

**PHILANTHROPY NETWORK GREATER PHILADELPHIA**

***FINANCIAL STATEMENTS AND  
REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS***

**DECEMBER 31, 2023**

# PHILANTHROPY NETWORK GREATER PHILADELPHIA

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## REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

**Board of Directors  
Philanthropy Network Greater Philadelphia  
Philadelphia, Pennsylvania**

### *Opinion*

We have audited the accompanying financial statements of Philanthropy Network Greater Philadelphia (the “**Network**”) (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023 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 Network as of December 31, 2023, 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 Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Network 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.

### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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 Network’s ability to continue as a going concern within one year after the date that 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 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, including omissions, 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.

**Board of Directors  
Philanthropy Network Greater Philadelphia  
Philadelphia, Pennsylvania**

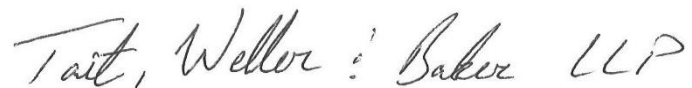
In performing an audit in accordance with generally accepted auditing standards, we:

- 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 Network'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 Network'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 Network's 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 18, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.



**TAIT, WELLER & BAKER LLP**

**Philadelphia, Pennsylvania  
November 14, 2024**

# PHILANTHROPY NETWORK GREATER PHILADELPHIA

## STATEMENTS OF FINANCIAL POSITION

December 31, 2023 And 2022

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	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 695,340	\$1,157,072
Grants receivable	152,500	-
Dues receivable	1,239	633
Prepaid expenses and other assets	<u>44,114</u>	<u>37,423</u>
Total current assets	893,193	1,195,128
<b>PROPERTY AND EQUIPMENT, NET</b>	<u>16,757</u>	<u>13,602</u>
Total Assets	<u>\$ 909,950</u>	<u>\$1,208,730</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	<u>\$ 80,732</u>	<u>\$ 100,285</u>
Total Liabilities	<u>80,732</u>	<u>100,285</u>
<b>NET ASSETS</b>		
Without Donor Restrictions	341,305	563,164
With Donor Restrictions	<u>487,913</u>	<u>545,281</u>
Total Net Assets	<u>829,218</u>	<u>1,108,445</u>
Total Liabilities and Net Assets	<u>\$ 909,950</u>	<u>\$1,208,730</u>

# PHILANTHROPY NETWORK GREATER PHILADELPHIA

## STATEMENT OF ACTIVITIES

Year Ended December 31, 2023 With Summarized Information For 2022

	2023			2022
	Without Donor Restrictions	With Donor Restrictions	Total	Total
<b>REVENUES</b>				
Member dues	\$ 513,787	\$ 36,375	\$ 550,162	\$ 550,930
Fees, sponsorships and other	133,989	-	133,989	69,475
Grants	87,750	450,000	537,750	657,543
Interest	710	-	710	107
	<u>736,236</u>	<u>486,375</u>	<u>1,222,611</u>	<u>1,278,055</u>
Net assets released from restrictions:				
Satisfaction of program restrictions	230,913	(230,913)	-	-
Expiration of time restrictions	<u>312,830</u>	<u>(312,830)</u>	<u>-</u>	<u>-</u>
Net assets released from restrictions	<u>543,743</u>	<u>(543,743)</u>	<u>-</u>	<u>-</u>
Total support and revenue	<u>1,279,979</u>	<u>(57,368)</u>	<u>1,222,611</u>	<u>1,278,055</u>
<b>EXPENSES</b>				
<b>Program Services</b>				
Educational programs	371,079	-	371,079	250,526
Communication and member services	339,282	-	339,282	162,261
Mission aligned investing	128,286	-	128,286	18,039
Strategic transformation	-	-	-	3,901
Covid-19 prevention & response fund	-	-	-	47,533
Greater Philadelphia extracurricular collaborative	-	-	-	88,003
Made to measure	<u>207,913</u>	<u>-</u>	<u>207,913</u>	<u>191,020</u>
Total program services	<u>1,046,560</u>	<u>-</u>	<u>1,046,560</u>	<u>761,283</u>
<b>Supporting Services</b>				
Community outreach and recruitment	140,277	-	140,277	127,210
Management and general	<u>315,001</u>	<u>-</u>	<u>315,001</u>	<u>449,739</u>
Total supporting services	<u>455,278</u>	<u>-</u>	<u>455,278</u>	<u>576,949</u>
Total expenses	<u>1,501,838</u>	<u>-</u>	<u>1,501,838</u>	<u>1,338,232</u>
<b>CHANGE IN NET ASSETS</b>	(221,859)	(57,368)	(279,227)	(60,177)
<b>NET ASSETS</b>				
Beginning of year	<u>563,164</u>	<u>545,281</u>	<u>1,108,445</u>	<u>1,168,622</u>
End of year	<u>\$ 341,305</u>	<u>\$ 487,913</u>	<u>\$ 829,218</u>	<u>\$ 1,108,445</u>

