Consolidated Financial Statements Together with Report of Independent Certified Public Accountants

The Entertainment Community Fund and Subsidiaries

December 31, 2023 and 2022

Contents

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors of
The Entertainment Community Fund and Subsidiaries

Report on the financial statements

Opinion

We have audited the consolidated financial statements of The Actors' Fund of America and Subsidiaries, d/b/a Entertainment Community Fund (the "Fund"), which comprise the consolidated statements of financial position as of December 31, 2023 and 2022, and the related consolidated 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 consolidated financial statements present fairly, in all material respects, the financial position of the Fund 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 of the consolidated financial statements in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Fund and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fund's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the consolidated 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 US 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 consolidated financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fund's ability to continue as a going concern for a reasonable period of time.

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

Grant Thornton LLP

New York, New York
May 30, 2024

Entertainment Community Fund and Subsidiaries

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

December 31,

	2023	2022
ASSETS		
Cash and cash equivalents	$ 52,647,013	$ 29,482,376
Restricted cash	1,244,398	1,580,470
Restricted cash - New Markets Tax Credit	18,843,600	20,685,135
Accounts and other receivables, less allowance for doubtful accounts of $411,000 and $250,000 in 2023 and 2022, respectively	3,151,445	2,561,425
Bequests, contributions and pledges receivable, net (Note 2)	8,709,342	6,449,725
Prepaid expenses and other assets	4,168,099	3,670,517
Long-term investments (Note 3)	23,721,174	20,652,110
New markets tax credit leveraged loan receivable (Note 7)	16,921,750	16,921,750
Annuity and trust investments (Note 4)	7,173,642	7,343,845
Perpetual trusts (Note 5)	5,756,162	5,219,167
Right-of-use assets - operating (Note 10)	10,925,416	12,668,382
Property and equipment, net (Notes 6 and 10)	65,872,364	64,176,769
Total assets	$ 219,134,405	$ 191,411,671
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	$ 6,713,062	$ 6,137,316
Deferred revenue	1,278,279	966,683
Annuities and trust payable (Note 4)	6,255,182	6,299,292
Operating lease liabilities (Note 10)	13,659,033	15,600,119
Other liabilities	1,764,488	1,707,648
New Markets Tax Credit loans payable, net (Note 7)	32,812,828	32,841,144
Bonds, notes, and mortgages payable, net (Note 8)	31,143,144	31,936,079
Postretirement benefit obligations, net of plan assets of $13,944,635 and $13,488,927 in 2023 and 2022, respectively (Note 9)	2,724,785	2,371,326
Total liabilities	96,350,801	97,859,607
Commitments and contingencies (Note 10)		
Net assets (Note 11)		
Without donor restrictions	63,845,139	55,550,198
Without donor restrictions - non-controlling interest (Note 2)	657,737	1,564,775
With donor restrictions (Notes 2 and 11)	58,280,728	36,437,091
Total net assets	122,783,604	93,552,064
Total liabilities and net assets	$ 219,134,405	$ 191,411,671

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

Entertainment Community Fund and Subsidiaries

CONSOLIDATED STATEMENT OF ACTIVITIES

For the year ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Operating activities			
Support and revenues:			
Contributions and private grants	$ 36,109,151	$ 20,547,512	$ 56,656,663
Special events	3,100,100	-	3,100,100
BC/EFA grants (Note 2)	7,100,000	-	7,100,000
Bequests	3,095,552	-	3,095,552
Grant, contract, and fee income	7,243,150	-	7,243,150
Housing rental revenue	3,037,794	-	3,037,794
Patient and resident services revenue (Note 2)	18,994,355	-	18,994,355
Investment return designated for operations (Note 3)	185,000	175,607	360,607
Net assets released from restrictions (Note 2)	3,038,607	(3,038,607)	-
Total support and revenues	81,903,709	17,684,512	99,588,221
Expenses			
Program services:			
Social services	29,525,605	-	29,525,605
Employment and training	3,042,586	-	3,042,586
Health services	2,614,872	-	2,614,872
Housing	7,471,753	-	7,471,753
Patient and resident services	24,314,113	-	24,314,113
Total program services	66,968,929	-	66,968,929
Supporting services:			
General and administrative	1,921,918	-	1,921,918
Advancement	7,365,433	-	7,365,433
Total supporting services	9,287,351	-	9,287,351
Total expenses	76,256,280	-	76,256,280
Changes in net assets from operating activities	5,647,429	17,684,512	23,331,941
Nonoperating activities			
Change in value of split-interest agreements	(223,154)	436,508	213,354
Investment gain, net of amounts designated for current operations (Note 3)	1,910,387	2,182,636	4,093,023
Pension benefit related activities, other than net periodic pension cost	176,508	-	176,508
Grants, contributions and pledges for capital, net of release of restricted funds for capital expenditures	-	1,539,981	1,539,981
Interest expense - non-servicing	(123,267)	-	(123,267)
Total nonoperating activities	1,740,474	4,159,125	5,899,599
CHANGES IN NET ASSETS	7,387,903	21,843,637	29,231,540
Net assets, beginning of year	57,114,973	36,437,091	93,552,064
Net assets, end of year	$ 64,502,876	$ 58,280,728	$ 122,783,604

The accompanying notes are an integral part of this consolidated financial statement.

Entertainment Community Fund and Subsidiaries

CONSOLIDATED STATEMENT OF ACTIVITIES

For the year ended December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Operating activities			
Support and revenues:			
Contributions and private grants	$ 13,304,114	$ 4,459,730	$ 17,763,844
Special events	2,526,835	-	2,526,835
BC/EFA grants (Note 2)	7,703,500	-	7,703,500
Bequests	4,030,561	-	4,030,561
Grant, contract, and fee income	4,119,767	-	4,119,767
Housing rental revenue	3,029,604	-	3,029,604
Patient and resident services revenue (Note 2)	17,106,711	-	17,106,711
Investment return designated for operations (Note 3)	690,457	1,505,543	2,196,000
Net assets released from restrictions (Note 2)	2,180,543	(2,180,543)	-
Total support and revenues	54,692,092	3,784,730	58,476,822
Expenses			
Program services:			
Social services	13,658,106	-	13,658,106
Employment and training	2,889,074	-	2,889,074
Health services	2,845,768	-	2,845,768
Housing	7,120,116	-	7,120,116
Patient and resident services	21,705,935	-	21,705,935
Total program services	48,218,999	-	48,218,999
Supporting services:			
General and administrative	2,148,939	-	2,148,939
Advancement	6,836,943	-	6,836,943
Total supporting services	8,985,882	-	8,985,882
Total expenses	57,204,881	-	57,204,881
Changes in net assets from operating activities	(2,512,789)	3,784,730	1,271,941
Nonoperating activities			
Change in value of split-interest agreements	(57,489)	(1,305,734)	(1,363,223)
Investment loss, net of amounts designated for current operations (Note 3)	(2,114,971)	(4,118,850)	(6,233,821)
Pension benefit related activities, other than net periodic pension cost	1,977,136	-	1,977,136
Grants, contributions and pledges for capital, net of release of restricted funds for capital expenditures	-	2,001,120	2,001,120
Interest expense - non-servicing	(121,513)	-	(121,513)
980 North Palm LP equity funding (Note 2)	271,365	-	271,365
Total nonoperating activities	(45,472)	(3,423,464)	(3,468,936)
CHANGES IN NET ASSETS	(2,558,261)	361,266	(2,196,995)
Net assets, beginning of year	59,673,234	36,075,825	95,749,059
Net assets, end of year	$ 57,114,973	$ 36,437,091	$ 93,552,064

The accompanying notes are an integral part of this consolidated financial statement.

