

HISPANICS IN PHILANTHROPY AND AFFILIATE

Notes to Combined Financial Statements For the Years Ended December 31, 2023 and 2022

Note 5 - Property and Equipment

Property and equipment consist of the following as of December 31:

	<u>2023</u>	<u>2022</u>
Computer equipment and software	\$ 356,128	\$ 270,221
Accumulated depreciation	<u>(107,982)</u>	<u>(32,588)</u>
Total Property and Equipment, Net	<u>\$ 248,146</u>	<u>\$ 237,633</u>

Note 6 - Net Assets With Donor Restrictions

Net assets with donor restrictions were restricted for various programs in the following locations as of December 31:

	<u>2023</u>	<u>2022</u>
Latin America region	\$ 8,025,787	\$ 7,996,612
United States region	<u>2,938,368</u>	<u>1,883,829</u>
Total Net Assets With Donor Restrictions	<u>\$ 10,964,155</u>	<u>\$ 9,880,441</u>

As of December 31, 2023 and 2022, net assets for general operations but restricted for time totaled \$2,180,204 and \$175,000 respectively. The initiatives of the Organization, as disclosed on Note 1, are holistic and dynamic; therefore, management believes the most reasonable categorization of net assets with donor restrictions is by region instead of specific project.

Net assets released from restrictions for ongoing programs are as follows during the years ended December 31:

	<u>2023</u>	<u>2022</u>
Latin America region	\$ 7,676,714	\$ 2,955,937
United States region	<u>3,762,241</u>	<u>6,910,024</u>
Total Net Assets Released From Restrictions	<u>\$ 11,438,955</u>	<u>\$ 9,865,961</u>

Note 7 - Commitments and Contingencies

Fiscal Sponsor Agreement - The Organization entered into new fiscal sponsorship agreements with Alliance Way on October 1st for a period of one year, and The Venezuelan Diaspora Project, on November 15, 2024 to be renewed annually. CHANGE Philanthropy continues to be a project of the Organization, until the agreement is terminated. Each project is established as a restricted fund to receive donations of cash and other property for support of the charitable purposes of the project. The Organization shall deposit to the restricted fund all contributions received from any source, that are given for the purposes of the Project. At December 31, 2023, the Organization received \$46,000 for Alliance Way, \$1,843 for the

HISPANICS IN PHILANTHROPY AND AFFILIATE

Notes to Combined Financial Statements For the Years Ended December 31, 2023 and 2022

Note 7 - Continued

Venezuelan Diaspora Project, and \$2,658,779 in donations for CHANGE Philanthropy which are included in the combined statement of activities.

Note 8 - Post Retirement Benefits

HIP has a 401(k) savings plan for all eligible employees with at least three months of service during the plan year and employed by HIP as of the last day of the plan year. At its discretion HIP may make a contribution, to be determined annually. Employer contributions to the plan totaled \$114,000 and \$85,000 during the years ended December 31, 2023 and 2022, respectively.

Note 9 - Liquidity and Availability of Financial Assets

The Organization regularly monitors the availability of resources required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The Organization has various sources of liquidity at its disposal, including cash and cash equivalents, various receivables, and investments. For purposes of analyzing resources available to meet general expenditures over a twelve-month period, the Organization considers all expenditures of providing program related activities as well as the conduct of services undertaken to support those activities to be general expenditures.

The Organization strives to maintain liquid financial assets sufficient to cover 60 days of general expenditures. The Organization's financial assets for general expenditure available within one year of the combined statements of financial position date are as follows as of December 31:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 6,119,743	\$ 7,611,766
Investments	13,359,703	12,959,770
Contributions and grants receivable	6,267,980	6,368,026
Accounts receivable	<u>135,172</u>	<u>171,418</u>
	25,882,598	27,110,980
Less grants to be received in more than one year	<u>(1,186,239)</u>	<u>(2,439,299)</u>
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u>\$ 24,696,359</u>	<u>\$ 24,671,681</u>

In addition to financial assets available to meet general expenditures over the next twelve months, the Organization has sufficient program revenue to cover general expenditures not covered by grants or donor-restricted resources.