## PHILANTHROPY NETWORK GREATER PHILADELPHIA

### STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2023 (With Comparative Totals For The Year Ended December 31, 2022)

	<u>Educational Programs</u>	<u>Communication And Member Services</u>	<u>Mission Aligned Investing</u>	<u>Made To Measure</u>	<u>Total Program Services</u>	<u>Community Outreach And Recruitment</u>	<u>Management And General</u>	<u>2023 Total</u>	<u>2022 Total</u>
Salaries	\$ 187,259	\$ 179,909	\$ 29,556	\$ 33,553	\$ 430,277	\$ 72,812	\$ 159,485	\$ 662,574	\$ 520,682
Payroll taxes	14,192	13,635	2,240	2,542	32,609	5,518	11,613	49,740	37,930
Employee benefits	<u>15,125</u>	<u>14,531</u>	<u>2,387</u>	<u>2,769</u>	<u>34,812</u>	<u>13,844</u>	<u>4,354</u>	<u>53,010</u>	<u>48,502</u>
<b>Total personnel</b>	216,576	208,075	34,183	38,864	497,698	92,174	175,452	765,324	607,114
Accounting, audit and legal fees	-	-	-	5,209	5,209	-	51,634	56,843	57,650
Other consulting fees	59,313	56,986	9,362	19,049	144,710	23,063	40,113	207,886	370,049
Grants to other organizations	-	-	-	-	-	-	-	-	85,849
Insurance	2,405	2,311	380	772	5,868	935	1,626	8,429	5,557
Meeting expenses	-	11,075	-	436	11,511	-	4,893	16,404	2,948
Miscellaneous	544	522	86	175	1,327	211	368	1,906	2,053
Supplies	4,263	4,096	673	2,156	11,188	1,658	2,097	14,943	35,247
On-line services	10,604	10,188	1,674	3,405	25,871	4,124	7,171	37,166	30,198
Postage and delivery	91	87	14	29	221	35	62	318	87
Program services	30,790	1,275	74,576	123,030	229,671	-	-	229,671	45,874
Rent	23,306	22,391	3,678	7,485	56,860	9,062	15,761	81,683	33,901
Staff and professional development	2,287	2,197	361	734	5,579	889	1,547	8,015	7,979
Dues and subscriptions	8,963	8,611	1,415	2,878	21,867	3,485	6,061	31,413	17,084
Telephone	3,422	3,287	540	1,099	8,348	1,330	2,314	11,992	9,607
Travel and accommodations	5,628	5,407	888	1,807	13,730	2,188	3,806	19,724	8,479
Website and information technology	<u>1,134</u>	<u>1,090</u>	<u>179</u>	<u>364</u>	<u>2,767</u>	<u>441</u>	<u>768</u>	<u>3,976</u>	<u>9,848</u>
<b>Total before depreciation</b>	369,326	337,598	128,009	207,492	1,042,425	139,595	313,673	1,495,693	1,329,524
Depreciation	<u>1,753</u>	<u>1,684</u>	<u>277</u>	<u>421</u>	<u>4,135</u>	<u>682</u>	<u>1,328</u>	<u>6,145</u>	<u>8,708</u>
<b>Total expenses</b>	<u>\$ 371,079</u>	<u>\$ 339,282</u>	<u>\$ 128,286</u>	<u>\$ 207,913</u>	<u>\$ 1,046,560</u>	<u>\$ 140,277</u>	<u>\$ 315,001</u>	<u>\$ 1,501,838</u>	<u>\$ 1,338,232</u>

# PHILANTHROPY NETWORK GREATER PHILADELPHIA

## STATEMENTS OF CASH FLOWS

Year Ended December 31, 2023 And 2022

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	<u>2023</u>	<u>2022</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ (279,227)	\$ (60,177)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Depreciation	6,145	8,708
(Increase) decrease in assets		
Dues and grants receivable	(153,106)	79,617
Prepaid expenses and other assets	(6,691)	(28,035)
Increase (decrease) in liabilities:		
Accounts payable	(35,267)	9,740
Accrued expenses	<u>15,714</u>	<u>(47,107)</u>
Net cash used by operating activities	<u>(452,432)</u>	<u>(37,254)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	<u>(9,300)</u>	<u>-</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(461,732)	(37,254)
<b>CASH AND CASH EQUIVALENTS</b>		
Beginning of year	<u>1,157,072</u>	<u>1,194,326</u>
End of year	<u>\$ 695,340</u>	<u>\$1,157,072</u>