Entertainment Community Fund and Subsidiaries

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

For the year ended December 31, 2023

	Program Services					Supporting Services		
	Social Services	Employment and Training	Health Services	Housing	Patient and Resident Services	General and Administration	Advancement	Total
Program activities and financial assistance	$ 18,944,186	$ 130,389	$ 693,677	$ 857,044	$ 4,268,389	$ -	$ -	$ 24,893,685
Fundraising and events	-	-	-	-	-	-	2,884,557	2,884,557
Payroll and benefits	7,909,128	2,157,332	1,437,316	1,971,053	14,755,208	1,172,191	2,658,141	32,060,369
General office	811,527	212,686	109,830	848,085	1,633,052	243,921	508,325	4,367,426
Professional fees and outside services	475,102	110,149	121,166	912,062	417,395	160,188	698,132	2,894,194
Occupancy and facilities	1,092,814	359,849	211,164	1,140,512	967,625	249,218	497,932	4,519,114
Interest expense	289	84	49	530,313	503,232	117	145	1,034,229
Depreciation and amortization	292,559	72,097	41,670	1,212,684	1,769,212	96,283	118,201	3,602,706
	$ 29,525,605	$ 3,042,586	$ 2,614,872	$ 7,471,753	$ 24,314,113	$ 1,921,918	$ 7,365,433	$ 76,256,280

The accompanying notes are an integral part of this consolidated financial statement.

Entertainment Community Fund and Subsidiaries

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

For the year ended December 31, 2022

	Program Services					Supporting Services		
	Social Services	Employment and Training	Health Services	Housing	Patient and Resident Services	General and Administration	Advancement	Total
Program activities and financial assistance	$ 4,160,945	$ 139,561	$ 788,508	$ 930,420	$ 4,078,914	$ -	$ -	$ 10,098,348
Fundraising and events	-	-	-	-	-	-	2,806,951	2,806,951
Payroll and benefits	6,759,754	1,989,084	1,365,858	1,865,085	12,956,709	1,057,869	2,427,901	28,422,260
General office	721,918	182,358	157,996	756,974	1,153,159	193,550	528,972	3,694,927
Professional fees and outside services	656,773	190,741	190,606	902,928	323,690	590,702	457,002	3,312,442
Occupancy and facilities	1,063,106	312,443	285,249	957,717	915,067	217,434	481,523	4,232,539
Interest expense	630	180	123	508,142	522,025	136	224	1,031,460
Depreciation and amortization	294,980	74,707	57,428	1,198,850	1,756,371	89,248	134,370	3,605,954
	$ 13,658,106	$ 2,889,074	$ 2,845,768	$ 7,120,116	$ 21,705,935	$ 2,148,939	$ 6,836,943	$ 57,204,881

The accompanying notes are an integral part of this consolidated financial statement.

Entertainment Community Fund and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended December 31,

	2023	2022
Cash flows from operating activities:		
Changes in net assets	$ 29,231,540	$ (2,196,995)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation and amortization	3,602,706	3,605,954
Amortization of right-of-use assets - operating	1,742,966	1,729,751
Change in allowance and discount on bequests, contributions and pledges receivable	172,234	106,668
Change in provision for doubtful accounts	161,000	5,000
Interest on notes payable	113,174	152,466
Net realized and unrealized losses (gains) on investments	2,505,133	4,806,088
Contributions restricted to annuity agreements, endowments and capital, including donated securities	(9,876,895)	(3,281,921)
Changes in operating assets and liabilities:		
Accounts and other receivables	(751,020)	806,614
Bequests, contributions and pledges receivable	(2,431,851)	(1,746,371)
Annuity and trust investments	170,203	734,162
Prepaid expenses and other assets	(500,790)	(241,055)
Accounts payable and accrued expenses	(551,660)	773,262
Deferred revenue	311,596	56,624
Annuities and trust payable	(44,110)	117,122
Operating lease liability	(1,941,086)	(1,876,593)
Other liabilities	(15,209)	186,498
Postretirement benefit obligations	353,459	(3,071,957)
Net cash provided by operating activities	22,251,390	665,317
Cash flows from investing activities:		
Proceeds from maturities and sales of investments	10,966,280	4,556,605
Purchases of investments	(16,540,477)	(6,102,204)
Acquisition of property and equipment	(3,996,537)	(2,803,232)
Issuance of New Markets Tax Credit leveraged loan receivable	-	(16,921,750)
Net cash used in investing activities	(9,570,734)	(21,270,581)
Cash flows from financing activities:		
Contributions restricted to annuity agreements and endowments, and capital, including donated securities	9,876,895	3,281,921
Principal payments on finance lease liabilities	(59,451)	(60,121)
Proceeds from New Markets Tax Credit loans and notes	-	32,962,138
Payment on financing cost	(3,608)	(148,661)
Principal payments on bonds and mortgages payable	(970,467)	(910,765)
(Decrease)/increase in perpetual trusts	(536,995)	1,459,016
Net cash provided by financing activities	8,306,374	36,583,528
NET INCREASE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	20,987,030	15,978,264
Cash, cash equivalents, and restricted cash, beginning of year	51,747,981	35,769,717
Cash, cash equivalents, and restricted cash, end of year	$ 72,735,011	$ 51,747,981
Supplemental disclosure of cash flow information:		
Equipment acquired under finance lease liabilities	$ 131,500	$ 142,479
Right-of-use assets acquired under operating lease liabilities	$ -	$ 14,398,133
Cash paid for interest	$ 1,025,482	$ 1,020,180
Construction costs included in accounts payable and accrued expenses	$ 1,127,406	$ 128,622
Capitalized interest included in acquisition of property and equipment	$ 263,142	$ 240,483

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

NOTE 1 - ORGANIZATION

The Actors' Fund of America (the "Fund"), founded in 1882, is a national human services organization to meet the needs of the entertainment community and is doing business as "Entertainment Community Fund". The Fund fosters stability and resiliency and provides a safety net for performing arts and entertainment professionals over their lifespan. Through its offices in New York, Los Angeles and Chicago, the Fund provides services including social services and emergency financial assistance, health care and insurance counseling, senior care, affordable housing, and secondary career development.

The Fund owns and operates The Actors Fund Home ("The Home"), a 169-bed residence consisting of Short-Stay rehabilitation, Assisted Living & Memory Care, and Skilled Nursing in Englewood, New Jersey.

In 2022, the Fund established the Hollywood Arts Collective QALICB ("QALICB"), a 501(c)(3) supporting entity for the Hollywood Arts Building project.

