purposes of the statement of cash flows, the League considers all highly liquid debt instruments, purchased with a maturity of three months or less, to be cash equivalents, except for those held in the League's investment portfolio. These are considered investments since they are managed by the League's investment managers as part of their long-term investment strategies.

**c - Contributions and Contribution Receivable**

Contributions are recognized when the donor makes a promise to give to the League, that is, in substance, unconditional. Conditional promises to give, that is, those with a measurable performance-related or other barrier and right of return of assets transferred or release of a promisor's obligation to transfer assets in the future, are not recognized until the conditions on which they depend have been met. Contributions that are restricted by the donor are reported as increases in net assets with donor restrictions depending on the nature of the restriction. When a restriction expires, 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.

The League uses the allowance method to determine uncollectible contributions receivable. The allowance, if any, is based on prior years' experience and management's analysis of specific promises made.

**d - Current Expected Credit Loss**

Accounts receivable are presented net of an allowance for credit losses, if any, which is an estimate of amounts that may not be collectible. The League separates accounts receivable into risk pools based on their aging. In determining the amount of the allowance as of the statement of financial position date, the League develops a loss rate for each risk pool. The loss rate is based on management's historical collection experience, adjusted for management's expectations about current and future economic conditions. The allowance for credit losses is insignificant at June 30, 2025 and 2024.

**THE ARCHITECTURAL LEAGUE OF NEW YORK****NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2025****Note 1 - Organization and Summary of Significant Accounting Policies (continued)****e - Investments and Fair Value**

The League reflects investments at fair value in the statements of financial position. Interest, dividends, and realized and unrealized gains and losses on investments are reflected in the statement of activities as increases and decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or by law. Investment income and losses restricted by the donor are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Fair value is defined as the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Fair value is a market-based measurement, not an entity-based measurement. Accounting principles generally accepted in the United States of America ("U.S. GAAP") establish a fair value measurement hierarchy that prioritizes the inputs to valuation techniques. This hierarchy consists of three board levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and level 3 inputs consist of unobservable inputs and have the lowest priority. The League uses the higher priority valuation techniques based on available inputs to measure fair values.

**f - Property and Equipment**

Property and equipment are recorded at cost and are being depreciated using the straight-line method over the estimated useful life of the related asset. All assets in excess of \$1,000 are capitalized.

**g - Artwork**

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

**h - Grants**

Grants are accrued at the time authorized and awarded.

**i - Revenue Recognition**

The League has multiple revenue streams that are accounted for as exchange transactions, including membership dues, program service fees, and lecture admissions.

Membership dues are collected at the commencement of the one-year membership period and provide members with access to the League programs, the weekly newsletter, and other benefits during the period of their membership. Membership revenue is deferred when received and recognized as revenue over the applicable membership period.

**THE ARCHITECTURAL LEAGUE OF NEW YORK****NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2025****Note 1 - Organization and Summary of Significant Accounting Policies (continued)****i - Revenue Recognition (continued)**

Program service fees consist of contracted fee arrangements. Program service fees are recognized over time as contracted milestones are met.

Lecture admissions are generally collected prior to the start of the lecture. Admission income is recognized at the point in time the lecture occurs.

**j - Refundable Advances**

Amounts received for conditional contributions prior to performance requirements or other conditions being met are recorded as refundable advances. When the respective conditions are met, contribution revenue is recognized.

**k - Operating Lease Right-of-Use Asset and Operating Lease Liability**

For leases with an initial term greater than twelve months, the League's operating lease liability is initially recorded at the present value of the unpaid lease payments as of the lease commencement date. The League's operating lease right-of-use asset is initially recorded at the carrying amount of the lease liability adjusted for initial direct costs, accruals, deferred rent liability and lease incentives, if any. Operating lease cost is recognized on a straight-line basis over the lease term.

**l - Financial Statement Presentation**

The financial statements of the League have been prepared in accordance with U.S. GAAP, which require the League to report information regarding its financial position and activities according to the following net asset classifications:

**Net Assets Without Donor Restrictions**

Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the League. These net assets may be used at the discretion of the League's management and Board of Directors.

