

**New York Foundation for the Arts, Inc.**

Financial Statements

June 30, 2025 and 2024

## Independent Auditors' Report

**Board of Directors**  
**New York Foundation for the Arts, Inc.**

### ***Opinion***

We have audited the accompanying financial statements of New York Foundation for the Arts, Inc. ("NYFA") (a "Not for Profit Organization") which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities and changes in net assets, functional expenses and cash flows for the years 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 NYFA as of June 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). 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 NYFA and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***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 NYFA'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 GAAS 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 GAAS, 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 NYFA'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 NYFA's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control related matters that we identified during the audit.

*PKF O'Connor Davies, LLP*

Cranford, New Jersey  
January 29, 2026

**New York Foundation for the Arts, Inc.**

Statements of Financial Position

	June 30,	
	2025	2024
<b>ASSETS</b>		
Cash	\$ 10,762,401	\$ 11,284,656
Cash, Musical Instrument Revolving Loan Fund (MIRLF)	829,277	854,287
Investments, at fair value	9,319,928	3,684,304
Contributions and grants receivable	440,490	387,533
Loans receivable, MIRLF	14,955	14,945
Prepaid expenses	22,926	23,337
Security deposits	51,341	51,341
Property and equipment, net	80,073	56,651
Right-of-use asset, operating lease	1,457,397	1,610,668
	\$ 22,978,788	\$ 17,967,722
 <b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Accounts payable and accrued expenses	\$ 187,914	\$ 231,407
Grants payable	753,000	726,620
Due to Sponsored Emerging Organizations	436,271	413,884
Due to MIRLF	844,207	869,232
Deferred revenue	290,550	171,830
Deferred grant revenue	1,382,677	3,298,313
Operating lease liability	1,649,059	1,770,520
Total Liabilities	5,543,678	7,481,806
 Net Assets		
Without Donor Restrictions		
Operating	1,581,006	1,576,990
Board designated	1,123,810	1,083,810
Total Without Donor Restrictions	2,704,816	2,660,800
With donor restrictions	14,730,294	7,825,116
Total Net Assets	17,435,110	10,485,916
	\$ 22,978,788	\$ 17,967,722

**New York Foundation for the Arts, Inc.**

Statements of Activities and Changes in Net Assets  
Year Ended June 30, 2025 and 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES, GAINS AND OTHER SUPPORT</b>						
Contributions and grants	\$ 5,730,702	\$ 16,067,139	\$ 21,797,841	\$ 5,485,965	\$ 8,477,085	\$ 13,963,050
Special events, net of direct costs of \$161,456 and \$154,735 for 2025 and 2024	150,727	-	150,727	247,498	-	247,498
Administrative fees	853,102	-	853,102	570,918	-	570,918
Investment income, net	410,233	162,591	572,824	240,498	72,822	313,320
Program service fees	948,880	-	948,880	1,115,583	-	1,115,583
Rental and other income	38,412	-	38,412	11,476	-	11,476
Net assets released from restrictions	<u>9,324,552</u>	<u>(9,324,552)</u>	<u>-</u>	<u>5,876,442</u>	<u>(5,876,442)</u>	<u>-</u>
Total Revenues, Gains and Other Support	<u>17,456,608</u>	<u>6,905,178</u>	<u>24,361,786</u>	<u>13,548,380</u>	<u>2,673,465</u>	<u>16,221,845</u>
<b>EXPENSES</b>						
Program services	<u>15,902,583</u>	<u>-</u>	<u>15,902,583</u>	<u>11,854,294</u>	<u>-</u>	<u>11,854,294</u>
Supporting Services						
Management and general	904,440	-	904,440	914,995	-	914,995
Fundraising and communications	<u>605,569</u>	<u>-</u>	<u>605,569</u>	<u>756,542</u>	<u>-</u>	<u>756,542</u>
Total Supporting Services	<u>1,510,009</u>	<u>-</u>	<u>1,510,009</u>	<u>1,671,537</u>	<u>-</u>	<u>1,671,537</u>
Total Expenses	<u>17,412,592</u>	<u>-</u>	<u>17,412,592</u>	<u>13,525,831</u>	<u>-</u>	<u>13,525,831</u>
Change in Net Assets	44,016	6,905,178	6,949,194	22,549	2,673,465	2,696,014
<b>NET ASSETS</b>						
Beginning of Year	<u>2,660,800</u>	<u>7,825,116</u>	<u>10,485,916</u>	<u>2,638,251</u>	<u>5,151,651</u>	<u>7,789,902</u>
End of Year	<u>\$ 2,704,816</u>	<u>\$ 14,730,294</u>	<u>\$ 17,435,110</u>	<u>\$ 2,660,800</u>	<u>\$ 7,825,116</u>	<u>\$ 10,485,916</u>

New York Foundation for the Arts, Inc.