Actors Fund Housing Development Corporation ("AFHDC"), a subsidiary, was established in 2009 to provide the performing arts and entertainment community with access to affordable housing. AFHDC, through its single member LLC, Friedman Residence, LLC, is sole owner of The Dorothy Ross Friedman Residence ("Friedman Residence") in Manhattan, New York. Friedman Residence is a 30 story, 178-unit affordable housing building that provides supportive housing to special low-income groups including seniors, working professionals and people living with HIV/AIDS. Since its opening in February 1996, the Fund has been providing on-site social services to residents.

AFHDC is the Administrative General Partner of 980 North Palm, L.P. ("Partnership"), a California Limited Partnership, through its single member LLC, Actors Fund 980 North Palm, LLC. The Partnership owns and operates the Palm View Residence in West Hollywood, California, a 40-unit apartment complex that provides homes to low-income people with disabilities or who are living with HIV/AIDS.

The Fund is a co-General Partner of The Schermerhorn, a 217-unit affordable housing residence in Brooklyn, New York, in partnership with Breaking Ground Housing Development Fund Corporation.

AFHDC is the Managing General Partner of The Hollywood Arts Collective LP, a joint venture with Thomas Safran & Associate. The Partnership owns and operates a 151-unit artist-preference residence ("Cicely Tyson Residence") in Hollywood, California.

AFHDC, through its sole ownership of Actors HK Housing Development Fund Corporation ("HDFC"), which was incorporated in 2023 to receive the benefits under New York State Private Housing Finance Law, is a 15% owner of Rialto West, a 158-unit low-and-moderate income housing to be built in the Hell's Kitchen neighborhood in Manhattan.

The Schermerhorn, Cicely Tyson Residence and Rialto West in the aggregate provide 526 low-and-moderate income housing units. The results of those three entities' operations are not consolidated in these financial statements as they do not meet the consolidation criteria under the applicable standards.

The Fund, AFHDC, QALICB and HDFC are exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (the "Code") and are not private foundations within Section 509(a) of the Code.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Statement Presentation

The accompanying consolidated financial statements, which include the consolidated statements of financial position and changes in net assets, functional expenses, and cash flows of the Fund, AFHDC, and QALICB (collectively, the "Fund"), have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). All significant intercompany accounts and transactions have been eliminated in preparing the accompanying consolidated financial statements.

Net Assets

The Fund's net assets, support and revenues are classified based upon the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Fund and changes therein are classified as follows:

Without donor restrictions - Net assets that are expendable for any purpose in performing the primary objectives of the Fund. Included in net assets without donor restrictions is the non-controlling interest relating to the Partnership.

With donor restrictions - Represent net assets which are subject to donor-imposed restrictions whose use is restricted by time and/or purpose. When a donor restriction expires, that is, when a purpose restriction is fulfilled or a time restriction ends, such net assets are reclassified to net assets without donor restrictions and reported on the statement of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support.

At December 31, 2023, net assets with donor restrictions include $25,267,439 of purpose restricted funds and $12,197,945 restricted as to the passage of time. At December 31, 2022, net assets with donor restrictions include $8,961,318 of purpose restricted funds and $7,197,424 restricted as to the passage of time. During the years ended December 31, 2023 and 2022, amounts released from restrictions represent funds spent for the donor-stipulated purpose and/or the passage of time.

Another portion of net assets with donor restrictions stipulates that the corpus of the gifts be maintained in perpetuity but allows for the expenditure of net investment income and gains earned on the corpus for either specified or unspecified purposes. At December 31, 2023, net assets with donor restrictions include $15,059,182 restricted to investment in endowment funds, and $5,756,162 of perpetual trusts established by several donors. At December 31, 2022, net assets with donor restrictions include $15,059,182 restricted to investment in endowment funds, and $5,219,167 of perpetual trusts established by several donors.

Investment income derived from perpetual trusts is used in support of operations and the changes in fair values of such trusts are reported in the with donor restrictions net asset category in the consolidated statement of activities.

Changes in net assets without donor restrictions and the non-controlling interest in the Partnership during the years ended December 31, 2023 and 2022 is summarized below:

	Total Without Donor Restrictions	Without Donor Restrictions	Non-Controlling Interest
Balance, December 31, 2021	$ 59,673,234	$ 57,493,828	$ 2,179,406
980 North Palm LP equity funding	271,365	-	271,365
Change in net assets	(2,829,626)	(1,943,630)	(885,996)
Balance, December 31, 2022	57,114,973	55,550,198	1,564,775
Change in net assets	7,387,903	8,294,941	(907,038)
Balance, December 31, 2023	$ 64,502,876	$ 63,845,139	$ 657,737

Use of Estimates

The preparation of financial statements in conformity with U.S. 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, Cash Equivalents, and Restricted Cash

The Fund considers all highly liquid financial instruments, with original maturities of 90 days or less from the date of purchase, to be cash equivalents, except for certain cash equivalents, which are part of the Fund’s long-term investment strategy and are included as part of investments.

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported on the accompanying statements of financial positions that total the amounts presented on the accompanying statements of cash flows.

	2023	2022
Cash and cash equivalents	$ 52,647,013	$ 29,482,376
Restricted cash	1,244,398	1,580,470
Restricted cash - New Markets Tax Credit	18,843,600	20,685,135
Total cash, cash equivalents and restricted cash shown on the statements of cash flows	$ 72,735,011	$ 51,747,981

Resident and tenants’ security deposits relative to The Home, the Friedman Residence, and the Palm View Residence are recorded as an asset when received and are also included as part of other liabilities on the consolidated statement of financial position.

In addition, escrow and reserve accounts for the Freidman and Palm View Residences are classified as restricted cash, as well as New Markets Tax Credit funds for the Hollywood Arts Building project.

Bequests, Contributions and Pledges Receivable, Net

The Fund has been notified of certain intentions to give under various wills and trust agreements, the realizable amounts of which are not presently determinable. The Fund's share of such bequests is recorded when the Fund has an irrevocable right to the bequest and the proceeds are measurable. Contributions, which include unconditional promises to give, are recognized as revenue in the period received. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Contributions to be received after one year are discounted using an appropriate discount rate commensurate with the risks involved (credit adjusted) which articulates with the collection period of the respective pledge. Discount rates once assigned to a respective pledge are not subsequently adjusted. Amortization of the discount is recorded as additional contribution revenue in accordance with donor-stipulated restrictions, if any.

Bequests, contributions and pledges receivable, net, consist of the following unconditional promises to give at December 31, 2023 and 2022:

	2023	2022
Amounts due in:		
Less than one year	$ 5,354,958	$ 3,969,490
One to three years	3,671,032	2,624,649
	9,025,990	6,594,139
Less: allowance for doubtful accounts and unamortized discount (at discount rates ranging from 1.36% to 5.41%)	(316,648)	(144,414)
	$ 8,709,342	$ 6,449,725

Investments

Investments in marketable securities are carried at fair value. Donated investments are recorded at fair value at date of donation. Interest and dividends are recognized when earned.

