

**Philadelphia City Fund, Inc.
Financial Statements
June 30, 2024 and 2023
With Independent Auditor's Report**

Philadelphia City Fund, Inc.
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June 30, 2024 and 2023

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Independent Auditor's Report

To the Board of Directors of
Philadelphia City Fund, Inc.:

Opinion

We have audited the financial statements of Philadelphia City Fund, Inc. (the "Fund"), which comprise the statements of financial position as of June 30, 2024 and 2023, 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 accompanying financial statements present fairly, in all material respects, the financial position of Philadelphia City Fund, Inc. as of June 30, 2024 and 2023, 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Fund and to meet our other 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.

Emphasis of Matter - Restatement

As discussed in Note 11 to the financial statements, the 2023 financial statements have been restated to correct a material 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 Fund's ability to continue as a going concern within one year after the date the financial statements are available to be issued.

Auditor's 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 auditor's 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 the Fund'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 Fund'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.

Withum Smith + Brown, PC

March 19, 2025

Philadelphia City Fund, Inc.
Statements of Financial Position
June 30, 2024 and 2023

| | <u>2024</u> | <u>(Restated)</u> <u>2023</u> |
|--|----------------------|----------------------------------|
| Assets | | |
| Current assets | | |
| Cash | | |
| Cash | \$ 27,795,319 | \$ 21,981,874 |
| Restricted cash | 146,638 | 196,628 |
| Contributions receivable | 5,298,615 | 4,910,747 |
| Other current assets | 4,108 | 19,886 |
| Total current assets | <u>33,244,680</u> | <u>27,109,135</u> |
| Noncurrent assets | | |
| Furniture, fixtures, and equipment, net of accumulated depreciation of \$24,189 and \$21,016 at 2024 and 2023, respectively | 11,380 | 14,553 |
| Contributions receivable, net of current | 397,000 | - |
| Total assets | <u>\$ 33,653,060</u> | <u>\$ 27,123,688</u> |
| Liabilities and Net Assets | | |
| Liabilities | | |
| Current liabilities | | |
| Accounts payable and accrued expenses | \$ 3,214,848 | \$ 1,040,113 |
| Refundable advances | 835,949 | 1,080,038 |
| Deferred revenue | 1,942,146 | 1,414,341 |
| Due to government agencies | 146,638 | 196,628 |
| Total current liabilities | <u>6,139,581</u> | <u>3,731,120</u> |
| Net assets | | |
| Without donor restrictions | | |
| Undesignated | 1,260,918 | 378,866 |
| Board designated | 535,187 | 2,293,243 |
| Total net assets without donor restrictions | <u>1,796,105</u> | <u>2,672,109</u> |
| Net assets with donor restrictions | 25,717,374 | 20,720,459 |
| Total net assets | <u>27,513,479</u> | <u>23,392,568</u> |
| Total liabilities and net assets | <u>\$ 33,653,060</u> | <u>\$ 27,123,688</u> |

The Notes to Financial Statements are an integral part of these statements.

Philadelphia City Fund, Inc.
Statements of Activities and Changes in Net Assets
Years Ended June 30, 2024 and 2023