Statement of Functional Expenses  
Year Ended June 30, 2025

	Program Services								Supporting Services				Total
	Fiscal Sponsorships	NYC Made in NY Women's Film Program	Learning	NYSCA/NYFA Fellowship Grants	Programs Technology	Online Resources for Artists	Other Programs	Total	Management and General	Fundraising and Communications	Special Events	Total	
Salaries	\$ 246,019	\$ 48,094	\$ 354,909	\$ 75,521	\$ 160,557	\$ 296,239	\$ 337,485	\$ 1,518,824	\$ 500,620	\$ 426,737	\$ -	\$ 927,357	\$ 2,446,181
Payroll taxes and employee benefits	45,764	8,564	62,906	13,365	28,463	52,378	59,470	270,910	104,769	74,004	-	178,773	449,683
Total Personnel Costs	291,783	56,658	417,815	88,886	189,020	348,617	396,955	1,789,734	605,389	500,741	-	1,106,130	2,895,864
Fellowships and grants	5,816,109	1,102,413	200,000	696,000	-	-	4,620,997	12,435,519	-	-	-	-	12,435,519
Project production	-	51,100	-	30,850	-	-	322,730	404,680	-	-	-	-	404,680
Occupancy and storage	31,562	4,604	38,887	12,510	13,906	35,849	29,131	166,449	56,310	45,320	-	101,630	268,079
Travel	1,896	-	9,962	146	-	-	7,884	19,888	25,007	529	-	25,536	45,424
Printing and duplicating	127	21	151	37	68	251	144	799	230	221	-	451	1,250
Telephone and internet provider	1,529	254	1,790	419	817	1,783	1,726	8,318	3,916	2,643	-	6,559	14,877
Postage and shipping	636	71	598	112	217	487	455	2,576	28,284	748	-	29,032	31,608
Advertising and public relations	-	-	-	-	-	-	9,617	9,617	240	-	-	240	9,857
Office supplies	294	49	391	80	157	175	330	1,476	665	923	-	1,588	3,064
Repairs and maintenance	1,975	342	2,304	542	1,048	2,298	2,200	10,709	3,546	3,409	-	6,955	17,664
Equipment expense	2,608	461	3,038	716	238,167	3,032	2,884	250,906	4,659	4,499	-	9,158	260,064
Insurance expense	2,459	601	2,775	685	1,212	2,807	2,368	12,907	6,998	4,184	-	11,182	24,089
Professional fees	44,918	526	560,208	985	1,971	7,987	53,351	669,946	106,403	6,273	-	112,676	782,622
Board expenses	-	-	-	-	-	-	-	-	6,628	-	-	6,628	6,628
Hospitality	619	96	8,554	307	335	764	1,028	11,703	2,573	7,144	-	9,717	21,420
Event space and catering	-	-	-	-	-	-	-	-	-	-	161,456	161,456	161,456
Depreciation and amortization	7,940	1,155	9,384	2,165	4,331	9,311	9,312	43,598	14,797	13,787	-	28,584	72,182
Conference attendance	1,351	-	-	-	-	-	-	1,351	-	-	-	-	1,351
Credit card and bank fees	1,636	-	1,143	-	-	22,476	-	25,255	2,243	1,463	-	3,706	28,961
Professional development	2,096	2	1,426	3	6	454	14	4,001	10,479	3,293	-	13,772	17,773
Miscellaneous	5,989	879	7,317	1,633	3,261	7,068	7,004	33,151	26,073	10,392	-	36,465	69,616
Total Expenses	6,215,527	1,219,232	1,265,743	836,076	454,516	452,976	5,458,513	15,902,583	904,440	605,569	161,456	1,671,465	17,574,048
Less expenses deducted from revenues on the statements of activities													
Direct expenses of special events	-	-	-	-	-	-	-	-	-	-	(161,456)	(161,456)	(161,456)
Total Expenses as Reported by Function on the Statements of Activities	\$ 6,215,527	\$ 1,219,232	\$ 1,265,743	\$ 836,076	\$ 454,516	\$ 452,976	\$ 5,458,513	\$ 15,902,583	\$ 904,440	\$ 605,569	\$ -	\$ 1,510,009	\$ 17,412,592

New York Foundation for the Arts, Inc.