Note 10 - Subsequent Events

The Organization has evaluated subsequent events with respect to the combined financial statements for the year ended December 31, 2023 through **DATE**, the date on which the combined financial statements were available to be issued, and has determined no adjustments are necessary to the amount reported in the accompanying combined financial statements, nor have any events occurred, the nature of which would require disclosure except as follows.

SUPPLEMENTARY INFORMATION

HISPANICS IN PHILANTHROPY AND AFFILIATE

Combining Statement of Financial Position
December 31, 2023

	HIP	HIP LatinoAmerica	Eliminations	Total
Assets				
Cash and cash equivalents	\$ 5,641,588	\$ 478,155	\$ -	\$ 6,119,743
Investments	13,359,703			13,359,703
Contributions and grants receivable	6,267,980			6,267,980
Accounts receivable	135,172			135,172
Prepaid expenses and deposits	204,186	22,340		226,526
Property and equipment, net	248,146			248,146
Total Assets	\$ 25,856,775	\$ 500,495	\$ -	\$ 26,357,270
Liabilities and Net Assets				
Liabilities:				
Accounts payable	\$ 906,046	\$ 202,156	\$ -	\$ 1,108,202
Accrued liabilities	343,363	39,031		382,394
Grants payable	4,070,281			4,070,281
Deferred revenue	90,375			90,375
Total Liabilities	5,410,065	241,187		5,651,252
Net Assets:				
Without donor restrictions	9,482,555	259,308		9,741,863
With donor restrictions	10,964,155	-		10,964,155
Total Net Assets	20,446,710	259,308		20,706,018
Total Liabilities and Net Assets	\$ 25,856,775	\$ 500,495	\$ -	\$ 26,357,270

See independent auditor's report.

HISPANICS IN PHILANTHROPY AND AFFILIATE

Combining Statement of Financial Position
December 31, 2022

	HIP	HIP LatinoAmerica	Eliminations	Total
Assets				
Cash and cash equivalents	\$ 7,346,721	\$ 265,045	\$ -	\$ 7,611,766
Investments	12,959,770			12,959,770
Contributions and grants receivable	6,368,026			6,368,026
Accounts receivable	171,418			171,418
Prepaid expenses and deposits	395,061	16,226		411,287
Property and equipment, net	237,633			237,633
Total Assets	\$ 27,478,629	\$ 281,271	\$ -	\$ 27,759,900
Liabilities and Net Assets				
Liabilities:				
Accounts payable	\$ 303,116	\$ 56,683	\$ -	\$ 359,799
Accrued liabilities	292,794	20,518		313,312
Grants payable	3,195,808			3,195,808
Deferred revenue	21,600			21,600
Total Liabilities	3,813,318	77,201		3,890,519
Net Assets:				
Without donor restrictions	13,784,870	204,070		13,988,940
With donor restrictions	9,880,441			9,880,441
Total Net Assets	23,665,311	204,070		23,869,381
Total Liabilities and Net Assets	\$ 27,478,629	\$ 281,271	\$ -	\$ 27,759,900

See independent auditor's report.

