

FOCUSING PHILANTHROPY, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2023

WITH SUMMARY COMPARATIVE INFORMATION FOR 2022

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Focusing Philanthropy, Inc.:

Opinion

We have audited the accompanying financial statements of Focusing Philanthropy, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses, and cash flows for the year 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 Focusing Philanthropy, Inc. as of December 31, 2023, and the changes in 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. 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 Focusing Philanthropy, Inc. 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.

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 Focusing Philanthropy, Inc.'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 Focusing Philanthropy, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Focusing Philanthropy, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

Report on Summarized Comparative Information

We have previously audited Focusing Philanthropy, Inc.'s 2022 financial statements and expressed an unmodified audit opinion on those audited financial statements in our report dated April 24, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

The logo for Evergreen Alliance, featuring the company name in a stylized, cursive script font.

Los Alamitos, California

April 24, 2024

**FOCUSING PHILANTHROPY, INC.
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2023 AND 2022**

	December 31,	
	2023	2022
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 6,707,745	\$ 4,796,536
Related party receivable	10,884	7,965
Total Current Assets	6,718,629	4,804,501
PROPERTY AND EQUIPMENT, NET	25,377	24,761
NON-CURRENT ASSETS		
Investments	1,337,427	1,691,129
Right-of-use intangible asset, net	194,818	287,453
Security deposit	7,484	7,484
Total Non-Current Assets	1,539,729	1,986,066
TOTAL ASSETS	\$ 8,283,735	\$ 6,815,328
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 4,153,342	\$ 5,685
Credit card payable	7,007	13,410
Accrued employee related expenses	4,868	4,158
Lease liability, current portion	98,819	92,926
Total Current Liabilities	4,264,036	116,179
NON-CURRENT LIABILITIES		
Lease liability, net of current portion	113,897	212,716
Total Non-Current Liabilities	113,897	212,716
TOTAL LIABILITIES	4,377,933	328,895
NET ASSETS		
Without donor restrictions	472,065	1,767,094
With donor restrictions	3,433,737	4,719,339
TOTAL NET ASSETS	3,905,802	6,486,433
TOTAL LIABILITIES AND NET ASSETS	\$ 8,283,735	\$ 6,815,328

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

FOCUSING PHILANTHROPY, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023
WITH SUMMARY COMPARATIVE INFORMATION FOR 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>December 31,</u>	
			<u>2023</u>	<u>2022</u>
REVENUE AND SUPPORT				
Contributions	\$ 332,012	\$ 23,831,929	\$ 24,163,941	\$ 23,182,007
In-kind contributions	--	246,245	246,245	243,921
Investment returns, net	(664,620)	--	(664,620)	610,530
Net assets released from restrictions	<u>25,363,776</u>	<u>(25,363,776)</u>	<u>--</u>	<u>--</u>
TOTAL REVENUE AND SUPPORT	25,031,168	(1,285,602)	23,745,566	24,036,458
EXPENSES				
Program services	25,733,502	--	25,733,502	22,264,296
Supporting services:				
Management and general	420,531	--	420,531	344,638
Fundraising	<u>172,164</u>	<u>--</u>	<u>172,164</u>	<u>143,022</u>
TOTAL EXPENSES	<u>26,326,197</u>	<u>--</u>	<u>26,326,197</u>	<u>22,751,956</u>
CHANGE IN NET ASSETS	(1,295,029)	(1,285,602)	(2,580,631)	1,284,502
NET ASSETS AT BEGINNING OF YEAR	<u>1,767,094</u>	<u>4,719,339</u>	<u>6,486,433</u>	<u>5,201,931</u>
NET ASSETS AT END OF YEAR	<u>\$ 472,065</u>	<u>\$ 3,433,737</u>	<u>\$ 3,905,802</u>	<u>\$ 6,486,433</u>

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

FOCUSING PHILANTHROPY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023
WITH SUMMARY COMPARATIVE INFORMATION FOR 2022

