Friends of the High Line, Inc.

Financial Statements

December 31, 2025
(With Comparative Totals for 2024)

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Friends of the High Line, Inc.

Opinion

We have audited the accompanying financial statements of Friends of the High Line, Inc. (the "Organization"), which comprise the statement of financial position as of December 31, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Friends of the High Line, Inc. as of December 31, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Friends of the High Line, Inc. 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, 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 Friends of the High Line, Inc.'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.

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 Friends of the High Line, Inc.'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 Friends of the High Line, Inc.'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 Friends of the High Line, Inc.'s 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 25, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Armanino LLP

San Ramon, California

April 30, 2026

Friends of the High Line, Inc.
Statement of Financial Position
December 31, 2025
(With Comparative Totals for 2024)
(In thousands)

	2025	2024
ASSETS		
Cash and cash equivalents	$ 8,592	$ 5,557
Operating investments	15,853	19,925
Contributions receivable, net	3,178	5,548
Prepaid expenses and other accounts receivable	1,212	1,046
Inventory	74	230
Contributions receivable restricted for capital purposes	14,053	15,883
Property and equipment, net	427	338
Contribution receivable restricted for endowment, net	980	2,168
Cash held for endowment	990	-
Endowment investments	83,070	71,315
Total assets	$ 128,429	$ 122,010
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	$ 2,030	$ 1,599
Deferred revenue	595	577
Total liabilities	2,625	2,176
Net assets		
Without donor restrictions	89,841	82,136
With donor restrictions	35,963	37,698
Total net assets	125,804	119,834
Total liabilities and net assets	$ 128,429	$ 122,010

The accompanying notes are an integral part of these financial statements.

Friends of the High Line, Inc.
Statement of Activities
For the Year Ended December 31, 2025
(With Comparative Totals for 2024)
(In thousands)

	Without Donor Restrictions						
	Operations	Campaign Activity	Board Designated	Total	With Donor Restrictions	2025 Total	2024 Total
Revenues, gains (losses) and other support							
Contributions	$ 5,386	$ 756	$ -	$ 6,142	$ 2,530	$ 8,672	$ 8,671
Special events	4,267	-	-	4,267	25	4,292	3,569
Less: special event costs	(1,206)	-	-	(1,206)	-	(1,206)	(1,176)
Rental income	1,330	-	-	1,330	-	1,330	1,610
Contract and other revenue	3,303	-	-	3,303	-	3,303	2,945
Investment income, net	298	565	9,088	9,951	2,173	12,124	8,890
Retail, net	(162)	-	-	(162)	-	(162)	7
In-kind income	964	-	-	964	-	964	910
Transfers to board-designated endowments	(1,600)	-	1,600	-	-	-	-
Appropriations from endowment for use in operations	1,563	-	(1,298)	265	(265)	-	-
Net assets released from restriction	4,664	1,534	-	6,198	(6,198)	-	-
Total revenues, gains (losses) and other support	18,807	2,855	9,390	31,052	(1,735)	29,317	25,426
Functional expenses							
Program services							
High Line planning and construction	50	3,008	-	3,058	-	3,058	3,129
High Line operations	8,174	-	-	8,174	-	8,174	7,733
Programming and education	4,063	-	-	4,063	-	4,063	5,270
Total program services	12,287	3,008	-	15,295	-	15,295	16,132
Support services							
Management and general	4,025	-	-	4,025	-	4,025	3,499
Fundraising	3,369	658	-	4,027	-	4,027	3,985
Total support services	7,394	658	-	8,052	-	8,052	7,484
Total functional expenses	19,681	3,666	-	23,347	-	23,347	23,616
Change in net assets	(874)	(811)	9,390	7,705	(1,735)	5,970	1,810
Net assets, beginning of year	8,009	15,050	59,077	82,136	37,698	119,834	118,024
Net assets, end of year	$ 7,135	$ 14,239	$ 68,467	$ 89,841	$ 35,963	$ 125,804	$ 119,834

The accompanying notes are an integral part of these financial statements.