| | Without Donor Restrictions | With Donor Restrictions | 2024 | Without Donor Restrictions (Restated) | With Donor Restrictions (Restated) | (Restated) 2023 |
|--|-------------------------------|----------------------------|----------------------|---|--|----------------------|
| | 2024 | 2024 | 2024 | 2023 | 2023 | 2023 |
| Support and revenues | | | | | | |
| Contributions and grants | \$ 1,027,984 | \$ 19,152,206 | \$ 20,180,190 | \$ 1,119,213 | \$ 12,220,993 | \$ 13,340,206 |
| Program income | 4,042,188 | - | 4,042,188 | 3,643,952 | - | 3,643,952 |
| Fee for service revenue | 915,967 | - | 915,967 | 711,882 | - | 711,882 |
| Other income | 150,000 | - | 150,000 | 150,000 | - | 150,000 |
| Contributions of nonfinancial assets | - | - | - | 15,000 | - | 15,000 |
| Management fee revenue | - | - | - | 19,608 | - | 19,608 |
| Interest income | 561,813 | - | 561,813 | 90,022 | - | 90,022 |
| Net assets released from restriction | 14,155,291 | (14,155,291) | - | 12,486,979 | (12,486,979) | - |
| Total support and revenues | <u>20,853,243</u> | <u>4,996,915</u> | <u>25,850,158</u> | <u>18,236,656</u> | <u>(265,986)</u> | <u>17,970,670</u> |
| Expenses | | | | | | |
| Program services | 20,849,022 | - | 20,849,022 | 15,828,261 | - | 15,828,261 |
| Management and general | 880,225 | - | 880,225 | 805,822 | - | 805,822 |
| Total expenses | <u>21,729,247</u> | <u>-</u> | <u>21,729,247</u> | <u>16,634,083</u> | <u>-</u> | <u>16,634,083</u> |
| Changes in net assets | <u>(876,004)</u> | <u>4,996,915</u> | <u>4,120,911</u> | <u>1,602,573</u> | <u>(265,986)</u> | <u>1,336,587</u> |
| Net assets (deficit) at beginning of year, as originally stated | 1,267,618 | 20,372,361 | 21,639,979 | (383,819) | 20,669,667 | 20,285,848 |
| Restatement (See Note 11) | 1,404,491 | 348,098 | 1,752,589 | 1,453,355 | 316,778 | 1,770,133 |
| Net assets at beginning of year, as restated | <u>2,672,109</u> | <u>20,720,459</u> | <u>23,392,568</u> | <u>1,069,536</u> | <u>20,986,445</u> | <u>22,055,981</u> |
| Net assets at end of year | <u>\$ 1,796,105</u> | <u>\$ 25,717,374</u> | <u>\$ 27,513,479</u> | <u>\$ 2,672,109</u> | <u>\$ 20,720,459</u> | <u>\$ 23,392,568</u> |

The Notes to Financial Statements are an integral part of these statements.

Philadelphia City Fund, Inc.
Statement of Functional Expenses
Year Ended June 30, 2024

| | <u>Bike Share</u> | <u>Marathon</u> | <u>Other Programs</u> | <u>Total Program 2024</u> | <u>Management and General</u> | <u>2024</u> |
|--|-------------------|---------------------|---------------------------|-------------------------------|-----------------------------------|----------------------|
| Salaries and wages | \$ - | \$ - | \$ - | \$ - | \$ 501,777 | \$ 501,777 |
| Employee benefits | - | - | - | - | 87,698 | 87,698 |
| Payroll taxes | - | - | - | - | 38,636 | 38,636 |
| Grant expense | 109,059 | 250,251 | 6,478,750 | 6,838,060 | 21,650 | 6,859,710 |
| Advertising and promotion | - | 496,479 | 21,419 | 517,898 | 585 | 518,483 |
| Bank charges | - | 57 | 111 | 168 | 10,637 | 10,805 |
| Depreciation | - | - | - | - | 3,596 | 3,596 |
| Dues and subscriptions | 17,000 | 1,500 | 12,535 | 31,035 | 9,962 | 40,997 |
| Insurance | - | 44,334 | 3,480 | 47,814 | 11,198 | 59,012 |
| Legal and other professional fees and services | 297,818 | 3,382,381 | 6,828,205 | 10,508,404 | 174,585 | 10,682,989 |
| Conferences and meetings | 13,500 | 14,706 | 58,951 | 87,157 | 712 | 87,869 |
| Office supplies | 150 | 9,921 | 90 | 10,161 | 12,999 | 23,160 |
| Rent | - | 156,086 | 50,404 | 206,490 | - | 206,490 |
| Training | 778 | - | 18,424 | 19,202 | 2,075 | 21,277 |
| Event support and participation | - | 1,037,765 | - | 1,037,765 | - | 1,037,765 |
| Travel, meals and entertainment | 10,332 | 274,461 | 67,647 | 352,440 | 4,115 | 356,555 |
| Equipment and supplies | 32,885 | 704,042 | 455,501 | 1,192,428 | - | 1,192,428 |
| Total expenses | <u>\$ 481,522</u> | <u>\$ 6,371,983</u> | <u>\$ 13,995,517</u> | <u>\$ 20,849,022</u> | <u>\$ 880,225</u> | <u>\$ 21,729,247</u> |

The Notes to Financial Statements are an integral part of this statement.

