



CLARK SCHAEFER HACKETT
BUSINESS ADVISORS

Philanthropy Ohio

Financial Statements

December 31, 2022 and 2021

with Independent Auditors' Report

TABLE OF CONTENTS

Independent Auditors' Report 1-2

Financial Statements:

Statements of Financial Position..... 3

Statements of Activities..... 4-5

Statements of Functional Expenses 6-9

Statements of Cash Flows 10

Notes to the Financial Statements 11-18

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of
Philanthropy Ohio

Opinion

We have audited the accompanying financial statements of Philanthropy Ohio (a nonprofit organization), which comprise the statements of financial position as of December 31, 2022 and 2021, 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 financial statements referred to above present fairly, in all material respects, the financial position of Philanthropy Ohio as of December 31, 2022 and 2021, 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Philanthropy Ohio 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 Philanthropy Ohio's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Philanthropy Ohio'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 Philanthropy Ohio'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.

Clark, Schaefer, Hackett & Co.

Columbus, Ohio
May 30, 2023

Philanthropy Ohio
Statements of Financial Position
December 31, 2022 and 2021

Assets	<u>2022</u>	<u>2021</u>
Current assets:		
Cash and cash equivalents	\$ 281,195	262,628
Investments	879,416	1,342,008
Contributions and other receivables, current portion	184,000	103,022
Prepaid expenses	<u>2,880</u>	<u>15,760</u>
	<u>1,347,491</u>	<u>1,723,418</u>
Property and equipment:		
Leasehold improvements	114,037	114,037
Furniture, fixtures and equipment	51,124	48,799
Software	<u>171,882</u>	<u>119,051</u>
	337,043	281,887
Less accumulated depreciation	<u>140,363</u>	<u>130,176</u>
	<u>196,680</u>	<u>151,711</u>
Other assets:		
Contributions and other receivables	-	20,000
Operating right-of-use asset	<u>181,727</u>	<u>-</u>
Total Assets	\$ <u>1,725,898</u>	<u>1,895,129</u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 201,423	195,072
Current portion, operating lease liability	69,352	-
Deferred revenue	<u>33,805</u>	<u>180,795</u>
	304,580	375,867
Other liabilities:		
Operating lease liability, less current portion	<u>177,513</u>	<u>-</u>
	<u>482,093</u>	<u>375,867</u>
Net Assets:		
Without donor restriction	887,594	1,342,873
With donor restriction	<u>356,211</u>	<u>176,389</u>
	<u>1,243,805</u>	<u>1,519,262</u>
Total Liabilities and Net Assets	\$ <u>1,725,898</u>	<u>1,895,129</u>

See accompanying notes to the financial statements.

Philanthropy Ohio
Statement of Activities
Year Ended December 31, 2022

	Without Donor <u>Restriction</u>	With Donor <u>Restriction</u>	<u>Total</u>
Revenues and support:			
Membership dues	\$ 746,636	-	746,636
Grants/contributions	202,006	60,000	262,006
Conference fees and support	259,685	-	259,685
Workshop and educational fees and support	53,853	-	53,853
Special project support	31,663	504,500	536,163
Net investment return	(191,774)	-	(191,774)
Miscellaneous	<u>4,863</u>	<u>-</u>	<u>4,863</u>
	1,106,931	564,500	1,671,431
Net assets released from restriction	<u>384,678</u>	<u>(384,678)</u>	<u>-</u>
	<u>1,491,609</u>	<u>179,822</u>	<u>1,671,431</u>
Expenses:			
Program services:			
Education	610,399	-	610,399
Knowledge management	122,621	-	122,621
Special projects	57,768	-	57,768
Public policy and external relations	<u>349,827</u>	<u>-</u>	<u>349,827</u>
	<u>1,140,615</u>	<u>-</u>	<u>1,140,615</u>
Support services:			
Resource development	268,255	-	268,255
Management and general	<u>538,018</u>	<u>-</u>	<u>538,018</u>
	<u>806,273</u>	<u>-</u>	<u>806,273</u>
	<u>1,946,888</u>	<u>-</u>	<u>1,946,888</u>
Change in net assets	(455,279)	179,822	(275,457)
Net assets - beginning of year	<u>1,342,873</u>	<u>176,389</u>	<u>1,519,262</u>
Net assets - end of year	\$ <u>887,594</u>	<u>356,211</u>	<u>1,243,805</u>

See accompanying notes to the financial statements.