Statement of Functional Expenses  
Year Ended June 30, 2024

	Program Services								Supporting Services				
	Fiscal Sponsorships	NYC Made in NY Women's Film Program	Learning	NYSCA/NYFA Fellowship Grants	Programs Technology	Online Resources for Artists	Other Programs	Total	Management and General	Fundraising and Communications	Special Events	Total	Total
Salaries	\$ 306,934	\$ 37,120	\$ 340,007	\$ 83,003	\$ 141,783	\$ 185,412	\$ 266,547	\$ 1,360,806	\$ 481,755	\$ 560,225	\$ -	\$ 1,041,980	\$ 2,402,786
Payroll taxes and employee benefits	42,993	18,953	43,529	27,338	25,883	35,408	116,946	311,050	95,435	55,966	-	151,401	462,451
Total Personnel Costs	349,927	56,073	383,536	110,341	167,666	220,820	383,493	1,671,856	577,190	616,191	-	1,193,381	2,865,237
Fellowships and grants	4,961,428	1,065,144	-	687,000	-	-	2,443,423	9,156,995	-	-	-	-	9,156,995
Project production	-	22,390	-	25,200	-	-	30,742	78,332	1,400	-	-	1,400	79,732
Occupancy and storage	32,682	6,929	38,311	13,683	12,740	24,188	24,492	153,025	49,735	56,639	-	106,374	259,399
Travel	3,880	-	3,843	41	-	330	-	8,094	15,354	1,094	-	16,448	24,542
Printing and duplicating	280	74	314	78	135	190	259	1,330	442	604	-	1,046	2,376
Telephone and internet provider	1,762	463	1,971	493	851	1,195	1,627	8,362	4,303	3,793	-	8,096	16,458
Postage and shipping	468	123	950	131	226	427	497	2,822	15,088	1,041	-	16,129	18,951
Advertising and public relations	-	-	-	-	-	-	-	-	-	7,104	-	7,104	7,104
Office supplies	318	84	1,073	89	154	252	361	2,331	618	752	-	1,370	3,701
Repairs and maintenance	2,291	602	2,563	641	1,107	1,553	2,117	10,874	7,791	4,932	-	12,723	23,597
Equipment expense	2,694	708	3,014	753	184,932	1,827	2,490	196,418	4,247	5,799	-	10,046	206,464
Insurance expense	3,514	923	3,931	983	1,698	2,383	3,247	16,679	5,640	7,565	-	13,205	29,884
Professional fees	5,000	1,314	402,377	1,398	40,015	3,390	5,856	459,350	189,075	19,624	-	208,699	668,049
Board expenses	-	-	-	-	-	-	-	-	3,405	-	-	3,405	3,405
Hospitality	226	25	10,270	26	46	63	88	10,744	4,866	8,670	-	13,536	24,280
Event space and catering	-	-	-	-	-	-	-	-	-	-	-	154,735	154,735
Depreciation and amortization	7,590	1,994	8,489	2,123	3,666	5,145	7,010	36,017	11,962	16,336	-	28,298	64,315
Conference attendance	1,386	-	-	-	-	30	-	1,416	725	-	-	725	2,141
Credit card and bank fees	626	-	2,907	-	-	28,650	-	32,183	1,577	981	-	2,558	34,741
Professional development	813	9	1,080	10	17	24	33	1,986	8,570	3,040	-	11,610	13,596
Miscellaneous	1,133	280	1,541	298	524	722	982	5,480	13,007	2,377	-	15,384	20,864
Total Expenses	5,376,018	1,157,135	866,170	843,288	413,777	291,189	2,906,717	11,854,294	914,995	756,542	154,735	1,826,272	13,680,566
Less expenses deducted from revenues on the statements of activities													
Direct expenses of special events	-	-	-	-	-	-	-	-	-	-	(154,735)	(154,735)	(154,735)
Total Expenses as Reported by Function on the Statements of Activities	\$ 5,376,018	\$ 1,157,135	\$ 866,170	\$ 843,288	\$ 413,777	\$ 291,189	\$ 2,906,717	\$ 11,854,294	\$ 914,995	\$ 756,542	\$ -	\$ 1,671,537	\$ 13,525,831

**New York Foundation for the Arts, Inc.**

Statements of Cash Flows

	Year Ended June 30,	
	2025	2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 6,949,194	\$ 2,696,014
Adjustment to reconcile change in net assets to net costs from operating activities		
Depreciation and amortization	72,182	64,315
Realized and unrealized gains	(195,500)	(176,471)
Amortization of operating lease right-of-use asset	153,271	146,346
Changes in operating assets and liabilities		
Contributions and grants receivable	(52,957)	(3,703)
Prepaid expenses	411	65,750
Accounts payable and accrued expenses	(43,493)	47,624
Grants payable	26,380	(4,380)
Due to Sponsored Emerging Organizations	22,387	115,413
Due to MIRLF	(25,025)	-
Deferred revenue	118,720	12,825
Deferred grant revenue	(1,915,636)	539,324
Operating lease liability	(121,461)	(110,896)
Net Cash from Operating Activities	4,988,473	3,392,161
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(95,604)	(51,003)
Purchase of investments	(6,849,872)	(272,262)
Proceeds from sales of investments	1,409,748	67,356
Advances made on loans receivable	(10)	-
Principal payments received on loans receivable	-	40,228
Net Cash from Investing Activities	(5,535,738)	(215,681)
Net Change in Cash and Restricted Cash	(547,265)	3,176,480
<b>CASH AND RESTRICTED CASH</b>		
Beginning of Year	12,138,943	8,962,463
End of Year	\$ 11,591,678	\$ 12,138,943
<b>RECONCILIATION OF CASH AND RESTRICTED CASH TO STATEMENT OF FINANCIAL POSITION</b>		
Cash	\$ 10,762,401	\$ 11,284,656
Cash (MIRLF)	829,277	854,287
	\$ 11,591,678	\$ 12,138,943