Philadelphia City Fund, Inc.
Statement of Functional Expenses
Year Ended June 30, 2023

| | <u>Bike Share</u> | <u>Marathon</u> | <u>Other Programs</u> | <u>Total Program 2023</u> | <u>Management and General</u> | <u>2023</u> |
|--|-------------------|---------------------|---------------------------|-------------------------------|-----------------------------------|----------------------|
| Salaries and wages | \$ - | \$ - | \$ - | \$ - | \$ 409,634 | \$ 409,634 |
| Employee benefits | - | - | - | - | 78,060 | 78,060 |
| Payroll taxes | - | - | - | - | 31,607 | 31,607 |
| Grant expense | 99,821 | - | 1,477,503 | 1,577,324 | 33,333 | 1,610,657 |
| Advertising and promotion | 326,872 | 419,467 | 4,812 | 751,151 | 106,009 | 857,160 |
| Bank charges | - | 74 | - | 74 | 11,909 | 11,983 |
| Depreciation | - | - | - | - | 3,252 | 3,252 |
| Dues and subscriptions | - | - | 12,405 | 12,405 | 10,088 | 22,493 |
| Insurance | - | 61,994 | 7,799 | 69,793 | 11,115 | 80,908 |
| Legal and other professional fees and services | 8,156 | 1,139,908 | 9,933,224 | 11,081,288 | 86,171 | 11,167,459 |
| Conferences and meetings | - | 3,002 | 16,207 | 19,209 | 125 | 19,334 |
| Office supplies | 2,527 | 14,205 | 795 | 17,527 | 8,449 | 25,976 |
| Rent | - | 93,677 | 4,021 | 97,698 | 15,000 | 112,698 |
| Training | - | - | 32,231 | 32,231 | - | 32,231 |
| Event support and participation | - | 777,368 | 1,250 | 778,618 | - | 778,618 |
| Travel, meals and entertainment | 11,690 | 200,927 | 73,972 | 286,589 | 30 | 286,619 |
| Equipment and supplies | 3,906 | 808,914 | 291,534 | 1,104,354 | 1,040 | 1,105,394 |
| Total expenses | <u>\$ 452,972</u> | <u>\$ 3,519,536</u> | <u>\$ 11,855,753</u> | <u>\$ 15,828,261</u> | <u>\$ 805,822</u> | <u>\$ 16,634,083</u> |

The Notes to Financial Statements are an integral part of this statement.

Philadelphia City Fund, Inc.
Statements of Cash Flows
Years Ended June 30, 2024 and 2023

| | 2024 | (Restated) 2023 |
|--|----------------------|----------------------------|
| Operating activities | | |
| Changes in net assets | \$ - | \$ 1,336,587 |
| Adjustments to reconcile changes in net assets to net cash provided by operating activities | | |
| Depreciation | 3,596 | 3,252 |
| Changes in operating assets and liabilities | | |
| Contributions receivable | (784,868) | (2,198,169) |
| Other current assets | 15,778 | (1,028) |
| Due to government agencies | (49,990) | - |
| Accounts payable and accrued expenses | 2,174,735 | 225,261 |
| Refundable advances | (244,089) | 856,788 |
| Deferred revenue | 527,805 | 539,576 |
| Net cash provided by operating activities | <u>1,642,967</u> | <u>762,267</u> |
| Investing activities | | |
| Purchase of furniture, fixtures and equipment | (423) | (8,001) |
| Net cash used in investing activities | <u>(423)</u> | <u>(8,001)</u> |
| Net change in cash and restricted cash | 1,642,544 | 754,266 |
| Cash and restricted cash at beginning of year | 22,178,502 | 21,424,236 |
| Cash and restricted cash at end of year | <u>\$ 23,821,046</u> | <u>\$ 22,178,502</u> |
| Reconciliation of cash and restricted cash | | |
| Cash | \$ 27,795,319 | \$ 21,981,874 |
| Restricted cash | 146,638 | 196,628 |
| Total cash and restricted cash shown in the statements of cash flows | <u>\$ 27,941,957</u> | <u>\$ 22,178,502</u> |
| Supplemental disclosure of cash flow information | | |
| Contributions of nonfinancial assets | \$ - | \$ 15,000 |

The Notes to Financial Statements are an integral part of these statements.

