



FINANCIAL STATEMENTS

**FOR THE YEARS ENDED
DECEMBER 31, 2023 AND 2022**

CHESAPEAKE CHARITIES, INC.

FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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Independent Auditor's Report

To the Board of Directors of
Chesapeake Charities, Inc.

Opinion

We have audited the accompanying financial statements of Chesapeake Charities, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities and changes in net assets, 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 Chesapeake Charities, Inc. 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Chesapeake Charities, Inc. 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 Chesapeake Charities, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's 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 auditor's 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 Chesapeake Charities, 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 Chesapeake Charities, 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.

Alta CPA Group, LLC

November 1, 2024

CHESAPEAKE CHARITIES, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
<u>ASSETS</u>		
Current Assets:		
Cash:		
Cash - Unrestricted	\$ 1,819,492	\$ 1,331,003
Cash - Restricted for Community Foundation Fund	<u>731,349</u>	<u>836,455</u>
Total Cash	2,550,841	2,167,458
Accounts Receivable	-	25,000
Investments	<u>5,139,565</u>	<u>4,768,258</u>
Total Current Assets	7,690,406	6,960,716
Other Assets:		
Certificates of Deposit	657,933	652,796
Retirement Plan Assets	<u>103,758</u>	<u>103,758</u>
Total Other Assets	<u>761,691</u>	<u>756,554</u>
Total Assets	\$ <u><u>8,452,097</u></u>	\$ <u><u>7,717,270</u></u>
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities:		
Accrued Expenses	\$ 18,436	\$ 13,383
Retirement Plan Payable	<u>103,758</u>	<u>103,758</u>
Total Current Liabilities	<u>122,194</u>	<u>117,141</u>
Total Liabilities	122,194	117,141
Net Assets:		
Without Donor Restrictions	603,250	573,697
With Donor Restrictions	<u>7,726,653</u>	<u>7,026,432</u>
Total Net Assets	<u>8,329,903</u>	<u>7,600,129</u>
Total Liabilities and Net Assets	\$ <u><u>8,452,097</u></u>	\$ <u><u>7,717,270</u></u>

See auditor's report and accompanying notes to financial statements.

CHESAPEAKE CHARITIES, INC.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, GAINS, AND OTHER SUPPORT						
Contributions and Grants	\$ 149,259	\$ 2,794,496	\$ 2,943,755	\$ 214,093	\$ 5,401,237	\$ 5,615,330
Investment Income, Net of Fees	73,394	295,179	368,573	6,692	(361,222)	(354,530)
Program Service Fees	57,964	-	57,964	35,932	-	35,932
Fund Administrative Fee Income	141,888	-	141,888	106,851	-	106,851
Net Assets Released	2,389,454	(2,389,454)	-	2,848,258	(2,848,258)	-
Total Revenue, Gains, and Other Support	2,811,959	700,221	3,512,180	3,211,826	2,191,757	5,403,583
EXPENSES						
Program	2,488,135	-	2,488,135	3,034,695	-	3,034,695
General and Administrative	265,251	-	265,251	111,144	-	111,144
Fundraising	29,020	-	29,020	14,009	-	14,009
Total Expenses	2,782,406	-	2,782,406	3,159,848	-	3,159,848
Change in Net Assets	29,553	700,221	729,774	51,978	2,191,757	2,243,735
Net Assets, Beginning of Year	573,697	7,026,432	7,600,129	521,719	4,834,675	5,356,394
Net Assets, End of Year	\$ 603,250	\$ 7,726,653	\$ 8,329,903	\$ 573,697	\$ 7,026,432	\$ 7,600,129

See auditor's report and accompanying notes to financial statements.

CHESAPEAKE CHARITIES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023

	Program	General and Administrative	Fundraising	Total Expenses
Advertising	\$ 17,632	\$ -	\$ -	\$ 17,632
Bank Fees	-	31,603	-	31,603
Dues and Subscriptions	-	7,675	-	7,675
Grants	1,907,293	-	-	1,907,293
Insurance	-	38,933	-	38,933
Legal and Professional Fees	-	37,513	-	37,513
Payroll and Accrued Salaries	500,734	98,910	18,546	618,190
Payroll Taxes and Licenses	24,018	4,745	890	29,653
Postage and Shipping	1,484	293	55	1,832
Printing	560	-	-	560
Rent	11,151	16,727	-	27,878
Software Expense	10,944	4,256	-	15,200
Supplies	7,938	6,296	9,496	23,730
Telephone and Fax	4,715	4,908	-	9,623
Training	882	174	33	1,089
Travel and Entertainment	-	2,460	-	2,460
Utilities	784	1,591	-	2,375
Website	-	9,167	-	9,167
Total Expenses	\$ <u>2,488,135</u>	\$ <u>265,251</u>	\$ <u>29,020</u>	\$ <u>2,782,406</u>

See auditor's report and accompanying notes to financial statements.