Philanthropy Ohio
Statement of Activities
Year Ended December 31, 2021

	Without Donor <u>Restriction</u>	With Donor <u>Restriction</u>	<u>Total</u>
Revenues and support:			
Membership dues	\$ 735,118	-	735,118
Grants/contributions	308,468	92,500	400,968
Conference fees and support	154,426	-	154,426
Workshop and educational fees and support	61,705	-	61,705
Special project support		711,037	711,037
Net investment return	113,890	-	113,890
Miscellaneous	<u>6,013</u>	<u>-</u>	<u>6,013</u>
	1,379,620	803,537	2,183,157
Net assets released from restriction	<u>991,616</u>	<u>(991,616)</u>	<u>-</u>
	<u>2,371,236</u>	<u>(188,079)</u>	<u>2,183,157</u>
Expenses:			
Program services:			
Education	621,791	-	621,791
Knowledge management	190,762	-	190,762
Special projects	677,231	-	677,231
Public policy and external relations	<u>119,214</u>	<u>-</u>	<u>119,214</u>
	<u>1,608,998</u>	<u>-</u>	<u>1,608,998</u>
Support services:			
Resource development	165,682	-	165,682
Management and general	<u>407,929</u>	<u>-</u>	<u>407,929</u>
	<u>573,611</u>	<u>-</u>	<u>573,611</u>
	<u>2,182,609</u>	<u>-</u>	<u>2,182,609</u>
Change in net assets	188,627	(188,079)	548
Net assets - beginning of year	<u>1,154,246</u>	<u>364,468</u>	<u>1,518,714</u>
Net assets - end of year	\$ <u>1,342,873</u>	<u>176,389</u>	<u>1,519,262</u>

See accompanying notes to the financial statements.

Philanthropy Ohio
Statement of Functional Expenses
Year Ended December 31, 2022

Program Services					
	Education: Conference, Workshops and Events	Knowledge Management: Publications, Research and Services	Special Projects	Public Policy and External Relations	Total
Salaries	\$ 255,134	77,328	30,697	185,771	548,930
Payroll taxes and employee benefits	67,561	20,477	8,129	49,193	145,360
	322,695	97,805	38,826	234,964	694,290
Consulting services	11,768	-	-	60,000	71,768
Rent and utilities	28,522	8,913	7,131	19,253	63,819
Conference	167,970	-	-	-	167,970
Computer software and peripherals	15,845	4,952	3,961	10,695	35,453
Travel and meetings	4,922	1,538	1,230	3,322	11,012
Memberships	28,330	-	-	713	29,043
Professional development	7,447	2,257	896	5,423	16,023
Professional fees	626	196	157	423	1,402
Telephone	6,292	1,966	1,573	4,247	14,078
Copier services	820	256	205	553	1,834
Miscellaneous	1,167	365	292	788	2,612
Printing and graphic design	-	-	-	-	-
Postage	597	186	149	403	1,335
Office supplies	1,162	363	290	784	2,599
Bad debt	-	-	-	-	-
Loss on Disposal of Asset	2,994	936	748	2,021	6,699
Depreciation and amortization	9,242	2,888	2,310	6,238	20,678
	\$ 610,399	122,621	57,768	349,827	1,140,615

See accompanying notes to the financial statements.

Philanthropy Ohio
Statement of Functional Expenses (Continued)
Year Ended December 31, 2022

Support Services					
		Resource Development	Management and General	Total	Total Expense
Salaries	\$	182,204	287,170	469,374	1,018,304
Payroll taxes and employee benefits		48,248	76,045	124,293	269,653
		230,452	363,215	593,667	1,287,957
Consulting services		-	34,059	34,059	105,827
Rent and utilities		12,835	30,305	43,140	106,959
Conference		-	-	-	167,970
Computer software and peripherals		7,130	45,306	52,436	87,889
Travel and meetings		2,215	5,229	7,444	18,456
Memberships		-	827	827	29,870
Professional development		5,318	8,382	13,700	29,723
Professional fees		282	19,734	20,016	21,418
Telephone		2,831	6,685	9,516	23,594
Copier services		369	871	1,240	3,074
Miscellaneous		525	6,683	7,208	9,820
Printing and graphic design		-	1,854	1,854	1,854
Postage		269	634	903	2,238
Office supplies		523	1,234	1,757	4,356
Bad debt		-	-	-	-
Loss on Disposal of Asset		1,347	3,181	4,528	11,227
Depreciation and amortization		4,159	9,819	13,978	34,656
	\$	268,255	538,018	806,273	1,946,888

See accompanying notes to the financial statements.

