



**LUPUS FOUNDATION OF AMERICA
GREATER OHIO CHAPTER, INC.**

FINANCIAL STATEMENTS

YEARS ENDED SEPTEMBER 30, 2023 AND 2022

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
of Lupus Foundation of America, Greater Ohio Chapter, Inc.
Cleveland, Ohio

Opinion

We have audited the accompanying financial statements of Lupus Foundation of America, Greater Ohio Chapter, Inc. (a nonprofit organization), which comprise the statements of financial position as of September 30, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lupus Foundation of America, Greater Ohio Chapter, Inc. as of September 30, 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 Lupus Foundation of America, Greater Ohio Chapter, 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 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 Lupus Foundation of America, Greater Ohio Chapter, 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 Lupus Foundation of America, Greater Ohio Chapter, 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 Lupus Foundation of America, Greater Ohio Chapter, 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.

McManamon & Co., LLC
Westlake, Ohio
January 19, 2024

LUPUS FOUNDATION OF AMERICA, GREATER OHIO CHAPTER, INC.

STATEMENTS OF FINANCIAL POSITION

SEPTEMBER 30, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents (NOTE C)	\$ 58,600	\$ 189,510
Grants and accounts receivable (NOTE D)	536,973	209,218
Special events equipment and supplies	5,593	5,593
Prepaid expenses	<u>1,356</u>	<u>1,356</u>
Total current assets	602,522	405,677
PROPERTY AND EQUIPMENT (NOTES B & F)		
Furniture & fixtures	24,110	21,261
Office Equipment	19,411	19,411
Equipment - special events	4,000	4,000
Less: Accumulated Depreciation	<u>(41,399)</u>	<u>(39,600)</u>
Net Property and Equipment	6,122	5,072
TOTAL ASSETS	<u>\$ 608,644</u>	<u>\$ 410,749</u>

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

	<u>2023</u>	<u>2022</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	\$ 84,718	\$ 33,508
Credit cards payable (NOTE G)	31,585	10,754
Current portion long term debt	3,713	3,539
Accrued payroll expenses	<u>10,092</u>	<u>10,092</u>
Total liabilities	130,108	57,893
LONG-TERM LIABILITIES		
Long term payable	0	28,608
Economic Injury Disaster Loan	146,388	150,000
Less current portion long term debt	<u>(3,713)</u>	<u>(3,539)</u>
Total long term liabilities	142,675	175,069
NET ASSETS		
With donor restrictions	541,485	287,896
Without donor restrictions	<u>(205,624)</u>	<u>(110,109)</u>
Total net assets	<u>335,861</u>	<u>177,787</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 608,644</u></u>	<u><u>\$ 410,749</u></u>

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

LUPUS FOUNDATION OF AMERICA, GREATER OHIO CHAPTER, INC.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

YEAR ENDED SEPTEMBER 30, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUE AND SUPPORT			
Grants	\$ 0	\$ 673,159	\$ 673,159
Contributions	50,655	0	50,655
Contributions - events	1,836	0	1,836
Membership	600	0	600
Fundraising	84,339	0	84,339
Miscellaneous	735	0	735
Interest income	6	0	6
Release from restrictions	<u>419,570</u>	<u>(419,570)</u>	<u>0</u>
Total revenue and support	557,741	253,589	811,330
EXPENSES			
Program services	506,729	0	506,729
Management services	66,041	0	66,041
Fundraising services	<u>80,486</u>	<u>0</u>	<u>80,486</u>
Total expenses	<u>653,256</u>	<u>0</u>	<u>653,256</u>
INCREASE IN NET ASSETS	(95,515)	253,589	158,074
NET ASSETS AT BEGINNING OF YEAR	<u>(110,109)</u>	<u>287,896</u>	<u>177,787</u>
NET ASSETS AT END OF YEAR	<u>\$ (205,624)</u>	<u>\$ 541,485</u>	<u>\$ 335,861</u>