Philadelphia City Fund, Inc.
Notes to Financial Statements
June 30, 2024 and 2023

1. Summary of Significant Accounting Policies

a. Organization and Nature of Operations

The Fund for Philadelphia was incorporated as a not-for-profit corporation in the Commonwealth of Pennsylvania on November 23, 1981. Effective March 2023, the Fund was registered as operating under the fictitious name, The Mayor's Fund for Philadelphia (the "Fund"). The Fund is operated as an independent 501(c)(3). Effective August 2023, the Fund changed its name to Philadelphia City Fund, Inc. (the "Fund").

The Fund serves as the fiscal sponsor for the City of Philadelphia (the "City") and leverages public-private partnerships in collaboration with the City, the philanthropic community, and the residents of Philadelphia. As a key partner in advancing the City's priorities, the Fund envisions a cohesive, vibrant, supportive, equitable Philadelphia where all residents can prosper.

b. Basis of Accounting

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP").

Financial reporting by not-for-profit organizations requires that resources be classified for accounting and reporting purposes into net asset categories according to donor-imposed restrictions.

The net assets of the Fund are reported as follows:

Without donor restrictions: Net assets that are not restricted by donor-imposed stipulations and are available for the general operations of the Fund. Net assets without donor restrictions may be designated for specific purposes by the Fund or may be limited by contractual agreements with outside parties. In addition, net assets without donor restrictions include board-designated funds.

With donor restrictions: Net assets subject to donor-imposed restrictions that will be met either by the actions of the Fund or through the passage of time. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. All donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, 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 donor restrictions.

c. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 revenues and expenses during the period. Actual results could differ from those estimates. Significant estimates include the allowance for doubtful accounts on contributions receivable.

d. Restricted Cash and Agency Transactions

The Fund acts as an agent for certain departments of the City of Philadelphia, a related party. When the Fund receives cash from such departments, these assets are administered on behalf of the respective department. Cash received is recognized as restricted cash. A corresponding liability, due to government agencies, is recognized on the statements of financial position.

Philadelphia City Fund, Inc.
Notes to Financial Statements
June 30, 2024 and 2023

e. Contributions

The Fund recognizes contributions, including unconditional promises to give, as revenue in the period received or pledged. Conditional promises to give, that is, those with a measurable performance or other measurable barrier, and a right of return or release, are not recognized in revenue until the conditions on which they depend have been substantially met. Conditional contributions received where the barriers have not been met are presented as refundable advances in the statements of financial position.

f. Contributions Receivable

Contributions receivable consist of unconditional promises received from donors. Receivables that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-free discount rates, if material, designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contributions revenue in the statements of activities and changes in net assets.

Management determines the allowance for uncollectible contributions based on management's estimate of realization of the underlying contributions. Individual contributions are written off when deemed uncollectible. There was no allowance recorded as of June 30, 2024 and 2023.

g. Furniture, Fixtures and Equipment and Depreciation

Furniture, fixtures, and equipment are recorded at cost less accumulated depreciation, which is computed using the straight-line method over the estimated useful lives of 3 to 10 years. Depreciation expense amounted to \$3,596 and \$3,252 for the years ended June 30, 2024 and 2023, respectively. Expenditures for maintenance and repairs are charged to expense as incurred; replacements and betterments that extend the useful lives are capitalized.

