Guttmacher Institute, Inc.

Independent Auditor’s Report and Financial Statements

December 31, 2023 and 2022

Contents

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Independent Auditor's Report

Board of Directors
Guttmacher Institute, Inc.
New York, New York

Opinion

We have audited the financial statements of Guttmacher Institute, Inc., which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities, 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 Guttmacher Institute, Inc. as of December 31, 2023 and 2022, 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 Guttmacher Institute, Inc. 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.

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 Guttmacher Institute, Inc.'s ability to continue as a going concern within one year after the date that these financial statements are available to be issued.

Auditor's Responsibilities for the Audit

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 Guttmacher Institute, 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 Guttmacher Institute, 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.

Forvis Mazars, LLP

New York, New York
July 1, 2024

Guttmacher Institute, Inc.
Statements of Financial Position
December 31, 2023 and 2022

	2023	2022
ASSETS		
Cash and cash equivalents	$ 4,152,795	$ 6,389,189
Investments	53,364,059	51,096,631
Grants receivable, net of discount	2,318,388	4,364,841
Other receivable	517,213	282,810
Prepaid expenses and other assets	233,934	177,338
Security deposits	211,199	211,199
Right-of-use assets - operating leases	3,995,189	4,897,118
Fixed assets, net	8,371,636	8,623,134
Total assets	$ 73,164,413	$ 76,042,260
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	$ 1,741,448	$ 1,562,179
Postretirement benefits payable	542,411	523,857
Operating lease liabilities	4,587,387	5,513,244
Loans payable, net of unamortized debt issuance costs	6,859,361	7,363,829
Total liabilities	13,730,607	14,963,109
Net Assets		
Without donor restrictions		
Undesignated	21,048,482	22,460,327
Designated by the Board for reserves	11,553,774	9,844,127
Net investment in property and equipment, net of related debt	1,512,275	1,259,305
Total without donor restrictions	34,114,531	33,563,759
With donor restrictions		
Perpetual in nature	4,855,238	4,855,238
Time-restricted for future periods	9,363,966	7,216,036
Purpose restrictions	11,100,071	15,444,118
Total with donor restrictions	25,319,275	27,515,392
Total net assets	59,433,806	61,079,151
Total liabilities and net assets	$ 73,164,413	$ 76,042,260

Guttmacher Institute, Inc.
Statements of Activities
Years Ended December 31, 2023 and 2022

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Operating Revenues, Gains, and Other Support						
Contributions	$ 2,760,943	$ -	$ 2,760,943	$ 3,498,128	$ -	$ 3,498,128
Grants and contracts from U.S. Government agencies	1,474,100	-	1,474,100	619,473	-	619,473
Grants from U.S. private organizations	-	15,848,845	15,848,845	-	11,748,772	11,748,772
Grants from foreign governments and institutions	-	1,811,692	1,811,692	-	1,042,331	1,042,331
Publication income and other revenue	54,096	-	54,096	163,992	-	163,992
Net investment return (loss)	1,329,693	-	1,329,693	(22,369)	-	(22,369)
Net assets released from restriction	21,008,724	(21,008,724)	-	20,434,613	(20,434,613)	-
Total revenues, gains, and other support	26,627,556	(3,348,187)	23,279,369	24,693,837	(7,643,510)	17,050,327
Operating Expenses						
Program services						
Research	15,113,721	-	15,113,721	13,008,554	-	13,008,554
Public education	6,513,766	-	6,513,766	5,641,224	-	5,641,224
Public policy	2,652,577	-	2,652,577	2,338,199	-	2,338,199
Total program services	24,280,064	-	24,280,064	20,987,977	-	20,987,977
Supporting services						
Management and general	5,403,627	-	5,403,627	4,808,508	-	4,808,508
Fundraising	2,134,576	-	2,134,576	1,768,488	-	1,768,488
Total supporting services	7,538,203	-	7,538,203	6,576,996	-	6,576,996
Total operating expenses	31,818,267	-	31,818,267	27,564,973	-	27,564,973
Change in net assets before nonoperating contributions, foreign exchange loss, postretirement benefit plan adjustment, and investment income (loss), nonoperating	(5,190,711)	(3,348,187)	(8,538,898)	(2,871,136)	(7,643,510)	(10,514,646)
Contributions, transformative in nature, and bequests	4,000,000	-	4,000,000	15,533,333	-	15,533,333
Foreign exchange loss	-	(171,956)	(171,956)	-	(597,470)	(597,470)
Adjustment to minimum postretirement benefit liability	75,383	-	75,383	344,729	-	344,729
Net periodic benefit cost and postretirement benefit less service costs	(62,977)	-	(62,977)	(57,902)	-	(57,902)
Investment income (loss), nonoperating	1,729,077	1,324,026	3,053,103	(2,237,561)	(1,638,150)	(3,875,711)
Change in Net Assets	550,772	(2,196,117)	(1,645,345)	10,711,463	(9,879,130)	832,333
Net Assets, Beginning of Year	33,563,759	27,515,392	61,079,151	22,852,296	37,394,522	60,246,818
Net Assets, End of Year	$ 34,114,531	$ 25,319,275	$ 59,433,806	$ 33,563,759	$ 27,515,392	$ 61,079,151