**Net Assets With Donor Restrictions**

Net assets that are subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the League or passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

**THE ARCHITECTURAL LEAGUE OF NEW YORK****NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2025****Note 1 - Organization and Summary of Significant Accounting Policies (continued)****m - Estimates**

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**n - Tax Status**

The Architectural League of New York is a not-for-profit organization, exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and has been designated as an organization which is not a private foundation.

**o - Functional Allocation of Expenses**

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Expenses are applied directly to programs where applicable or allocated on a reasonable and consistent basis. A substantial amount of the League's expenses are directly related to program activities. Expenses that are allocated include salaries, payroll taxes and employee benefits, occupancy, insurance, depreciation and amortization, and other administrative costs, which are allocated based upon estimates of employee time and effort.

**p - Subsequent Events**

The League has evaluated subsequent events through May 13, 2026, the date that the financial statements are considered available to be issued.

**Note 2 - Information Regarding Liquidity and Availability**

The League operates with a balanced budget for each fiscal year based on the revenues expected to be available to fund anticipated expenses. The League has a balanced stream of annual revenue, including a diverse range of both earned and contributed sources. The League considers general expenditures to consist of all expenses related to ongoing program activities, and the expenses related to management and general activities undertaken to support those services.

**THE ARCHITECTURAL LEAGUE OF NEW YORK**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2025**

**Note 2 - Information Regarding Liquidity and Availability (continued)**

The League regularly monitors liquidity to meet its operating needs and other commitments and obligations while seeking to maximize the investment of its available funds. Management prepares regular cash flow projections to determine liquidity needs and has a policy to maintain liquid financial assets on an ongoing basis sufficient to operate the League for a minimum of ninety days.

The League's financial assets as of June 30, 2025 and 2024 available to meet cash needs for general expenditures within one year are summarized as follows:

	<u>2025</u>	<u>2024</u>
Financial Assets at Year End:		
Cash and cash equivalents	\$ 761,188	\$ 794,032
Contributions receivable	508,360	846,473
Accounts receivable	9,000	25,000
Investments	3,906,561	3,409,189
Beneficial interest in perpetual trust	<u>3,303,352</u>	<u>3,139,076</u>
Total Financial Assets	8,488,461	8,213,770
Less: Amounts not Available to be Used within One Year:		
Net assets with donor restrictions, subject to expenditure for specific purposes or passage of time	(426,008)	(342,354)
Plus: Net assets with restrictions expected to be met in less than one year	208,202	143,043
Net assets with donor restrictions for endowment, subject to spending policy and appropriation	(7,681,420)	(7,350,243)
Plus: Amounts appropriated for use within one year	<u>171,527</u>	<u>135,732</u>
Financial Assets Available to meet General Expenditures within One Year	<u>\$ 760,762</u>	<u>\$ 799,948</u>

**THE ARCHITECTURAL LEAGUE OF NEW YORK**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2025**

**Note 3 - Net Assets With Donor Restrictions**

Net assets with donor restrictions are restricted for the following purposes at June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Subject to expenditure for specified purposes:		
Research, scholarship and creative development	\$ 261,133	\$ 209,884
Sponsored projects	92,226	54,179
Paul Gunther fund	26,018	27,201
Next generation fund	-	20,767
Travel grants	-	11,834
Other	<u>46,631</u>	<u>18,489</u>
	<u>426,008</u>	<u>342,354</u>
Endowments subject to spending policy and appropriation:		
Investment income above original gift amount:		
General operating support	234,684	182,141
Research, scholarship and creative development	<u>146,115</u>	<u>108,874</u>
	<u>380,799</u>	<u>291,015</u>
Investment in perpetuity:		
Beneficial interest in perpetual trust	3,303,352	3,139,076
General operating support	2,771,766	2,717,519
Research, scholarships and creative development	<u>1,225,503</u>	<u>1,202,633</u>
	<u>7,300,621</u>	<u>7,059,228</u>
Total Endowments	<u>7,681,420</u>	<u>7,350,243</u>
Total Net Assets with Donor Restrictions	<u>\$8,107,428</u>	<u>\$7,692,597</u>

**Note 4 - Concentrations**

a - The League's cash and cash equivalent balances are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000. Investment accounts are insured by Securities Investor Protection Corporation ("SIPC") up to \$500,000, SIPC does not protect investors from market risk. Balances at times exceed these limits.

b - During the years ended June 30, 2025 and 2024, the League received approximately 55% and 46% of its contribution income from three and two donors, respectively.