The Fund reviews and evaluates its property and equipment for impairment when events or changes in circumstances indicate that the related carrying amounts may not be recoverable. An impairment exists if the total estimated future cash flows on an undiscounted basis are less than the carrying amount of the assets. If the carrying value exceeds the cash flows, then the recorded amounts of the assets will be reduced to their fair value. At June 30, 2024 and 2023, there were no impairment losses recognized for long-lived assets.

h. Revenue from Contracts with Customers

Program Income

The Fund recognizes revenue from program services at the point in time when the program takes place. Program revenues are mainly generated by the operating of the Philadelphia Marathon and the Bike Share Program. Amounts billed for services provided are recorded as program receivables. There were no related receivables at June 30, 2024, 2023 and 2022. Deferred revenue as of June 30, 2024, 2023 and 2022 totaled \$1,824,646, \$1,286,591 and \$1,098,015, respectively.

Sponsorship Income

The Fund receives sponsorship income related to the performance of specific events. Sponsorship income is recognized at the point in time when the event takes place. Sponsorship income is recorded as deferred revenue until earned. The related deferred revenue balance at June 30, 2024, 2023 and 2022 was \$117,500, \$127,750 and -\$0-, respectively.

Philadelphia City Fund, Inc.
Notes to Financial Statements
June 30, 2024 and 2023

i. Contributions of Nonfinancial Assets

The Fund recognizes donated services if such services (a) create or enhance non-financial assets, or (b) require specialized skills, and are provided by individuals possessing those skills and would typically need to be purchased if not donated. The Fund receives various donated services including office space, utilities and supplies. Donated goods and services are reported as contributions at their estimated fair value on the date of receipt and reported as expense when utilized. Contributions of nonfinancial assets are valued based upon estimates of fair market or wholesale values that would be received for selling the goods in their principal market considering their condition and utility for use at the time the goods are contributed by the donor. Donated goods and services are not sold and goods are only distributed for program use.

j. Administrative Fees

The Fund's policy is to charge an administrative fee for all agency and non-agency funds received. All fees are recorded as revenue when the agency and non-agency funds are received. This fee is equal to a percentage of the funds received and is not to exceed a ceiling percentage approved by the Board of Directors. The administrative fee was capped at 5% during the years ended June 30, 2024 and 2023.

k. Scholarships and Grant Expenses

The Fund designates a portion of its unrestricted funds for grantmaking to support philanthropic causes. The projects it supports align with the charitable goals and priorities of the Mayor of Philadelphia. Unsolicited grant requests are not accepted, as all proposals must be in response to a call for proposals. The number and size of awards given each year vary depending on the amount of funds available. Funding requests are accepted in response to a call for proposals, and the Fund's Grant Committee reviews the applications and makes recommendations to the Fund's Board of Directors. Final grant decisions are made by the Fund's Board of Directors.

The Fund recognizes grants made, including unconditional promises, as expenses in the period made. Conditional promises, that is, those with a measurable performance or other barrier, and a right of return or release, are not recognized in expense until the conditions on which they depend have been substantially met. Grants payable that are expected to be paid in future years are recorded at the present value of expected future payments. Total commitments made and unpaid as of June 30, 2024, subject to fulfillment of certain conditions totaled approximately \$2,000,000.

l. Advertising Expenses

The Fund's policy is to expense advertising costs as incurred. Advertising costs were \$518,483 and \$854,334 for the years ended June 30, 2024 and 2023, respectively.

m. Income Taxes

The Fund is exempt from federal income tax under Section 501(c)(3) of the United States Internal Revenue Code and exempt from state income taxes under state law. Income which is not related to exempt purposes, less applicable deductions, is subject to federal and state corporate income taxes. The Fund had no unrelated business income tax for the years ended June 30, 2024 and 2023.

Philadelphia City Fund, Inc.
Notes to Financial Statements
June 30, 2024 and 2023

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Fund and recognize a tax liability (or asset) if the Fund has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. Management has analyzed the tax positions taken by the Fund, and has concluded that as of June 30, 2024 and 2023, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. There has been no tax related interest or penalties for the periods presented in these financial statements.

n. Functional Allocation of Expenses

The costs of providing program and supporting services have been summarized on a functional basis in the statements of activities and changes in net assets and detailed within the statements of functional expenses. Expenses directly attributed to a specific function are reported as direct expenses to the programmatic area and those expenses that benefit more than one function are allocated. For the years ended June 30, 2024 and 2023, all expenses are directly charged.