## **New York Foundation for the Arts, Inc.**

Notes to Financial Statements  
June 30, 2025 and 2024

### **1. Organization**

#### ***Nature of Operations***

New York Foundation for the Arts, Inc. (“NYFA”) is a publicly supported, nonprofit organization exempt from income tax under Section 501(c)(3) of the Internal Revenue Code. NYFA’s mission is to empower artists at critical stages in their lives. This work has been conducted since 1971, evolving to serve artists through a number of different channels, including: awards and grants to individual artists, fiscal sponsorships, fundraising support, professional development training and online services.

NYFA is primarily supported by grants and contributions.

#### ***Income Taxes***

NYFA is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and a similar provision of state law. However, NYFA is subject to federal income tax on any unrelated business taxable income.

NYFA files tax returns in the U.S. federal jurisdiction.

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

#### ***Use of Estimates***

The financial statements have been prepared in conformity 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 the 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. Actual results could differ from those estimates.

#### ***Cash***

Uninvested cash included in investment accounts, including endowment accounts, are not considered to be cash.

## **New York Foundation for the Arts, Inc.**

Notes to Financial Statements  
June 30, 2025 and 2024

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

#### ***Investments and Net Investment Return***

Investments in equity securities having a readily determinable fair value and in all debt, securities are carried at fair value.

Investment return includes dividend, interest and other investment income; realized and unrealized gains and losses on investments carried at fair value; and realized gains and losses on other investments, less external and direct internal investment expenses. Gains and losses on the sale of securities are recorded on the trade date and are determined using the specific identification method.

Investment return that is initially restricted by donor stipulation and for which the restriction will be satisfied in the same year is included in net assets with donor restrictions and then released through restrictions. Other investment return is reflected in the statements of activities and changes in net assets as with or without donor restrictions based upon the existence and nature of any donor or legally imposed restrictions.

NYFA maintains pooled investment accounts for its endowments. Investment income and realized and unrealized gains and losses from securities in the pooled investment accounts are allocated monthly to the individual endowments based on the relationship of the fair value of the interest of each endowment to the total fair value of the pooled investments accounts, as adjusted for additions to or deductions from those accounts.

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

NYFA 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 quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

**New York Foundation for the Arts, Inc.**

Notes to Financial Statements  
June 30, 2025 and 2024

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

***Accounts Receivable***

Accounts receivable are stated at the amount of consideration from customers, of which NYFA has an unconditional right to receive plus any accrued and unpaid interest. NYFA provides an allowance for doubtful accounts, which is based upon a review of outstanding receivables, historical collection information and existing economic conditions. There were no accounts receivable at June 30, 2025 and 2024.

***Allowance for Doubtful Accounts – Contributions Receivable***

Factors used to determine whether an allowance should be recorded include the age of the receivable and a review of payments subsequent to year end. Bad debt expense is charged if the receivable is determined to be uncollectible based on periodic review by management. Management did not record an allowance for doubtful accounts as of June 30, 2025 and 2024 as all receivables are expected to be received.

***Contributions***

Contributions are provided to NYFA either with or without restrictions placed on the gift by the donor. Revenues and net assets are separately reported to reflect the nature of those gifts with or without donor restrictions. The value recorded for each contribution is recognized as follows:

Nature of the Gift	Value Recognized
<i>Conditional gifts, with or without restriction</i>	
Gifts that depend on NYFA overcoming a donor-imposed barrier to be entitled to the funds.	Not recognized until the gift becomes unconditional, i.e., the donor-imposed barrier is met
<i>Unconditional gifts, with or without restriction</i>	
Received at date of gift – cash and other assets	Estimated at fair value
Received at date of gift – property, equipment and long-lived assets	Estimated at fair value
Expected to be collected within one year	Net realizable value
Collected in future years	Initially reported at fair value determined using the discounted present value of estimated future cash flows

## New York Foundation for the Arts, Inc.

Notes to Financial Statements  
June 30, 2025 and 2024

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

#### ***Contributions (continued)***

In addition to the amount initially recognized, revenue for unconditional gifts to be collected in future years is also recognized each year as the present-value discount is amortized using the level-yield method.