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>December 31,</u>	
				<u>2023</u>	<u>2022</u>
PERSONNEL EXPENSES					
Salaries and wages	\$ 173,396	\$ 132,689	\$ 70,774	\$ 376,859	\$ 360,026
Employee benefits and taxes	7,861	6,016	3,209	17,086	35,135
TOTAL PERSONNEL EXPENSES	<u>181,257</u>	<u>138,705</u>	<u>73,983</u>	<u>393,945</u>	<u>395,161</u>
OTHER EXPENSES					
Grants	25,363,776	--	--	25,363,776	21,719,847
Professional services:					
Accounting	--	53,784	--	53,784	55,145
Consultants	55,002	19,800	32,381	107,183	103,670
Office expenses	12,495	9,561	5,100	27,156	31,827
Travel	7,382	5,649	3,014	16,045	62,250
Depreciation and amortization	4,114	3,148	1,680	8,942	10,944
Bank and merchant fees	--	81,305	--	81,305	80,236
Dues and subscriptions	1,423	1,089	580	3,092	3,471
Hardware and software	39,699	30,379	16,204	86,282	94,429
Insurance	--	24,803	--	24,803	29,038
Advertising and outreach	--	--	11,322	11,322	12,423
Occupancy	61,184	46,821	24,973	132,978	144,582
Repairs and maintenance	7,170	5,487	2,927	15,584	8,933
TOTAL OTHER EXPENSES	<u>25,552,245</u>	<u>281,826</u>	<u>98,181</u>	<u>25,932,252</u>	<u>22,356,795</u>
TOTAL EXPENSES	<u>\$ 25,733,502</u>	<u>\$ 420,531</u>	<u>\$ 172,164</u>	<u>\$ 26,326,197</u>	<u>\$ 22,751,956</u>

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

FOCUSING PHILANTHROPY, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	December 31,	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$(2,580,631)	\$ 1,284,502
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	8,942	10,944
Contribution of securities	(246,245)	(243,920)
Realized gains on sales of securities	(114,479)	(118,525)
Unrealized gains on investments	(77,437)	518,449
Change in operating assets and liabilities:		
Related party receivable	(2,919)	(7,965)
Right-of-use intangible asset	92,635	(287,453)
Accounts payable and accrued expenses	4,147,657	(5,685)
Credit card payable	(6,403)	2,736
Accrued employee related expenses	710	1,374
Lease liability	(92,926)	305,642
Deferred rent	--	(5,890)
Net Cash Provided By Operating Activities	1,128,904	1,454,209
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(9,558)	(3,638)
Purchases of investments	(12,979,939)	(8,923,165)
Proceeds from sales of securities	13,771,802	10,046,464
Net Cash Provided By Investing Activities	782,305	1,119,661
NET CHANGE IN CASH & CASH EQUIVALENTS	1,911,209	2,573,870
CASH & CASH EQUIVALENTS AT BEGINNING OF YEAR	4,796,536	2,222,666
CASH & CASH EQUIVALENTS AT END OF YEAR	\$ 6,707,745	\$ 4,796,536
SUPPLEMENTAL DISCLOSURES		
Cash paid for interest	NONE	NONE
Cash paid for income taxes	NONE	NONE
Noncash investing transactions	NONE	NONE
Noncash financing transactions	NONE	NONE

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

FOCUSING PHILANTHROPY, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
WITH SUMMARY COMPARATIVE INFORMATION FOR 2022

NOTE 1 – Organization and Nature of Activities

Focusing Philanthropy, Inc. (the Organization) is a nonprofit corporation that identifies, evaluates and presents opportunities for personal philanthropy, all from the perspective of donors who wish to be confident that funds contributed are achieving the greatest possible impact.

Management believes extraordinary impact is possible if we focus on root causes, maximize leverage, act on solid information, and pool our efforts. We believe donations should be made with the same level of strategic intent, information, and confidence as other investments. That is why we target serious human challenges that individual donors can successfully address; choose tactics that are demonstrably effective; identify confidence-inspiring implementing partners; conduct ongoing monitoring; and assure substantive reporting.

Revenue consists mainly of contributions and investment income.

NOTE 2 – Summary of Significant Accounting Policies

Basis of Presentation of Financial Statements

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with United States Generally Accepted Accounting Principles (US GAAP). The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Comparative Financial Information

The accompanying financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a full comparison of operations year over year. Accordingly, these comparative financial statements should be read in conjunction with our audited financial statements for the year ended December 31, 2022, from which the summarized information was derived.

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.

Related Party Receivable

Accounts receivable consists of amounts due from a related party for shared employee costs.

FOCUSING PHILANTHROPY, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
WITH SUMMARY COMPARATIVE INFORMATION FOR 2022

NOTE 2 – Summary of Significant Accounting Policies (*continued*)

Property and Equipment

The Organization's policy is to capitalize asset additions over \$500. Property and equipment are stated at cost, with the exception of donated equipment, which is recorded at fair market value on the date received. Depreciation and amortization have been provided on the straight-line method over the estimated useful lives of the assets, which are generally five to seven years. Expenditures for repairs and maintenance are expensed as incurred.

Investments

Investments are reported at cost, if purchased, or at fair value, if donated. Thereafter, investments are reported at their fair value in the statement of financial position, and changes in fair value are reported as investment return in the statement of activities. Information about the fair value of investments and the unrealized losses is discussed in Note 6.

Purchases and sales of securities are reflected on a trade-date basis. Gains and losses on sales of securities are based on average cost and are recorded in the statement of activities in the period in which the securities are sold. Interest and dividends are recorded when earned.

