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Philanthropic Ventures Foundation

December 31, 2023

Independent Auditors' Report and
Financial Statements

Philanthropic Ventures Foundation

Independent Auditors' Report And Financial Statements

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Independent Auditors' Report

THE BOARD OF DIRECTORS
PHILANTHROPIC VENTURES FOUNDATION
San Francisco, California

Opinion

We have audited the financial statements of the **PHILANTHROPIC VENTURES FOUNDATION (the Foundation)** which comprise the statement of financial position as of December 31, 2023, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as of December 31, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 the Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 12 to the financial statements, the beginning net assets as of January 1, 2023 were restated to correct misstatements. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; and for this 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 the Foundation's ability to continue as a going concern for one year from the date of this report.

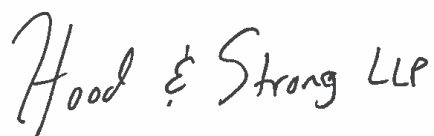
Auditors' Responsibilities for the Audit of the Financial Statements

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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

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

The image shows a handwritten signature in dark ink. The signature is written in a cursive, flowing style. It reads "Hood & Strong LLP". The "H" is large and loops around the "ood". The "&" is written as an ampersand. "Strong" is written in a similar cursive style, and "LLP" is written in a slightly more upright, but still cursive, font.

San Francisco, California
November 6, 2024

Philanthropic Ventures Foundation

Statement of Financial Position

December 31, 2023

Assets:

Cash and cash equivalents	\$ 3,648,060
Grant and contributions receivable	5,137,303
Investments	72,316,990
Program-related investments	500,000
Prepaid expenses and other assets	3,560

Total assets	\$ 81,605,913
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Liabilities and Net Assets

Liabilities:

Accounts payable and accrued expenses	\$ 11,344
Accrued employee related expenses	35,524

Total liabilities	46,868
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Net Assets:

Without donor restrictions:	
Undesignated	1,081,944
Donor-advised funds	48,857,659

Total without donor restrictions	49,939,603
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With donor restrictions	31,619,442
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Total net assets	81,559,045
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Total liabilities and net assets	\$ 81,605,913
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See accompanying notes to the financial statements.

Philanthropic Ventures Foundation

Statement of Activities and Changes in Net Assets

Year Ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support:			
Grants and contributions	\$ 3,603,859	\$ 33,129,302	\$ 36,733,161
Investment income, net	3,131,575	741,783	3,873,358
In-kind contributions	150,000		150,000
Net assets released from restrictions	20,280,243	(20,280,243)	-
Total revenue and support	27,165,677	13,590,842	40,756,519
Expenses:			
Program services:			
Fiscal sponsor program	13,773,958		13,773,958
Grant program	10,549,697		10,549,697
Supporting services:			
Management and general	198,270		198,270
Fundraising	122,051		122,051
Total expenses	24,643,976	-	24,643,976
Change in Net Assets Before Other Changes	2,521,701	13,590,842	16,112,543
Other Changes in Net Assets:			
Net assets transferred in (Note 2)	32,357,416		32,357,416
Changes in Net Assets	34,879,117	13,590,842	48,469,959
Net Assets - beginning of year	23,662,555	6,394,327	30,056,882
Net asset reclassification (Note 12)	(8,602,069)	8,602,069	-
Prior period adjustment (Note 12)		3,032,204	3,032,204
Net Assets - beginning of year as restated	15,060,486	18,028,600	33,089,086
Net Assets, end of year	\$ 49,939,603	\$ 31,619,442	\$ 81,559,045

See accompanying notes to the financial statements.

Philanthropic Ventures Foundation

Statement of Functional Expenses

Year Ended December 31, 2023

	Fiscal Sponsor Program				PVF Operational				Total
	Program Services	Management and General	Fundraising	Subtotal	Grant Program	Management and General	Fundraising	Subtotal	
Salaries and wages	\$ 2,959,804	\$ 739,951	\$	\$ 3,699,755	\$ 566,571	\$ 68,053	\$ 91,933	\$ 726,557	\$ 4,426,312
Employee benefits and taxes				-	82,873	9,954	13,448	106,275	106,275
Grants awarded	6,687,613			6,687,613	9,803,370			9,803,370	16,490,983
Insurance				-		11,710		11,710	11,710
Marketing and communication	269,206	4,000	1,993,999	2,267,205			8,960	8,960	2,276,165
Occupancy				-	42,969	5,162	6,972	55,103	55,103
Office expenses		705,485		705,485	15,053	11,649	738	27,440	732,925
Professional services		405,511		405,511	20,723	73,473		94,196	499,707
Travel and meetings				-	12,048			12,048	12,048
Other		8,389		8,389	6,090	18,269		24,359	32,748
	\$ 9,916,623	\$ 1,863,336	\$ 1,993,999	\$ 13,773,958	\$ 10,549,697	\$ 198,270	\$ 122,051	10,870,018	24,643,976

See accompanying notes to the financial statements.