When a donor-stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities and changes in net assets as net assets released from restrictions. Absent explicit donor stipulations for the period of time that long-lived assets must be held, expirations of restrictions for gifts of land, buildings, equipment and other long-lived assets are reported when those assets are placed in service.

Gifts and investment income having donor stipulations which are satisfied in the period the gift is received are recorded as revenue and net assets with donor restrictions, and then released through restrictions.

Conditional contributions having donor stipulations which are satisfied in the period the gift is received are recorded as revenue and net assets with donor restrictions, and then released through restrictions.

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

Property and equipment acquisitions over \$1,000 are stated at cost less accumulated depreciation. Depreciation is charged to expense using the straight-line method over the estimated useful life of each asset. Leasehold improvements are depreciated over the shorter of the lease term or respective estimated useful lives.

The estimated useful lives for each major depreciable classification of property and equipment are as follows:

Furniture and equipment	3-5 years
Website development	3-5 years

#### ***Long-Lived Asset Impairment***

NYFA evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset is less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value, less costs to sell.

No asset impairment was recognized during the years ended June 30, 2025 and 2024.

## **New York Foundation for the Arts, Inc.**

Notes to Financial Statements  
June 30, 2025 and 2024

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

#### **Net Assets**

##### *Net Assets Without Donor Restrictions*

Net assets without donor restrictions are available for use at the discretion of the Board of Directors (the “Board”) and management for general operating purposes. From time to time, the Board may designate a portion of these net assets for specific purposes, which makes them unavailable for use at management’s discretion. At June 30, 2025 and 2024, \$1,123,810 and \$1,083,810 of NYFA’s net assets without donor restriction were Board designated.

##### *Net Assets With Donor Restrictions*

Net assets with donor restrictions consist of assets whose use is limited by donor-imposed, time and/or purpose restrictions. The Foundation reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, the net assets with donor restriction are reclassified to net assets without donor restriction and reported in the statements of activities and changes in net assets as net assets released from restrictions.

From time to time, NYFA may receive gifts of net assets with donor restrictions that contain a stipulation that the assets provided be maintained permanently (perpetual in nature) while permitting NYFA to expend the income generated by the assets in accordance with the provisions of additional donor imposed stipulations or a board approved spending policy. At June 30, 2025 and 2024, NYFA had net assets with donor restrictions of \$537,088 that are maintained permanently.

#### **Revenue Recognition**

*Administrative Fees:* Administrative fees include fees charged for managing artists’ funds and administering grants. Fees are based upon a percentage of assets being managed by NYFA on behalf of the individual artist and recognized as NYFA satisfies performance obligations under its contracts. Revenue is reported at the estimated transaction price or an amount that reflects the consideration to which NYFA expects to be entitled in exchange for providing services. NYFA determines the transaction price based on standard charges for services provided.

*Program Service Fees:* Program service fees are charged for various programs held throughout the year. Revenue is reported at the amount of consideration which NYFA expects to be entitled in exchange for providing services. NYFA determines the transaction price based on standard charges for services provided.

*Rental and Other Income:* Rental income includes fees for short-term rentals and commissions and is recognized when earned in accordance with the related agreements.

## **New York Foundation for the Arts, Inc.**

Notes to Financial Statements  
June 30, 2025 and 2024

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

#### ***Due to Sponsored Emerging Organizations***

NYFA acts as the fiscal agent on behalf of sponsored emerging organizations. As such, NYFA collects revenues on behalf of the sponsored emerging organizations from earned income of those organizations, such as art sales, ticket sales from performances, etc. NYFA also pays those organizations' expenses from the funds collected. Amount due to sponsored emerging organizations at year end represents excess of the revenues over expenses.

#### ***Fellowships and Grants Payable***

NYFA records fellowship grants or other grants as expenses when unconditional grants are approved, and the grantees are notified. At June 30, 2025 and 2024, there was \$753,000 and \$726,620 of grants payable.

#### ***Musical Instrument Revolving Loan Fund (MIRLF)***

In 2018, NYFA took over operating the Musical Instrument Revolving Loan Fund (MIRLF), a program funded by the New York State Council for the Arts (NYSCA). The MIRLF provides loans at a 3 percent interest rate to organizations and individuals to purchase musical instruments. NYFA manages and tracks the loans for NYSCA and charges a yearly administrative fee to the program. NYSCA is responsible for reviewing the outstanding loans for impairments and write offs. All loans are due within the next year. Restricted cash and loans receivable are equivalent to amounts due to MIRLF under this program.