# PHILANTHROPY NETWORK GREATER PHILADELPHIA

## NOTES TO FINANCIAL STATEMENTS

December 31, 2023 And 2022

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### (1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### ***NATURE OF ACTIVITIES***

Philanthropy Network Greater Philadelphia (the “**Network**”) was incorporated on July 27, 1988 under the laws of the Commonwealth of Pennsylvania. The Network is an association of grant makers in Greater Philadelphia and surrounding areas that works actively to help philanthropy strengthen and improve the health and vitality of its communities. The Network seeks to increase the impact and effectiveness of philanthropy by serving as a forum for learning and networking; a resource on information for and about the region’s grant makers; and a voice to encourage and advocate for philanthropy. Revenue is derived primarily from members’ dues, fees, and grants.

#### ***BASIS OF PRESENTATION***

The accompanying financial statements have been prepared on the accrual basis of accounting. The Network reports contributions as net assets with or without donor restrictions depending upon the existence and/or nature of any donor stipulations that limit their use. Accordingly, net assets and changes therein are classified and reported as follows:

***Without Donor Restrictions*** – Net assets not subject to donor-imposed stipulations. Net assets without donor restrictions may be designated for specific purposes by action of the board of directors. The board of directors has designated funds to be maintained as an operating reserve. The operating reserve represents four months of expenses as reflected in the annual operating budget.

***With Donor Restrictions*** – Net assets subject to donor-imposed stipulations that will be met by actions of the Network and/or the passage of time. When the stipulated time restriction ends, or the purpose of the restriction is accomplished, these assets are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Net assets to be held in perpetuity are subject to donor-imposed stipulations that are required to be maintained permanently by the Network. There are no net assets to be held in perpetuity at December 31, 2022 and 2021.

#### ***ACCOUNTING 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 reporting period. Actual results could differ from those estimates.

#### ***CASH AND CASH EQUIVALENTS***

The Network considers all cash and other highly liquid instruments with initial maturities of three months or less to be cash equivalents.

#### ***CONCENTRATION OF CREDIT RISK***

The Network occasionally maintains deposits in excess of federally insured limits. Accounting Standards Codification (“**ASC 825, Financial Instruments**”) identifies these items as a concentration of credit risk requiring disclosure, regardless of the degree of risk. The risk is managed by monitoring the financial institutions in which deposits are made.

# PHILANTHROPY NETWORK GREATER PHILADELPHIA

## *NOTES TO FINANCIAL STATEMENTS – (Continued)*

December 31, 2023 And 2022

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### ***PROPERTY AND EQUIPMENT AND DEPRECIATION***

Expenditures for property and equipment in excess of \$1,000 are capitalized at cost and depreciated on a straight-line basis over their estimated useful lives ranging from 3 to 5 years. Maintenance and repairs are charged to expense as incurred; major renewals and betterments are capitalized. When items of property or equipment are sold or retired, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is included in income.

### ***GRANTS AND MEMBER DUES***

Grants, including unconditional promises to give, are recognized as revenue in the period received. Grants that are restricted by the donor are reported as increases in net assets with donor restrictions depending upon the nature of the restrictions.

Member dues follow contribution accounting as dues represent a nonreciprocal transfer by the members to support the overall goals and objectives of the Network. Therefore, payment of dues in advance for a subsequent period are treated as an increase in net assets with donor restrictions and released into without donor restrictions when the year commences.

### ***FUNCTIONAL ALLOCATION OF EXPENSES***

The costs of providing the various programs and other activities have been summarized on a functional basis. Accordingly, certain costs, including salaries, benefits, and occupancy expenses, have been allocated based on time and effort among the programs and supporting services benefitted.

### ***INCOME TAXES***

The Network is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the “Code”) and has been classified as a public charity under Section 501(a)(1) of the Code.

Management has reviewed the tax positions for each of the open tax years (2020 - 2022) or expected to be taken in the Network’s 2023 tax return and has concluded that there are no significant uncertain tax positions that would require recognition in the financial statements.

### ***FEE REVENUE***

Revenue from conference and program registrations is recognized when control of the services provided is transferred to the recipient, in an amount that reflects the consideration the Network expects to be entitled in exchange for those services.