CHESAPEAKE CHARITIES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022

	Program	General and Administrative	Fundraising	Total Expenses
Advertising	\$ 10,424	\$ -	\$ -	\$ 10,424
Bank Fees	-	10,643	-	10,643
Dues and Subscriptions	-	4,600	-	4,600
Grants	2,843,706	-	-	2,843,706
Insurance	-	19,780	-	19,780
Legal and Professional Fees	-	24,573	-	24,573
Payroll and Accrued Salaries	150,927	29,813	5,590	186,330
Payroll Taxes and Licenses	12,278	2,425	455	15,158
Postage and Shipping	643	127	24	794
Rent	5,410	8,114	-	13,524
Software Expense	8,532	3,318	-	11,850
Supplies	-	3,329	7,937	11,266
Telephone and Fax	2,353	2,449	-	4,802
Training	81	16	3	100
Travel and Entertainment	-	1,264	-	1,264
Utilities	341	693	-	1,034
Total Expenses	\$ <u>3,034,695</u>	\$ <u>111,144</u>	\$ <u>14,009</u>	\$ <u>3,159,848</u>

See auditor's report and accompanying notes to financial statements.

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

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 729,774	\$ 2,243,735
Adjustments to Reconcile Change in Net Assets to Net Cash		
Provided by Operating Activities:		
Realized and Unrealized (Gain)/Loss on Investments	(241,992)	395,584
Realized and Unrealized (Gain)/Loss on Certificates of Deposit	(5,137)	(6,625)
Changes in Operating Assets and Liabilities:		
Accounts Receivable	25,000	(25,000)
Accrued Expenses	5,053	4,336
Retirement Plan Payable	<u>-</u>	<u>(300)</u>
Net Cash Provided by Operating Activities	512,698	2,611,730
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	(158,959)	(2,829,964)
Sales of Investments	<u>29,644</u>	<u>753,830</u>
Net Cash Used by Investing Activities	(129,315)	(2,076,134)
CASH FLOWS FROM FINANCING ACTIVITIES	<u>-</u>	<u>-</u>
NET INCREASE IN CASH	383,383	535,596
CASH, BEGINNING OF YEAR	<u>2,167,458</u>	<u>1,631,862</u>
CASH, END OF YEAR	\$ <u><u>2,550,841</u></u>	\$ <u><u>2,167,458</u></u>
Cash - Unrestricted	\$ 1,819,492	\$ 1,331,003
Cash - Restricted	<u>731,349</u>	<u>836,455</u>
Total Cash, End of Year	\$ <u><u>2,550,841</u></u>	\$ <u><u>2,167,458</u></u>
SUPPLEMENTAL CASH INFORMATION		
Interest Paid	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>
Income Taxes Paid	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>

See auditor's report and accompanying notes to financial statements.

CHESAPEAKE CHARITIES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Chesapeake Charities, Inc. is an entity whose purpose is exclusively for such charitable and educational purposes as are within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986 (the "Code"), or the corresponding provisions of any subsequent federal tax laws. The purposes for which the Organization is formed are as follows:

- 1) To operate as a tax-exempt, not-for-profit publicly supported philanthropic institution for the benefit of the residents of the Chesapeake Bay region.
- 2) To maximize the acquisition and utilization of all public and private funding sources to accumulate funds in an endowment fund; and to manage said funds under community control for community health, education and welfare purposes.
- 3) To conduct only activities which are described as charitable or educational, as those terms are defined under Section 501(c)(3) of Internal Revenue Code 1986, as amended.

The Organization is supported primarily by grants and contributions.

Accreditation

In 2023, the Chesapeake Charities, Inc., received notice of reconfirmation of its accreditation with National Standards for U.S. Community Foundations™ effective through October 2023.