Guttmacher Institute, Inc.
Statements of Functional Expenses
Years Ended December 31, 2023 and 2022

	2023							
	Program Services				Supporting Services			
	Research	Public Education	Public Policy	Total	Management and General	Fundraising	Total	Total
Salaries	$ 6,835,376	$ 3,333,115	$ 1,306,167	$ 11,474,658	$ 2,312,179	$ 1,066,544	$ 3,378,723	$ 14,853,381
Payroll taxes and employee benefits	1,956,264	953,568	373,689	3,283,521	662,091	305,353	967,444	4,250,965
Total salaries and related expenses	8,791,640	4,286,683	1,679,856	14,758,179	2,974,270	1,371,897	4,346,167	19,104,346
Printing and artwork	1,432	2,572	5,000	9,004	1,260	33,738	34,998	44,002
Data processing	5,249	54,482	32,078	91,809	234,826	19,187	254,013	345,822
Professional fees	4,476,498	1,304,142	427,567	6,208,207	1,291,091	336,874	1,627,965	7,836,172
Occupancy and office costs (includes interest on long-term financing of $150,433)	854,401	560,152	337,313	1,751,866	222,608	150,743	373,351	2,125,217
Information technology	118,478	45,932	9,769	174,179	89,710	28,937	118,647	292,826
Postage and shipping	208	319	64	591	8,480	49,198	57,678	58,269
Conferences, meetings, and travel	377,965	91,377	73,356	542,698	311,021	11,686	322,707	865,405
Dues, subscriptions, and publications	62,809	2,953	20,786	86,548	56,960	19,683	76,643	163,191
Miscellaneous	87,291	458	2,248	89,997	99,152	59,933	159,085	249,082
Total expenses before depreciation and amortization	14,775,971	6,349,070	2,588,037	23,713,078	5,289,378	2,081,876	7,371,254	31,084,332
Depreciation and amortization	337,750	164,696	64,540	566,986	114,249	52,700	166,949	733,935
Total operating expenses	15,113,721	6,513,766	2,652,577	24,280,064	5,403,627	2,134,576	7,538,203	31,818,267
Net periodic benefit cost and postretirement benefit less service costs	28,969	14,485	5,668	49,122	9,447	4,408	13,855	62,977
Total expenses	$ 15,142,690	$ 6,528,251	$ 2,658,245	$ 24,329,186	$ 5,413,074	$ 2,138,984	$ 7,552,058	$ 31,881,244

Guttmacher Institute, Inc.
Statements of Functional Expenses
Years Ended December 31, 2023 and 2022

(Continued)