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

LUPUS FOUNDATION OF AMERICA, GREATER OHIO CHAPTER, INC.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

YEAR ENDED SEPTEMBER 30, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUE AND SUPPORT			
Grants	\$ 0	\$ 398,696	\$ 398,696
Contributions	58,964	0	58,964
Contributions - events	8,059	0	8,059
Membership	275	0	275
Fundraising	81,842	0	81,842
Miscellaneous	90,460	0	90,460
Interest income	4	0	4
Release from restrictions	296,550	(296,550)	0
	<u>536,154</u>	<u>102,146</u>	<u>638,300</u>
Total revenue and support			
EXPENSES			
Program services	468,076	0	468,076
Management services	58,223	0	58,223
Fundraising services	77,587	0	77,587
	<u>603,886</u>	<u>0</u>	<u>603,886</u>
Total expenses			
INCREASE IN NET ASSETS	(67,732)	102,146	34,414
NET ASSETS AT BEGINNING OF YEAR	<u>(42,377)</u>	<u>185,750</u>	<u>143,373</u>
NET ASSETS AT END OF YEAR	<u>\$ (110,109)</u>	<u>\$ 287,896</u>	<u>\$ 177,787</u>

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

LUPUS FOUNDATION OF AMERICA, GREATER OHIO CHAPTER, INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED SEPTEMBER 30, 2023

EXPENSES	SUPPORTING SERVICES			TOTALS
	Program Services	Management Services	Fundraising Services	
Salaries and related costs				
Payroll	\$ 252,900	\$ 33,277	\$ 46,586	\$ 332,763
Payroll taxes	22,294	2,934	4,106	29,334
Total salaries and related costs	275,194	36,211	50,692	362,097
Advertising	66,986	0	12,759	79,745
Bank fees	0	0	3,765	3,765
Computer	5,703	859	1,250	7,812
Consulting	45,801	0	0	45,801
Conferences	26,330	0	0	26,330
Depreciation	1,367	180	252	1,799
Dues & subscriptions	12,753	1,739	0	14,492
Insurance	2,605	231	462	3,298
Interest expense	0	4,080	0	4,080
Licenses and fees	0	100	0	100
Office expense	5,540	548	752	6,840
Other	3,086	7,314	1,029	11,429
Postage	4,208	554	775	5,537
Professional fees	0	7,974	0	7,974
Printing	318	42	58	418
Rent - equipment	17,216	2,265	3,171	22,652
Rent - Office	15,960	2,100	2,940	21,000
Repairs and maintenance	2,086	275	384	2,745
Telephone	8,380	1,103	1,544	11,027
Travel	112	0	0	112
Utilities	3,546	466	653	4,665
Website	9,538	0	0	9,538
	<u>\$ 506,729</u>	<u>\$ 66,041</u>	<u>\$ 80,486</u>	<u>\$ 653,256</u>

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

LUPUS FOUNDATION OF AMERICA, GREATER OHIO CHAPTER, INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED SEPTEMBER 30, 2022

	<u>SUPPORTING SERVICES</u>			<u>Totals</u>
	<u>Program Services</u>	<u>Management Services</u>	<u>Fundraising Services</u>	
EXPENSES				
Salaries and related costs				
Payroll	\$ 242,404	\$ 31,896	\$ 44,653	\$ 318,953
Payroll taxes	19,964	2,627	3,678	26,269
Total salaries and related costs	262,368	34,523	48,331	345,222
Advertising	76,811	0	14,631	91,442
Bank fees	0	0	2,735	2,735
Computer	4,595	692	1,007	6,294
Consulting	18,683	0	0	18,683
Conferences	21,463	0	0	21,463
Depreciation	860	113	159	1,132
Dues & subscriptions	14,324	1,953	0	16,277
Insurance	1,910	169	339	2,418
Licenses and fees	0	100	0	100
Office expense	4,146	410	563	5,119
Other	1,650	3,911	550	6,111
Postage	3,921	516	722	5,159
Professional fees	0	9,730	0	9,730
Printing	1,194	157	220	1,571
Rent - equipment	15,954	2,099	2,939	20,992
Rent - Office	15,960	2,100	2,940	21,000
Repairs and maintenance	1,781	234	328	2,343
Telephone	8,131	1,070	1,498	10,699
Utilities	3,391	446	625	4,462
Website	10,934	0	0	10,934
	<u>\$ 468,076</u>	<u>\$ 58,223</u>	<u>\$ 77,587</u>	<u>\$ 603,886</u>

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

LUPUS FOUNDATION OF AMERICA, GREATER OHIO CHAPTER, INC.