This achievement certifies that Chesapeake Charities, Inc. continues to meet the nation's highest philanthropic standards for operational quality, integrity and accountability. National Standards accreditation is a commitment to transparency, excellence, stewardship, and leadership. The National Standards seal distinguishes Chesapeake Charities, Inc. from other community foundations and philanthropic organizations that have not met these rigorous standards and provides confidence to donors, professional advisors, and others who seek a qualified, trustworthy philanthropic partner. The Organization received its initial accreditation from the Council on Foundations on February 20, 2008. The National Standards for U.S. Community Foundations Program requires community foundations to document their policies for donor services, investments, grant making, and administration.

Managed Funds

The Community Foundation (Fund) includes the current property together with any property, which may later be added to the fund. Cash gifts may be added to the fund at any time by anyone. The Board of Directors of Chesapeake Charities, Inc. shall have complete discretion to accept or refuse any non-cash gift and shall have complete authority and discretion as to the investment and reinvestment of the assets of the Fund as part of Chesapeake Charities, Inc.'s investment portfolio.

CHESAPEAKE CHARITIES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Managed Funds (Continued)

Chesapeake Charities, Inc. shall hold, manage, invest, and reinvest the assets of the Fund which may be co-mingled with the assets of other component funds provided, however, that the separate identity of the Fund shall be maintained and distributions from the Fund shall be clearly identified to the recipients. A separate account shall be established to report the Fund's earnings and distributions. Chesapeake Charities, Inc. shall report annually to the Internal Revenue Service regarding the Fund as a component fund within the Organization.

In the event of the dissolution of the Beneficiary, Chesapeake Charities, Inc. shall thereafter continue to hold the assets of the Fund in its general endowment fund without donor restriction and shall distribute the net income and principal therefrom to such organizations as the Board of Directors of Chesapeake Charities, Inc. may select with primary consideration being given to such organizations as, in its discretion, it shall consider appropriate.

It is intended that the Fund continue as long as the need for it exists and as long as assets continue to be held in the Fund for its charitable purposes. If, for any reason, the fund is terminated or Chesapeake Charities, Inc. dissolves, or ceases to hold or administer the Fund or otherwise to function under this agreement, then the net assets of the Fund shall be distributed to such charitable organizations as the Board of Directors of Chesapeake Charities, Inc. most nearly reflect the purposes and objectives of the Beneficiary.

The Fund's assets shall be the property of Chesapeake Charities, Inc. to be held by it in its corporate capacity and shall not be deemed a trust fund held by it in a trustee capacity. It is intended that the Fund shall be a component fund within the Organization and that nothing in the donor agreement shall affect the status of Chesapeake Charities, Inc. as an organization described in Sections 509(a)(1) and 170(b)(1)(A)(vi) of the Internal Revenue Code. The donor agreement shall be interpreted in a manner consistent with the foregoing intention so as to conform to any applicable requirements of the Internal Revenue Code and its regulations.

It is understood and agreed that all assets held in the Fund shall be subject to the Articles of Incorporation and Bylaws of Chesapeake Charities, Inc. including the variance power contained therein permitting the governing board of Chesapeake Charities, Inc. to modify or remove any restriction or condition regarding the distribution of funds, if, in its sole judgment, such restriction or condition becomes unnecessary, incapable of fulfillment, or inconsistent with the charitable purposes and needs served by the community foundation.

CHESAPEAKE CHARITIES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Managed Funds (Continued)

The Fund shall share a fair portion of the total administrative costs of Chesapeake Charities, Inc. Such administrative costs shall be charged annually against income from the Fund and shall at all times be reasonable and in accordance with Chesapeake Charities, Inc. current fee schedule. If the donor prefers not to diminish the Fund by the payment therefrom of the administrative costs, they may instead be paid directly by the donor. The fee structure is based upon a percentage of balances held and distributions made from the Fund.

Basis of Accounting

The financial statements of Chesapeake Charities, Inc. have been prepared using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded as earned and expenses are recorded at the time liabilities are incurred.

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 certain grantor) restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Donor-imposed restrictions are released 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.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the financial statements, and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

CHESAPEAKE CHARITIES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

For reporting purposes, Chesapeake Charities, Inc. considers all checking accounts and money market funds to be cash and cash equivalents.

Investments

Investments are reported at market value. Donated securities are reported at fair market value as of the date of receipt. All realized and unrealized gains and losses arising from fluctuations in market values, sale or other disposition of assets are accounted for in the class of net assets that owned the assets.