#### ***Advertising***

Advertising costs are expensed in the year they are incurred. For the years ended June 30, 2025 and 2024, advertising expenses were \$9,857 and \$7,104.

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

The costs of providing NYFA's services have been summarized on a functional basis in the statements of activities and changes in net assets. The statements of functional expenses present the natural classification detail of expenses by function. Certain costs such as personal costs, fellowships and grants, occupancy and storage, professional fees, and other expenses have been allocated among the program, management and general and fundraising categories based on the square footage methodology and other methods.

**New York Foundation for the Arts, Inc.**

Notes to Financial Statements  
June 30, 2025 and 2024

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

***Leases***

NYFA's policy for finance and operating leases is to record a right-of-use ("ROU") asset and lease obligation based on the present value of the lease payments calculated based on stated discount rate per lease agreement or in the absence of stated discount rate, NYFA's incremental borrowing rate over the lease term, when the initial term of the lease exceeds 12 months. Lease payments related to periods subject to renewal options are excluded for purposes of calculating the ROU asset and lease obligation unless NYFA is reasonably certain to exercise the option to extend the lease. Lease expense is recognized on a straight-line basis over the term of the lease.

NYFA applies the short-term lease exemption to one of its classes of underlying asset: storage unit lease. During the years ended June 30, 2025 and 2024, the short-term lease cost included in occupancy and storage in the accompanying statements of functional expenses was approximately \$31,000 and \$22,000.

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

NYFA recognizes the effect of income tax positions only if those positions are more likely than not to be sustained. Management has determined that NYFA had no uncertain tax positions that would require financial statement recognition or disclosure. NYFA is no longer subject to examinations by the applicable taxing jurisdictions for periods prior to 2022.

***Subsequent Events***

Management has evaluated subsequent events for disclosure and/or possible recognition in the financial statements through January 29, 2026, which is the date that the financial statements were available to be issued.

## New York Foundation for the Arts, Inc.

Notes to Financial Statements  
June 30, 2025 and 2024

### 3. Investments

The following are major categories of investments of NYFA measured at fair value on a recurring basis grouped by the fair value hierarchy for those investments subject to categorization within such hierarchy at June 30:

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents, at cost	\$ 51,749	\$ 47,016
Level 1 (Quoted Prices in Active Markets)		
Equity funds - domestic	944,165	780,574
Mutual funds - income and growth	7,263,608	1,913,821
Corporate fixed income	248,272	222,070
Exchange traded funds - domestic	<u>812,134</u>	<u>720,823</u>
	<u>\$ 9,319,928</u>	<u>\$ 3,684,304</u>

### 4. Conditional Gifts

NYFA has received \$1,382,677 and \$3,298,313 of conditional grants at June 30, 2025 and 2024 that are recognized as deferred grant revenue and expected to be recognized as grant income in future years. The conditional grants will be recognized into revenue when qualifying expenses are incurred.

### 5. Contributions Receivable

Contributions receivable of \$440,490 and \$387,533 at June 30, 2025 and 2024 consisted of amounts due in less than one year.

### 6. Property and Equipment

Property and equipment, at cost, consist of the following at June 30:

	<u>2025</u>	<u>2024</u>
Furniture and equipment	\$ 375,735	\$ 375,735
Website development	<u>1,659,897</u>	<u>1,564,293</u>
	2,035,632	1,940,028
Less accumulated depreciation and amortization	<u>(1,955,559)</u>	<u>(1,883,377)</u>
	<u>\$ 80,073</u>	<u>\$ 56,651</u>

## New York Foundation for the Arts, Inc.

Notes to Financial Statements  
June 30, 2025 and 2024

### 7. Line of Credit

In May 2015, NYFA renewed its line of credit agreement with JPMorgan Chase Bank, NA. It is a revolving line of credit and is secured by all assets held by NYFA. The line of credit expires on May 31, 2026 and has a maximum drawdown of \$250,000. Interest is payable at a variable rate equal to the prime rate plus .05 percent, which was 7.30% and 8.55% at June 30, 2025 and 2024. As of June 30, 2025 and 2024, no balance was outstanding.

### 8. Revenue from Contracts with Customers

#### *Advertising, Program Service and Administrative Fees Revenue*

Performance obligations are determined based on the nature of the services provided by NYFA in accordance with contracts. Revenue for performance obligations satisfied over time is recognized ratably over the period as NYFA satisfies its performance obligations. NYFA believes this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation.

#### *Transaction Price and Recognition*

NYFA determines the transaction price based on standard charges for goods and services provided, reduced by discounts provided in accordance with NYFA's policy and implicit price concessions provided to customers. NYFA determines its estimates of explicit price concessions based on its discount policies. NYFA determines its estimate of implicit price concessions based on its historical collection experience with this class of customers.