STATEMENTS OF CASH FLOWS

YEARS ENDED SEPTEMBER 30, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 158,074	\$ 34,414
Adjustments to reconcile net change to net cash provided by (used in) operating activities:		
Depreciation	1,799	1,132
(Increase) Decrease in operating assets:		
Contributions and grants receivable	(327,755)	27,743
Inventory	0	3,277
Increase (Decrease) in operating liabilities:		
Accounts payable	<u>72,041</u>	<u>12,239</u>
NET CASH USED IN OPERATING ACTIVITIES	<u>(95,841)</u>	<u>78,805</u>
FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	<u>(2,849)</u>	<u>(3,571)</u>
NET CASH USED BY INVESTING ACTIVITIES	(2,849)	(3,571)
NET CASH FLOWS FROM FINANCING ACTIVITIES		
Long-term financing payments	<u>(32,220)</u>	<u>(6,000)</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	(32,220)	(6,000)
NET INCREASE (DECREASE) IN CASH	(130,910)	69,234
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>189,510</u>	<u>120,276</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 58,600</u>	<u>\$ 189,510</u>
Supplemental information:		
Interest paid on all indebtedness	<u>\$ 4,080</u>	<u>\$ 0</u>

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

**LUPUS FOUNDATION OF AMERICA,
GREATER OHIO CHAPTER, INC.**

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2023 AND 2022

NOTE A – DESCRIPTION OF ORGANIZATION

The Lupus Foundation of America, Greater Ohio Chapter, Inc. (the “Lupus Foundation - Ohio”) is an Ohio not-for-profit corporation established in 1982. The Lupus Foundation - Ohio’s mission is dedicated to improving the quality of life for all people affected by lupus through programs of research, education, and advocacy.

The Lupus Foundation - Ohio envisions a world without lupus. The Organization will advance the science and medicine of lupus to find a cure and improve the quality of life for all people affected by lupus.

The Lupus Foundation - Ohio is tax exempt under Internal Revenue Service Code Section 501(c)(3).

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General Methods

The accompanying financial statements have been prepared as prescribed in the American Institute of Certified Public Accountants' Guide for Not-For-Profit Organizations.

Accrual Basis

The Lupus Foundation - Ohio records transactions on an accrual basis. Revenue (if any) is recognized when earned, support is recognized when receivable, and expenses are recognized when incurred.

Statements of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC)

The Lupus Foundation - Ohio complies with ASU No. 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities, issued in August 2016 by the FASB, which requires a not-for-profit (NFP) to present on the face of the statement of financial position amounts for two classes of net assets (without donor restrictions and with donor restrictions) rather than the previously required three classes. The amendments also enhance disclosures about the amount and purposes of board designations, appropriations, and similar actions and qualitative and quantitative information that communicates how an NFP manages its liquid resources available to meet cash needs within one year of the statement of financial position date. Additional disclosures are required surrounding the amounts of expenses by both their natural classification and the method(s) used to allocate costs among program and support functions.

As required by ASU No. 2016-14, contributions received are recorded as support without donor restrictions or with donor restrictions, depending on the existence and/or nature of any donor restrictions. As of September 30, 2023, net assets with donor restrictions were \$541,485 of which \$25,779 were included in cash and cash equivalents and \$515,706 were included in the receivables. Releases from restrictions in fiscal year ended September 30, 2023 were \$419,570 all of which were released by expenditures.

See accompanying independent auditor’s report.

**LUPUS FOUNDATION OF AMERICA,
GREATER OHIO CHAPTER, INC.**

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

SEPTEMBER 30, 2023 AND 2022

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Statements of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) - Continued

As of September 30, 2022, net assets with donor restrictions were \$287,896, of which \$87,413 were included in cash and cash equivalents and \$200,483 were included in receivables. Releases from restrictions in fiscal year ended September 30, 2022 were \$298,550, all of which were due to expenditures.