Leases

The Organization has entered into an operating lease for office space. The obligation associated with this lease has been recognized as a liability in the statement of financial position based on future lease payments, discounted by the risk free rate. Lease terms may include options to extend or terminate certain leases. The value of a lease is reflected in the valuation if it is reasonably certain management will exercise an option to extend or terminate a lease. See Note 9 for additional information surrounding leases.

Revenue Recognition

Revenue is recognized when earned. Contributions are recognized when cash, securities or other assets, an unconditional promise to give or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

In-Kind Goods and Services

Contributed goods are recorded at fair value at the date of donation. During the years ended December 31, 2023, and 2022, contributed goods totaled \$246,245 and \$243,921, respectively, and included donated securities. The Organization did not receive donated professional services during the years ended December 31, 2023, and 2022. See Note 8 for additional information surrounding gift-in-kind contributions.

FOCUSING PHILANTHROPY, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
WITH SUMMARY COMPARATIVE INFORMATION FOR 2022

NOTE 2 – Summary of Significant Accounting Policies (*continued*)

Classification of Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets without Donor Restrictions – Net assets available for use in general operations and not subject to donor or grantor restrictions.

Net Assets with Donor Restrictions – Net assets subject to donor or grantor restrictions. Some donor-imposed restrictions are temporary in nature, for example, restrictions that may or will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, for example stipulating those resources be maintained in perpetuity. Law may extend those limits to investment returns from those resources and to other enhancements (diminishments) of those resources. Thus, laws extend to donor-imposed restrictions. The expirations of donor-imposed restrictions are recognized when a restriction expires, that is when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

As of December 31, 2023, and 2022, the Organization had \$3,433,737 and \$4,719,339 of net assets with donor restrictions, respectively.

Advertising and Outreach

Advertising and outreach expenditures are charged to operations when incurred. Advertising and outreach for the years ended December 31, 2023, and 2022, was \$11,322 and \$12,423, respectively.

Income Tax Status

The Organization received tax-exempt status from the Internal Revenue Service and Franchise Tax Board under Section 501(c)(3) of the Internal Revenue Code and Revenue and Taxation Code Section 23701d, respectively.

Since the Organization is exempt from federal and state income tax liability, no provision is made for current or deferred income taxes. The Organization uses the same accounting methods for tax and financial reporting. Management has considered its tax positions and believes that all of the positions taken in its federal and state exempt organization returns are more likely than not to be sustained upon examination. The Organization's returns are subject to examination by federal and state taxing authorities, generally for three years and four years, respectively, after they are filed.

FOCUSING PHILANTHROPY, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
WITH SUMMARY COMPARATIVE INFORMATION FOR 2022

NOTE 2 – Summary of Significant Accounting Policies (*continued*)

Estimates

Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities and the reported revenues and expenses. Actual results could differ from such estimates and those differences could be material.

Financial Instruments and Credit Risk

Deposit concentrations are managed by placing cash with financial institutions believed to be creditworthy. At times, amounts on deposit may exceed insured limits. To date, the Organization has not experienced losses in any of these accounts. Investments are made by diversified investment managers whose performance is monitored by the Organization and the Board of Directors. Although fair values of investments are subject to fluctuations on a year-to-year basis, the Organization believes that the investment policies and guidelines are prudent for the long-term welfare of the Organization.

Subsequent Events

The Organization has evaluated subsequent events through April 24, 2024, which is the date the financial statements were available to be issued for the year ended December 31, 2023, and noted no items to disclose.

NOTE 3 – Liquidity and Availability

Financial assets available for general expenditures within one year are as follows as of December 31:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 6,707,745	\$ 4,796,536
Investments	1,337,427	1,691,129
Less: donor-imposed restricted net assets	(3,433,737)	(4,719,339)
Total financial assets available within one year	<u>\$ 4,611,435</u>	<u>\$ 1,768,326</u>

As part of the Organization’s liquidity management plan, bond and stock investments are sold in time to cover grant disbursements. Additionally, all general overhead expenditure needs are funded by a donor advised fund advised by the Organization’s Founder and Chairman of the Board.

FOCUSING PHILANTHROPY, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
WITH SUMMARY COMPARATIVE INFORMATION FOR 2022

NOTE 4 – Related Party Receivable

Accounts receivable are summarized as follows at December 31:

	<u>2023</u>	<u>2022</u>
Related party receivable	\$ 10,884	\$ 7,965

There was no allowance for doubtful accounts deemed necessary by management at December 31, 2023, and 2022.

NOTE 5 – Property and Equipment

Property and equipment are summarized as follows at December 31:

	<u>2023</u>	<u>2022</u>
Office equipment and furniture	\$ 84,217	\$ 77,509
Leasehold improvements	61,420	58,570
Less: accumulated depreciation and amortization	(<u>120,260</u>)	(<u>111,318</u>)
Total	<u>\$ 25,377</u>	<u>\$ 24,761</u>

Depreciation and amortization expenses totaled \$8,942 and \$10,944 for the years ended December 31, 2023, and 2022, respectively.