Friends of the High Line, Inc.
Statement of Functional Expenses
For the Year Ended December 31, 2025
(With Comparative Totals for 2024)
(In thousands)

	High Line Planning and Construction	High Line Operations	Programming and Education	Management and General	Fundraising	2025 Total	2024 Total
Functional expenses							
Personnel expenses	$ 890	$ 6,193	$ 2,153	$ 2,709	$ 2,874	$ 14,819	$ 14,293
Capital expenses	2,111	-	-	-	-	2,111	2,080
Professional services	25	354	363	96	362	1,200	1,216
In-kind expense	-	26	47	466	344	883	910
Art production	-	-	913	-	-	913	1,467
Repairs and maintenance	1	585	2	2	2	592	495
Office supplies	15	360	96	253	109	833	801
Event costs	-	(26)	164	99	36	273	515
Security	-	371	2	-	1	374	348
Printing and publications	1	63	43	3	122	232	286
Contract labor	-	36	63	2	-	101	138
Travel	2	23	85	74	10	194	269
Occupancy	1	56	31	3	12	103	105
Credit card and other fees	-	1	1	2	21	25	30
Other expenses	-	9	32	26	52	119	170
Postage	-	3	2	2	57	64	76
Insurance	4	26	30	14	15	89	81
Staff development	6	42	10	151	2	211	82
Accounting fees	-	-	-	68	-	68	64
Legal fees	-	-	-	35	-	35	38
Telephone	2	18	8	9	7	44	52
Licenses and fees	-	3	2	3	-	8	14
Depreciation and amortization	-	31	16	8	1	56	86
	$ 3,058	$ 8,174	$ 4,063	$ 4,025	$ 4,027	$ 23,347	$ 23,616

The accompanying notes are an integral part of these financial statements.

Friends of the High Line, Inc.
Statement of Cash Flows
For the Year Ended December 31, 2025
(With Comparative Totals for 2024)
(In thousands)

	2025	2024
Cash flows from operating activities		
Change in net assets	$ 5,970	$ 1,810
Adjustments to reconcile change in net assets to net cash used in operating activities		
Unrealized gains on investments, net	(9,361)	(6,090)
Realized gains on investments, net	(611)	(763)
Donations of stock	(911)	(2,128)
Depreciation and amortization	56	86
Contribution revenue restricted for endowment	(5)	(91)
Changes in operating assets and liabilities		
Contributions receivable, net	2,200	2,651
Prepaid expenses and other accounts receivable	(166)	(683)
Inventory	156	10
Accounts payable and accrued expenses	431	136
Deferred revenue	18	75
Net cash used in operating activities	(2,223)	(4,987)
Cash flows from investing activities		
Purchases of property and equipment	(145)	(161)
Purchases of investments	(40,352)	(21,365)
Proceeds from sale of investments	43,552	21,193
Net cash provided by (used in) investing activities	3,055	(333)
Cash flows from financing activities		
Collection of contributions restricted for endowment	1,459	1,000
Collection of contributions restricted for capital purposes	1,734	5,001
Net cash provided by financing activities	3,193	6,001
Net increase in cash, cash equivalents and restricted cash	4,025	681
Cash, cash equivalents and restricted cash, beginning of year	5,557	4,876
Cash, cash equivalents and restricted cash, end of year	$ 9,582	$ 5,557

	2025	2024
Cash, cash equivalents and restricted cash consisted of the following:		
Cash and cash equivalents	$ 8,592	$ 5,557
Cash held for endowment	990	-
	$ 9,582	$ 5,557

The accompanying notes are an integral part of these financial statements.

1. NATURE OF OPERATIONS

Friends of the High Line, Inc. (the "Organization") is a non-profit conservancy responsible for maintaining an extraordinary public space on the High Line. The High Line is a 1.45-mile elevated freight rail line transformed into a public park on Manhattan's West Side. It is owned by The City of New York, and maintained and operated by the Organization under a license agreement.