o. Recent Accounting Pronouncements Effective in the Current Year

Current Expected Credit Losses

In June 2016, the Financial Accounting Standards Board issued an Accounting Standards Update (“ASU”) amending the accounting for credit losses on financial instruments. This methodology replaced the incurred loss methodology with the expected credit losses using a wide range of reasonable and supportable information. The amendment affects loans, debt securities, trade receivables, net investments in leases, off balance- sheet credit exposure, and other financial instruments recorded at amortized cost. The Fund adopted the new standard effective July 1, 2023, using the modified retrospective approach. The implementation of this ASU had no material impact on the financial statements.

2. Cash

Cash recorded within the Fund's statements of financial position include the following as of June 30, 2024 and 2023:

| | <u>2024</u> | <u>2023</u> |
|---------------------------------------|----------------------|----------------------|
| Undesignated | \$ 735,759 | \$ 435,747 |
| Board designated | 535,187 | 2,293,243 |
| Limited to use by donors and sponsors | 26,524,373 | 19,252,884 |
| | <u>\$ 27,795,319</u> | <u>\$ 21,981,874</u> |

3. Contributions Receivable

The Fund has outstanding contributions receivable due to be collected as follows at June 30, 2024 and 2023:

| | <u>2024</u> | <u>2023</u> |
|---|---------------------|---------------------|
| Contributions expected to be collected | | |
| Less than one year | \$ 5,298,615 | \$ 4,910,747 |
| One to five years | 397,000 | - |
| Contributions receivable | <u>\$ 5,695,615</u> | <u>\$ 4,910,747</u> |

Philadelphia City Fund, Inc.
Notes to Financial Statements
June 30, 2024 and 2023

4. Due To/From Agencies (Restated)

The Fund has contracts with various City of Philadelphia agencies and administers funds on their behalf. The activity in these agency programs is as follows for the years ended June 30, 2024 and 2023:

| | Beginning Balance 2024 | Additions 2024 | Dispositions 2024 | Ending Balance 2024 |
|----------------------|---------------------------------------|---------------------------|------------------------------|--------------------------------|
| Community betterment | \$ 196,628 | \$ - | \$ (49,990) | \$ 146,638 |

| | Beginning Balance 2023 | Additions 2023 | Dispositions 2023 | Ending Balance 2023 |
|----------------------|---------------------------------------|---------------------------|------------------------------|--------------------------------|
| Community betterment | \$ 196,628 | \$ - | \$ - | \$ 196,628 |

5. Net Assets With Donor Restrictions

Net assets with donor restrictions are composed of the following at June 30, 2024 and 2023:

| | 2024 | (Restated) 2023 |
|--|----------------------|----------------------------|
| Purpose restricted for programmatic use | | |
| Arts and special events | \$ 117,329 | \$ 56,813 |
| Community betterment | 24,414,074 | 18,656,091 |
| Education and scientific | 237,390 | 228,348 |
| Planned development | 948,581 | 1,779,207 |
| | <u>\$ 25,717,374</u> | <u>\$ 20,720,459</u> |

The above purpose restricted net assets includes time restricted amounts of \$5,695,615 and \$4,910,747, at June 30, 2024 and 2023, respectively.

Philadelphia City Fund, Inc.
Notes to Financial Statements
June 30, 2024 and 2023

Net assets were released from donor restrictions by incurring expenses satisfying the purpose restrictions specified by donors for the years ended June 30, 2024 and 2023 as follows:

| | <u>2024</u> | <u>(Restated)</u> <u>2023</u> |
|--|----------------------|----------------------------------|
| Arts and special events | \$ 33,078 | \$ 15,876 |
| Community betterment | 9,132,041 | 11,313,025 |
| Education and scientific | 4,003,723 | 202,698 |
| Planned development | 986,449 | 955,380 |
| Net assets released from restrictions | <u>\$ 14,155,291</u> | <u>\$ 12,486,979</u> |