Philanthropy Ohio
Statement of Functional Expenses
Year Ended December 31, 2021

	Program Services				
	Education: Conference, Workshops and Events	Knowledge Management: Publications, Research and Services	Special Projects	Public Policy and External Relations	Total
Salaries	\$ 387,673	136,700	149,321	63,249	736,943
Payroll taxes and employee benefits	99,047	34,926	38,150	16,160	188,283
	486,720	171,626	187,471	79,409	925,226
Consulting services	-	-	465,337	-	465,337
Rent and utilities	23,254	7,852	10,167	17,617	58,890
Conference	77,619	-	-	-	77,619
Computer software and peripherals	12,816	4,327	5,603	9,709	32,455
Travel and meetings	2,039	689	892	1,545	5,165
Memberships	-	-	-	-	-
Professional development	4,982	1,757	1,919	813	9,471
Professional fees	468	158	205	355	1,186
Telephone	3,644	1,230	1,593	2,760	9,227
Copier services	653	221	286	495	1,655
Miscellaneous	1,396	471	610	1,057	3,534
Printing and graphic design	-	-	-	-	-
Postage	753	254	329	570	1,906
Office supplies	647	219	283	490	1,639
Bad Debt	1,000	-	-	-	1,000
Depreciation and amortization	5,800	1,958	2,536	4,394	14,688
	\$ 621,791	190,762	677,231	119,214	1,608,998

See accompanying notes to the financial statements.

Philanthropy Ohio
Statement of Functional Expenses (Continued)
Year Ended December 31, 2021

	Support Services			
	Resource Development	Management and General	Total	Total Expense
Salaries	\$ 96,899	142,178	239,077	976,020
Payroll taxes and employee benefits	24,757	36,325	61,082	249,365
	121,656	178,503	300,159	1,225,385
Consulting services	-	96,550	96,550	561,887
Rent and utilities	19,328	22,449	41,777	100,667
Conference	-	1,765	1,765	79,384
Computer software and peripherals	10,652	35,938	46,590	79,045
Travel and meetings	1,695	1,969	3,664	8,829
Memberships	-	27,717	27,717	27,717
Professional development	1,245	1,827	3,072	12,543
Professional fees	389	19,638	20,027	21,213
Telephone	3,029	3,518	6,547	15,774
Copier services	543	631	1,174	2,829
Miscellaneous	1,160	6,486	7,646	11,180
Printing and graphic design	-	3,986	3,986	3,986
Postage	626	727	1,353	3,259
Office supplies	538	625	1,163	2,802
Bad Debt	-	-	-	1,000
Depreciation and amortization	4,821	5,600	10,421	25,109
	\$ 165,682	407,929	573,611	2,182,609

See accompanying notes to the financial statements.

Philanthropy Ohio
Statements of Cash Flows
Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
Change in net assets	\$ (275,457)	548
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Unrealized gain/loss on investments	226,776	(38,101)
Bad debt expense	-	1,000
Loss on Disposal of Asset	11,226	-
Depreciation and amortization	34,656	25,109
Non-Cash lease expense	(15,981)	-
Effects of changes in operating assets and liabilities:		
Contributions and other receivables	(60,978)	(124,022)
Prepaid expenses	12,880	1,490
Accounts payable and accrued liabilities	87,470	(32,098)
Deferred revenue	<u>(146,990)</u>	<u>77,261</u>
Net cash flows from operating activities	<u>(126,398)</u>	<u>(88,813)</u>
Cash flows from investing activities:		
Purchase of investments	(142,698)	(83,451)
Proceeds from sale of investments	378,514	-
Purchase of property and equipment	<u>(90,851)</u>	<u>(25,000)</u>
Net cash flows from investing activities	<u>144,965</u>	<u>(108,451)</u>
Change in cash and cash equivalents	18,567	(197,264)
Cash and cash equivalents - beginning of year	<u>262,628</u>	<u>459,892</u>
Cash and cash equivalents - end of year	\$ <u><u>281,195</u></u>	<u><u>262,628</u></u>

See accompanying notes to the financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The following accounting principles and practices of Philanthropy Ohio (the Organization) are set forth to facilitate the understanding of data presented in the financial statements:

Nature of operations

Philanthropy Ohio is an association of foundations, corporate giving programs, individuals and organizations actively involved in philanthropy in Ohio. Its mission is to lead and equip Ohio philanthropy to be effective partners for change in our communities.