	2022							
	Program Services				Supporting Services			
	Research	Public Education	Public Policy	Total	Management and General	Fundraising	Total	Total
Salaries	$ 5,905,790	$ 2,830,975	$ 969,640	$ 9,706,405	$ 2,559,922	$ 792,764	$ 3,352,686	$ 13,059,091
Payroll taxes and employee benefits	1,881,221	901,775	308,868	3,091,864	827,062	252,526	1,079,588	4,171,452
Total salaries and related expenses	7,787,011	3,732,750	1,278,508	12,798,269	3,386,984	1,045,290	4,432,274	17,230,543
Printing and artwork	619	9,448	-	10,067	4,360	60,547	64,907	74,974
Data processing	10,496	38,467	-	48,963	225,096	9,269	234,365	283,328
Professional fees	3,686,164	1,061,059	607,751	5,354,974	270,877	338,640	609,517	5,964,491
Occupancy and office costs (includes interest on long-term financing of $160,990)	948,912	590,156	337,082	1,876,150	245,894	157,580	403,474	2,279,624
Information technology	86,676	29,027	9,665	125,368	76,650	26,123	102,773	228,141
Postage and shipping	4,294	-	27	4,321	9,091	49,039	58,130	62,451
Conferences, meetings, and travel	111,222	23,998	24,949	160,169	337,731	985	338,716	498,885
Dues, subscriptions, and publications	52,351	3,446	25,713	81,510	60,888	32,750	93,638	175,148
Miscellaneous	2,796	432	2,291	5,519	53,091	5,576	58,667	64,186
Total expenses before depreciation and amortization	12,690,541	5,488,783	2,285,986	20,465,310	4,670,662	1,725,799	6,396,461	26,861,771
Depreciation and amortization	318,013	152,441	52,213	522,667	137,846	42,689	180,535	703,202
Total operating expenses	13,008,554	5,641,224	2,338,199	20,987,977	4,808,508	1,768,488	6,576,996	27,564,973
Net periodic benefit cost and postretirement benefit less service costs	26,168	12,544	4,295	43,007	11,382	3,513	14,895	57,902
Total expenses	$ 13,034,722	$ 5,653,768	$ 2,342,494	$ 21,030,984	$ 4,819,890	$ 1,772,001	$ 6,591,891	$ 27,622,875

Guttmacher Institute, Inc.
Statements of Cash Flows
Years Ended December 31, 2023 and 2022

	2023	2022
Operating Activities		
Change in net assets	$ (1,645,345)	$ 832,333
Items not requiring (providing) operating cash flows		
Depreciation and amortization	733,935	703,202
Amortization of debt issuance costs (included in interest expense)	10,063	10,812
Net realized and unrealized losses (gains) on investments	(2,874,073)	4,660,146
Changes in discount on long-term receivables	(9,083)	6,908
Changes in		
Grants receivable	2,055,536	6,194,578
Other receivables	(234,403)	(228,375)
Prepaid expenses and other assets	(56,596)	165,586
Accounts payable and accrued expenses	179,269	(21,749)
Postretirement benefits payable	18,554	(248,282)
Deferred rent payable	(23,928)	1,767
Net cash provided by (used in) operating activities	(1,846,071)	12,076,926
Investing Activities		
Purchase of fixed assets	(482,437)	(367,966)
Proceeds from sales of investments	31,822,814	28,805,683
Purchases of investments	(31,216,169)	(41,391,570)
Net cash provided by (used in) investing activities	124,208	(12,953,853)
Financing Activities		
Repayment of loans	(514,531)	(503,973)
Net cash used in financing activities	(514,531)	(503,973)
Net Change in Cash and Cash Equivalents	(2,236,394)	(1,380,900)
Cash and Cash Equivalents, Beginning of Year	6,389,189	7,770,089
Cash and Cash Equivalents, End of Year	$ 4,152,795	$ 6,389,189
Supplemental Cash Flows Information		
Interest paid	$ 150,433	$ 160,990

Note 1. Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Guttmacher Institute, Inc. (the Institute), incorporated in New York in 1977, with offices in New York City and Washington, D.C., advances sexual and reproductive health in the United States and worldwide through an interrelated program of social science research, policy analysis, and public education. The Institute conducts its activities through revenue generated from grants.

The Institute is a not-for-profit, tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) 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 Institute considers all highly liquid investments with original maturities of 90 days or less to be cash and cash equivalents, except for money market accounts included in the Institute's investment portfolio.

Investments and Net Investment Return

Investments in equity securities having a readily determinable fair value and in all debt securities are carried at fair value. Investments in private equity funds and hedge funds are recorded at net asset value (NAV), as a practical expedient. Investment return includes dividend, interest, and other investment income; realized and unrealized gains and losses on investments carried at fair value; and realized gains and losses on other investments, less external and direct internal investment expenses. Gains and losses on the sale of securities are recorded on the trade date and are determined using the specific identification.

Investment return is reflected in the statements of activities with or without donor restrictions based upon the existence and nature of any donor or legally imposed restrictions.

The Institute maintains some pooled investment accounts for its donor restricted and board-designated/director endowments. Investment income and realized and unrealized gains and losses from securities in the pooled investment accounts are allocated monthly to the individual endowments based on the relationship of the fair value of the interest of each endowment to the total fair value of the pooled investments accounts, as adjusted for additions to or deductions from those accounts.