HISPANICS IN PHILANTHROPY AND AFFILIATE

Combining Statement of Activities
December 31, 2023

	HIP			LatinoAmerica			Eliminations	Combined Total
	Without Donor Restrictions	With Donor Restrictions	HIP Total	Without Donor Restrictions	With Donor Restrictions	LatinoAmerica Total		
Operating Revenue:								
Contributions and grants	\$ 244,558	\$ 10,908,992	\$ 11,153,550	\$ 1,865,408	\$ 218,570	\$ 2,083,978	\$ (1,845,500)	\$ 11,392,028
Events	1,036,371	1,395,107	2,431,478					2,431,478
Memberships	706,185		706,185					706,185
Other	181,975		181,975					181,975
Investment income, net	315,677		315,677	10,499		10,499		326,176
Net assets released from restrictions	11,220,385	(11,220,385)		218,570	(218,570)			
Total Operating Revenue	13,705,151	1,083,714	14,788,865	2,094,477		2,094,477	(1,845,500)	15,037,842
Operating Expenses:								
Program services-								
Grants awarded	8,426,789		8,426,789	212,112		212,112	(1,845,500)	6,793,401
Other program	8,102,800		8,102,800	1,708,370		1,708,370		9,811,170
Supporting services-								
General and administrative	1,379,629		1,379,629	176,065		176,065		1,555,694
Fundraising and development	961,343		961,343	13,812		13,812		975,155
Total Operating Expenses	18,870,561		18,870,561	2,110,359		2,110,359	(1,845,500)	19,135,420
Change in Net Assets From Operations	(5,165,410)	1,083,714	(4,081,696)	(15,882)		(15,882)		(4,097,578)
Nonoperating Activities:								
Foreign currency gain				71,120		71,120		71,120
Realized and unrealized gain on investments	863,095		863,095					863,095
Change in Net Assets From Nonoperating Activities	863,095		863,095	71,120		71,120		934,215
Change in Net Assets	(4,302,315)	1,083,714	(3,218,601)	55,238		55,238		(3,163,363)
Net assets, beginning of year	13,784,870	9,880,441	23,665,311	204,070		204,070		23,869,381
Net Assets, End of Year	\$ 9,482,555	\$ 10,964,155	\$ 20,446,710	\$ 259,308	\$ -	\$ 259,308	\$ -	\$ 20,706,018

See independent auditor's report.

HISPANICS IN PHILANTHROPY AND AFFILIATE

Combining Statement of Activities December 31, 2022

	HIP		LatinoAmerica		Eliminations	Combined Total	
	Without Donor Restrictions	With Donor Restrictions	HIP Total	Without Donor Restrictions			LatinoAmerica Total
Operating Revenue:							
Contributions and grants	\$ 672,492	\$ 12,158,777	\$ 12,831,269	\$ 1,554,143	\$ 1,554,143	\$ (1,429,000)	\$ 12,956,412
Events	574,545		574,545				574,545
Memberships	756,846		756,846				756,846
Other	164,448		164,448				164,448
Investment income, net	282,907		282,907				282,907
Net assets released from restrictions	9,865,961	(9,865,961)					
Total Operating Revenue	12,317,199	2,292,816	14,610,015	1,554,143	1,554,143	(1,429,000)	14,735,158
Operating Expenses:							
Program services-							
Grants awarded	9,684,790		9,684,790	84,106	84,106	(1,429,000)	8,339,896
Other program	7,175,342		7,175,342	1,186,135	1,186,135		8,361,477
Supporting services-							
General and administrative	760,324		760,324	82,362	82,362		842,686
Fundraising and development	992,502		992,502	45,421	45,421		1,037,923
Total Operating Expenses	18,612,958		18,612,958	1,398,024	1,398,024	(1,429,000)	18,581,982
Change in Net Assets From Operations	(6,295,759)	2,292,816	(4,002,943)	156,119	156,119		(3,846,824)
Nonoperating Activities:							
Foreign currency loss				(10,966)	(10,966)		(10,966)
Realized and unrealized loss on investments	(2,061,250)		(2,061,250)				(2,061,250)
Change in Net Assets From Nonoperating Activities	(2,061,250)		(2,061,250)	(10,966)	(10,966)		(2,072,216)
Change in Net Assets	(8,357,009)	2,292,816	(6,064,193)	145,153	145,153		(5,919,040)
Net assets, beginning of year	22,141,879	7,587,625	29,729,504	58,917	58,917		29,788,421
Net Assets, End of Year	\$ 13,784,870	\$ 9,880,441	\$ 23,665,311	\$ 204,070	\$ 204,070	\$ -	\$ 23,869,381

See independent auditor's report.