Basis of accounting

The accompanying financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

New Accounting Standard

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842), which supersedes existing guidance for accounting for leases under Topic 840, Leases. The FASB also subsequently issued the following additional ASUs, which amended and clarify Topic 842. The most significant change in the new leasing guidance is the requirement to recognize right-to-use (ROU) assets and lease liabilities for operating leases on the statement of financial position.

The Organization elected to adopt these ASUs effective January 1, 2022. The Organization also elected multiple practical expedients. These included transition elections that permitted the Organization to not reassess prior conclusions about lease identification, lease classification, and initial direct costs for existing or expired leases, as well as not assessing existing land easements under the new standard. In addition, the Organization adopted ongoing accounting policies to not recognize right-of-use ("ROU") assets and lease liabilities for leasing arrangements with terms of less than one year and to not separate lease and non-lease components for all classes of underlying assets. The adoption had a material impact on the Organization's statement of financial position but did not have a material impact on the statement of activities. The most significant impact was the recognition of ROU assets and lease liabilities for operating leases. Upon adoption, the Organization recognized operating lease right-of-use assets of \$232,531, corresponding operating lease liabilities of \$313,650 and a decrease in deferred rent of \$81,119.

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.

Basis of presentation

The financial statements of the Organization have been prepared in accordance with U.S. GAAP, which requires the Organization to report information regarding its financial position and activities according to the following net asset classifications:

- **Net assets without donor restriction:** Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and governing board.

- Net assets with donor restriction: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will likely be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. The Organization had no donor restricted funds to be maintained in perpetuity at December 31, 2022 or 2021.

Cash and cash equivalents

For purposes of the statements of cash flows, the Organization considers all highly liquid investments and certificates of deposit with an original maturity of three months or less to be cash equivalents.

Investments

The Organization records investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the statements of financial position. Unrealized gains and losses are included, net of fees, in the statements of activities.

Risk and uncertainties

The Organization invests in various securities. Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with 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 change could materially affect the amounts reported in the statements of financial position.

Contributions and other receivables

Contributions and other receivables consist primarily of unconditional promises to give due within one year. Provisions are made for estimated uncollectible grants and other receivables. The Organization's estimate of the allowance is based on historical collection experience and a review of current status of receivables and judgment. There is no provision for uncollectible grants and other receivables deemed necessary as of December 31, 2022 and 2021. Decisions to charge-off receivables are based on management's judgment after consideration of facts and circumstances surrounding potential uncollectible accounts.

Property and equipment

Property and equipment are stated at cost or fair value if donated. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range from 3 to 10 years. Expenditures that materially increase values or extend useful lives are capitalized. Routine maintenance and repairs are charged to expense as incurred. The cost of assets sold or retired, and the related accumulated depreciation are eliminated from the accounts in the year of disposal, with any gain or loss from disposals included in the statements of activities.

Contributions

Revenues from grants/contributions and special project support are recognized when a donor's unconditional commitment is received. All donor-restricted contributions are reported as increases in net assets with donor restriction, depending on the nature of the restrictions. Contributions received through grants are recorded in the grants/contributions line on the statements of activities.

Revenue recognition

The Organization's primary revenue and support is obtained from membership dues, grants/contributions, conference fees, workshops and educational fees, and special project support. Incidental items that are immaterial in the context of the contract are recognized as expense. The Organization does not have any significant financing components as payment is received at or shortly after the point of sale.

Membership dues are earned by the Organization based on the satisfaction of performance obligations over time. Revenue from performance obligations satisfied over time is recognized using the output method. Under this method, the Organization measures completion of the total performance obligation as time elapses because the members are granted access to the Organization on an ongoing basis.

Conference, workshop and educational fees are based on the satisfaction of performance obligations at a point in time. Performance obligations related to conference, workshop and educational fees are the delivery of the event. Upon completion of the event, the Organization records revenue. Conference, workshop or educational fees received in advance are deferred to the applicable period in which the event takes place.

Contract liabilities consisted of \$33,805, \$180,795, \$103,534 as of December 31, 2022, December 31, 2021 and January 1, 2021, respectively.

The amount of revenue recognized in 2022 and 2021 that was included in the contract liability balance at the beginning of the year was \$180,795 and \$103,534, respectively.