Philanthropic Ventures Foundation

Statement of Cash Flows

Year Ended December 31, 2023

Cash Flows from Operating Activities:

Change in net assets	\$ 48,469,959
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:	
Realized and unrealized gain on investments	(2,993,465)
Loss from uncollectable notes receivable	444,765
Program related investments transferred to the Foundation (Note 2)	(844,765)
Net assets transferred in (Note 2)	(31,512,651)
Changes in assets and liabilities:	
Grant and contributions receivable	(4,107,303)
Prepaid expenses and other assets	2,375
Accounts payable and accrued expenses	10,779
Accrued employee related expenses	(2,367)

Net cash provided by operating activities	9,467,327
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Cash Flows from Investing Activities:

Purchases of investments	(10,892,884)
Purchase of program-related investments	(100,000)

Net cash used by investing activities	(10,992,884)
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Net Change in Cash and Cash Equivalents	(1,525,557)
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Cash and Cash Equivalents, beginning of year	5,173,617
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Cash and Cash Equivalents, end of year	\$ 3,648,060
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See accompanying notes to the financial statements.

Philanthropic Ventures Foundation

Notes to the Financial Statements

Note 1 - Organization:

Philanthropic Ventures Foundation (the Foundation) is a non-profit public benefit corporation organized in 1991. The Foundation's mission is to engage creative donors and community partners in grassroots philanthropy via radical collaboration. The Foundation brings a unique perspective to philanthropy and the way it is carried out to maximize impact, providing a valuable voice to the philanthropic sector. The Foundation's approach and vision for philanthropy has been broadcast widely through public speaking engagements, teaching, the book *Grassroots Philanthropy*, publications and social media. The Foundation has built up long-term relationships with donors, helped share their charitable giving, and is regarded as a trusted philanthropic advisor.

The Foundation's staff is in regular communication with its grantees to act as an advocate in helping them succeed in their work. In addition to administering donor-advised funds, the Foundation administers a number of immediate response grant programs supported by Foundation grants.

The Foundation also administers awards and scholarship programs and serves as a fiscal sponsor for charitable programs. The Foundation derives its revenue and support from donations from the general public, grants from other organizations, and earnings on its investment portfolio.

The Foundation currently sponsors over 75 projects based in the San Francisco Bay Area, nation-wide, and in over 20 countries. The projects represent nonprofit activities in all areas of the nonprofit sector, with current projects active in arts, capacity building, community development, education, environment and wildlife, health and wellness, networks and alliances, philanthropy, social justice, workforce and youth development. Projects may be of limited duration, incubating nonprofit organizations, public/private partnerships, or multiple funder collaborations.

Note 2 - Summary of Significant Accounting Policies:

Basis of Accounting

The financial statements of the Foundation 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) applicable to not-for-profit organizations. Accordingly, the Foundation presents information regarding its net assets and activities according to two classes of net assets.

Net Assets Without Donor Restrictions:

The portion of net assets not subject to time or donor-imposed restrictions may be expended for any purpose in performing the primary objective of the Foundation. Net assets without donor restrictions may be designated for use by management or the Board of Trustees (the Board). This category also includes donor-advised funds to support the philanthropic goals of the Foundation. The Foundation has variance power over these funds.

Philanthropic Ventures Foundation

Notes to the Financial Statements

Net Assets With Donor Restrictions:

The portion of net assets whose use by the Foundation is limited by donor-imposed stipulations that will either expire by passage of time or can be fulfilled and removed by specified actions of the Foundation. Net assets with donor restrictions include restricted contributions that are unconditionally promised for receipt in the future, purpose-restricted grants, and donor-restricted endowment funds.