Allowance for Doubtful Accounts

The Institute determines whether an allowance for uncollectibles should be provided for grants receivable and other receivables. Such estimates are based on management's assessment of the aged basis of its sources, current economic conditions, subsequent receipts, and historical information. Grants receivable and other receivables are written off against the allowance for doubtful accounts when all reasonable collection efforts have been exhausted. If no allowance is established, then the receivable is written off directly as bad debt. Interest is not charged on outstanding receivables. As of December 31, 2023 and 2022, the Institute had no allowance for doubtful accounts.

Fixed Assets

Fixed assets are reported at cost less accumulated depreciation or amortization. These amounts do not purport to represent replacement or realizable values. The Institute capitalizes all property and equipment having a cost in excess of $1,000 and a useful life of greater than one year. Leasehold improvements are amortized on the straight-line basis over the lesser of their useful lives or the term of the lease.

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

Commercial condominium	40 years
Furniture and fixtures	3 to 10 years
Computer hardware and software	3 to 5 years
Leasehold improvements	10 years

Long-Lived Asset Impairment

The Institute evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset is less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value. No asset impairment was recognized during the years ended December 31, 2023 and 2022.

Debt Issuance Costs

Debt issuance costs are reflected as a reduction of the carrying amount of the related debt and are amortized using the effective interest rate over the life of the associated debt. Amortization of debt issuance costs is included in interest expense.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor restrictions.

Net assets without donor restrictions are available for use in general operations and not subject to donor or certain grantor restrictions.

Net assets with donor restrictions are subject to donor or certain grantor restrictions. Some 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 restrictions are perpetual in nature, where the donor or grantor stipulates that corpus be maintained in perpetuity.

Contributions

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

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

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

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

The Institute elects to recognize in net assets without donor restrictions, conditional contributions and investment income with donor restrictions that are received and the restriction is met in the same period.

Government Grants

Support funded by grants is recognized as the Institute meets the conditions prescribed by the grant agreement, performs the contracted services, or incurs outlays eligible for reimbursement under the grant agreements. Grant activities and outlays are subject to audit and acceptance by granting agencies and, as a result of such audit, adjustments could be required.

Functional Allocation of Expenses

The costs of supporting the various programs and other activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Certain costs have been allocated among the program, management and general, and fundraising categories based on the number of employees and other methods.

Leases

The Institute determines if an arrangement is a lease or contains a lease at inception. Leases result in the recognition of right-of-use (ROU) assets and lease liabilities on the statements of financial position. ROU assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from the lease, measured on a discounted basis. The Institute determines lease classification as operating or finance at the lease commencement date.

The Institute combines lease and nonlease components, such as common area and other maintenance costs, in calculating the ROU assets and lease liabilities for its office buildings. At lease commencement, the lease liability is measured at the present value of the lease payments over the lease term. The ROU asset equals the lease liability adjusted for any initial direct costs, prepaid or deferred rent, and lease incentives. The Institute has made a policy election to use a risk-free rate (the rate of a zero-coupon U.S. Treasury instrument) for the initial and subsequent measurement of all lease liabilities. The risk-free rate is determined using a period comparable with the lease term.

The lease term may include options to extend or to terminate the lease that the Institute is reasonably certain to exercise. Lease expense is generally recognized on a straight-line basis over the lease term.

The Institute has elected not to record leases with an initial term of 12 months or less on the statements of financial position. Lease expense on such leases is recognized on a straight-line basis over the lease term.

Measure of Operations

The Institute includes in its definition of operations all revenues and expenses that are an integral part of its programs and supporting activities and excludes contributions, transformative in nature and bequests, foreign exchange gain (loss), net periodic benefit cost and postretirement benefit less service costs, adjustment to minimum postretirement benefit liability, and investment income (losses) earned on endowment funds and board-designated funds from its measure of operations.

Exchange Rates

Non-U.S. assets are remeasured into U.S. dollars at year-end exchange rates. Revenues are recorded at approximate rates prevailing at the time of the transaction.