Expense allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and functional expenses. Expenses are allocated based on the relative time spent by each employee working for the Organization. Accordingly, salaries, benefits, rent and utilities have been allocated among the programs and supporting services benefited.

Leases

The Organization considers an arrangement a lease if, at inception, the arrangement transfers the right to control the use of an identified asset for a period of time in exchange for consideration. Under leasing standards, control is defined as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset. Management only reassesses its determination if the terms and conditions of the contract are changed.

Operating leases are included in operating lease right-of-use ("ROU") assets, other current liabilities, and operating lease liabilities in our statements of financial position.

The lease term reflects the noncancellable period of the lease together with periods covered by an option to extend or terminate the lease when management is reasonably certain that it will exercise such option. The Organization uses the risk free rate for a period of time similar to the lease term, determined at the lease commencement date, in determining the present value of lease payments. The risk free rate is used as the information necessary to determine the rate implicit in the lease and the Organization's incremental borrowing rate is not readily available. Lease expense for operating leases is recognized on a straight-line basis over the lease term. Short-term leases are less than one year without purchase or renewal options that are reasonably certain to be exercised and are recognized on a straight-line basis over the lease term. The right-of-use asset is tested for impairment in accordance with ASC 360.

Income taxes

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the Code), except for income derived from unrelated business activities, as defined in the Code. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(vi) and has been classified as an Organization that is not a private foundation under Section 509(a)(1).

Subsequent events

The Organization evaluates events and transactions occurring subsequent to the date of the financial statements for matters requiring recognition or disclosure in the financial statements. The accompanying financial statements consider events through May 30, 2023, the date on which the financial statements were available to be issued.

2. FAIR VALUE MEASUREMENTS:

U.S. GAAP defines fair value, establishes a framework for measuring fair value, and establishes a fair value hierarchy that prioritizes the inputs to valuation techniques. 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. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach are used to measure fair value.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

- Level 1 inputs are quoted market prices (unadjusted) in active markets for identical assets or liabilities the Organization has the ability to access.
- Level 2 inputs (other than quoted prices included within Level 1) are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability and rely on management's own assumptions about the assumptions that market participants would use in pricing the asset or liability.

The following tables present the Organization's fair value hierarchy for those assets measured at fair value on a recurring basis as of December 31, 2022 and 2021:

<u>December 31, 2022</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments, at fair value:				
Mutual funds:				
Large value	\$ 163,059	-	-	163,059
Mid-cap value	75,672	-	-	75,672
Large growth	148,208	-	-	148,208
Small growth	<u>60,940</u>	<u>-</u>	<u>-</u>	<u>60,940</u>
	447,879	-	-	447,879
Bond funds	<u>431,537</u>	<u>-</u>	<u>-</u>	<u>431,537</u>
	<u>\$ 879,416</u>	<u>-</u>	<u>-</u>	<u>879,416</u>
<u>December 31, 2021</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments, at fair value:				
Mutual funds:				
Large value	\$ 233,822	-	-	233,822
Mid-cap value	131,130	-	-	131,130
Large growth	286,627	-	-	286,627
Small growth	<u>118,965</u>	<u>-</u>	<u>-</u>	<u>118,965</u>
	770,544	-	-	770,544
Bond funds	<u>571,464</u>	<u>-</u>	<u>-</u>	<u>571,464</u>
	<u>\$ 1,342,008</u>	<u>-</u>	<u>-</u>	<u>1,342,008</u>

Net investment return is summarized as follows for the years ended December 31:

	2022	2021
Interest and dividends	\$ 18,164	28,887
Unrealized gain/(loss)	(226,776)	38,101
Capital gains	23,939	54,566
Investment fees	<u>(7,101)</u>	<u>(7,664)</u>
	<u>\$ (191,774)</u>	<u>113,890</u>

3. CONTRIBUTIONS AND OTHER RECEIVABLES:

Unconditional contributions and other receivables at December 31 consisted of the following:

		<u>2022</u>	<u>2021</u>
Receivables due in less than one year	\$	184,000	103,022
Receivables due in one to five years		<u> -</u>	<u>20,000</u>
	\$	<u>184,000</u>	<u>123,022</u>

There was no discount rate used at December 31, 2022.