Cash and Cash Equivalents

All cash and highly liquid financial instruments with an original maturity of three months or less when purchased, and which are neither held for nor restricted by donors for long-term purposes, are considered to be cash and cash equivalents.

Grants and Contributions Receivable

Grants and contributions receivable consist primarily of unconditional commitments received from individuals and foundations. Long-term receivables are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using the interest rate applicable in the year in which those promises were received.

The Foundation uses the allowance method to account for uncollectible grants receivable. The reserve against contributions receivable is based on historical experience and an evaluation of the outstanding receivables at year end.

Investments

Investments are reported at fair value. Changes in fair values as well as realized gains and losses are reflected in the Statement of Activities and Changes in Net Assets. Dividend and interest income are accrued when earned and investment expenses are reported as a reduction of investment income.

Fair Value Measurements

The Foundation carries certain assets and liabilities at fair value. Fair value is defined as 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. The Foundation classifies its financial assets and liabilities according to three levels and maximizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value.

Level 1 – inputs are unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 – inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly, such as quoted prices for similar securities and quoted prices in inactive markets.

Philanthropic Ventures Foundation

Notes to the Financial Statements

Level 3 – inputs are unobservable and reflect the Foundation’s determination of assumptions that market participants might reasonably use in valuing the securities.

Program-Related Investments

Program-related investments are investments that would not be made were it not for the relationship of the investment to the Foundation’s programmatic mission. Although the underlying investment may or may not have a profit motive, that is not the primary focus of the investment by the Foundation.

The Foundation records notes receivable at cost less an estimate for expected credit losses, based upon a review of all outstanding amounts on a regular basis. Management determines the allowance for credit losses by considering historical experience, an evaluation of specific notes receivables, an organization’s financial condition and current economic conditions, and current forecasts of future economic conditions. Over the time horizon the Foundation is exposed to credit risk, and payment terms or conditions that may materially affect future forecasts. Notes receivables are written off when deemed uncollectible. Recoveries of notes receivables previously written off are recorded as income when received.

Revenue Recognition

Grants and contributions are recognized when cash, securities or other assets, or an unconditional promise to give is received. Grants and contributions received for a specific fiscally-sponsored project are reported with donor restrictions. The Foundation reports contributions that are restricted by the donor as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities and Changes in Net Assets as net assets released from restrictions.

Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met. As of December 31, 2023, the Foundation had one conditional grant for approximately \$250,000, for which future payments are contingent upon meeting specific milestones.

Contributed services are recognized as in-kind revenues at their estimated fair value if they require a specialized skill that would need to be purchased if they are not donated. Contributed goods are recognized as in-kind contributions at their estimated fair value. For the year ended December 31, 2023, the Foundation recorded \$150,000 for in-kind salary donated by its Chief Executive Officer. This was valued using comparable market rates for similar services in the area and was utilized in programmatic and administrative areas.

Philanthropic Ventures Foundation

Notes to the Financial Statements

Fiscal Sponsorship Projects

All the financial activity of the Foundation's fiscally-sponsored projects ("FSPs") is aggregated for financial statement purposes. The related funds, however, are kept strictly segregated in individual fund accounts. The majority of FSPs (those in a comprehensive fiscal sponsorship relationship) are legally a part of the Foundation. A handful of projects are in a "pre-approved grant" fiscal sponsorship relationship and those projects are separate legal entities.

It is the nature of the fiscal sponsorship business to have a variable portfolio. The Foundations' project roster can fluctuate regularly with time-limited projects completing, maturing nonprofits spinning off into their own 501(c)(3) organizations, and new start-ups signing up throughout each year.

In the event that an existing FSP is incorporated into the Foundation's portfolio, any assets transferred in are recorded at fair value on the Statement of Activities and Changes in Net Assets. For the year ended December 31, 2023, there was one existing Donor-Advised Fund that transferred its net assets of \$32,357,416 from another Foundation. Subsequent to year end, the Foundation received an additional distribution to the same Donor-Advised Fund of \$1,840,810. Subsequent to year end, the Foundation transferred an existing FSP to another nonprofit organization, the transfer included \$3,400,000 of grants and contributions receivable and \$1,000,000 of cash.

In situations where a sponsored project attains status as an independent entity and ends the fiscal sponsorship relationship with the Foundation, the respective project's funds are recognized as a grant to a newly-created entity.