Founded in 1999 by community residents, the Organization worked to preserve and transform the structure, and now works with the New York City Department of Parks & Recreation in overseeing maintenance, operations, and public programming for the park. The Organization also works to raise private funds to support the park's annual operating budget.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting and financial statement presentation

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") which recognizes support revenue when earned and expenses when incurred.

Net assets and changes therein are classified as follows:

- *Net assets without donor restrictions* - net assets not subject to donor-imposed stipulations. Net assets without donor restrictions includes a board-designated endowment and operating reserve.
- *Net assets with donor restrictions* - net assets whose use by the Organization is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Organization, as well as net assets subject to donor-imposed stipulations that require they be maintained in perpetuity. Net assets with donor restrictions also include the portion of donor-restricted endowment earnings that have not yet been appropriated for expenditure by the Organization.

Cash and cash equivalents

The Organization considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the statement of financial position. Investments received as contributions are recorded at fair value on the date of donation. Alternative investments are valued at the net asset value per unit or percentage of ownership as reported by the fund managers.

Fair value measurements

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. U.S. GAAP requires the Organization to disclose assets and liabilities measured at fair value based on the level of observable inputs.

The three levels of the fair value hierarchy are as follows:

- *Level 1* - Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.
- *Level 2* - Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
- *Level 3* - Significant unobservable inputs for the asset or liability. Unobservable inputs reflect the Organization's own assumptions about the assumptions market participants would use in pricing the asset or liability (including assumptions about risk). Unobservable inputs are developed based on the best information available in the circumstances and may include the Organization's own data.

Valuation techniques used in fair value measurements need to maximize the use of observable inputs and minimize the use of unobservable inputs. A valuation method may produce a fair value measurement that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with those used by other market participants, the use of different methodologies or assumptions could result in different fair value measurements at the reporting date.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Receivables and allowance for credit losses

The Organization evaluates the collectability of its contributions receivable on an ongoing basis and records a reserve for potential uncollectible contributions receivable. During the year ended December 31, 2025, the Organization determined that all current contributions receivable were deemed collectible. At December 31, 2025, the allowance for doubtful contributions receivable was $90. Additionally, any contributions that are expected to be collected after one year have been discounted and are reflected in the financial statements at their net present value.

The Organization determines whether an allowance for credit losses should be provided for trade and other receivables. The allowance for credit losses is a valuation account that is deducted from the amortized cost basis to present the net amount expected to be collected on the receivables. Receivables are charged off against the allowance when management believes the uncollectibility of a balance is confirmed. Expected recoveries do not exceed the aggregate of amounts previously charged-off and expected to be charged-off.

The allowance for credit losses represents management’s estimate of lifetime credit losses inherent in trade receivables as of the statement of financial position date. The allowance for credit losses is estimated by management using relevant available information, from both internal and external sources, relating to past events, the aged basis of the receivables, current economic conditions, creditworthiness of its donors, debtors and other funding sources, and reasonable and supportable forecasts. The Organization measures expected credit losses for receivables on a pooled basis when similar risk characteristics exist.

Additionally, the allowance for credit losses calculation for trade and other receivables includes subjective adjustments for qualitative risk factors that are likely to cause estimated credit losses to differ from historical experience. These qualitative adjustments may increase or reduce reserve levels and include adjustments for management experience and risk tolerance, audit results, asset quality and portfolio trends, loan portfolio growth, industry concentrations, trends in underlying collateral, external factors and economic conditions not already captured. Trade and other receivables that do not share risk the same characteristics are evaluated on an individual basis. There was no allowance for credit losses related to trade and other receivables as of December 31, 2025.

