



CLARK SCHAEFER HACKETT
BUSINESS ADVISORS

Philanthropy Ohio

Financial Statements

December 31, 2023 and 2022

with Independent Auditors' Report

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of
Philanthropy Ohio

Opinion

We have audited the accompanying financial statements of Philanthropy Ohio (a not-for-profit organization), which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Philanthropy Ohio as of December 31, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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
June 5, 2024

Philanthropy Ohio
 Statements of Financial Position
 December 31, 2023 and 2022

Assets	<u>2023</u>	<u>2022</u>
Current assets:		
Cash and cash equivalents	\$ 368,523	281,195
Investments	617,414	879,416
Contributions and other receivables	23,182	184,000
Prepaid expenses	<u>3,750</u>	<u>2,880</u>
	<u>1,012,869</u>	<u>1,347,491</u>
Property and equipment:		
Leasehold improvements	114,037	114,037
Furniture, fixtures and equipment	51,124	51,124
Software	<u>171,882</u>	<u>171,882</u>
	337,043	337,043
Less accumulated depreciation	<u>187,457</u>	<u>140,363</u>
	<u>149,586</u>	<u>196,680</u>
Other assets:		
Finance right-of-use asset	10,557	-
Operating right-of-use asset	<u>130,047</u>	<u>181,727</u>
	<u>140,604</u>	<u>181,727</u>
Total Assets	\$ <u>1,303,059</u>	<u>1,725,898</u>

See accompanying notes to the financial statements.

Philanthropy Ohio
 Statements of Financial Position (Continued)
 December 31, 2023 and 2022

Liabilities and Net Assets

	<u>2023</u>	<u>2022</u>
Current liabilities:		
Accounts payable and accrued liabilities	\$ 22,393	201,423
Funds held on behalf of others	46,162	-
Current portion, finance lease liability	2,146	-
Current portion, operating lease liability	71,985	69,352
Deferred revenue	<u>71,792</u>	<u>33,805</u>
	<u>214,478</u>	<u>304,580</u>
Other liabilities:		
Finance lease liability, less current portion	7,027	-
Operating lease liability, less current portion	<u>105,529</u>	<u>177,513</u>
	<u>112,556</u>	<u>177,513</u>
	<u>327,034</u>	<u>482,093</u>
Net Assets:		
Without donor restriction	776,398	887,594
With donor restriction	<u>199,627</u>	<u>356,211</u>
	<u>976,025</u>	<u>1,243,805</u>
Total Liabilities and Net Assets	\$ <u>1,303,059</u>	<u>1,725,898</u>

See accompanying notes to the financial statements.

Philanthropy Ohio
Statement of Activities
Year Ended December 31, 2023

	Without Donor <u>Restriction</u>	With Donor <u>Restriction</u>	<u>Total</u>
Revenues and support:			
Membership dues	\$ 730,315	-	730,315
Grants/contributions	313,899	10,000	323,899
Conference fees and support	377,316	-	377,316
Workshop and educational fees and support	21,118	-	21,118
Special project support	3,825	282,500	286,325
Non-Profit programs	15,450	-	15,450
Net investment return	58,014	-	58,014
Miscellaneous	<u>15,061</u>	<u>-</u>	<u>15,061</u>
	1,534,998	292,500	1,827,498
Net assets released from restriction	<u>449,084</u>	<u>(449,084)</u>	<u>-</u>
	<u>1,984,082</u>	<u>(156,584)</u>	<u>1,827,498</u>
Expenses:			
Program services:			
Education	683,691	-	683,691
Knowledge management	130,599	-	130,599
Special projects	60,729	-	60,729
Public policy and external relations	<u>378,618</u>	<u>-</u>	<u>378,618</u>
	<u>1,253,637</u>	<u>-</u>	<u>1,253,637</u>
Support services:			
Resource development	287,525	-	287,525
Management and general	<u>554,116</u>	<u>-</u>	<u>554,116</u>
	<u>841,641</u>	<u>-</u>	<u>841,641</u>
	<u>2,095,278</u>	<u>-</u>	<u>2,095,278</u>
Change in net assets	(111,196)	(156,584)	(267,780)
Net assets - beginning of year	<u>887,594</u>	<u>356,211</u>	<u>1,243,805</u>
Net assets - end of year	\$ <u>776,398</u>	<u>199,627</u>	<u>976,025</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	(191,775)	-	(191,775)
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 Functional Expenses
Year Ended December 31, 2023