NYFA has determined that the nature, amount, timing and uncertainty of revenue and cash flows are affected by the following factors:

- Payors (for example, customer, governmental programs and others) that have different reimbursement and payment methodologies
- NYFA's line of business that provided the service

For the years ended June 30, 2025 and 2024, NYFA recognized revenue of \$1,801,982 and \$1,686,501 from goods and services that transfer to the customer over time.

#### *Contract Balances*

NYFA does not have receivables or contract assets from contracts with customers. The following table provides information about NYFA's contract liabilities from contracts with customers included as deferred revenue in the accompanying statement of financial position:

	2025	2024
Beginning of the year	\$ 171,830	\$ 161,246
End of the year	290,550	171,830

**New York Foundation for the Arts, Inc.**

Notes to Financial Statements  
June 30, 2025 and 2024

**9. Net Assets**

***Net Assets With Donor Restrictions***

Net assets with donor restrictions are restricted for the following purposes at June 30:

	2025	2024
Subject to expenditure for specified purpose		
Artists' Fund	\$ 5,549,447	\$ 1,324,113
Fiscal Sponsorship	7,148,641	4,235,429
New York State Council on the Arts Fellowship	8,032	8,032
Artists Business Incubator	4,477	4,477
Core Activities	1,015,663	1,320,487
	13,726,260	6,892,538
Endowments		
Subject to appropriation and expenditure over time, of which a portion is restricted in perpetuity by donors	1,004,034	932,578
	\$ 14,730,294	\$ 7,825,116

***Net Assets Released from Restrictions***

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors for the years ended June 30:

	2025	2024
Satisfaction of purpose restrictions		
Artists' Fund	\$ 2,328,307	\$ 559,710
Fiscal Sponsorship	5,822,184	4,961,232
New York State Council on the Arts Fellowship	-	20,000
Endowment	18,000	2,000
Core Activities	1,156,061	333,500
	\$ 9,324,552	\$ 5,876,442

## New York Foundation for the Arts, Inc.

Notes to Financial Statements  
June 30, 2025 and 2024

### 10. Endowment

NYFA's governing body is subject to the *State of New York Prudent Management of Institutional Funds Act* (NYPMIFA). As a result, NYFA classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions because those net assets are time restricted until the governing body appropriates such amounts for expenditures.

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

1. Duration and preservation of the fund
2. Purposes of NYFA and the fund
3. General economic conditions
4. Possible effect of inflation and deflation
5. Expected total return from investment income and appreciation or depreciation of investments
6. Other resources of NYFA
7. Investment policies of NYFA

NYFA's endowment consists of approximately two individual funds whose assets are to be held in perpetuity. As required by U.S. GAAP, net assets associated with endowment funds, including board-designated endowment funds, are classified and reported based on the existence or absence of donor-imposed restrictions.

The composition of net assets by type of endowment fund at June 30 was:

	<u>2025</u>	<u>2024</u>
	With Donor Restrictions	With Donor Restrictions
Donor-restricted endowment funds		
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	\$ 537,088	\$ 537,088
Accumulated investment gains	<u>466,946</u>	<u>395,490</u>
Endowment net assets, end of year	<u>\$ 1,004,034</u>	<u>\$ 932,578</u>

## New York Foundation for the Arts, Inc.

Notes to Financial Statements  
June 30, 2025 and 2024

### 10. Endowment (*continued*)

Change in endowment net assets for the years ended June 30 was:

	<u>2025</u>	<u>2024</u>
	With Donor Restrictions	With Donor Restrictions
Endowment net assets, beginning of year	\$ 932,578	\$ 861,756
Investment return	89,456	72,822
Appropriation of endowment assets for expenditures	<u>(18,000)</u>	<u>(2,000)</u>
Endowment net assets, end of year	<u>\$ 1,004,034</u>	<u>\$ 932,578</u>

#### ***Investment and Spending Policies***

NYFA has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs and other items supported by its endowment while seeking to maintain the purchasing power of the endowment. Endowment assets include those assets of donor-restricted endowment funds NYFA must hold in perpetuity or for donor-specified periods. Under NYFA's policies, endowment assets are invested in a manner that is intended to produce results that generate income and maintain the principal endowment funds at the original amount designated by the donor while assuming a lower level of investment risk.

To satisfy its long-term rate of return objectives, NYFA relies on a total return strategy in which investment returns are achieved through both current yield (investment income such as dividends and interest) and capital appreciation (both realized and unrealized). NYFA targets a low-risk securities to achieve its long-term return objectives within prudent risk constraints.