Contributed goods and services

The Organization receives in-kind and professional service donations. In-kind donation of goods are recorded based on the estimated fair value at the date the contribution is made. Professional service donations are recognized as contribution revenue at the fair value of those services, in the services (a) create or enhance non-financial assets, or (b) require specialized skills that are provided by individuals possessing those skills, and would be purchased if not donated.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and equipment

Property, plant and equipment are recorded at cost. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets which range from three to ten years. The Organization's policy is to capitalize property, plant and equipment expenditures or donated property, plant and equipment greater than $5. The Organization does not capitalize capital expenses as the Organization has license agreements with the City of New York who maintains ownership of the asset.

Inventory

Inventories are stated at the lower of cost or net realizable value. On an ongoing basis, inventories are reviewed and adjusted for estimated obsolescence to reflect the lower of cost or net realizable value. Charges to increase inventory reserves are recorded as an increase in cost of sales. As of December 31, 2025, there were no reserves for inventory obsolescence.

Revenue recognition and deferred revenue

Contributions are recognized as revenue when they are received or unconditionally promised as prescribed by Accounting Standards Codification 958 - 605, Not-for-Profit Entities - Revenue Recognition. The Organization reports gifts of cash and other asset as support with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor stipulation expires, that is, when a stipulated time restriction ends or the purpose is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported as net assets released from restriction. Conditional promises to give are not recorded as contribution until they become unconditional; that is when the barrier has been overcome and right of release/right of return no longer exists.

Donor-restricted contributions whose restrictions are met in the same reporting period as the contribution are recorded and reported as contributions with donor restrictions and net assets released from restriction as donor restrictions are met.

The Organization recognizes sublicensing restaurant income, sublicensing concessions income, merchandise sales, and venue rental income when it satisfies a performance obligation by transferring control over a product or service to a customer. Revenue from performance obligations is typically satisfied at a point in time when title to goods and risk of loss have transferred to the customer.

Advertising costs

The Organization's policy is to expense advertising costs as the costs are incurred. Advertising costs totaled $15 for the year ended December 31, 2025 and are included in printing and publications on the statement of functional expenses.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Functional expenses

Expenses have been charged to program services classifications based on direct expenditures incurred. Expenses that are allocated include salaries, payroll taxes and benefits, which are allocated on the basis of estimates of employee time and effort, and repairs, maintenance, and equipment rental, depreciation, insurance and general office expenses, which are allocated on a square footage basis.

Income tax status

The Organization is a nonprofit corporation exempt from Federal income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code. Therefore, these financial statements contain no provision for such taxes. Informational returns are filed annually with federal and state taxing authorities.

The Organization recognizes the effect of income tax positions only if those positions are more likely than not of being sustained, and changes in recognition or measurement are reflected in the period in which the change in judgment occurs. The Organization has evaluated its current tax positions and has concluded that as of December 31, 2025, it does not have any significant uncertain tax positions for which a reserve would be necessary.

Use of estimates

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

Comparative 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 U.S. GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2024, from which the information was derived.

Subsequent events

The Organization has evaluated subsequent events through April 30, 2026, the date the financial statements were available to be issued, and has determined no subsequent events have occurred that would have a material impact on the presentation of the Organization's financial statements.

(In thousands)

3. CONTRIBUTIONS RECEIVABLE, NET

Contributions receivable represent unconditional promises to give by donors. Contributions receivable expected to be collected after one year are recorded at present value using a 3% discount which is reflective of market considerations.

Contributions receivable, net consisted of the following:

Receivable in less than one year	$	5,197
Receivable in one to five years		14,165
Receivable thereafter		150
		19,512
Less: allowance for uncollectible contributions receivable		(90)
Discount on long-term contributions receivable		(1,211)
	$	18,211

4. INVESTMENTS

Investments consisted of the following:

Cash and cash equivalents	$	4,816
Equity funds		54,365
Fixed income funds		29,878
Private equity funds		4,807
Hedge funds		5,057
	$	98,923

(In thousands)

4. INVESTMENTS (continued)

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of December 31, 2025:

	Level 1	Level 2	Level 3	Fair Value
Cash and cash equivalents	$ 4,816	$ -	$ -	$ 4,816
Equity funds	54,365	-	-	54,365
Fixed income funds	23,033	6,845	-	29,878
Private equity funds	-	-	4,807	4,807
	$ 82,214	$ 6,845	$ 4,807	93,866
Investments measured at net asset value				5,057
				$ 98,923

* Investments measured at net asset value ("NAV") per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in the tables are intended to permit reconciliation of the fair value hierarchy to the line items presented in the statement of financial position.