Property and Equipment

Property and equipment are recorded at cost if purchased or fair value at the date of donation. The Fund capitalizes property and equipment costing more than $10,000 and with useful lives of five years or more. Property and equipment, with the exception of land, are depreciated by the straight-line method, using the half-year convention, with an exception of the Palm View Residence, which uses the full-year convention, over the estimated useful lives of the respective assets, as follows:

Leasehold improvements	Lesser of lease term or economic life of betterment
Buildings and improvements	10 to 40 years
Furniture, fixtures and equipment	5 to 10 years

Revenue Recognition

The Fund recognizes revenue in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") 2018-08, *Not-For-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made.* In accordance with ASU 2018-08, the Fund evaluates whether a transfer of assets is (1) an exchange transaction in which a resource provider is receiving commensurate value in return for the resources transferred or (2) a contribution. If the transfer is determined to be an exchange transaction, the Fund applies guidance under

FASB Accounting Standards Codification ("ASC") 606. If the transfer of assets is determined to be a contribution, the Fund evaluates whether the contribution is conditional based upon whether the agreement includes both (1) one or more barriers that must be overcome before the Fund is entitled to the assets transferred and promised and (2) a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets.

980 North Palm, L.P. Equity Funding

In accordance with the Partnership agreement, the limited partner is required to provide equity funding totaling $5,182,623, which was determined, in part, upon the amount of low-income housing tax credits allocated to the limited partner, and was increased by an upward adjustor of $115,886. The limited partner funded $271,365 during the year ended December 31, 2022, and in total, has funded $5,298,509 as of December 31, 2023.

Special Events

Revenues and expenses relative to special events are recognized upon occurrence of the respective event. Expenses associated with such events are included as part of advancement expenses on the consolidated statements of activities and functional expenses.

Grants, Contract, and Fee Income

The Fund receives grant and contract funding from various governmental agencies and private sources. The Fund recognizes revenue under these arrangements as related allowable program costs are incurred or services are provided during the respective grant or contract period.

The Fund earns fees relating to affordable housing development activities.

Revenues from non-exchange transactions may be subject to conditions in the form of both a barrier to entitlement and a refund of amounts paid (or a release from obligation to make future payments). The Fund recognizes revenue earned from conditional non-exchange grants and contracts as these conditions are satisfied. The fund recognized $7.2 million and $2.4 million of revenue from non-exchange conditional grants and contracts during 2023 and 2022 respectively. At December 31, 2023 and 2022, the Fund had $1 million and $0 respectively, of conditional grants and contracts not recognized as revenue in the consolidated statements of activities.

Revenues from exchange transactions are recognized as the Fund satisfies performance obligations, which in some cases, mirrors the timing of when related costs are incurred. During 2023 and 2022, the Fund recognized $2.0 million and $1.7 million, respectively, of revenue from exchange transactions.

Housing Rental Revenue

Housing rental revenue includes Friedman Residence and the Palm View Residence operations and is recognized as rents become due. Rental payments received in advance are deferred until earned.

Patient and Resident Services Revenue

Patient and resident services revenue is recognized as performance obligations under the contracts with patients are satisfied. Service revenue is reported at the rate set forth by the Fund, Center for Medicare and Medicaid Services, State of New Jersey and other third-party payors in exchange for providing patient and residential care. The Fund determines the transaction price based on the standard charges for services provided, reduced by contractual adjustment provided to third-party payors. During fiscal years 2023 and 2022, the revenue from Medicare and Medicaid constituted 59% of total patient and resident services revenue.

Revenue under third-party payor agreements is subject to audit and retroactive adjustment. Provisions for estimated third-party payor settlements are provided in the period the related services are rendered. Differences between the estimated amounts accrued and interim and final settlements are reported as part of operations.

Measure of Operations

The accompanying consolidated statement of activities distinguish between operating and nonoperating activities. Operating activities principally include all revenues and expenses that are an integral part of the Fund's programs, supporting services, special events, and investment return designated for operations. Nonoperating activities principally include investment return in excess of, or less than, the amount distributed under the Fund's Board-approved spending policy (see Note 3), pension related benefit activities, other than net periodic pension cost, change in value of split-interest agreements, grants, contributions, and pledges for capital and related releases, and endowment and other activities considered to be more of an unusual or nonrecurring nature.

Functional Allocation of Expenses

The costs of providing the Fund's programs and supporting services have been summarized on a functional basis on the accompanying consolidated statements of activities and functional expenses. Accordingly, certain costs have been allocated amongst the program and supporting services benefited based principally on headcounts dedicated to the respective functional area and other bases determined by management to be appropriate.

Concentration of Credit Risk

Cash, cash equivalents, and investments are exposed to various risks, such as interest rate, market, and credit. To minimize such risks, the Fund maintains a diversified investment portfolio managed by independent investment managers in a variety of asset classes. The Fund regularly evaluates its investments including performance thereof. Due to inherent risks and potential volatility in investment valuations, the amounts reported on the accompanying consolidated financial statements can vary substantially from year to year. The Fund maintains its cash and cash equivalents in various bank deposit accounts which, at times, may exceed federally insured limits. The Fund's cash accounts have been placed with high credit quality financial institutions and, accordingly, the Fund does not expect nonperformance.

The Fund received $21.7 million and $11.7 million, representing 34% and 46% of its total contributions, private grants and Broadway Cares/Equity Fights AIDS contribution revenues, from the Board of Trustees and their related organizations during the years ended December 31, 2023 and 2022, respectively.

Fair Value of Financial Instruments

The Fund follows guidance for fair value measurements that defines fair value 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. As required by U.S. GAAP, for fair value measurements, the Fund uses a fair value hierarchy that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that observable inputs be used when available.

Observable inputs are inputs that market participants would use in pricing the respective asset or liability based on market data obtained from independent sources as of the measurement date. Unobservable inputs reflect assumptions that market participants would use in pricing the asset or liability based on the best information available in the circumstances. The hierarchy is broken down into three levels based on the transparency of inputs as follows:

Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the measurement date. A quoted price for an identical asset or liability in an active market provides the most reliable fair value measurement because it is directly observable to the market.

Level 2 - Pricing inputs other than quoted prices in active market, which are either directly or indirectly observable as of the measurement date. The nature of these securities includes investments for which quoted prices are available but traded less frequently and investments that are fair valued using other securities, the parameters of which can be directly observed.

Level 3 - Securities that have little to no pricing observability as of the measurement date. These securities are measured using management's best estimate of fair value, where the inputs into the determination of fair value are not observable and require significant management judgment or estimation.

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, volatility statistics, specific and broad credit data, liquidity statistics and other factors. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. However, the determination of what constitutes "observable" requires significant judgment by an entity. The Fund considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The categorization of a financial instrument within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to the Fund's perceived risk of that instrument.

The carrying amounts of cash and cash equivalents, accounts receivable and other receivables, bequests, contributions and pledges receivables, prepaid expenses and other assets, and accounts payable and accrued expenses and other liabilities approximate fair value due to the short maturity of these financial instruments.

The values assigned to long-term investments and annuity fund investments are based on the quoted fair values of the underlying securities as of the measurement date.

The Fund estimates that the carrying value of its bonds and mortgages payable approximate fair value.

Subsequent Events

The Fund has evaluated events occurring subsequent to December 31, 2023 through May 30, 2024, which represents the date the consolidated financial statements were available to be issued.