Promises to Give

Promises to give are recorded as revenue in the period in which the promise becomes unconditional. All promises to give are expected to be collected within one year. An allowance for doubtful pledges has been recorded based on management's estimate of the collectability of the pledges based on historical collection experience.

The Organization receives contributions primarily from donors in the Mid-Atlantic Region.

Fair Value Measurements

Chesapeake Charities, Inc. has determined the fair value of certain assets and liabilities through application of generally accepted accounting principles.

Financial assets and liabilities valued using level 1 inputs are based on unadjusted quoted market prices within active markets. Financial assets and liabilities valued using level 2 inputs are based primarily on quoted prices for similar assets or liabilities in active or inactive markets. For certain long-term debt, the fair value was based on present value techniques using inputs derived principally or corroborated from market data. Financial assets and liabilities using level 3 inputs were primarily valued using management's assumptions about the assumptions market participants would utilize in pricing the asset or liability. Valuation techniques utilized to determine fair value are consistently applied. All assets have been valued using a market approach. The Organization recognizes transfers between levels in the fair value hierarchy at the end of the reporting period.

Direct Services

As part of its grant making function, the Organization makes direct service payments to organizations or individuals who provide direct support to the component funds in order to fulfill their charitable missions.

CHESAPEAKE CHARITIES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

Revenue from contracts with customers primarily consists of fees charged to managed funds. The Organization also generates other revenues from providing consulting services to local nonprofits and governmental organizations. Revenues are recognized when control of the promised goods or services is transferred to customers, in an amount that reflects the consideration the Organization expects to be entitled to in exchange for those goods or services. These revenues are recognized net of discounts, waivers, and refunds.

The Organization determines revenue recognition through the five-step model prescribed by Topic 606 as follows:

- Identification of the contract, or contracts, with a customer;
- Identification of the performance obligations in the contract;
- Determination of the transaction price;
- Allocation of the transaction price to the performance obligations in the contract;
- Recognition of revenue when, or as, performance obligations are satisfied.

Performance Obligations

A performance obligation is a promise in a contract to transfer a distinct good or service to the customer. A contract's transaction price is allocated to each performance obligation identified in the arrangement based on the relative standalone selling price of each distinct good or service in the contract and recognized as revenue when, or as, the performance obligation is satisfied. The primary method used to estimate the standalone selling price is the adjusted market assessment approach, under which the Organization evaluates the market and estimates a price that a customer would be willing to pay for the goods and services we provide.

Performance obligations are primarily satisfied over time and revenue is recognized monthly for consulting and quarterly for fees charged to funds. The transaction price is determined based on gross price, net of discounts or refunds.

The Organization has elected the optional exemption to not disclose amounts where the performance obligation is part of a contract which has an original expected duration of one year or less. The Organization expects to recognize substantially all revenue on these remaining performance obligations over the next 12 months.

CHESAPEAKE CHARITIES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

Costs to Obtain a Contract

The Organization has elected the practical expedient available in ASC 340-40, in which any incremental costs of obtaining a contract are recognized as an expense when incurred if the amortization period of the asset that would have been recognized is one year or less.

Practical Expedients and Optional Exemptions

The Organization has made an accounting policy election to exclude from the measurement of the transaction price all taxes assessed by governmental authorities which are both imposed and concurrent with the specific revenue-producing transactions and collected by the entity from our customers, e.g., sales and use taxes.

Allocation of Expenses

Expenses are allocated between program services, management and general support, and fundraising in accordance with generally accepted accounting principles, and have been summarized on a functional basis in the statements of activities and changes in net assets and functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The statements of functional expenses present expenses by function and natural classification. Expenses directly attributable to a specific functional area of the Organization are reported as expenses of those functional areas. Expenses which benefit more than one functional allocated on a reasonable basis that is consistently applied; the basis of allocation is management estimates of relative benefit received by each function.

Income Taxes

The Organization is exempt under Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization has been classified as an organization that is not a private foundation under Section 509(a)(1). There was no net unrelated business taxable income; therefore, no provision for income tax is reflected in the financial statements.

The Organization's informational return filings are subject to examination by the Internal Revenue Service, generally for three years after it is filed.

CHESAPEAKE CHARITIES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent Events

The Organization evaluated subsequent events through the date that the financial statements were available to be issued. The Organization is not aware of any significant events that occurred subsequent to the statement of financial position date but prior to November 1, 2024 that would have a material impact on the financial statements.