Amounts due from two donors represented approximately 64% and 77% of contributions receivable at June 30, 2025 and 2024, respectively.

**THE ARCHITECTURAL LEAGUE OF NEW YORK**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2025**

**Note 5 - Contribution Receivable and Refundable Advances**

Contributions receivable are due as follows as of June 30, 2025 and 2024:

	<b>2025</b>		
	<b><u>Without Donor Restrictions</u></b>	<b><u>With Donor Restrictions</u></b>	<b><u>Total</u></b>
Due within one year	\$33,366	\$451,772	\$485,138
Due within one to five years	-	<u>25,000</u>	<u>25,000</u>
	<u>33,366</u>	476,772	510,138
Less: Discount to present value	<u>-</u>	<u>(1,778)</u>	<u>(1,778)</u>
Total	<u>\$33,366</u>	<u>\$474,994</u>	<u>\$508,360</u>

	<b>2024</b>		
	<b><u>Without Donor Restrictions</u></b>	<b><u>With Donor Restrictions</u></b>	<b><u>Total</u></b>
Due within one year	\$44,495	\$490,772	\$535,267
Due within one to five years	-	<u>330,523</u>	<u>330,523</u>
	<u>44,495</u>	821,295	865,790
Less: Discount to present value	<u>-</u>	<u>(19,317)</u>	<u>(19,317)</u>
Total	<u>\$44,495</u>	<u>\$801,978</u>	<u>\$846,473</u>

Uncollectible contributions receivable are expected to be insignificant. Contributions receivable due after one year are discounted to present value using a discount rate of 3%.

The League received cost reimbursable grants totaling \$861,000 during the year ended June 30, 2023, of which \$276,649 of the grants have not been recognized as qualifying expenses have not been incurred at June 30, 2025. As of June 30, 2025 and 2024, \$219,249 and \$215,205, respectively, was received and recorded as refundable advance.

**THE ARCHITECTURAL LEAGUE OF NEW YORK**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2025**

**Note 6 - Investments**

Investments consist of the following as of June 30, 2025 and 2024:

	<u>2025</u>		<u>2024</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Money market funds and cash held for investment	\$ 209,662	\$ 209,662	\$2,291,460	\$2,291,460
Equities	1,742,773	1,980,386	565,167	606,702
Exchange traded funds - Treasury bills	217,451	243,241	4,560	4,569
Exchange traded funds - Equities	-	-	64,991	66,674
Mutual funds - Fixed income	-	-	352,058	358,344
Mutual funds - Equities	<u>1,461,467</u>	<u>1,473,272</u>	<u>76,790</u>	<u>81,440</u>
	<u>\$3,631,353</u>	<u>\$3,906,561</u>	<u>\$3,355,026</u>	<u>\$3,409,189</u>

Net investment income is summarized as follows as of June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Interest and dividends	\$116,494	\$ 84,121
Realized gains (losses)	(23,877)	424,996
Unrealized gains (losses)	221,045	(352,451)
Investment fees	<u>(28,136)</u>	<u>(4,097)</u>
	<u>\$285,526</u>	<u>\$152,569</u>

**Note 7 - Endowment Funds**

The League's endowment consists of several individual donor-restricted funds for general operating support, as well as research, scholarships, and creative development. As required by U.S. GAAP, net assets associated with endowment funds, are classified and reported based on the existence or absence of donor-imposed restrictions.

Consistent with the New York State Not-for-profit Corporation Law, and the New York State Prudent Management of Institutional Funds Act ("NYPMIFA"), the League classifies donor-restricted for investment in perpetuity as (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) accumulations to the permanent endowment made in accordance with the direction of any applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified for investment in perpetuity is classified as investment income above original gift amount until those amounts are appropriated for expenditure by the League.