Grants and Grants Payable

Grants are made to tax-exempt organizations with objectives consistent with the mission of the Foundation and fiscally sponsored projects. Grant expense is recorded when the Foundation or fiscally sponsored projects make an unconditional promise to give and a signed agreement is received. Conditional promises to give are recognized as grant expense in the period in which the recipient meets the terms of the condition. During the year ended December 31, 2023, the Foundation or fiscally sponsored projects did not have any conditional grants. Grant cancellations or unspent funds are recorded in the year cancelled or the funds are returned. As of December 31, 2023, the Foundation did not have grants payable.

Endowment Funds

The Foundation follows the guidance of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 958-205 *Endowments of Not-for-Profit Organizations – Net Assets Classification of Funds Subject to Enacted Version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA)*, and *Enhanced Disclosures for All Endowment Funds*. The State of California adopted a version of UPMIFA as its State Prudent Management of Institutional Funds Act (SPMIFA).

Philanthropic Ventures Foundation

Notes to the Financial Statements

Interpretation of Relevant Law

The Board has determined that the Foundation holds net assets that meet the definition of endowment funds under SPMIFA.

The corpus value of funds subject to SPMIFA represents the fair value of the original gift as of the gift date and the original value of subsequent gifts and is classified as with donor restriction in cases where the donor indicated that a portion of the fund be retained permanently. The excess balance is classified as with donor restrictions until appropriated, at which time the appropriation is reclassified to net assets without donor restrictions.

In accordance with SPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the fund, (2) the purposes of the Foundation and the donor-restricted endowment fund, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Foundation, and (7) the investment policies of the Foundation.

Investment and Spending Policies

The Foundation implements a long-term investment strategy based on broad asset class diversification including the use of liquid assets, equities, and fixed income. The Foundation has long-term investment policy targets and permitted ranges for each asset class within the portfolio.

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowments while seeking to maintain the purchasing power of the endowment assets. The Foundation's spending and investment policies work together to achieve this objective. The current long-term return objective is to earn the spending policy percentage plus inflation, net of investment fees. Actual returns in any given year may vary from this amount. To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk parameters.

The Foundation has a policy of appropriating for distribution each year an amount of 3.5% of its endowment portfolio. The Board of Directors may request all, a portion, or none of the appropriation be distributed in accordance with the endowment fund's purpose as defined by the endowment agreement or applicable Board resolution. Any portion of the appropriation not distributed by the Board of Directors shall be kept in the endowment fund, to be governed by the endowment investment policy, and be available for future distributions in accordance with the distribution policy.

Philanthropic Ventures Foundation

Notes to the Financial Statements

Allocation of Functional Expenses

The costs of program and supporting service activities have been summarized on a functional basis in the Statement of Activities and Changes in Net Assets. The Statement of Functional Expenses presents the natural and functional classification detail of expenses. Certain costs have been allocated among the programs and supporting services benefited. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and wages, employee benefits and taxes, occupancy, office expenses, and other, which are allocated on the basis of estimates of time and effort.

Income Tax Status

The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code ("IRC") and California franchise and/or income taxes under Section 23701d of the California Revenue and Taxation Code.

As of December 31, 2023, management evaluated the Foundation's tax positions and concluded that Foundation had maintained its tax-exempt status and had taken no uncertain tax positions that required adjustment to the financial statements.

Estimates

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

Recent Accounting Pronouncements

Pronouncement adopted during the current period

In June 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which created a new credit impairment standard for financial assets. The ASU requires notes receivable measured at amortized cost to be presented at the net amount expected to ultimately be collected. The allowance for credit losses includes all losses that are expected to occur over the remaining life of the asset, rather than incurred losses through the date of the financial statements. Changes in the allowance for credit losses are recorded in the Statement of Activities and Changes in Net Assets as amounts expected to be collected change. Grants and contributions recorded as receivable are excluded from the new impairment standard. The Foundation adopted the standard beginning January 1, 2023. The adoption of this standard did not have a material impact on these financial statements.

Philanthropic Ventures Foundation

Notes to the Financial Statements

Pronouncements effective in the future

In December 2023, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2023-08, *Intangibles—Goodwill and Other—Crypto Assets (Subtopic 350-60): Accounting for and Disclosure of Crypto Assets*. ASU 2023-08 requires that an entity measure crypto assets at fair value in the statement of financial position each reporting period and recognize changes from remeasurement in net income. The ASU also requires that an entity provide enhanced disclosures for annual reporting periods to provide relevant information to analyze and assess the exposure and risk of significant individual crypto asset holdings. This ASU is effective for the Foundation beginning on January 1, 2025. The Foundation is currently evaluating the impact of this new guidance on its financial statements.