NOTE 6 – Fair Value Measurement

The Organization reports certain assets at fair value in the financial statements. Fair value is the price that would be received to sell assets in an orderly transaction in the principal, most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the assets, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the assets based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset based on the best information available.

A three-tier hierarchy categorizes the inputs as follows:

- *Level 1* inputs are quoted prices (unadjusted) in active markets for identical assets that the Organization has the ability to access at the measurement date.
- *Level 2* inputs are inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly.
- *Level 3* inputs are unobservable inputs for the asset.

FOCUSING PHILANTHROPY, INC.
NOTES TO THE FINANCIAL STATEMENTS
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WITH SUMMARY COMPARATIVE INFORMATION FOR 2022

NOTE 6 – Fair Value Measurement (continued)

In some cases, the inputs used to measure the fair value of an asset might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to the entire measurement requires judgment, taking into account factors specific to the asset. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to an assessment of the quality, risk or liquidity profile of the asset.

The following table presents assets that are measured at fair value on a recurring basis at December 31, 2023:

		<u>Fair Value Measurements at Reporting Date Using</u>		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	<u>Fair Value</u>			
Stocks	\$ 710,513	\$ 710,513	\$ --	\$ --
Mutual Funds	626,914	626,914	--	--
	<u>\$ 1,337,427</u>	<u>\$ 1,337,427</u>	<u>--</u>	<u>--</u>

The following table presents assets that are measured at fair value on a recurring basis at December 31, 2022:

		<u>Fair Value Measurements at Reporting Date Using</u>		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	<u>Fair Value</u>			
Stocks	\$ 928,608	\$ 928,608	\$ --	\$ --
Mutual Funds	762,521	762,521	--	--
	<u>\$ 1,691,129</u>	<u>\$ 1,691,129</u>	<u>--</u>	<u>--</u>

NOTE 7 – Net Assets with Donor Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes. Purpose restrictions accomplished in 2023 and 2022 totaled \$25,363,776 and \$21,719,847, respectively. As of December 31, 2023, and 2022, the balance of net assets with donor restrictions totaled \$3,433,737 and \$4,719,339, respectively.

FOCUSING PHILANTHROPY, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
WITH SUMMARY COMPARATIVE INFORMATION FOR 2022

NOTE 8 – Gift-in-Kind Contributions

The Organization’s financial statements include the following gift-in-kind contribution revenue for the years ended December 31:

	<u>2023</u>	<u>2022</u>
Donated securities	\$ 246,245	\$ 243,921

Donated securities received by the Organization during the years ended December 31, 2023, and 2022, were provided with donor restrictions specific to administrative and operating expenses.

NOTE 9 – Leases

The Organization is committed under a real property lease for premises in Santa Monica, California, which began in September 2015. The lease expires January 31, 2026. The right-of-use asset and corresponding liability associated with future lease payments at December 31, 2023, and December 31, 2022, are shown below.

Right-of-Use Intangible Asset

A summary of lease asset activity for the years ended December 31:

	<u>2023</u>	<u>2022</u>
Right-of-use intangible asset	\$ 380,087	380,088
Less: accumulated asset amortization	(185,269)	(92,635)
Total lease asset, net	<u>\$ 194,818</u>	<u>\$ 287,453</u>

Lease Liability

A summary of changes in the related lease liabilities for the years ended December 31:

	<u>2023</u>	<u>2022</u>
Lease liability	\$ 305,642	385,978
Less: liability principal reduction	(92,926)	(80,336)
Total lease liability	<u>\$ 212,716</u>	<u>\$ 305,642</u>

The lease liability balance of \$212,716 consists of lease liability, current portion of \$98,819, and lease liability, net of current portion of \$113,897, at December 31, 2023.

FOCUSING PHILANTHROPY, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
WITH SUMMARY COMPARATIVE INFORMATION FOR 2022

NOTE 9 – Leases (continued)

Future Lease Payments

Future minimum lease payments are as follows:

For the Year Ending December 31,

2024	\$ 103,852
2025	106,968
2026	<u>8,936</u>
Total	<u>\$ 219,756</u>

NOTE 10 – Functional Expenses

The costs of program activities and supporting services have been summarized on a functional basis in the statement of activities. 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, professional services - consultants, office expenses, travel, depreciation and amortization, dues and subscriptions, hardware and software, occupancy, and repairs and maintenance, which are allocated on the basis of estimates of time and effort.

NOTE 11 – Related Party Transactions

The Organization received contributions totaling \$614,430 and \$2,273,029 from the Chairman of the Board, other board members and staff for the years ended December 31, 2023, and 2022, respectively.