NOTE 3 - LONG-TERM INVESTMENTS

Investments at December 31, 2023 and 2022 consist of the following:

	2023		2022	
	Fair Value	Cost	Fair Value	Cost
Cash and cash equivalents	$ 1,370,075	$ 1,370,075	$ 563,642	$ 563,642
Common stocks	12,046,199	7,484,699	10,906,441	7,353,978
Mutual funds	4,014,504	4,403,709	3,641,355	4,403,709
Corporate bonds	2,990,691	3,085,509	3,077,156	3,266,702
Government bonds	3,299,705	3,411,095	2,463,516	2,641,530
	$ 23,721,174	$ 19,755,087	$ 20,652,110	$ 18,229,561

The Fund's investments are classified under Level 1 within the fair value hierarchy as of December 31, 2023 and 2022.

Investments are allocated amongst the net asset categories as follows:

	2023	2022
Without donor restrictions	$ 5,652,890	$ 4,305,117
With donor restrictions - passage of time	3,009,102	1,287,811
With donor restrictions - endowment funds	15,059,182	15,059,182
	$ 23,721,174	$ 20,652,110

Donor-restricted endowment funds, excluding perpetual trusts and pledges, at December 31, 2023 and 2022 consist of the following:

	2023	2022
Dorothy Ross Friedman	$ 4,500,000	$ 4,500,000
Percy Williams	3,254,762	3,254,762
Honey Waldman	1,860,408	1,860,408
Wayne F. Maxwell and David Samples	1,793,474	1,793,474
Lillian Booth	1,000,000	1,000,000
Edwin Forrest	772,250	772,250
Noel Murphy	566,691	566,691
Endowments under $500,000 (12)	1,311,597	1,311,597
	$ 15,059,182	$ 15,059,182

The Board of Trustees of the Fund has adopted an investment spending policy which permits the use of 5% to 7% annually of the trailing twenty quarter average investment portfolio's fair value measured as of each year-end. Unused portion of current year spending allocations are carried over to the following year.

The following schedule summarizes investment gains (losses) and their classification on the accompanying consolidated statement of activities. For the years ended December 31, 2023 and 2022, realized and unrealized gains (losses) pertaining to annuity and trust investments, totaled $401,482 and $(1,094,487), respectively, and are included in the following chart:

	2023	2022
Dividends and interest (net of expenses of $169,404 and $155,638 in 2023 and 2022, respectively)	$ 1,948,497	$ 768,267
Net realized gains (losses)	761,330	(524,836)
Net unrealized gains (losses)	1,743,803	(4,281,252)
Total investment return	4,453,630	(4,037,821)
Investment return designated for operations	(360,607)	(2,196,000)
Investment return (deficit), net of amounts designated for operations	$ 4,093,023	$ (6,233,821)

NOTE 4 - ANNUITY FUND AND TRUST INVESTMENTS

The Fund has established an annuity fund which is invested in equity securities, mutual funds and bonds. The income beneficiaries of the annuity fund receive annual distributions during their lives. The Fund receives the remaining principal, if any, upon death of the stated life beneficiaries. The gift annuity fund and pooled income liabilities are based on discount rates of 3.75% at December 31, 2023 and 2022, consistent with mortality tables provided by the Internal Revenue Service.

The Fund administers the “Unclaimed Coogan Trust” funds entrusted to the Fund collected from the entertainment employers for un-emancipated minors rendering artistic or creative services pursuant to California state law.

The Fund is the trustee of charitable remainder unitrust and is responsible for making annuity payments to specified life tenant beneficiaries.

Annuity fund and trusts assets at December 31, 2023 and 2022 consist of the following:

	2023		2022	
	Fair Value	Cost	Fair Value	Cost
Cash and cash equivalents	$ 4,141,764	$ 4,141,764	$ 1,187,764	$ 1,187,764
Common stocks	1,312,426	498,712	2,809,371	1,908,163
Mutual funds	912,101	885,715	1,244,969	1,352,467
Corporate bonds	807,351	836,644	1,206,116	1,285,535
Government bonds	-	-	895,625	943,757
Total	$ 7,173,642	$ 6,362,835	$ 7,343,845	$ 6,677,686

	2023		2022	
	Asset	Liability	Asset	Liability
Annuity fund	$ 691,895	$ 352,346	$ 698,356	$ 522,964
Pooled income fund	288,985	32,645	271,828	32,853
Unclaimed Coogan trust	4,042,010	1,050,595	4,498,212	4,788,846
Charitable remainder unitrusts	2,150,752	4,819,596	1,875,449	954,629
	$ 7,173,642	$ 6,255,182	$ 7,343,845	$ 6,299,292

All annuity fund and trusts assets have been classified as Level 1 investments:

NOTE 5 - PERPETUAL TRUSTS

Certain perpetual trusts, which the Fund is the beneficiary of but not the trustee, have been classified as Level 3 within the fair value hierarchy and consist of the following at December 31, 2023 and 2022:

	2023	2022
Beginning of year	$ 5,219,167	$ 6,678,183
Unrealized gains (losses)	536,995	(1,459,016)
End of year	$ 5,756,162	$ 5,219,167

NOTE 6 - PROPERTY AND EQUIPMENT, NET

Property and equipment, net, at December 31, 2023 and 2022 consists of the following:

	2023	2022
Buildings and leasehold improvements	$ 80,450,495	$ 80,393,392
Furniture, fixtures and equipment	10,425,168	10,077,977
Less: accumulated depreciation and amortization	(37,869,313)	(34,532,484)
	53,006,350	55,938,885
Land	5,377,335	5,377,335
Construction-in-progress	7,488,679	2,860,549
Property and equipment, net	$ 65,872,364	$ 64,176,769

Depreciation and amortization expense for the years ended December 31, 2023 and 2022 totaled $3,506,200 and $3,515,705, respectively. The Fund disposed of certain fully depreciated assets totaling $135,636 and $101,503 during the years ended December 31, 2023 and 2022, respectively. Construction in progress at December 31, 2023 and 2022 consists principally of the Hollywood Arts building.

The Fund owns approximately 2,400 burial plots, which have existed since 1930 and that are substantially occupied, in New York and Pennsylvania for which no value has been assigned within the accompanying consolidated financial statements. The value of these burial plots, which would have been recognized at fair value on the date of gift, is not material to the Fund’s consolidated financial statements.

NOTE 7 - NEW MARKETS TAX CREDIT (NMTC) LOANS AND LEVERAGED LOAN RECEIVABLE

In 2022, the Fund entered into transactions with two Community Development Entities (“CDEs”) under the NMTC program for rehabilitation of the Hollywood Arts Collective – Arts Building located in Hollywood, CA. The Fund formed the Hollywood Arts Building QALICB (the “QALICB”) to facilitate the transaction.

TD Bank Term Loan

The Fund entered into a five-year term loan totaling $9,404,138 with TD Bank to fund a portion of its loans into the NMTC structure. The loan bears interest at a fixed rate of 3.78% and includes an 18-month interest only period with a maturity date of January 2027. The outstanding principle balance as of December 31, 2023 and 2022 was $9,348,304 and $9,404,138, respectively.

The Fund incurred financing costs of $152,269 which are being amortized over the life of the loan. Unamortized deferred financing costs of $93,477 and $120,994 as of December 31, 2023 and 2022, respectively, are netted against New Markets Tax Credit loans payable, net, on the accompanying consolidated statement of financial position. Deferred financing cost amortization of $31,125 and $27,668 for the years ended December 31, 2023 and 2022, respectively, was included in depreciation and amortization.