**THE ARCHITECTURAL LEAGUE OF NEW YORK**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2025**

**Note 7 - Endowment Funds (continued)**

In accordance with NYPMIFA, the League considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (i) the duration and preservation of the endowment fund;
- (ii) the purposes of the League and the endowment fund;
- (iii) general economic conditions;
- (iv) the possible effect of inflation or deflation;
- (v) the expected total return from income and the appreciation of investments;
- (vi) other resources of the League;
- (vii) where appropriate and circumstances would otherwise warrant, alternatives to expenditure of the endowment fund, giving due consideration to the effect that such alternatives may have on the League; and
- (viii) the investment policy of the League

Changes are summarized as follows for the League's endowment funds for the year ending June 30, 2025 and 2024 are summarized as follows:

	<b>2025</b>		
	<b>Investment Income Above Original Gift Amount</b>	<b>Investment in Perpetuity</b>	<b>Total</b>
Endowment funds, beginning of year	\$291,015	\$3,118,174	\$3,409,189
Contributions	-	444,101	444,101
Net investment income	269,238	-	269,238
Appropriation for expenditure	<u>(179,454)</u>	<u>-</u>	<u>(179,454)</u>
Endowment funds, End of year	<u>\$380,799</u>	<u>\$3,562,275</u>	<u>\$3,943,074</u>
	<b>2024</b>		
	<b>Investment Income Above Original Gift Amount</b>	<b>Investment in Perpetuity</b>	<b>Total</b>
Endowment funds, beginning of year	\$146,627	\$2,702,610	\$2,849,237
Contributions	-	415,564	415,564
Net investment income	<u>144,388</u>	<u>-</u>	<u>144,388</u>
Endowment funds, End of year	<u>\$291,015</u>	<u>\$3,118,174</u>	<u>\$3,409,189</u>

**THE ARCHITECTURAL LEAGUE OF NEW YORK**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2025**

**Note 7 - Endowment Funds (continued)**

Contributions of \$434,994 and \$801,978, net of discount to present value, for the endowment fund are included as contributions receivable at June 30, 2025 and 2024, respectively.

The League invests in equities, exchange traded funds, and mutual funds which are pooled to facilitate investment management. Investment earnings are allocated to the endowment using the market value unit method, which is adjusted when funds are added to the pool.

Under the League’s current spending policy, decisions to appropriate endowment funds will be made on a fund-by-fund basis and in accordance with any specific directives on spending that the donor imposed. Should the endowment funds become large enough, an appropriate spending rate will be determined annually and applied to each such group or similarly situated funds.

**Note 8 - Property and Equipment**

Property and equipment consist of the following as of June 30, 2025 and 2024:

	<u>Life</u>	<u>2025</u>	<u>2024</u>
Furniture and equipment	3 years	\$ 64,845	\$ 64,845
Leasehold improvements	3 years	36,298	36,298
Website development costs	3 years	<u>105,000</u>	<u>105,000</u>
		206,143	206,143
Less: Accumulated depreciation and amortization		<u>(201,142)</u>	<u>(184,866)</u>
		<u>\$ 5,001</u>	<u>\$ 21,277</u>

**Note 9 - 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 held in perpetuity with donor restrictions in the accompanying financial statements.

**THE ARCHITECTURAL LEAGUE OF NEW YORK**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2025**

**Note 9 - Beneficial Interest in Perpetual Trust (continued)**

Distributions from the Trust are reported as with donor restrictions subject to expenditure for the support of scholarships, research and study in architecture. The League's income from the Trust for the years ended June 30, 2025 and 2024 totaled \$153,909 and \$121,490, respectively.

The League's interest in the Trust as of June 30, 2025 and 2024 was valued at \$3,303,352 and \$3,139,076, respectively.

**Note 10 - Fair Value Measurements**

Fair value of assets measured on a recurring basis at June 30, 2025 and 2024 are as follows:

	<b>2025</b>			
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Money market funds and cash held for investment	\$ 209,662	\$ 209,662	\$ -	\$ -
Equities	1,980,386	1,980,386	-	-
Exchange traded funds - Treasury bills	243,241	243,241	-	-
Mutual funds - Equities	<u>1,473,272</u>	<u>1,473,272</u>	-	-
	3,906,561	3,906,561	-	-
Beneficial interest in perpetual trust	<u>3,303,352</u>	-	-	<u>3,303,352</u>
	<u>\$7,209,913</u>	<u>\$3,906,561</u>	<u>\$ -</u>	<u>\$3,303,352</u>
	<b>2024</b>			
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Money market funds and cash held for investment	\$2,291,460	\$2,291,460	\$ -	\$ -
Equities	606,702	606,702	-	-
Exchange traded funds - Treasury bills	4,569	4,569	-	-
Exchange traded funds - Equities	66,674	66,674	-	-
Mutual funds - Fixed income	358,344	358,344	-	-
Mutual funds - Equities	<u>81,440</u>	<u>81,440</u>	-	-
	3,409,189	3,409,189	-	-
Beneficial interest in perpetual trust	<u>3,139,076</u>	-	-	<u>3,139,076</u>
	<u>\$6,548,265</u>	<u>\$3,409,189</u>	<u>\$ -</u>	<u>\$3,139,076</u>

**THE ARCHITECTURAL LEAGUE OF NEW YORK**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2025**

**Note 10 - Fair Value Measurements (continued)**

The League's investments are carried at fair value within the levels of the fair value hierarchy used to measure their respective fair values at June 30, 2025 and 2024. Fair value for the beneficial interest in the perpetual trust is determined by calculating the League's share of the fair value of the investments held by the charitable remainder trust.

The following summarizes changes in fair value of the League's Level 3 assets during the years ended June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Beneficial interest in perpetual trust:		
Balance, beginning of year	\$3,139,076	\$2,861,521
Change in value of the beneficial interest in perpetual trust	<u>164,276</u>	<u>277,555</u>
	<u>\$3,303,352</u>	<u>\$3,139,076</u>

**Note 11 - Loan Payable**

On February 5, 2022, the League received a \$196,700 Economic Injury Disaster Loan ("EIDL") authorized by the U.S. Small Business Administration. The loan requires monthly payments of \$884, including principal and interest at a rate of 2.75% per annum, through maturity on February 5, 2052. The League commenced payments on the loan in August 2024.

Approximate maturities of the loan payable are as follows:

<u>Year Ending June 30,</u>	
2026	\$ 5,000
2027	5,200
2028	5,300
2029	5,400
2030	5,600
Thereafter, through February 5, 2052	<u>170,200</u>
	<u>\$196,700</u>

Interest expense for the year ended June 30, 2025 was \$9,724.

**THE ARCHITECTURAL LEAGUE OF NEW YORK**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2025**

**Note 12 - Operating Lease Liability**

The League occupies office space under a lease agreement which expires July 31, 2030. Operating lease expense was \$148,905 for both years ended June 30, 2025 and 2024. There was no variable lease cost incurred.

As of June 30, 2025, the remaining term of the League's operating lease is 61 months, and the discount rate is 2.91%.

Maturities of the League's operating lease liability as of June 30 is as follows:

<u>Year Ending June 30,</u>	
2026	\$157,222
2027	163,471
2028	168,375
2029	173,426
2030	178,629
Thereafter, through July 31, 2030	<u>14,922</u>
	856,045
Less: Amount attributable to interest	<u>(62,730)</u>
	<u>\$793,315</u>

**Note 13 - Donated Services**

During the years ended June 30, 2025 and 2024, the League received donated graphic design services in connection with its program services in the amount of \$20,000. The services were valued by the service provider based on rates charged for similar services.

**Note 14 - Retirement Plan**

The League maintains a defined contribution 401(k) plan for all eligible employees. The League contributes an amount equivalent to 3% of the employees' pretax compensation for all employees who have been with the League for at least six months.

The League made contributions to the 401(k) retirement plan totaling \$27,059 and \$20,535, respectively, for the years ending June 30, 2025 and 2024.

**THE ARCHITECTURAL LEAGUE OF NEW YORK**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2025**

**Note 15 - Contingency**

Government supported programs are subject to audit by the granting agency.

**Note 16 - Prior Period Adjustment**

Net assets as of July 1, 2023 have been restated to correct contribution income reflected as investment income above original gift amount totaling \$40,916 that should have been recorded as net assets without donor restrictions. Net assets as of July 1, 2024 have been restated to reflect contribution income held in perpetuity totaling \$15,255, which was previously recorded as net assets without donor restrictions.