As of June 30, 2024 and 2023, the Board of Directors has designated net assets without donor restrictions to provide for administrative operations and program specific purposes. The following table shows the amount designated to administrative operations and program-specific purposes:

| | <u>2024</u> | <u>(Restated)</u> <u>2023</u> |
|-------------------------|-------------------|----------------------------------|
| Board approved purposes | <u>\$ 535,187</u> | <u>\$ 2,293,243</u> |

6. Defined Contribution Plan

The Fund sponsors a defined contribution plan for its employees under Section 403(b) of the Internal Revenue Code. At the discretion of the Fund, contributions may be based on a percentage of an employee's salary to the plan for each full-time employee with one year or more of service. The Fund matched up to 5% of each employee's base compensation for the years ended June 30, 2024 and 2023. Contributions to the plan totaled \$18,407 and \$17,560 for the years ended June 30, 2024 and 2023, respectively.

7. Program Services

Program expenses for the years ended June 30, 2024 and 2023, consist of the following:

| | <u>2024</u> | <u>2023</u> |
|--------------------------|----------------------|----------------------|
| Marathon | \$ 6,371,983 | \$ 3,519,536 |
| Bike share | 481,522 | 452,972 |
| Arts and special events | 35,758 | 205,194 |
| Community betterment | 8,565,393 | 10,158,800 |
| Education and scientific | 1,066,349 | 205,226 |
| Planned development | 4,328,017 | 1,286,533 |
| | <u>\$ 20,849,022</u> | <u>\$ 15,828,261</u> |

Philadelphia City Fund, Inc.
Notes to Financial Statements
June 30, 2024 and 2023

8. Contributed Nonfinancial Assets

During the years ended June 30, 2024 and 2023, the City provided office space and paid for telephone services and office supplies on the Fund's behalf. This space, service and supplies are utilized by the Fund's administrative and program staff and are valued based upon the estimates cost of rent for similar space and pricing for similar items in similar areas. These expenses, totaling -\$0- and \$15,000 for each of the years ended June 30, 2024 and 2023, are recorded as contributions of nonfinancial assets in the statements of activities and changes in net assets. Contributed nonfinancial assets do not have donor-imposed restrictions.

9. Liquidity and Availability of Resources

As of June 30, 2024 and 2023, financial assets and liquidity resources available within one year for general expenditure, such as operating expenses and fulfillment of liabilities, were as follows:

| | <u>2024</u> | <u>2023</u> |
|--|-------------------|-------------------|
| Financial assets | | |
| Cash (undesignated) | \$ 735,759 | \$ 435,747 |
| Total financial assets available within one year for general expenditures | <u>\$ 735,759</u> | <u>\$ 435,747</u> |

The Fund regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Fund considers all expenditures related to its ongoing activities of public service as well as the conduct of services undertaken to support those activities to be general expenditures.

In addition to financial assets available to meet general expenditures over the next 12 months, the Fund operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources. The Fund also has \$535,187 and \$2,293,243, respectively, designated by the Board that could, with Board approval, be made available for operations as of June 30, 2024 and 2023.

10. Risks and Uncertainties and Concentrations

Cash

The Fund has significant cash balances at financial institutions which throughout the year regularly exceed the federally insured limit of \$250,000. Any loss incurred or a lack of access to such funds could have a significant adverse impact on the Fund's financial position, result of its activities, and cash flows.

Operations

The Fund conducts the majority of its business with the City. The ability of the Fund to maintain its overhead structure and meet future financial commitments is dependent upon this relationship.

Contributions and Grants

The Fund received 75% and 38% of contributions from three and two grantors for the years ended June 30, 2024 and 2023, respectively.

Contributions Receivable

Three donors made up 69% of contributions receivable at June 30, 2024. Two donors made up 94% of contributions receivable at June 30, 2023.