NOTE 2 - LIQUIDITY AND AVAILABILITY

The Organization maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

	<u>2023</u>	<u>2022</u>
Cash and Cash Equivalents	\$ 2,550,841	\$ 2,167,458
Accounts Receivable	---	25,000
Investments	5,139,565	4,768,258
Certificates of Deposit	<u>657,933</u>	<u>652,796</u>
Total Current Financial Assets at Year End	8,348,339	7,613,512
Amounts Unavailable for General Expenditures		
Within One Year, Due to:		
Restricted by Donors for a Specific Purpose	<u>(7,726,653)</u>	<u>(7,026,432)</u>
Total Financial Assets Available for General		
Expenditure Within One Year	\$ <u>621,686</u>	\$ <u>587,080</u>

NOTE 3 - CONCENTRATIONS

The Organization maintains cash and cash equivalents at several financial institutions. The accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000 per financial institution. At December 31, 2023 and 2022, the Organization's uninsured cash balances totaled approximately \$1,600,000 and \$1,700,000, respectively. The Organization has not experienced any losses in such accounts, and believes it is not exposed to any significant credit risk on cash.

CHESAPEAKE CHARITIES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 4 - CERTIFICATES OF DEPOSIT

The Organization has the following certificates of deposits as of December 31, 2023:

	<u>Maturity</u>	<u>Interest Rate</u>	<u>Balance</u>
Queenstown Bank of Maryland	April 2024	1.05%	\$ 110,477
First National Bank	October 2024	3%	272,826
Chesapeake Bank & Trust	December 2027	0.5%	<u>274,630</u>
Total			\$ <u>657,933</u>

The Organization has the following certificates of deposits as of December 31, 2022:

	<u>Maturity</u>	<u>Interest Rate</u>	<u>Balance</u>
Queenstown Bank of Maryland	April 2024	1.05%	\$ 109,324
First National Bank	October 2024	3%	272,690
Chesapeake Bank & Trust	May 2023	2%	<u>270,783</u>
Total			\$ <u>652,796</u>

NOTE 5 - INVESTMENTS

The following table presents the Organization's fair value hierarchy for the above assets and liabilities measured at fair value on a recurring basis as of December 31, 2023:

	Quoted Market Prices in Active Markets (<u>Level 1</u>)	Other Observable Inputs (<u>Level 2</u>)	Unobservable Inputs (<u>Level 3</u>)	<u>Total</u>
Equities	\$ 973,391	\$ ---	\$ ---	\$ 973,391
Exchange Traded Funds	1,487,126	---	---	1,487,126
Fixed Income	1,968,025	---	---	1,968,025
Cash	163,824	---	---	163,824
Mutual Funds	<u>547,199</u>	<u>---</u>	<u>---</u>	<u>547,199</u>
Total Investments	\$ <u>5,139,565</u>	\$ <u>---</u>	\$ <u>---</u>	\$ <u>5,139,565</u>

CHESAPEAKE CHARITIES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 5 - INVESTMENTS (CONTINUED)

The following table presents the Organization's fair value hierarchy for the above assets and liabilities measured at fair value on a recurring basis as of December 31, 2022:

	Quoted Market Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	Total
Equities	\$ 710,088	\$ ---	\$ ---	\$ 710,088
Exchange Traded Funds	618,519	---	---	618,519
Fixed Income	2,598,432	---	---	2,598,432
Cash	346,435	---	---	346,435
Mutual Funds	<u>494,784</u>	<u>---</u>	<u>---</u>	<u>494,784</u>
Total Investments	\$ <u>4,768,258</u>	\$ <u>---</u>	\$ <u>---</u>	\$ <u>4,768,258</u>

NOTE 6 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes as of December 31:

	<u>2023</u>	<u>2022</u>
AAUW-AAC Education Fund	\$ 2,784	\$ 2,784
Adopt A Bear	1,224	1,245
Amy's Army	22,085	31,195
Annabelle's Affordable Sober Li	---	1,700
Annette Quigg Scholarship	10,520	9,944
Arts in Motion	11,197	11,395
Autism Care Exchange	---	164
Babe & Dick Chaney Memorial	877,551	870,165
Bay City Restoration	2,836	2,887
Blackie Wills Community Leaders	479,215	400,127
Brice Kelley Foundation	---	3,337
Bully Free Community	429	437
Calvert Co. Commission Women	2,954	4,335
Calvert Community Foundation - Other	4,220	4,253
Calvert Concept Housing Fund	---	51,278
Calvert County School Fndtn	64,442	40,319
Cancer Comfort Angels	46,564	30,856
Cancer Comfort Angels Scholarsh	2,800	837
Caring and Sharing	45,489	30,856
Carole Cascio Endowment Fund	1,700,619	1,375,938