The Lupus Foundation - Ohio also complies with FASB ASC 958-605-25, which affects the timing of revenue recognition with regard to donor restricted net assets. For service contracts, if any, where applicable, The Lupus Foundation - Ohio complies with FASB Topic 606, Revenue from Contracts with Customers.

Allocation of Expenses

Expenses are generally charged to the specific program for which they are incurred. In some cases, however, common expenses are incurred which support the work performed under program services as well as for support services. Such expenses are allocated among the various program services and support services based on the relationship of functionalized payroll costs to total payroll. Expenses associated with grant writing and reporting, and other staff time associated with raising funds for Lupus Foundation - Ohio events are shown on the functional expense statement as fundraising expenses.

Depreciation

Property and equipment are depreciated using the straight-line method over estimated useful lives.

Use of Estimates

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

Contributions and Grants

Unrestricted contributions, if any, are recorded as support when received or receivable. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Grants with donor restrictions are recorded as donor restricted grants when awarded. Some grants awarded to Lupus Foundation - Ohio require the fulfillment of certain specific conditions. Failure to fulfill these conditions could result in either the return of funds to the grantor or the refusal by the grantor to release additional funds pursuant to the grant.

Advertising Costs

Lupus Foundation - Ohio expenses advertising costs when the expense is incurred.

See accompanying independent auditor's report.

**LUPUS FOUNDATION OF AMERICA,
GREATER OHIO CHAPTER, INC.**

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

SEPTEMBER 30, 2023 AND 2022

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

FASB ASC 740

Lupus Foundation - Ohio complies with FASB ASC 740-Accounting for Uncertainty in Income Taxes. FASB ASC 740 details how companies should recognize, measure, present and disclose uncertain tax positions that have been or are expected to be taken. As such, the financial statements would reflect expected future tax consequences of uncertain tax positions presuming the taxing authorities' full knowledge of the position and all relevant facts, if they existed. The management of the Lupus Foundation - Ohio believes that there are no uncertain tax positions. The Organization's tax years that remain subject to examination by the Internal Revenue Service are September 30, 2020 and forward.

Recently issued pronouncements

From time to time, new accounting pronouncements are issued by the Financial Accounting Standards Board (FASB) and are adopted by the organization as of the specified effective date. Unless otherwise discussed, the organization believes that the impact of other recently issued accounting pronouncements will not have a material impact on its financial position, statements of activities, changes in net assets, and cash flows, or do not apply to the organization's operations.

Investments measured at Fair Value (if any)

Initial valuation - Pursuant to FASB ASC 958-320 and FASB ASC 958-325, The Lupus Foundation - Ohio initially measures investments at acquisition cost (including brokerage cost and transaction fees) if they are purchased. If they are received as a donation, they are recorded at estimated fair value.

Subsequent valuation - The Lupus Foundation - Ohio complies with FASB ASC 958-320, which requires investments in equity securities with readily determined fair value and all investments in debt securities to be measured at fair value in the statement of financial position. As of September 30, 2023 and 2022, The Lupus Foundation - Ohio did not have any Investments.

Valuation hierarchy - FASB ASC 820-10-50 Fair Value Measurements and Disclosures requires categorization of applicable financial instruments into a required fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). For The Lupus Foundation - Ohio, the financial assets and liabilities reported at fair value are based upon quoted prices for identical assets or liabilities in an active market (Level 1).

Date of Management's Review

The Lupus Foundation - Ohio has evaluated subsequent events through January 19, 2024, the date the financial statements were available to be issued.

See accompanying independent auditor's report.