Interest expense associated with the loan for the years ended December 31, 2023 and 2022 totaled $359,970 and $334,740, respectively, which was included in operating expenses and allocated amongst the financial categories benefited.

Leveraged Loan Receivable

Using the proceeds from the TD Bank Term Loan, as well as cash on hand, the Fund made a NMTC leveraged loan totaling $16,921,750 (“NMTC leveraged loan”) to the Chase NMTC Hollywood Arts Investment Fund, LLC.

The NMTC leveraged loan matures on December 31, 2056, and principal is payable annually commencing January 1, 2030. Interest is payable annually at 1.117% commencing December 5, 2022.

QLICI Loan

The CDEs loaned funds totaling $23,558,000 to the QALICB for use in the project, which is included in New Markets Tax Credit loans payable, net on the accompanying consolidated statement of financial position at December 31, 2023 and 2022. The loan bears interest at 1%, which is paid annually and totaled $263,142 and $240,484 in 2023 and 2022, respectively, and was capitalized as construction in progress under property and equipment, net.

The project entered into a ground lease with the City of Los Angeles for 99 years for one dollar a year.

The Fund closed on the second New Markets Tax Credit (“NMTC”) financing of The Hollywood Arts Collective Building project on March 18, 2024. The CDEs loaned additional funds totaling $15,766,666 to the QALICB, of which $11,191,686 was the leverage loan made by The Fund to the Chase NMTC Hollywood Arts II Investment Fund, LLC.

NOTE 8 - BONDS, NOTES, AND MORTGAGES PAYABLE, NET

Bonds Payable

In August 2016, the Fund issued, through the New Jersey Economic Development Authority (“NJEDA”), $25,000,000 of Economic Development Bonds (The Actors’ Fund of America Project) (the “Bonds”) to provide funding for the reconstruction and expansion of The Home, as well as refunding of the 2007 NJEDA Bonds. Pursuant to the Bond Agreement dated August 4, 2016, among the Fund, the NJEDA, and TD Bank, N.A. (“TD”), TD purchased the Bonds from the NJEDA and the proceeds of the sale were loaned to the Fund (the “Loan”).

The term of the Loan is 10 years inclusive of a 30-month interest only period followed by principal and interest payments based upon a 25-year amortization period. Interest accrues on the unpaid principal balance of the Loan at a rate of 2.31% per annum. The Fund’s obligation to repay the Loan is secured by: (i) a Mortgage and Security Agreement covering the real property, commonly known by the street address 155-175 West Hudson Avenue, Englewood, New Jersey (the “Englewood Property”) and certain fixtures and other personal property located thereon; (ii) an Assignment of Contracts, Licenses and Permits covering the Englewood Property; (iii) a Collateral Assignment of Resident Admission Agreements; (iv) a Security Agreement and related UCC financing statements covering all accounts and gross receipts of the Fund; and (v) a Continuing Covenants Agreement between the Fund and TD.

The outstanding principal balance as of December 31, 2023 and 2022 was $21,220,762 and $22,037,630, respectively.

In connection with the bond issuance discussed above, the Fund incurred financing costs of $353,251 which are being amortized over the maturity period of the bonds, 25 years. Unamortized deferred financing costs of $216,592 and $234,525 as of December 31, 2023 and 2022, respectively, are netted against bonds, notes and mortgages payable, on the accompanying consolidated statements of financial position.

Deferred financing cost amortization of $17,933 and $18,345 for the years ended December 31, 2023 and 2022, respectively, was included in depreciation and amortization.

Interest expense associated with the Bonds for the years ended December 31, 2023 and 2022 totaled $498,884 and $517,556, respectively, which was included in operating expenses and allocated amongst the financial categories benefited for years ended 2023 and 2022, respectively.

Under the Bond agreement, the Fund is required to meet certain covenants. The Fund met these covenants as of December 31, 2023.

Notes and Mortgages Payable

Palm View Residence - 980 North Palm L.P.:

JP Morgan Chase 2019 Series F1 and F2 Bonds were issued by Los Angeles County Development Authority ("LACDA") in the total amount of $8,000,000. On July 16, 2021, the Series F1 in the amount of $3,524,000 was converted into first mortgage and the Series F2 in the amount of $4,476,000 was paid off. The loan is secured by the first deed of trust on the real property and bears interest of 3.75% per annum, maturing November 15, 2039. As of December 31, 2023 and 2022, the outstanding principal was $3,409,717 and $3,459,992, respectively, and outstanding interest payable was $11,010 and $11,173, respectively.

Debt issuance costs, net of accumulated amortization, totaled $136,684 and $145,209 as of December 31, 2023 and 2022, respectively, and are being amortized using an imputed interest rate of 4.33%. Amortization of debt issuance costs is $8,525 and $8,527 for the years ended December 31, 2023 and 2022, respectively, and is included in depreciation and amortization.

The Palm View Residence's other notes consist of the City of West Hollywood and the County of Los Angeles. These loans are subordinated to the JP Morgan Chase loan. These notes are secured by a deed of trust on real property and bear simple interest of 1.788% to 2.99% per annum, payable in annual installments of principal and interest based on net cash flows. The liability is limited to the value of the underlying real property and an assignment of rents with maturity period of 55 years.

The outstanding principal for the City of West Hollywood note was $1,783,552 at both December 31, 2023 and 2022 and the accrued interest was $298,645 and $238,195 at December 31, 2023 and 2022, respectively.

As of December 31, 2023 and 2022, the outstanding principal payable for the County of Los Angeles was $2,640,850, and accrued interest was $236,056 and $183,488, respectively.

Friedman Residence:

On July 22, 2013, Friedman Residence, LLC entered into a 30-year loan agreement with the New York State Housing Finance Agency ("HFA") with an available amount of $2,246,000. The note bears interest at 2% per annum and is payable monthly, beginning July 1, 2014. As of December 31, 2023 and 2022, $1,600,546 and $1,665,970, respectively, was outstanding under the loan agreement.

On March 23, 2011, AFHDC assumed two 30-year loan agreements with the City of New York, Department of Housing Preservation and Development ("HPD"), one dated June 30, 1995, in the amount of $63,000, inclusive of $13,000 of interest, and another dated May 30, 2005, in the amount of $200,853. The notes bear interest at 1% per annum and non-interest bearing, respectively, and are due June 30, 2025.

These loans are nonrecourse and are secured by mortgages in the same amount encumbering real property and investments thereon (The Dorothy Ross Friedman Residence) and an assignment of rents, income and other benefits.

Maturities of the New Markets Tax Credit loans payable and bonds, notes, and mortgages payable at December 31, 2023 are as follows:

2024	$ 1,126,962
2025	1,221,933
2026	19,842,346
2027	8,968,335
2028	132,723
Thereafter	33,110,426
	64,402,725
Less: debt issuance costs	(446,753)
Total, net	$ 63,955,972

NOTE 9 - RETIREMENT BENEFITS

Defined Benefit Pension Plan

The Fund provided a noncontributory defined benefit pension plan for eligible employees, which has been frozen since April 15, 2012. As of April 15, 2012, the plan ceased further benefit accruals for all active participants and is closed to new participants. The accrued benefits for active participants are based solely on credited service accumulated through April 15, 2012 and compensation received through April 15, 2012.