Program Services					
	Education: Conference, Workshops and Events	Knowledge Management: Publications, Research and Services	Special Projects	Public Policy and External Relations	Total
Salaries	\$ 276,511	83,807	33,269	201,336	594,923
Payroll taxes and employee benefits	73,551	22,292	8,850	53,555	158,248
	350,062	106,099	42,119	254,891	753,171
Consulting services	5,000	-	-	69,500	74,500
Rent	26,474	8,273	6,619	17,870	59,236
Conference	217,131	-	-	-	217,131
Computer software and peripherals	14,553	4,548	3,638	9,823	32,562
Travel and meetings	7,116	2,224	1,779	4,803	15,922
Memberships	32,856	-	-	713	33,569
Professional development	8,100	2,455	974	5,898	17,427
Professional fees	1,418	443	354	957	3,172
Telephone	4,265	1,333	1,066	2,879	9,543
Copier services	798	249	200	539	1,786
Miscellaneous	2,311	722	578	1,560	5,171
Printing and graphic design	-	-	-	-	-
Postage	233	73	58	157	521
Office supplies	816	255	204	551	1,826
Depreciation	12,558	3,925	3,140	8,477	28,100
	\$ 683,691	130,599	60,729	378,618	1,253,637

See accompanying notes to the financial statements.

Philanthropy Ohio
Statement of Functional Expenses (Continued)
Year Ended December 31, 2023

Support Services					
		Resource Development	Management and General	Total	Total Expense
Salaries	\$	197,470	311,231	508,701	1,103,624
Payroll taxes and employee benefits		52,527	82,787	135,314	293,562
		249,997	394,018	644,015	1,397,186
Consulting services		-	9,373	9,373	83,873
Rent		11,913	28,129	40,042	99,278
Conference		-	-	-	217,131
Computer software and peripherals		6,549	53,711	60,260	92,822
Travel and meetings		3,202	7,561	10,763	26,685
Memberships		-	827	827	34,396
Professional development		5,785	9,117	14,902	32,329
Professional fees		638	24,856	25,494	28,666
Telephone		1,919	4,531	6,450	15,993
Copier services		359	848	1,207	2,993
Miscellaneous		1,040	2,458	3,498	8,669
Printing and graphic design		-	4,230	4,230	4,230
Postage		105	247	352	873
Office supplies		367	867	1,234	3,060
Depreciation and amortization		5,651	13,343	18,994	47,094
	\$	287,525	554,116	841,641	2,095,278

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

	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
Loss on disposal of asset	1,347	3,181	4,528	11,227
Depreciation	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
Statements of Cash Flows
Years Ended December 31, 2023 and 2022

	2023	2022
Cash flows from operating activities:		
Change in net assets	\$ (267,780)	(275,457)
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Unrealized gain on investments	(35,310)	226,776
Loss on disposal of asset	-	11,226
Depreciation	47,094	34,656
Non-cash lease expense	(16,548)	(15,981)
Effects of changes in operating assets and liabilities:		
Contributions and other receivables	160,818	(60,978)
Prepaid expenses	(870)	12,880
Accounts payable and accrued liabilities	(179,030)	87,470
Funds held on behalf of others	46,162	-
Deferred revenue	37,987	(146,990)
Net cash flows from operating activities	(207,477)	(126,398)
Cash flows from investing activities:		
Purchase of investments	(26,820)	(142,698)
Proceeds from sale of investments	324,133	378,514
Purchase of property and equipment	-	(90,851)
Net cash flows from investing activities	297,313	144,965
Cash flows from financing activities:		
Payments on financing leases	(2,508)	-
Change in cash and cash equivalents	87,328	18,567
Cash and cash equivalents - beginning of year	281,195	262,628
Cash and cash equivalents - end of year	\$ 368,523	281,195

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).

Adoption of new accounting standard

The Organization adopted FASB ASU 2016-13, Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, as amended, on January 1, 2023. Topic 326 modifies the measurement of expected credit losses on certain financial instruments. The Organization adopted this new guidance utilizing the modified retrospective transition method. The adoption of this Standard did not have a material impact on the Organization's financial statements but did change how the allowance for credit losses is determined.

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, 2023 or 2022.

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, interest and dividends are recorded net of investment expense in the statement 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, 2023 and 2022. 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 would record revenue. Conference, workshop or educational fees received in advance are deferred to the applicable period in which the event takes place.

Deferred revenue consisted of \$71,792, \$33,805, and \$180,795 as of December 31, 2023, December 31, 2022, and January 1, 2022. The amount of revenue recognized in 2023 and 2022 that was included in deferred revenue at the beginning of the year was \$33,805 and \$180,795, 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, certain costs 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 the 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. Finance leases are included in finance lease right-of-use ("ROU") assets, finance lease liability – current portion, and finance lease liability – less current portion in our statement 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 June 5, 2024, 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, 2023 and 2022:

<u>December 31, 2023</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments, at fair value:				
Mutual funds:				
Large value	\$ 75,290	-	-	75,290
Mid-cap value	50,820	-	-	50,820
Large growth	131,125	-	-	131,125
Small growth	<u>34,529</u>	<u>-</u>	<u>-</u>	<u>34,529</u>
	291,764	-	-	291,764
Bond funds	<u>325,650</u>	<u>-</u>	<u>-</u>	<u>325,650</u>
	<u>\$ 617,414</u>	<u>-</u>	<u>-</u>	<u>617,414</u>

<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>

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

	<u>2023</u>	<u>2022</u>
Interest and dividends \$	20,364	18,164
Unrealized gain	35,310	(226,776)
Capital gains	9,160	23,938
Investment fees	<u>(6,820)</u>	<u>(7,101)</u>
	<u>\$ 58,014</u>	<u>(191,775)</u>

3. CONTRIBUTIONS AND OTHER RECEIVABLES:

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

	<u>2023</u>	<u>2022</u>
Receivables due in less than one year	\$ <u>23,182</u>	<u>184,000</u>

There was no discount rate used at December 31, 2023 or 2022.

4. NET ASSETS WITH DONOR RESTRICTION:

Net assets with donor restriction at December 31, 2023 and 2022 consisted of the following:

		<u>2023</u>		<u>2022</u>
Restricted for future periods	\$	81,667		82,500
Education initiative		47,000		236,667
Health initiative		32,000		37,044
Policy		5,000		-
Other		<u>33,960</u>		<u>-</u>
	\$	<u>199,627</u>		<u>356,211</u>

During the years ended December 31, 2023 and 2022, net assets were released from donor restrictions due to the passage of time or the fulfillment of donor-imposed restrictions as follows:

		<u>2023</u>		<u>2022</u>
Time restrictions	\$	177,500		65,000
Purpose restrictions		<u>271,584</u>		<u>319,678</u>
	\$	<u>449,084</u>		<u>384,678</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. There was no employer discretionary profit sharing contribution for 2023. The employer discretionary profit sharing contribution was 3% during 2022. The Organization recognized pension expense of \$42,409 and \$62,680 during the years ended December 31, 2023 and 2022, respectively.

6. LEASE AGREEMENTS:

The Organization leases certain real estate through July 2026 and office equipment. 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, 2023, the Organization has not entered into any material leases expected to commence in 2024.

For the year ended December 31, 2023, the Organization had the following recorded in operating expenses associated with lease arrangements:

Lease expense		
Finance lease expense		
Amortization of ROU assets	\$	960
Interest on lease liabilities		165
Operating lease expense		<u>54,380</u>
 Total	 \$	 <u>55,505</u>

Other Information

Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	\$	72,051
ROU assets obtained in exchange for new finance lease liabilities	\$	11,681
Weighted-average remaining lease term in years for finance leases		4.58
Weighted-average remaining lease term in years for operating leases		2.42
Weighted-average discount rate for finance leases		4.36%
Weighted-average discount rate for operating leases		1.29%

At December 31, 2023, the following is an analysis of future minimum lease payments:

<u>Year Ending January 31:</u>	<u>Finance</u>	<u>Operating</u>
2024	\$ 2,508	73,775
2025	2,508	75,532
2026	2,508	30,927
2027	<u>2,508</u>	<u>-</u>
 Total minimum lease payments	 10,032	 180,234
 Less imputed interest	 <u>859</u>	 <u>2,720</u>
 Total operating lease liabilities	 9,173	 177,514
 Less current portion	 <u>2,146</u>	 <u>71,985</u>
	 \$ <u>7,027</u>	 <u>105,529</u>

Non-cash lease expense on the statement of cash flows includes the amortization of the lease right-of-use asset of \$52,640 and \$50,805, offset by a change in the lease liability of \$69,187 and \$66,785 for the years ended December 31, 2023 and 2022. Lease payments within operating activities were \$72,051 and \$70,359 for the year ended December 31, 2023 and 2022.

7. CONCENTRATIONS:

For the years ended December 31, 2023 and 2022, 10% and 15%, respectively, of the Organization's donations were concentrated from one donor. As of December 31, 2023 and 2022, 0% and 68%, respectively, of the Organizations contributions receivable were due from this donor. For the years ended December 31, 2023 and 2022, revenue from the annual conference was 21% and 16%, respectively of total revenue of the Organization.

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, 2023 and 2022. 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, 2023 and 2022. 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 ran 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, 2023 and 2022:

Philanthropy Ohio
Notes to the Financial Statements
December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 368,523	281,195
Contributions and other receivables	23,182	184,000
Investments	<u>617,414</u>	<u>879,416</u>
Financial assets at year-end	1,009,119	1,344,611
Less those unavailable for general expenditures:		
Restricted by donor due to time or purpose	<u>199,627</u>	<u>356,211</u>
Financial assets available to meet cash needs for general expenditures within one year	\$ <u><u>809,492</u></u>	<u><u>988,400</u></u>