4. NET ASSETS WITH DONOR RESTRICTION:

Net assets with donor restriction at December 31, 2022 and 2021 consisted of the following:

		<u>2022</u>	<u>2021</u>
Restricted for future periods	\$	82,500	87,500
Education initiative		236,667	66,389
Health initiative		<u>37,044</u>	<u>22,500</u>
	\$	<u>356,211</u>	<u>176,389</u>

During the years ended December 31, 2022 and 2021, net assets were released from donor restrictions due to the passage of time or the fulfillment of donor-imposed restrictions as follows:

		<u>2022</u>	<u>2021</u>
Time restrictions	\$	65,000	25,000
Purpose restrictions		<u>319,678</u>	<u>966,616</u>
	\$	<u>384,678</u>	<u>991,616</u>

5. RETIREMENT PLAN:

The Organization has a defined contribution plan (the Plan), which covers essentially all employees. The Plan provides for a safe harbor non-elective contribution of 3% of the employees' annual basic compensation and an employer matching contribution of up to 2% of the employees' annual basic compensation. In addition, the employer may make a discretionary profit sharing contribution annually. The employer discretionary profit sharing contribution was 3% during 2022 and 2021. The Organization recognized pension expense of \$62,680 and \$70,138 during the years ended December 31, 2022 and 2021, respectively.

6. OPERATING LEASES:

The Organization leases certain real estate through July 2026. Variable lease costs, such as the Organization's proportionate share of actual costs for utilities, common area maintenance, property taxes and insurance that are not included in the lease liability and are recognized in the period in which they are incurred. Short-term lease cost represents the Organization's cost with respect to leases with a duration of 12 months or less and is not reflected on the Organization's statements of financial position.

As of December 31, 2022, the Organization has not entered into any material leases expected to commence in 2023.

For the year ended December 31, 2022, the Organization had the following recorded in operating expenses associated with lease arrangements:

		2022
Operating lease expense	\$	54,380
Total	\$	54,380
Weighted - average remaining lease term - operating		3.42 years
Weighted - average discount rate - operating leases		1.29%

Rent expense for operating leases under ASC 840 - Leases is \$95,580 for the year ended December 31, 2021.

The following is an analysis of maturities of lease liabilities as of December 31:

Year Ending December 31:		
2023	\$	72,051
2024		73,775
2025		75,532
2026		30,927
		252,285
Less Imputed Interest		5,420
Total Operating Lease Liability	\$	246,865

Non-cash lease expense on the statement of cash flows includes the amortization of the lease right-of-use asset of \$50,805, offset by a change in the lease liability of \$66,785 for the year ended December 31, 2022. Lease payments within operating activities were \$70,359 for the year ended December 31, 2022.

7. CONCENTRATIONS:

Concentrations discussed in this note were limited to significant concentrations at or exceeding 10%. During the year ended December 31, 2022, the Organization received approximately 15% of its annual revenues and support from one source. At December 31, 2022, approximately 95% of the Organization's contributions and other receivables were due from three sources. During the year ended December 31,

2021, the Organization received approximately 23% of its annual revenues and support from one source. At December 31, 2021, approximately 91% of the Organization's contributions and other receivables were due from three sources.

8. CONCENTRATION OF RISK IN EXCESS OF FEDERALLY INSURED LIMITS:

The Organization maintains a checking account at a financial institution that is insured by the Federal Deposit Insurance Corporation on balances up to \$250,000 as of December 31, 2022 and 2021. The Organization also maintains an investment balance with one financial institution. This balance is insured by the Securities Investor Protection Corporation (SIPC) on balances up to \$500,000 as of December 31, 2022 and 2021. The Organization has not experienced any losses in these accounts and believes it is not exposed to any significant credit risk.

9. LICENSE AGREEMENT:

During February 2021, the Organization entered a noncancelable arrangement with a third party for software licenses and support. The agreement is payable in three equal installments of \$10,000. The agreement runs through 2023.

10. LIQUIDITY DISCLOSURES:

The Organization is substantially supported by membership dues and contributions, some of which come with donor restrictions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

The following table presents the financial assets available to meet cash needs for general expenditures within one year at December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 281,195	262,628
Contributions and other receivables	184,000	123,022
Investments	<u>879,416</u>	<u>1,342,008</u>
Financial assets at year-end	1,344,611	1,727,658
Less those unavailable for general expenditures:		
Restricted by donor due to time or purpose	<u>356,211</u>	<u>176,389</u>
Financial assets available to meet cash needs for general expenditures within one year	\$ <u>988,400</u>	<u>1,551,269</u>