Subsequent Events

The Foundation evaluated subsequent events with respect to the financial statements for the year ended December 31, 2023 through November 6, 2024, the date these financial statements were available to be issued, and has determined that there were no adjustments are necessary to the amounts reported in the accompanying financial statements nor have any subsequent events occurred, the nature of which would require, except as discussed in Note 2.

Note 3 - Grants and Contributions Receivable:

At December 31, 2023, grants and contributions receivable totaled \$5,137,303. The receivables are expected to be collected as follows:

Less than one year	\$ 3,387,303
One to five years	1,750,000
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Total	\$ 5,137,303

Philanthropic Ventures Foundation

Notes to the Financial Statements

Note 4 - Investments and Fair Value Measurement:

Investments consisted of the following at December 31, 2023:

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Cash and cash equivalents	\$ 31,752,293		\$ 31,752,293
U.S. Treasury bills	13,356,879		13,356,879
Equities	11,195,211		11,195,211
Mutual funds:			
Fixed income	3,477,646		3,477,646
Equity	3,638,666		3,638,666
Corporate debt		\$ 1,346,633	1,346,633
Assets measured at fair value	63,420,695	1,346,633	64,767,328
Certificates of deposit			7,549,662
Total	\$ 63,420,695	\$ 1,346,633	\$ 72,316,990

The fair value schedule above does not include certificates of deposit. Certificates of deposit are excluded from fair value measurements as they do not meet the definition of an equity security.

Investment income consisted of the following for the year ended December 31, 2023:

Realized and unrealized gains	\$ 2,993,465
Loss from uncollectable notes receivable	(444,765)
Dividends and interest	1,611,184
Management fees	(286,526)
Investment income, net	\$ 3,873,358

Investments, in general, are exposed to various risks, such as interest rate risk, credit risk, and overall market volatility. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

Philanthropic Ventures Foundation

Notes to the Financial Statements

Note 5 - Program-related Investments:

Program related investments consisted of the following at December 31, 2023:

	<u>Outstanding Balance</u>	<u># of Loans</u>	<u>Interest Rates</u>	<u>Collections within One Year</u>	<u>Collections within Two - Five Years</u>
Program related investment notes receivable	\$ 500,000	1	2.0%		\$ 500,000

The Foundation's Program-related Investments include a promissory note to an organization that provides short-term bridge loans to social impact organizations. As of December 31, 2023, two notes totaling \$444,765 were determined to be uncollectable and were written off and reflected as a component of investment income, net.

Note 6 - Endowment:

Endowment net assets as of December 31, 2023 and changes during the year then ended are presented below:

	<u>With Donor Restrictions</u>		
	<u>Earnings</u>	<u>Corpus</u>	<u>Total</u>
Endowment assets, beginning of year	\$ 1,244,327	\$ 4,650,000	\$ 5,894,327
Prior period adjustment	(201,498)		
Endowment assets, beginning of year as restated	1,042,829	4,650,000	5,692,829
Investment return:			
Investment income	156,335		156,335
Investment fees	(41,417)		(41,417)
Net appreciation (realized and unrealized)	557,484		557,484
Total investment return	672,402	-	672,402
Endowment spending and appropriation	(208,966)		(208,966)
Endowment assets, end of year	\$ 1,506,265	\$ 4,650,000	\$ 6,156,265

Philanthropic Ventures Foundation

Notes to the Financial Statements

The Foundation corrected the beginning balance of the endowment earnings to agree to the Foundation's accounting records. The spending and appropriation amount from 2017 was not correctly applied to the endowment schedule during that year and the error was carried forward.