Income Taxes

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

Note 2. Grant Reimbursements Receivable and Future Commitments

The Institute receives its grant support through periodic claims filed with the respective funding sources, not to exceed a limit specified in the funding agreement. Since the financial statements of the Institute are prepared on the accrual basis, all earned portions of the grants not yet received as of December 31, 2023 have been recorded as receivables. The conditional amounts will be considered unconditional and recorded as grant revenues when the Institute incurs qualifying expenses. The following are the grant commitments that extend beyond December 31, 2023 from U.S. Governmental grants:

Grants	Term	Grant Amount	Earned or Forfeited Through 2023	Funding Available
Improving methods and measures of reproductive health outcomes	09/05/2018–05/31/2024	$ 2,517,182	$ 2,382,195	$ 134,987
The impact of new state restrictions on abortion incidence and safety in the United States	09/05/2023–08/31/2024	594,163	113,150	481,013
Generating Actionable Data to Ensure High-Quality, Equitable Sexual and Reproductive Health Care	09/01/2022–08/31/2024	1,500,000	1,072,337	427,663
			$ 3,567,682	$ 1,043,663

Note 3. Disclosures About Fair Value of Assets and Liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. The hierarchy comprises three levels of inputs that may be used to measure fair value:

Level 1 Quoted prices in active markets for identical assets or liabilities

Level 2 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 for substantially the full term of the assets or liabilities

Level 3 Unobservable inputs supported by little or no market activity and that are significant to the fair value of the assets or liabilities

Recurring Measurements

The following tables present the fair value measurements of assets and liabilities recognized in the accompanying statements of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2023 and 2022:

	2023		
		Fair Value Measurement Using	
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Assets			
Investments			
Stock, common shares	$ 5,190,348	$ 5,190,348	$ -
Open-end mutual funds	8,519,134	8,519,134	-
Alternative mutual funds	1,530,693	1,530,693	-
Exchange traded funds	6,573,616	6,573,616	-
Corporate debt	15,564,836	13,886,856	1,677,980
U.S. Government securities	499,475	-	499,475
Total investments	37,878,102	$ 35,700,647	$ 2,177,455
Money market accounts	15,485,957		
Total investments	$ 53,364,059		

	2022		
		Fair Value Measurement Using	
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Assets			
Investments			
Stock, common shares	$ 4,253,471	$ 4,253,471	$ -
Open-end mutual funds	8,398,825	8,398,825	-
Alternative mutual funds	1,466,966	1,466,966	-
Exchange traded funds	5,750,955	5,750,955	-
Real estate investment trusts	24,215	24,215	-
Corporate debt	18,057,124	15,434,625	2,622,499
U.S. Government securities	949,235	653,775	295,460
Total investments	38,900,791	$ 35,982,832	$ 2,917,959
Money market accounts	12,195,840		
Total investments	$ 51,096,631		

Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections, and cash flows. Such securities are classified in Level 2 of the valuation hierarchy.

Note 4. Grants Receivable

As of December 31, 2023 and 2022, grants receivable consisted of the following:

	2023		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**
Due within one year	$ 1,723,025	$ 564,470	$ 2,287,495
Due in one to five years	-	33,946	33,946
Total	1,723,025	598,416	2,321,441
Less discount to present value	-	(3,053)	(3,053)
Net	$ 1,723,025	$ 595,363	$ 2,318,388

As of December 31, 2023, approximately 92% of grants receivables were due from four organizations.

	2022		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**
Due within one year	$ 10,000	$ 4,128,453	$ 4,138,453
Due in one to five years	-	238,524	238,524
Total	10,000	4,366,977	4,376,977
Less discount to present value	-	(12,136)	(12,136)
Net	$ 10,000	$ 4,354,841	$ 4,364,841

As of December 31, 2022, approximately 94% of grants receivables were due from three organizations.

Note 5. Fixed Assets

Fixed assets at December 31, 2023 and 2022 consist of:

	2023	2022
Commercial condominium	$ 11,966,673	$ 11,966,673
Furniture and fixtures	1,962,225	1,839,905
Computer hardware and software	3,767,448	3,562,421
Leasehold improvements	2,615,534	2,460,444
Total cost	20,311,880	19,829,443
Less accumulated depreciation and amortization	(11,940,244)	(11,206,309)
Net book value	$ 8,371,636	$ 8,623,134

Note 6. Loans Payable and New York City Industrial Development Agency Bonds

In May 2007, the Institute borrowed $11,000,000 through the issuance of two Civic Facility Revenue Bonds, Series 2007 (the bonds) by the New York City Industrial Development Agency (IDA) to finance the acquisition of office space to be used as the Institute's place of operations. Series 2007A matured on December 1, 2016.