CHESAPEAKE CHARITIES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 6 - NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

	<u>2023</u>	<u>2022</u>
Carole Cascio Fund For Mind Movement Dance Connections	\$ 768,778	\$ 930,807
Caroline Cty Public Recreation	44,275	37,890
Caroline Veterans Memorial	8,082	8,125
Center on Revitalization and Preservation	(300)	---
Centreville Main Street	7,724	7,861
CF of So MD Legacy Fund	303,759	285,774
CF of So MD Operating Fund	62,535	72,082
Character Counts QAC - Other	11,289	23,572
Character Counts Kent County - Other	12,221	12,888
Charles County Library Fund	9,368	9,534
Charles Regional Medical Center	6,999	6,584
Check Yourself Talbot	525	535
Chesapeake Charities Endowment	25,142	20,892
Chesapeake Public Television	1,054	1,072
Chesapeake Women's Network	---	442
Chesterfield Cemetery Fund	12,041	12,192
Cody Micheal Lacey Scholarship	5,048	5,137
Community Wellness Solutions	9,831	---
Concordia Chapel Fund	5,276	---
Cooper-Grebmeier Family Fund	93,689	41,569
Corsica River Conservancy	15,895	15,879
COVID-19 Relief	---	245
CSAFE Community Fund	1,169	56
CWN-Talbot County Scholarship	---	196
Dr. Elizabeth Hagen Scholarship	4,753	139,068
Drug Free Caroline Coalition - Other	---	298
Elaine's Gift Scholarship	6,151	8,325
Emily McArdle Playground Fund	936	953
Eric & Cara Thorn Mem Endowment	82,595	77,705
Eric & Cara Thorn Memorial	12,534	12,756
F George Heinze Family Fund	706	719
Family Center of QAC	8,497	9,320
FCP Serves	70,432	11,203
First Responders Fund	---	2,103
Foundations of Recovery - Other	1,206	1,227
Friends of Historic Christ Chur	21,165	41,535
Friends of Island Dog Park	1,657	1,686
Friends of QAC Animal Services	43,145	22,184

CHESAPEAKE CHARITIES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 6 - NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

	<u>2023</u>	<u>2022</u>
Friends of Stacia Springs	\$ 99,642	\$ 74,060
Galestown Millpond Association	---	2,016
Giving the Edge Foundation	43,984	8,840
Grace Street Foundation	154	---
Green Apple Fund	720	720
GreenGive	---	96
Griefshare Memorial Garden	1,360	1,384
Happy Crates Gives	6,273	2,310
Harriet E Brown Commemoration	1,170	1,191
Healthy Families QA/Talbot	1,160	2,309
Horizon Helps	2,801	2,851
Island Football Network	2,818	2,868
Jacki Carter Scholarship Fund	---	476
Jacob Sloan Family Assistance	20,753	14,083
Jacob Sloan Foundation	146,209	159,622
Jimmy Myrick Jr. Foundation	12,188	16,600
Judy Center Partnership of QAC - Other	1,697	1,727
Julia R King & Raymond Cannetti	463	471
Julianne Rosela Memorial Fund	108,233	104,198
Julianne Rosela Memorial Schola	436	466
Kaufmann-Noonan Family Fund	109,630	108,027
Kent County Coalition for the Homeless	3,335	10,750
Kent Cty PS Special Facilities	19,814	14,022
Kent Cty PS Special Projects	7,903	10,382
Kent Island Arts & Entertainment District	10,973	11,167
Kent Island Educational Music Fund	---	147
Kent Island Scouter Alumni Association	8,665	---
Kent Narrows Development	7,923	8,064
Kent Thrives	2,765	2,814
Kinera Foundation - Other	10,979	11,180
Leadership So MD Legacy Fund	14,413	13,560
Leonard Hall Jr Academy	---	420
Lexington Park United Methodist	61,166	50,345
MacGregor STEM Scholarship	23,559	22,164
Mangum Family Foundation	86,858	1,590
MAPPA - Other	12,179	6,563
Mark Freestate Fund	2,198	2,237
Maryland Police K9 Foundation	6,629	3,619
Met-Comm Scholarship Fund	52,896	51,262