**LUPUS FOUNDATION OF AMERICA,
GREATER OHIO CHAPTER, INC.**

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

SEPTEMBER 30, 2023 AND 2022

NOTE C – CASH AND CASH EQUIVALENTS

The Lupus Foundation - Ohio considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

NOTE D – GRANTS AND ACCOUNTS RECEIVABLE

Grants and other receivables are stated at estimated collectible amounts. The organization provides for probable uncollectible amounts through a charge to operations and a credit to an allowance for doubtful accounts based on its assessment of the current status of individual accounts. Balances that are still outstanding after the organization has used reasonable collection efforts are written off from receivables. As of September 30, 2023 and 2022, the balance in allowance for doubtful accounts was \$0.

NOTE E – SPECIAL EVENTS EQUIPMENT AND SUPPLIES

The Organization holds various fund raisers and special events throughout the year at which it sells and gives away t-shirts, jackets, magnetic ribbons, and other various promotional items. These items are valued at cost.

NOTE F – PROPERTY AND EQUIPMENT

Property and equipment are stated at cost, if purchased or at the fair market value on the date of donation, if contributed. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets as follows:

<u>Category</u>	<u>Estimated useful life</u>
Furniture	7 years
Office Equipment	5 years
Special Event Equipment	5 years

Costs of maintenance and repair are charged to expense. Costs of renewals and betterments, where significant in amount, are capitalized.

NOTE G – CREDIT CARD

Lupus Foundation - Ohio has two credit cards. One is an American Express credit card with a credit limit of \$37,500. Interest rate for standard purchases is 17.99% and 27.49% for cash advances. The organization also has a Chase Ink card with a credit limit of \$2,000. Both cards are unsecured. Interest rate for standard purchases and cash advances is 26.49%. As of September 30, 2023 and 2022, the balances owed were \$31,585 and \$10,754, respectively.

See accompanying independent auditor's report.

**LUPUS FOUNDATION OF AMERICA,
GREATER OHIO CHAPTER, INC.**

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

SEPTEMBER 30, 2023 AND 2022

NOTE H – ECONOMIC INJURY DISASTER LOAN

In addition to the Paycheck Protection Program funds, Lupus Foundation - Ohio received an Economic injury Disaster loan. The loan is amortized over 30 years, carries an interest rate of 2.75% and is unsecured. Required principal payments for the next five years are as follows for fiscal years ending September 30:

2022	\$	3,713
2023		3,816
2024		3,923
2025		4,031
2026		4,144
Thereafter		<u>126,761</u>
Total	\$	<u>146,388</u>

NOTE I – NET ASSETS WITH DONOR RESTRICTIONS

As of September 30, 2023 and 2022, Lupus Foundation - Ohio had the following donor restricted net assets restricted by expenditure:

	<u>2022</u>	<u>2021</u>
Ohio Commission on Minority Health program	\$ 25,779	\$ 25,779
Ohio Department of Health program	500,000	209,971
CDC	15,706	2,146
Patient Navigator Program	<u>00</u>	<u>50,000</u>
Total	<u>\$ 541,485</u>	<u>\$ 287,896</u>

There are no amounts restricted by time.

NOTE J – LEASE OBLIGATIONS

Lupus Foundation - Ohio is obligated under various equipment operating leases through October 2023. The future minimum required lease payments are as follows for fiscal years ending September 30:

2023	\$	1,128
2024		0
2025		0
Thereafter		<u>0</u>
Total	\$	<u>1,128</u>

See accompanying independent auditor's report.

**LUPUS FOUNDATION OF AMERICA,
GREATER OHIO CHAPTER, INC.**

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

SEPTEMBER 30, 2023 AND 2022

NOTE K – CONTRIBUTIONS – EVENTS

Independent third parties hold fund raising events and subsequently donate a portion of the proceeds to Lupus Foundation – Ohio. These third parties distribute literature about Lupus and services provided by Lupus Foundation – Ohio. These events include thrift store donations, Steppin-4 Lupus, Zumbathon and Dare to Wear Purple.

NOTE L – RELATED PARTY TRANSACTIONS

Lupus Foundation - Ohio is a chapter of the Lupus Foundation of America-National and, as such, pays an annual assessment based on annual revenues (as defined by contract). The Lupus Foundation of America-National provides extensive research services, as well as managerial, administrative educational, informational and operational services and support.