On September 8, 2020, the Institute refinanced the Series 2007B bonds with Chase Bank. The new loan total refinanced is $8,550,000 due on or before September 8, 2035. The new financing has a fixed interest rate of 2.050%. The loan agreement contains a financial covenant requiring that at any fiscal year-end, the two-year average of the debt service ratio must be greater than 1.20 to 1.00.

The unamortized debt issuance cost was $56,566 and $66,629 as of December 31, 2023 and 2022, respectively.

Interest expense was $150,433 and $160,990 for the years ended December 31, 2023 and 2022, respectively, which includes amortization of debt issuance costs of $10,063 and $10,812, respectively.

Future minimum payments are as follows:

Year Ending December 31	
2024	$ 664,963
2025	664,963
2026	664,963
2027	664,963
2028	664,963
Thereafter	3,591,112
	6,915,927
Less unamortized debt issuance costs	(56,566)
	$ 6,859,361

Note 7. Net Assets with Donor Restrictions

Net assets with donor restrictions at December 31 are restricted for the following purposes or periods:

	2023	2022
Subject to expenditure for specified purposes		
Research	$ 8,086,072	$ 11,441,194
Public education	2,686,115	2,161,356
Public policy	192,214	1,638,214
Executive	-	203,354
Other	135,670	-
	11,100,071	15,444,118
Subject to the passage of time		
Not restricted by donors but which are unavailable for expenditure until after year-end	5,427,654	4,334,320
Endowments		
Subject to the Institute's endowment spending policy and appropriation		
Restricted by donors	4,855,238	4,855,238
Earnings on endowment available for general use	3,936,312	2,881,716
	8,791,550	7,736,954
	$ 25,319,275	$ 27,515,392

Net assets released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of the passage of time and by incurring expenses satisfying the following:

	2023	2022
Subject to expenditure for specified purposes		
Research	$ 9,639,934	$ 9,455,127
Public education	2,245,972	2,237,398
Public policy	2,626,584	1,584,409
Executive	140,650	151,141
Other	12,425	-
	14,665,565	13,428,075
Subject to the passage of time		
Promises to give that are not restricted by donors but which are unavailable for expenditure until after year-end	6,073,729	6,736,418
Earnings appropriated for expenditure	269,430	270,120
	6,343,159	7,006,538
	$ 21,008,724	$ 20,434,613

Note 8. Employee Benefit Plans

401(k) Plan

The Institute maintains a defined-contribution retirement plan established under Section 401(k) of the Internal Revenue Code that covers substantially all employees, each of whom must meet certain eligibility requirements as to length of service. For the years ended December 31, 2023 and 2022, the Institute's expense related to contributions to the 401(k) plan was $1,331,072 and $1,166,077, respectively.

Deferred Compensation Plan

In April 2004, the Institute established a deferred compensation plan under Section 457(b) of the Internal Revenue Code for certain eligible employees, defined by the Institute as its executive team. Under the terms of the 457(b) plan, eligible employees may contribute amounts through a salary-reduction agreement. This is employee funded and the Institute does not contribute to this plan.

Employee Postretirement Benefit Plan

The Institute currently offers eligible retirees the opportunity to participate in a medical plan. Substantially all employees may become eligible for these benefits provided that the employee was 65 years of age and has at least 10 consecutive full years of service prior to retirement. The following table sets forth the plan's unfunded status and amounts recognized in the statements of financial position at December 31:

	2023	2022
Accumulated postretirement benefit obligation	$ (542,411)	$ (523,857)
Funded status	$ (542,411)	$ (523,857)
Liabilities recognized in the statements of financial position	$ 542,411	$ 523,857
Net periodic postretirement benefit cost	93,937	109,054
Employer contributions and benefits paid	11,555	12,425
Cumulative amounts recognized within net assets not yet recognized as components of net periodic benefit cost consist of:		
Net gain	$ (537,229)	$ (529,151)
Prior service cost	317,379	334,987
	$ (219,850)	$ (194,164)

Other changes in benefit obligations recognized in change in net assets:

	2023	2022
Amounts arising during the period		
Net prior services cost	$ 17,608	$ 17,608
Amounts reclassified as components of net periodic benefit cost of the period		
Net gain	(27,149)	(308,861)

The estimated net gain, prior service cost for the defined benefit pension plans that will be amortized into net periodic benefit cost over the next fiscal year in 2024 and 2023 is $18,089 and $19,071, respectively.