Investment income consisted of the following:

Interest and dividends, net of investment fees	$ 2,152
Realized gains, net	611
Unrealized gains, net	9,361
	$ 12,124

Investments using Level 3 measurements are as follows at December 31, 2025:

Product	Fair Value	Valuation Techniques	Unobservable inputs	Range (Weighted Average)
Private equity funds	$ 4,807	Market comparable companies	EBITDA multiple Revenue multiple Discount for lack of marketability Control premium	10–13 (11.3) 1.5–3.0 (2.0) 5%–20% (10%) 10%–20% (12%)

(In thousands)

4. INVESTMENTS (continued)

The following table sets forth a summary of changes in the fair value of Level 3 investments for the year ended December 31, 2025:

Balance, beginning of year	$ 3,697
Contributions	(18,746)
Investment income, net	1,397
Withdrawals	18,459
Balance, end of year	$ 4,807

The Organization has agreed to invest specified amounts in various alternative investments. Most of the agreements allow capital to be called at various times, determined by the general partners or managers. As of December 31, 2025, remaining uncalled capital commitments related to private equity investments totaled approximately $247.

Investments measured at NAV are as follows at December 31, 2025:

Product	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Hedge funds	$ 5,057	$ -	Daily	Daily

Hedge funds: These funds invest in equity, fixed income, and derivative investments and vary their investment strategies in response to changing market opportunities.

Private equity funds: These funds employ buyout and venture capital strategies, with a particular focus on purchase, improvement and development of companies not traded on a stock exchange.

5. PROPERTY AND EQUIPMENT, NET

Property and equipment, net consisted of the following:

Machinery and equipment, net	$ 1,321
Furniture and fixtures	356
Software	485
Office equipment	195
Computer equipment	62
	2,419
Accumulated depreciation and amortization	(1,992)
	$ 427

(In thousands)

5. PROPERTY AND EQUIPMENT, NET (continued)

Depreciation and amortization expense for the year ended December 31, 2025 amounted to $56.

6. COMMITMENTS AND CONTINGENCIES

The Organization is subject to legal proceedings and claims which arise in the ordinary course of business. In the opinion of management, the amount of ultimate liability with respect to such actions will not materially affect the financial position or results of operations.

7. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following:

Campaign	$	15,225
Events		480
Maintenance and operations		683
Art		560
Education and other programs		758
High Line Network		326
Community engagement		428
Donor-restricted endowment		15,505
Contributions to be used for future periods		1,998
	$	35,963

Net assets with donor restrictions released from restriction during the year were as follows:

Maintenance and operations	$	1,565
Art		521
High Line Network		1,128
Community engagement		265
Education and other programs		565
Campaign		1,534
Appropriation from endowment		265
Events		620
	$	6,463

8. ENDOWMENT

The Organization's endowment consists of several individual funds established for a variety of purposes. Its endowment includes only donor-restricted endowment funds. As required by U.S. GAAP, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of relevant law

The Organization's Board of Directors has interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

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

(1) The duration and preservation of the fund

(2) The purposes of the organization and the donor-restricted endowment fund

(3) General economic conditions

(4) The possible effect of inflation and deflation

(5) The expected total return from income and the appreciation of investments

(6) Other resources of the Organization

(7) The investment policies of the Organization

Return objectives and risk parameters

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for a donor-specified period(s). Under this policy, as approved by the Board of Directors, the Organization diversifies its investments, subject to practicality constraints, among a variety of asset classes so as to provide a balance that will enhance total real return while avoiding undue risk concentration in any single asset class or investment category.