For the years ended September 30, 2023 and 2022 the Lupus Foundation - Ohio incurred assessment expenses totaling \$13,570 and \$15,262, respectively. Due to cash flow issues the Lupus Foundation of America-National has agreed to a long-term repayment plan. No interest will be charged, and the payable is unsecured. The Lupus Foundation - Ohio has recorded payables of \$49,125 and \$49,125 as of September 30, 2023 and 2022 to the Lupus Foundation of America-National. The current portion of payable is included in accounts payable. The future minimum payments are as follow:

For the years ending September 30:

2024	\$	20,517
2025		20,517
2026		8,091
2027		0
2028		0
Thereafter		<u>0</u>
Total	\$	<u>49,125</u>

NOTE M – FUNDRAISING AND SPECIAL EVENTS

Various fundraising events are held by Lupus Foundation – Ohio. Revenues raised are shown net of direct expenses and are calculated as follows:

Fiscal year ended September 30, 2023:

	<u>Proceeds</u>	<u>Cost</u>	<u>Net</u>
Walkalong	\$ 80,407	\$ 16,727	\$ 64,510
Golf Outing	52,720	38,465	23,465
Other	<u>0</u>	<u>6,133</u>	<u>(6,133)</u>
Total	<u>\$ 143,167</u>	<u>\$ 48,789</u>	<u>\$ 84,339</u>

See accompanying independent auditor's report.

**LUPUS FOUNDATION OF AMERICA,
GREATER OHIO CHAPTER, INC.**

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

SEPTEMBER 30, 2023 AND 2022

NOTE M – FUNDRAISING AND SPECIAL EVENTS - CONTINUED

Fiscal year ended September 30, 2022:

	<u>Proceeds</u>	<u>Cost</u>	<u>Net</u>
Walkalong	\$ 81,237	\$ 16,727	\$ 64,510
Golf Outing	61,930	38,465	23,465
Other	<u>0</u>	<u>6,133</u>	<u>(6,133)</u>
Total	<u>\$ 143,167</u>	<u>\$ 61,325</u>	<u>\$ 81,842</u>

NOTE: Any allocation of payroll expense related to staff time spent on these activities is shown under fundraising in the statement of functional expenses. If such amounts were deducted directly from the above amounts, the financial statement user's evaluation of the net benefit of these activities could be affected.

NOTE N – DONATED GOODS, SERVICES AND FACILITIES

Lupus Foundation - Ohio has a significant number of volunteers who donate specialized skills, time and supplies to run the programs. These donated services and goods have not been recorded as revenue or a corresponding expense.

Lupus Foundation - Ohio also estimates that there were 25 volunteers during the fiscal year ended 2023 (165 in 2022). Hours donated by these volunteers were approximately 160 in fiscal year ended 2023 (978 in 2022) in non-specialized volunteer services for the golf outing and other events. In compliance with accounting principles generally accepted in the United States of America, these amounts have not been recorded in the financial statements.

There is a significant amount of goods donated to Lupus Foundation - Ohio by the general public during fund raising events. The amounts are shown below and are not recorded in the statement of activities for fiscal years ended September 30:

	<u>2023</u>	<u>2022</u>
Liberty Mutual for Golf Outing	\$ 73,023	\$ 72,737
Storage space	18,000	18,000
Billboards	<u>13,000</u>	<u>4,000</u>
Total	<u>\$ 104,023</u>	<u>\$ 94,737</u>

See accompanying independent auditor's report.

**LUPUS FOUNDATION OF AMERICA,
GREATER OHIO CHAPTER, INC.**

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

SEPTEMBER 30, 2023 AND 2022

NOTE O – LIQUID ASSETS AVAILABLE FOR GENERAL EXPENDITURES

Lupus Foundation - Ohio's policy is to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. All of the current assets, shown on Lupus Foundation - Ohio's Statement of Financial Position, are available for general expenditures within one year of the date of the financial statements, with the exception of current assets restricted or designated for specific purposes, as described in Note I - Net Assets with Donor Restrictions and prepaid expenses. Of course, receivables are subject to implied time restrictions but are expected to be collected within one year.

See accompanying independent auditor's report.