Philadelphia City Fund, Inc.
Notes to Financial Statements
June 30, 2024 and 2023

11. Restatement

The Fund restated its financial statements as of and for the year ended June 30, 2023. The Fund corrected a material error made in prior years relating to the classification between net assets with and without restrictions, resulting in the overstatement of net assets with donor restrictions and understatement of net assets without restrictions. The Fund also corrected a material error made in prior years relating to the treatment of agency funds, resulting in an understatement of net assets with donor restrictions and an overstatement of amounts due to and from government agencies. The tables below present the effect of the 2023 financial statement adjustments related to these restatements:

| Statement of Financial Position as of June 30, 2023 | As Previously Stated | Adjustment | As Restated |
|--|---------------------------------|-------------------|--------------------|
| Cash | \$ 18,939,137 | \$ 3,042,737 | \$ 21,981,874 |
| Restricted cash | \$ 3,239,365 | \$ (3,042,737) | \$ 196,628 |
| Due from government agencies | 153,516 | (153,516) | - |
| Due to government agencies | \$ 2,102,733 | \$ (1,906,105) | \$ 196,628 |
| Net assets without donor restrictions | \$ 1,267,618 | \$ 1,404,491 | \$ 2,672,109 |
| Net assets with donor restrictions | \$ 20,372,361 | \$ 348,098 | \$ 20,720,459 |
| | | | |
| Statement of Activities and Changes in Net Assets as of June 30, 2023 | As Previously Stated | Adjustment | As Restated |
| Net assets released from restrictions | \$ 12,518,299 | \$ (31,320) | \$ 12,486,979 |
| Total support and revenues: | | | |
| Without donor restrictions | \$ 18,267,976 | \$ (31,320) | \$ 18,236,656 |
| With donor restrictions | \$ (297,306) | \$ 31,320 | \$ (265,986) |
| Operating expenses | | | |
| Program services | \$ 15,810,717 | \$ 17,544 | \$ 15,828,261 |
| Changes in net assets: | | | |
| Without donor restrictions | \$ 1,651,437 | \$ (48,864) | \$ 1,602,573 |
| With donor restrictions | \$ (297,306) | \$ 31,320 | \$ (265,986) |
| Net assets: | | | |
| Net assets without donor restrictions | \$ 1,267,618 | \$ 1,404,491 | \$ 2,672,109 |
| Net assets with donor restrictions | \$ 20,372,361 | \$ 348,098 | \$ 20,720,459 |

Philadelphia City Fund, Inc.
Notes to Financial Statements
June 30, 2024 and 2023

Statement of Functional Expense
as of June 30, 2023

| | <u>As Previously Stated</u> | <u>Adjustment</u> | <u>As Restated</u> |
|---------------------------------------|---------------------------------|-------------------|----------------------|
| Advertising and promotion | \$ 854,334 | \$ 2,826 | \$ 857,160 |
| Dues and subscriptions | \$ 12,493 | \$ 10,000 | \$ 22,493 |
| Legal and other professional services | \$ 11,165,347 | \$ 2,112 | \$ 11,167,459 |
| Equipment and supplies | \$ 1,102,788 | \$ 2,606 | \$ 1,105,394 |
| Total expenses | <u>\$ 16,616,539</u> | <u>\$ 17,544</u> | <u>\$ 16,634,083</u> |

Statement of Cash Flows as of June 30, 2023

| | <u>As Previously Stated</u> | <u>Adjustment</u> | <u>As Restated</u> |
|----------------------------|---------------------------------|-------------------|--------------------|
| Changes in net assets | \$ 1,354,131 | \$ 17,544 | \$ 1,371,675 |
| Due to government agencies | \$ (16,906) | \$ 16,906 | \$ - |
| Other current assets | \$ - | \$ 638 | \$ 638 |

In addition, certain expense amounts in the prior year financial statements were reclassified to conform to the current year presentation.

12. Subsequent Events

The Fund has evaluated subsequent events occurring after the statement of financial position date through March 19, 2025, which is the date the financial statements were available to be issued. Based on this evaluation, the Fund has determined that no subsequent events have occurred which require disclosure in or adjustment to the financial statements except for the following:

In August 2024, the Fund entered into a long-term noncancelable operating lease for office space which expires in March 2031. Future payments on the lease are as follows:

| Year | <u>Amount</u> |
|-------------|----------------------|
| 2025 | \$ 37,716 |
| 2026 | 51,231 |
| 2027 | 52,512 |
| 2028 | 53,824 |
| 2029 | 55,170 |
| Thereafter | 114,512 |
| | <u>\$ 364,965</u> |