Significant assumptions include:

	2023	2022
Weighted average assumptions to determine benefit costs		
Discount rate	5.02%	2.83%
Expected return on plan assets	N/A	N/A
Health cost trend rate	2.25%	2.25%
Weighted average assumptions used to determine benefit obligations		
Discount rate	4.83%	5.02%
Rate of compensation increase	2.25%	2.25%

The weighted average annual assumed rate of increase in the per capita cost of covered benefits (*i.e.*, health care cost trend rate) is 2.25% for 2023 and 2022 and is based on the Consumer Price Index. The health care cost trend rate assumption has a significant effect on the amounts reported.

The Institute's funding policy is to make the minimum annual contribution that is required by applicable regulations, plus such amounts as the Institute may determine to be appropriate from time to time.

The following benefit payments, which reflect expected future service, are expected to be paid as follows:

2024	$ 14,000
2025	16,000
2026	20,000
2027	23,000
2028	24,000
2029 through 2033	148,000

Note 9. Contingencies

Government-funded activities are subject to audit by the applicable granting agencies. No such audits had been undertaken at the Institute, and management has no reason to believe that unaudited projects would result in any material obligations for the years then ended December 31, 2023 and 2022.

The Institute has a noncontributory, defined-benefit postretirement health plan whereby it agrees to provide certain postretirement benefits to eligible employees. The benefit obligation is the actuarial present value of all benefits attributed to service rendered prior to the valuation date based on the projected unit credit cost method. It is reasonably possible that events could occur that would change the estimated amount of this liability materially in the near term.

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

The Institute is subject to claims and lawsuits that arose primarily in the ordinary course of its activities. It is the opinion of management the disposition or ultimate resolution of such claims and lawsuits will not have a material adverse effect on the financial position, change in net assets, and cash flows of the Institute. Events could occur that would change this estimate materially in the near term.

Note 10. Concentrations

Financial instruments that potentially subject the Institute to concentrations of credit risk consist principally of cash and cash equivalent accounts deposited in financial institutions, the balances of which, from time to time, may exceed federal insurance limits. As of December 31, 2023, cash balance held over the federal insurance limit of $250,000 was approximately $4.5 million.

For the year ended December 31, 2023, approximately 71% of the Institute's support came from three funders. For the year ended December 31, 2022, approximately 79% of the Institute's support came from one funder.

Note 11. Leases

Nature of Leases

The Institute leases office space in New York City and Washington, DC under noncancelable operating leases. The leases terminate on various dates through June 1, 2030. Termination of the leases is generally prohibited unless there is a violation under the lease agreement.

Quantitative Disclosures

The lease cost and other required information for the years ended December 31, 2023 and 2022 are:

	2023	2022
Operating lease cost	$ 1,063,102	$ 1,128,333
Other information		
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	839,900	1,042,396
Weighted-average remaining lease term		
Operating leases	5 years	6 years
Weighted-average discount rate		
Operating leases	1.86%	1.85%

Future minimum lease payments and reconciliation to the statements of financial position at December 31, 2023 are as follows:

	Operating Leases
2024	$ 839,900
2025	869,510
2026	920,122
2027	616,945
2028	567,075
Thereafter	1,036,471
Total future undiscounted lease payments	4,850,023
Less interest	(262,636)
Lease liabilities	$ 4,587,387

Note 12. Endowment Funds

General

The Institute maintains a donor-restricted and board-designated/director endowment. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Additionally, in accordance with the *New York Prudent Management of Institutional Funds Act* (NYPMIFA), the Institute considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. Duration and preservation of the fund
2. Purposes of the Institute and the fund
3. General economic conditions
4. Possible effect of inflation and deflation
5. Expected total return from investment income and appreciation or depreciation of investments
6. Other resources of the Institute
7. Where appropriate and where circumstances would otherwise warrant alternatives to expenditure of the endowment fund, given due consideration to the effect that such alternatives may have on the Institute
8. Investment policies of the Institute

Interpretation of Relevant Law

The Board of Directors of the Institute has adopted NYPMIFA. NYPMIFA moves away from the "historic dollar value" standard and permits charities to apply a spending policy to endowments based on certain specified standards of prudence. The Institute is governed by the NYPMIFA spending policy, which establishes a standard maximum prudent spending limit of 7%. As a result of this interpretation, the Institute classifies as perpetually restricted net assets (a) the original value of gifts donated to the perpetual endowment, (b) the original value of subsequent gifts to the perpetual endowment, and (c) accumulations to the perpetual 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 is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the organization in a manner consistent with the standards of prudence prescribed by NYPMIFA.