### ***PRIOR YEAR SUMMARIZED FINANCIAL INFORMATION***

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Network’s financial statements for the year ended December 31, 2022, from which the summarized information was derived. Certain amounts in the prior year financial statements were reclassified to conform to the current year presentation.

# PHILANTHROPY NETWORK GREATER PHILADELPHIA

## NOTES TO FINANCIAL STATEMENTS – (Continued)

December 31, 2023 And 2022

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### (2) PROPERTY AND EQUIPMENT

Property and equipment at December 31, consisted of the following:

	<u>2023</u>	<u>2022</u>
Property and Equipment	\$ 55,240	\$ 45,940
Less: Accumulated Depreciation	<u>38,483</u>	<u>32,338</u>
Total Property and Equipment	<u>\$ 16,757</u>	<u>\$ 13,602</u>

### (3) NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are detailed as follows:

	<u>2023</u>	<u>2022</u>
Subject to Expenditure for Specific Purpose:		
Convergence Partnership Grant	\$ 6,456	\$ 6,456
Diversity, Equity and Inclusion	20,000	10,000
Mission Aligned Investing	-	8,000
Strategic Transformation	68,675	68,675
Made to Measure	<u>3,970</u>	<u>211,883</u>
Total	<u>99,101</u>	<u>305,014</u>
Subject to Passage of Time:		
Member Support	36,375	14,900
Grants and Sponsorships	<u>352,437</u>	<u>225,367</u>
Total	<u>388,812</u>	<u>240,267</u>
Total Net Assets with Donor Restrictions	<u>\$ 487,913</u>	<u>\$ 545,281</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by the occurrence of the passage of time, as follows:

	<u>2023</u>	<u>2022</u>
Purpose restrictions accomplished:		
Greater Philadelphia Extracurricular Collaborative	\$ -	\$ 86,214
Diversity, Equity and Inclusion	-	11,211
Mission Aligned Investing	23,000	17,000
Covid-19 Prevention & Response	-	41,178
President Transition Search	-	86,111
Made to Measure	<u>207,913</u>	<u>191,022</u>
	<u>230,913</u>	<u>432,736</u>
Time restrictions expired:		
Member dues	14,900	52,054
Grants and sponsorships	<u>297,930</u>	<u>160,150</u>
Total	<u>312,830</u>	<u>212,204</u>
Total released from restrictions	<u>\$ 543,743</u>	<u>\$ 644,940</u>

# PHILANTHROPY NETWORK GREATER PHILADELPHIA

## NOTES TO FINANCIAL STATEMENTS – (Continued)

December 31, 2023 And 2022

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### (4) RETIREMENT PLAN

The Network maintains an Employer-Sponsored 403(b) Tax-Sheltered Annuity Plan. Employees are eligible to participate in the plan through elected salary reduction contributions upon employment. However, with respect to employer contributions, an employee is eligible upon completing one year of service. The Network matches 50% of employee contributions to the plan up to 2% of the employees' annual compensation. Additionally, the Network may make a discretionary contribution to plan participants. Employer contributions to the 403(b) plan vest 33-1/3% per year over three years. Employer contributions to the plan for the year ended December 31, 2023 and 2022 were \$19,486 and \$19,521, respectively.

### (5) FINANCIAL ASSETS AND LIQUIDITY RESOURCES

The Network strives to maintain liquid financial assets to be available as its general expenditures, liabilities and other obligations become due. Financial assets in excess of daily cash requirements are invested in money market funds and other short-term investments. As part of the Network's liquidity management, it has a practice to structure its financial assets to be available as its general expenditures, liabilities and other obligations become due.

The following table reflects the Network's financial assets as of December 31, 2023 and 2022, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date because of contractual restrictions. Amounts not available to meet general expenditures within one year include net assets with donor and/or contractual restrictions, and board operating reserves.

	<u>2023</u>	<u>2022</u>
<b>Financial Assets</b>		
Cash and cash equivalents	\$ 695,340	\$1,157,072
Dues and Grants Receivable (due within one year)	<u>153,739</u>	<u>633</u>
Total financial assets	849,079	1,157,705
Less:		
Net assets with donor restrictions	(487,913)	(545,281)
Board designated operating reserve	<u>(445,344)</u>	<u>(329,000)</u>
Financial assets available to meet general expenditures within one year	<u>\$ (84,178)</u>	<u>\$ 283,424</u>

The board designated operating reserves can be made available, if necessary, with board authorization.

### (6) SUBSEQUENT EVENTS

Subsequent events after the statement of financial position date through the date that the financial statements were available for issuance, November 14, 2024, have been evaluated in the preparation of the financial statements.