The Fund uses a December 31 measurement date for purposes of calculating its pension obligations.

The following summarizes the funded status of the plan and associated costs as of and for the years ended December 31, 2023 and 2022:

	2023	2022
Reconciliation of benefit obligation:		
Benefit obligation at January 1	$ 14,552,439	$ 19,559,513
Interest cost	754,132	539,725
Actuarial loss/(gain)	649,518	(4,628,284)
Benefits paid	(1,124,450)	(918,515)
	$ 14,831,639	$ 14,552,439
Reconciliation of fair value of plan assets:		
Fair value of plan assets at January 1	$ 13,488,927	$ 15,508,865
Actual return on plan assets	1,580,158	(2,111,423)
Employer contributions	-	1,010,000
Benefits paid	(1,124,450)	(918,515)
Fair value of plan assets at December 31	$ 13,944,635	$ 13,488,927
Benefit obligation	$ (14,831,639)	$ (14,552,439)
Fair value of plan assets	13,944,635	13,488,927
Funded status	$ (887,004)	$ (1,063,512)
Amounts recognized on the consolidated statements of financial position consist of:		
Postretirement benefit obligations	$ (887,004)	$ (1,063,512)
Interest cost	$ 754,132	$ 539,725
Expected return on plan assets	(785,321)	(911,252)
Amortization of net loss	75,337	114,631
Net periodic pension income	$ 44,148	$ (256,896)

Amounts recognized in net assets without donor restrictions as of December 31, 2023 and 2022 consist of an actuarial loss of $2,661,827 and $2,882,483, respectively.

The weighted-average assumptions used to determine benefit obligations at December 31, 2023 and 2022 are as follows:

	2023	2022
Discount rate	5.00%	5.20%
Rate of compensation increase	N/A	N/A

The weighted-average assumptions used to determine net periodic benefit cost for the years ended December 31, 2023 and 2022 are as follows:

	2023	2022
Discount rate	5.20%	5.20%
Expected return on plan assets	6.00%	6.00%
Rate of compensation increase	N/A	N/A

The long-term rate of return on assets assumption was selected by the plan sponsor based on review of investment allocations with the investment advisor and based on both historic and projected returns. This assumption was determined to be an appropriate estimate of the expected returns, based on the nature of the pension plan investment allocation and related strategy. Since the rate of return assumption reflects a long-term outlook, it is not expected to change based on short-term market fluctuations. The plan sponsor routinely monitors the performance of the pension plan assets and, based on consultation with its investment advisor, will make changes to the investment allocation and strategy as determined to be necessary in an effort to maximize returns within prudent risk constraints.

The net periodic pension cost includes the following components:

	2023	2022
Benefit cost/(income)	$ 44,148	$ (256,896)
Employer contributions	-	1,010,000
Benefits paid	(1,124,450)	(918,515)

Actual return on plan assets for the pension plan are net of approximately $88,000 and $84,000 of investment management fees in fiscal years 2023 and 2022, respectively.

The Fund’s pension plan weighted-average asset allocations at December 31, 2023 and 2022 are as follows:

Asset Category	Allocation of Plan Assets at December 31, 2023	Allocation of Plan Assets at December 31, 2022
Common stocks	62.17%	59.49%
Fixed income securities	27.35%	34.70%
Cash and cash equivalents	10.48%	5.81%
Total	100.00%	100.00%

The pension plan investments at December 31, 2023 and 2022 consist of the following:

	2023		2022	
	Fair Value	Cost	Fair Value	Cost
Common stocks	$ 8,668,838	$ 5,813,400	$ 8,012,049	$ 6,085,275
Fixed income securities	3,814,370	4,021,863	4,691,170	5,039,060
Cash and cash equivalents	1,461,427	1,461,426	785,708	785,708
	$ 13,944,635	$ 11,296,689	$ 13,488,927	$ 11,910,043

The investments of the pension plan as of December 31, 2023 and 2022 are classified as Level 1 within the fair value hierarchy discussed in Footnote 2.

The following pension benefit payments are expected to be paid as follows:

Year Ending December 31,	Pension Benefit
2024	$ 1,017,583
2025	1,041,922
2026	1,043,020
2027	1,046,097
2028	1,073,381
Years 2029 - 2033	5,277,235

401(k) Defined Contribution Plan

The Fund sponsors a defined contribution plan covering all eligible employees. The plan permits elective deferrals pursuant to the Code Section 401(k), up to the maximum amount allowed by law of pre-tax annual compensation, as defined in the plan. The Fund makes discretionary matching contributions on participant deferrals. In fiscal year 2012, the Fund added non-elective safe harbor contributions and discretionary profit-sharing contributions. The plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”). Total contributions to the plan by the Fund during fiscal years 2023 and 2022 totaled $1,234,918 and $1,128,184, respectively.

457 Deferred Compensation Plan

The Fund provides 457(b)/457(f) plans to qualified executives to supplement retirement plan benefits. Total expenses pertaining to these arrangements totaled $206,118 and $198,256 for the years ended December 31, 2023 and 2022, respectively. Assets and liabilities associated with these plans totaled $1,837,781 and $1,307,814 as of December 31, 2023 and 2022, respectively. Such assets are included in other assets and liabilities as part of the postretirement benefit obligations, net of plan assets on the consolidated statements of financial position.

NOTE 10 - COMMITMENTS AND CONTINGENCIES

Laws and Regulations

The healthcare industry is subject to numerous laws and regulations of federal, state and local governments. Compliance with such laws and regulations can be subject to future government review and interpretation as well as regulatory actions unknown or unasserted at this time. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government healthcare program participation requirements, reimbursement laws and regulations, anti-referral laws, and false claims prohibitions. In recent years, government activity has increased with respect to investigations and allegations concerning possible violations of reimbursement, false claims and anti-referral statutes and regulations by healthcare providers. Violations of these laws and regulations could result in expulsion from government healthcare programs as well as imposition of significant fines and penalties, and significant repayments for patient services previously reimbursed. The Fund believes it is in compliance with all laws and regulations and that the result of any future government review would not have a material impact on the Fund’s consolidated financial position, changes in net assets or cash flows.

Income Taxes

The Fund follows guidance that clarifies the accounting for uncertainty in tax positions taken or expected to be taken in a tax return, including issues relating to financial statement recognition and measurement. This guidance provides that the tax effects from an uncertain tax position can only be recognized in the financial statements if the position is” more-likely-than-not” to be sustained if the position were to be challenged by a taxing authority. The assessment of the tax position is based solely on the technical merits of the position, without regard to the likelihood that the tax position may be challenged.

The Fund is exempt from federal income tax under the Code Section 501(c)(3), though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. The Fund has processes presently in place to ensure the maintenance of its tax-exempt status, to identify and report unrelated income, to determine its filing and tax obligations in jurisdictions for which it has nexus, and to identity and evaluate other matters that may be considered tax positions. The Fund has determined that there are no material uncertain tax positions that require recognition or disclosure in its financial statements.