(In thousands)

8. ENDOWMENT (continued)

Funds with deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Organization to retain as a fund of perpetual duration. There were no such deficiencies as of December 31, 2025.

Spending policy

Under the current policy adopted in November 2021 by the Board of Directors, the withdrawal of funds can only be made for qualified expenses as defined by UPMIFA and must be signed for by the Organization. The Organization will use a 12 quarter rolling average ending market value of its long-term investments, through the third quarter of the prior fiscal year with the spending target being determined annually by the Audit and Finance Committee (set at 4% of market value or, if less, an amount needed to break even where revenues do not exceed expenses). All earnings of the endowment funds not withdrawn shall be reinvested. Endowment Funds invested in connection with donor contributions will be spent in compliance with the grant requirements.

Endowment composition

Endowment net asset composition by type of fund as of December 31, 2025 is as follows:

		With Donor Restrictions		
	Without Donor Restrictions	Investment in Perpetuity	Investment Income Above Corpus	Total
Donor-restricted endowment funds	$ -	$ 9,791	$ 5,714	$ 15,505
Board-designated endowment funds	67,565	-	-	67,565
	$ 67,565	$ 9,791	$ 5,714	$ 83,070

(In thousands)

8. ENDOWMENT (continued)

Endowment composition (continued)

Changes in endowment net assets for the fiscal year ended December 31, 2025 is as follows:

	Without Donor Restrictions	With Donor Restrictions: Investment in Perpetuity	With Donor Restrictions: Investment Income Above Corpus	Total
Balance, December 31, 2024	$ 59,077	$ 8,332	$ 3,906	$ 71,315
Investment income, net	9,088	-	2,161	11,249
Contributions	-	1,459	-	1,459
Transfer into board-designated endowment	1,600	-	-	1,600
Appropriation of endowment assets for expenditure	(1,298)	-	(265)	(1,563)
Transfers out of endowment investments for future endowment appropriation	(902)	-	(88)	(990)
Balance, December 31, 2025	$ 67,565	$ 9,791	$ 5,714	$ 83,070

In addition to the above invested funds, unconditional promises to give, perpetual in nature, at December 31, 2025 totaled $980, net of present value discount.

9. IN-KIND REVENUE AND SUPPORT

In-kind revenue and support are as follows:

	Contributions	Expenses
Event design and decor	$ 256	$ 256
Communications	23	23
Catering	74	74
Advisory services	512	512
Travel vouchers	3	3
Design and production	14	14
Other	1	1
Machinery and equipment	81	-
	$ 964	$ 883

(In thousands)

10. LIQUIDITY AND FUNDS AVAILABLE

The Organization operates with a balanced budget for each fiscal year based on the revenues expected to be available to fund anticipated expenses. A substantial portion of general expenditures during a given year are funded with contributions, benefit income, and other revenue earned during the year. The Organization considers general expenditures to consist of all expenses related to its ongoing program services, and the expenses related to general, administrative and fundraising activities undertaken to support those services.

The Organization regularly monitors liquidity to meet its operating needs and other commitments and obligations, while seeking to maximize the investment of its available funds. Management prepares regular cash flow projections to determine liquidity needs and to maintain liquid financial assets on an ongoing basis sufficient to cover 90 days of general expenditures.

Financial assets available for general expenditure within one year as of December 31:

Cash and cash equivalents	$ 8,592
Contributions receivable, net	18,211
Other accounts receivable	841
Investments	98,923
Amounts expected to be appropriated from the endowment within one year	2,629
	129,196
Less amounts not available to be used within one year	
Net assets with donor restriction	(35,963)
Operating reserve	(4,000)
Board-designated endowment	(68,467)
	(108,430)
	$ 20,766

The Organization maintains an operating reserve with a minimum balance requirement of $4,000. These amounts could be made available to meet cash needs for general expenditures at the discretion of the Board of Directors