Note 7 - Net Assets With Donor Restrictions:

Net assets with donor restrictions are restricted for the following purposes or periods at December 31, 2023:

Time and purpose restricted:

Endowment earnings	\$ 1,506,265
Arts	1,575,962
Community Development	6,520,295
Education	2,356,660
Environment	195,127
Health	2,521,536
Safety Net	631,619
Scientific Research	6,795,875
Social Justice	3,232,291
Workforce Development	1,633,812
Perpetual restrictions:	
Endowment corpus	4,650,000

Total	\$ 31,619,442
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Philanthropic Ventures Foundation

Notes to the Financial Statements

Net Assets were released from donor restrictions by incurring expenses satisfying the purposes specified by donors as follows during the year ended December 31, 2023:

Arts	\$ 227,685
Community Development	4,098,965
Education	4,006,299
Environment	604,633
Health	2,189,730
Safety Net	1,577,549
Scientific Research	138,428
Social Justice	4,950,274
Workforce Development	2,277,714
Endowment spending and appropriation	208,966
Total	\$ 20,280,243

Note 8 - Liquidity and Availability:

Financial assets available to meet cash needs for general expenditures within one year of the financial statement date were as follows as of December 31, 2023:

Cash and cash equivalents	\$ 3,648,060
Grant and contributions receivable	5,137,303
Investments	72,316,990
Total financial assets	81,102,353
Less those unavailable for general expenditures within one year due to:	
Net assets with donor restrictions	(31,619,442)
Donor-advised funds	(48,857,659)
Add net assets with purpose and time restrictions to be met in less than one year	10,686,800
	(69,790,301)
Financial assets available to meet cash needs for general expenditures within one year	\$ 11,312,052

Philanthropic Ventures Foundation

Notes to the Financial Statements

The Foundation maintains cash in its checking account to meet at least 90 days of normal operation expenses. Grants are paid from the checking account or directly from the investment account, which maintains sufficient cash and investments to cover future grant payments. Certain financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the date of the financial statements. The amount of net assets with restrictions to be met in less than one year is the Foundation's estimate that is subject to change based on need.

Note 9 - Retirement Plan:

The Foundation has a noncontributory defined contribution pension plan covering all full-time employees with one or more years of eligible service. The Foundation may contribute up to 10% of each eligible employee's gross salary. Contribution expense for the year ended December 31, 2023 was \$35,228.

Note 10 - Concentration of Credit Risk:

Financial instruments which potentially subject the Foundation to credit risk consist primarily of cash and cash equivalents and contributions receivable.

The Foundation maintains its cash in bank accounts which, at times, may exceed federally insured limits. The Foundation has not experienced any losses in such accounts, and management believes the Foundation is not exposed to any significant credit risk related to cash.

Grants and contributions receivable at year end consisted primarily of unsecured amounts due from two foundations representing approximately 68% of the grants receivable balance.

Contributions are received primarily from foundations. The Foundation received contributions from one contributor that represented approximately 19% of the Foundations 's total contributions for the year ended December 31, 2023.

Note 11 - Contingencies:

Certain grants received require the fulfillment of certain conditions set forth in the terms of the grant. Failure by the Foundation to fulfill those conditions could result in the return of the funds to the grantors. The Foundation deems this contingency remote because each of the grants and the embedded terms are consistent with the objectives of the Foundation and align with the Foundation's activities. The Foundation's management is of the opinion that the Foundation has complied with the terms of all grants.

The Foundation maintains a diverse investment portfolio, without any concentration of risk in any particular industry sector. Due to the level of risk associated with certain investments, it is possible that changes in the values of these investments could occur in the near term. Such changes could materially affect the amounts reported in the financial statements.

Philanthropic Ventures Foundation

Notes to the Financial Statements

Note 12 - Reclassification of Net Assets and Prior Period Adjustment:

The Foundation restated its net assets as of December 31, 2022 to properly account for unconditional and donor-restricted contributions and to eliminate grants payable that represented ending balances of restricted contributions. The Foundation also reclassified the fund balances for its fiscal sponsorship programs as of December 31, 2022 to reflect existing donor restrictions. The effect of this restatement on the Statement of Financial Position for the year ended December 31, 2022 has been summarized below:

	As Originally Reported	As Restated	Effect of Change
Grants receivable, net	\$ 500,000	\$ 1,030,000	\$ 530,000
Total assets	\$ 32,597,542	\$ 33,127,542	\$ 530,000
Grants payable	\$ 2,502,204	\$ -	\$ (2,502,204)
Total liabilities	2,540,660	38,456	(2,502,204)
Without donor restriction	23,662,555	15,060,486	(8,602,069)
With donor restriction	6,394,327	18,028,600	11,634,273
Total net assets	30,056,882	33,089,086	3,032,204
Total liabilities and net assets	\$ 32,597,542	\$ 33,127,542	\$ 530,000