NYFA has a spending policy of appropriating for expenditure each year a maximum of 7 percent of its endowment fund's average fair value over the prior three years through the year-end preceding the year in which expenditure is planned. In establishing this policy, NYFA considered the long-term expected return on its endowment. This is consistent with NYFA's objective to maintain the purchasing power of endowment assets held in perpetuity or for a specified term, as well as to provide additional real growth through new gifts and investment return.

#### ***Funds with Deficiencies***

NYFA does not have any funds with deficiencies.

## New York Foundation for the Arts, Inc.

### Notes to Financial Statements June 30, 2025 and 2024

#### 11. Operating Leases

The following schedule summarizes information related to the lease assets and liabilities as of and for the years ended June 30:

	2025	2024
Lease cost for the years ended June 30:		
Operating lease cost	\$ 236,654	\$ 236,654
Other information:		
Cash paid for amounts included in the measurement of operating lease liabilities	207,237	201,201
Weighted-average remaining lease term - operating leases	7.83	8.83
Weighted-average discount rate - operating leases	4.80%	4.80%

The following table presents the lease-related assets and liabilities for the years ended June 30:

	Statement of Financial Position Classification	2025	2024
Assets:			
Operating leases	Right-of-use assets, operating lease	\$ 1,827,083	\$ 1,827,083
Accumulated amortization		369,686	216,415
Operating leases	Right-of-use assets, operating lease	\$ 1,457,397	\$ 1,610,668
Liabilities:			
Operating leases	Operating lease liability	\$ 1,649,059	\$ 1,770,520

The following table reconciles the undiscounted lease payments to the lease liabilities recorded on the accompanying statement of financial position at June 30, 2025:

2026	\$ 213,454
2027	219,858
2028	232,412
2029	269,176
2030	277,251
Thereafter	830,914
Total Lease payments	2,043,065
Less imputed interest	394,006
Total lease obligation	\$ 1,649,059

## New York Foundation for the Arts, Inc.

### Notes to Financial Statements June 30, 2025 and 2024

#### 12. Other Programs

The composition of other programs included in the accompanying statements of functional expenses is as follows for years ended June 30:

	2025	2024
Rauschenberg Emergency Relief	\$ 1,439,205	\$ 1,206,841
Queens Arts Fund	605,400	555,153
Anonymous Was a Woman	395,560	380,718
The Artist Fund	2,367,625	580,083
Joy of Giving Something	66,328	81,714
Other Programs	584,395	102,208
Total	\$ 5,458,513	\$ 2,906,717

#### 13. Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of June 30 comprise of the following:

	2025	2024
Financial assets		
Cash	\$ 10,762,401	\$ 11,284,656
Cash, Musical Instrument Revolving Loan Fund (MIRLF)	829,277	854,287
Investments, at fair value	9,319,928	3,684,304
Contributions and grants receivable	440,490	387,533
Loans receivable, MIRLF	14,955	14,945
Total Financial Assets Available Within One Year	21,367,051	16,225,725
Donor-imposed and other external restrictions		
Subject to expenditure for specified purpose	(13,726,260)	(6,892,538)
Due to MIRLF	(844,207)	(869,232)
Endowments	(1,004,034)	(932,578)
Total donor-imposed and other external restrictions	(15,574,501)	(8,694,348)
Net financial assets after donor-imposed and other external restrictions	5,792,550	7,531,377
Internal designations		
Board designated	(1,123,810)	(1,083,810)
Total Financial Assets Available to Management For General Expenditure Within One Year	\$ 4,668,740	\$ 6,447,567

## New York Foundation for the Arts, Inc.

Notes to Financial Statements  
June 30, 2025 and 2024

### 13. Liquidity and Availability (*continued*)

NYFA manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. NYFA monitors liquidity and cash flows on an ongoing basis to ensure an appropriate amount of cash is available to meet current expenditure needs.

### 14. Pension Plan

NYFA maintains a defined contribution retirement plan (403(b)) and a tax-deferred annuity plan for employees who have completed two years of service. Both plans are administered by Teachers Insurance and Annuity Association-College Retirement Equities Fund. NYFA's makes a voluntary contribution at the rate of up to 4 percent of compensation for eligible participants. For the years ended June 30, 2025 and 2024, NYFA contributed \$68,989 and \$51,293 to the plans.

### 15. Significant Estimates and Concentrations

U.S. GAAP require disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. Those matters include the following:

#### ***Contributions***

Approximately, forty three percent of total contributions and grants were received from three donors in 2025, compared to twenty one percent from two donors in 2024. Additionally, as of June 30, 2025 and 2024, approximately, seventy three percent and eighty three percent of related receivables are from two grantors (the City of New York and the State of New York).

#### ***Cash***

At times, the cash balance may be in excess of the Federal Deposit Insurance Corporation's insurance limit.

#### ***Investments***

NYFA invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near-term and that such changes could materially affect the amounts reported in the accompanying statements of financial position.

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