Return Objectives and Risk Parameters

The Institute has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by endowment, while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Institute must hold in perpetuity. Under this policy, as approved by the Board, the endowment assets are invested in a manner that is intended to produce acceptable rates of return, with a moderate level of investment risk.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Institute relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Institute targets a diversified asset allocation to achieve its long-term return objectives within prudent risk constraints.

Spending Policy

The Institute has a policy for appropriating for distribution each year, depending on fiscal need, up to 5.5% of certain donor-restricted endowments' average fair value over the prior 12 quarters through the year-end preceding the year in which the distribution is planned. During 2023 and 2022, the Institute's Board of Directors approved an appropriation of 3% of the average fair value of the funds for distribution.

Funds with Deficiencies

The Institute does not have any funds with deficiencies.

Endowment Net Asset Composition by Type of Fund

The composition of net assets by type of endowment fund at December 31, 2023 and 2022 was:

	2023	2022
	With Donor Restrictions	
Donor-restricted endowment funds		
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	$ 4,855,238	$ 4,855,238
Accumulated investment gains	3,936,312	2,881,716
Total endowment funds	$ 8,791,550	$ 7,736,954

Change in endowment net assets for the years ended December 31, 2023 and 2022 was:

	2023	2022
	With Donor Restrictions	
Endowment net assets, beginning of year	$ 7,736,954	$ 9,645,224
Investment return, net	1,324,026	(1,638,150)
Amounts appropriated for expenditure	(269,430)	(270,120)
Endowment net assets, end of year	$ 8,791,550	$ 7,736,954

In 2023 and 2022, the Board approved appropriations of $4,019,430 and $1,568,216, respectively, to be released from the board-designated/director endowment to offset costs related to expenditures for a specified purpose.

	2023	2022
	Board Designated/Director	
Net assets, beginning of the year	$ 9,844,127	$ 13,116,571
Bequests	4,000,000	533,333
Investment return, net	1,729,077	(2,237,561)
Released by the Board of Directors	(4,019,430)	(1,568,216)
Net assets, end of the year	$ 11,553,774	$ 9,844,127

Note 13. Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of December 31, 2023 and 2022, comprise the following:

	2023	2022
Financial assets		
Cash	$ 4,152,795	$ 6,389,189
Investments	53,364,059	51,096,631
Grants receivable, net	2,318,388	4,364,841
Other receivable	517,213	282,810
Total financial assets	60,352,455	62,133,471
Donor-imposed restrictions		
Restricted funds	(11,100,071)	(15,444,118)
Endowments and accumulated investment gain	(8,791,550)	(7,736,954)
Financial assets after deduction of donor-imposed restrictions	40,460,834	38,952,399
Internal designations		
Board-designated funds	(11,553,774)	(9,844,127)
Financial assets available to meet cash needs for general expenditures within one year	$ 28,907,060	$ 29,108,272

The Institute receives significant contributions restricted by donors for programmatic purposes and has deducted those amounts which their purposes have not yet been satisfied from financial assets available to meet cash needs for general expenditure. Additionally, it does not consider its donor endowment or board-designated funds to be available for general expenditure until they have been appropriated for expenditure and therefore has also deducted these amounts from financial assets available to meet cash needs for general expenditure.

At December 31, 2023 and 2022, the balance of the donor-restricted endowment is not available for general expenditure. Appropriations from donor-restricted endowments is subject to an annual spending rate of 3% as described in Note 12.

As of December 31, 2023 and 2022, the Institute's internal designations comprise of board-designated funds of $11,553,774 and $9,844,127, respectively, subject to prior approval by the Board can be redesignated for general operating use. The Institute does not intend to spend its board-designated fund (other than amounts appropriated for general expenditure as part of the Board's annual budget approval and appropriation); however, these amounts could be made available if necessary.

The Institute manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged.

Note 14. Subsequent Events

Subsequent events were evaluated through July 1, 2024, which is the date the financial statements were available to be issued.