Contingencies

In the normal course of its operations, the Fund may from time to time become a party to various legal proceedings and complaints, some of which are covered by insurance. While it is not feasible to predict the ultimate outcomes of such matters, the Fund is not aware of any claims or contingencies that would have a material adverse effect on its financial position, changes in net assets or cash flows.

Leases

The Fund has entered into operating lease agreements for office space located in New York City, Chicago and Los Angeles, with lease terms expiring at various dates through fiscal year 2042. Certain of these lease agreements have renewal clauses which range from one to nine years, exercisable at the option of the Fund. All office space leases have rent escalation clauses that are based upon anticipated increases in real estate taxes, building expenses and utility charges.

Finance leases mainly consist of various equipment leases. Termination of the leases generally are prohibited unless there is a violation under the lease agreement. Asset amounts are included in property and equipment and liability amounts are included in other liabilities.

The right-of-use (“ROU”) assets and accumulated amortization, lease cost, and other required information, for the year ended December 31, 2023 and 2022 are:

ROU assets and accumulated amortization:

	As of December 31, 2023	
	Finance	Operating
ROU assets	$ 267,261	$ 14,398,133
Accumulated amortization	(85,590)	(3,472,717)
ROU assets, net	$ 181,671	$ 10,925,416

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	As of December 31, 2022	
	Finance	Operating
ROU assets	$ 201,497	$ 14,398,133
Accumulated amortization	(62,221)	(1,729,751)
ROU assets, net	$ 139,276	$ 12,668,382

Lease costs:

	2023	2022
Amortization of finance lease ROU asset	$ 60,388	$ 62,221
Interest expense on lease liabilities	5,163	5,779
Operating lease cost	2,214,993	2,214,993
Total lease cost	$ 2,280,544	$ 2,282,993

Other information:

	2023	2022
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from finance leases	$ 5,163	$ 5,779
Financing cash flows from finance leases	59,451	60,121
Operating cash flows from operating leases	2,413,114	2,214,993
Equipment acquired in exchange for new finance lease liabilities	131,500	142,479
Weighted-average remaining lease term:		
Finance leases	3.43 years	3.41 years
Operating leases	6.47 years	7.31 years
Weighted-average discount rate:		
Finance leases	4.08%	3.71%
Operating leases	3.18%	3.20%

As of December 31, 2023, the Fund has an additional operating lease that has not yet commenced of approximately $6.7 million. The lease will commence in fiscal 2024 and will be recognized in the Fund's consolidated statement of financial position at that time.

Future annual lease payments due under the leases noted above are as follows for years subsequent to December 31, 2023:

Fiscal Year Ending December 31:	Finance	Operating
2024	$ 67,741	$ 2,386,594
2025	67,741	2,125,865
2026	63,843	2,225,577
2027	22,740	2,269,671
2028	18,950	2,314,634
Thereafter	-	3,879,405
Total minimum lease payments	235,015	15,201,746
Less: amounts representing interest	(21,590)	(1,542,713)
Present value of net minimum lease payments	$ 213,425	$ 13,659,033

NOTE 11 - DONOR RESTRICTED ENDOWMENT FUNDS

The Fund adopted the provisions of Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act, and Enhanced Disclosures for All Endowment Funds. This standard provides guidance on classifying the net assets associated with donor-restricted endowment funds held by organizations subject to the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"), passed by the State of New York in September 2010 and also requires additional disclosures about endowments for both donor-restricted funds and board-designated funds.

The Fund has interpreted New York State UPMIFA ("NYPMIFA") as requiring the preservation of the fair value of the original gift, as of the gift date of the donor-restricted endowment fund, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Fund classifies as donor restricted net assets: (a) the original value of gifts donated to its permanent endowment; (b) the original value of subsequent gifts to its permanent endowment; and (c) accumulations to its permanent endowment made in accordance with the directions 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 - time or purpose restrictions, until such amounts are appropriated for expenditure by the Fund in a manner consistent with the standard of prudence prescribed by NYPMIFA.

In accordance with NYPMIFA, the Fund considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: the purpose, duration, and preservation of the endowment fund; expected total return of endowment investments; general economic conditions; the possible effects of inflation and deflation; other resources of the Fund; and the investment policy of the Fund.

The Fund has adopted investment policies for its 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 Fund must hold in perpetuity. Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of appropriate benchmarks without putting the assets at imprudent risk. To satisfy its long-term return objectives, the Fund relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized gains) and current yield (interest and dividends). The Fund targets a diverse asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

The following tables present the composition of the Fund's donor-restricted endowment fund, which consists of net assets with donor restrictions and excludes perpetual trusts, which the Fund is not the trustee of, and pledge receivables, as of December 31, 2023 and 2022 and the changes in the endowment fund for the years then ended. The Fund does not have a board-designated endowment fund as of December 31, 2023 and 2022.

Donor Restricted Endowment Funds	2023	2022
Endowment net assets, beginning of year:	$ 16,346,993	$ 19,914,815
New endowments	-	-
Investment gain (loss)	1,896,898	(2,062,279)
Investment return designated for operations	(175,607)	(1,505,543)
Endowment net assets, end of year	$ 18,068,284	$ 16,346,993

Investment return designated for operations on the accompanying consolidated statements of activities includes investment return appropriated for expenditure under the Fund's spending policy pertaining to its endowment and earnings on working capital funds.

NOTE 12 - LIQUIDITY

The Fund regularly monitors liquidity required to meet its operating needs and other contractual agreements, while also striving to maximize the investment of its portfolio. The Fund has various sources of liquidity at its disposal, including cash and cash equivalents and short-term marketable equity securities.

In addition to financial assets available to meet general expenditures over the next 12 months, the Fund operates with a balanced budget and anticipates collecting sufficient operating revenue and investment portfolio returns to cover all of its operating needs.

As of December 31, 2023 and 2022, the following financial assets could readily be made available within one year of the consolidated balance sheet date to meet operating expenditures:

	2023	2022
Cash and cash equivalents	$ 52,647,013	$ 29,482,376
Restricted cash	1,244,398	1,580,470
Restricted cash - New Markets Tax Credit	18,843,600	20,685,135
Accounts and other receivables less allowance for doubtful accounts of $411,000 and $250,000 in 2023 and 2022, respectively	3,151,445	2,561,425
Bequests, contribution and pledges receivables, net	8,709,342	6,449,725
Long-term investments	23,721,174	20,652,110
Annuity and trust investments	7,173,642	7,343,845
Total financial assets	115,490,614	88,755,086
Less:		
Donor restricted funds:		
Anticipated collections on bequest, pledges and contributions receivable after one year	3,671,032	3,969,490
Purpose restricted contributions	25,267,439	8,961,318
Restricted endowment investments	15,059,182	15,059,182
Total donor restricted funds	43,997,653	27,989,990
Contractually restricted:		
Amounts held in annuity and trust investments	7,173,642	7,343,845
Amounts held as security deposits or reserves	1,244,398	22,265,605
Total contractually restricted	8,418,040	29,609,450
Add:		
Endowment fund appropriation for following year	1,250,143	1,239,143
Financial assets available to meet cash needs for general expenditures within one year	$ 64,325,064	$ 32,394,789