CHESAPEAKE CHARITIES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 6 - NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

	<u>2023</u>	<u>2022</u>
Nat'l Capital Radio & TV Museum	\$ 1,063	\$ 1,082
New Heights	8,432	9,452
Newcomb-Hart Library Found	25,928	24,393
Not My Child	(157)	1,360
Operation Christmas Cookies	---	2,404
Partnering for Youth - Other	468,475	394,773
Partnership for Youth Success	243	247
Paso a Paso Fund	863	4,246
Patrick & Eileen Fogarty Legacy	6,960	6,548
Patriot Emergency Fogarty Legacy	4,085	---
PFY Clifton Foundation	75,060	53,729
PFY LMB Comissioners Funding	26,529	48,954
PFY Summer Youth Academy	8,272	8,418
Phil & Mary Woodruff Charitable	4,000	4,071
Price Community Club	3,523	19,947
Put Me In Coach	2,513	4,621
QAC Agricultural Land Preservtn	9,122	9,284
QAC Christmas Angels	283	2,056
QAC Community Partnerships	10,645	10,834
QAC Economic Development	902	1,749
QAC Education Partnership	125	3,827
QAC High Sch Alumni Association	10,579	8,237
QAC Parks & Rec Charitable Gift	9,261	9,425
QAC Sheriff's Community Relations Fund	27,389	---
Queen Anne's Classical Charter School	14,445	---
River's Edge Forest Play	5,809	6,755
RMK Baltimore Corps. Grant	100	100
Rosaryville Community Fund	3,718	3,784
Rosaryville Community Scholarsh	6,734	6,335
Rowan's Dream Big Fund	2,817	70
Ruth M Kirk Recreation & Learni - Other	349,257	366,257
Samuel Carroll Cancer Foundation	18,263	31,697
Sheriff Gary Hofmann Law Enforcement Training		
Scholarship Fund	2,971	5,087
Sheriff Gary Hofmann Scholarship Fund	12,305	13,371
Sisters at Heart Fund	15,341	19,971
Slade Child Foundation Operating Fund	2,709	2,621
SOAR Delmarva	187	65

CHESAPEAKE CHARITIES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 6 - NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

	<u>2023</u>	<u>2022</u>
Southern Maryland Women's League Endowment Fund	\$ 46,121	\$ 43,384
St. Francis Xavier-Newtowne	18,517	15,954
St. John's School Endowment Fund	250,521	205,536
St. John's School Scholarship Fund	57,841	21,517
St. Nicholas Scholarship Fund	---	19,959
Support Our Hospital	---	1,710
Sweet Bay Magnolia Academy	1,784	1,810
T. Conrad Monts Memorial	13,525	13,764
Team Chesapeake - Other	49,110	45,502
The Center for the Military and Veteran Family	6,159	---
The Dexter House Foundation	14,531	1,791
The Ransom Foundation	7,398	7,529
The Retreat House at Hillsboro - Other	89,387	13,891
The Rose House	20,037	20,391
TomCat Solutions	51,853	10,713
United Way of Charles County Fu	38,838	36,539
Voice of Indian Head	74,231	29,899
Warriors of Tomorrow	231	235
Wieslander Racing for a Cure	1,230	1,252
Women Fly	1,377	505
Youth Developmental Assets	700	713
Zonta Legacy	<u>9,457</u>	<u>8,304</u>
Total Net Assets With Donor Restrictions	\$ <u>7,726,653</u>	\$ <u>7,026,432</u>

NOTE 7 - RETIREMENT PLAN

The Organization maintains a 457(b)-retirement plan as well as a 403(b)-retirement plan. The Organization may make discretionary contributions to the executive director's retirement plan. Retirement expense was \$0 and \$0 for the years ended December 31, 2023 and 2022, respectively.

CHESAPEAKE CHARITIES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 8 - LEASES

The Organization has elected the short-term lease exemption for all leases with a term of 12 months or less for both existing and ongoing operating leases to not recognize the asset and liability for these leases. Lease payments for short-term leases are recognized on straight-line basis. The Organization has entered into the following short-term lease agreements:

Short-Term Leases

The Organization entered into consecutive one-year leases for office space on October 18, 2022 and October 11, 2023. The current lease ends in October 2024. During the years ended December 31, 2023 and 2022, rent expense related to these leases was \$27,878 and \$13,524, respectively.