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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The following accounting principles and practices of Public Health Fund of Ohio ("Public Health Fund") are set forth to facilitate the understanding of data presented in the financial statements.

Organization

Public Health Fund of Ohio is a supporting organization to the Greater Cincinnati Foundation ("GCF") established during 2020 with irrevocable contributions from the Ohio Department of Health. The funds are to be used exclusively for charitable purposes and managed as an endowment fund as defined in Ohio Revised Code Section 1715.51 to 1715.59. Distributions from the fund will be used to promote public health awareness and educational campaigns; offer innovative public-private approaches to our state's most pressing needs; incubate programs at the local level that can be scalable; and foster evidence-informed approaches in local programming. The majority of Public Health Fund of Ohio's Board of Directors is appointed by GCF's Governing Board.

Financial statement presentation

The financial statements are presented on the accrual basis of accounting in accordance with generally accepted accounting principles ("GAAP"). Net assets, revenues, gains and losses are classified based on the absence or existence of donor-imposed restrictions as follows:

- *Net assets without donor restrictions:* Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Public Health Fund. These net assets may be used at the discretion of the Public Health Fund's management and Board of Trustees.
- *Net assets with donor restrictions:* Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions that are likely to be met by the actions of the Public Health Fund or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity and only the related investment income is without donor restriction. The Public Health Fund did not have any net assets with perpetual restrictions at December 31, 2023 and 2022.

When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets are reclassified from with donor restrictions to without donor restrictions and reported in the statements of activities as net assets released from restrictions. The Public Health Fund records contributions and investment income with donor restrictions that are met in the same period as net assets with donor restrictions that are then released in the accompanying statements of activities.

Unconditional contributions are recorded when the promise to give is received. Grant revenue is recorded when the grant is awarded, unless conditional by nature. Conditional grants are generally received to reimburse eligible expenses. Reimbursement-type grant revenue is recorded in grant revenues with donor restrictions and then released when the related eligible costs are incurred. The Public Health Fund had no conditional promises to give at December 31, 2023. Cash received under reimbursable grants in advance of the eligible expenses being incurred is recorded as refundable advance. Revenues from sources other than contributions are reported as increases in net assets without donor restrictions. Expenses are reported as decreases in net assets without donor restrictions.

Income taxes

The Public Health Fund is a not-for-profit entity exempt from federal income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code. The Public Health Fund has been classified as organizations other than a private foundation.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and cash equivalents

The Public Health Fund considers money market funds and all highly liquid debt instruments with an original maturity of three months or less to be cash equivalents.

Concentration of credit risk

The Public Health Fund maintains its cash in deposit accounts, which, at times, may exceed federally insured limits. The Public Health Fund has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statements of financial position. Net investment return on the accompanying statements of activities includes interest, dividends, net realized and unrealized gains (losses) on investments, net of the related investment expenses.

Functional classification of expenses

The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of the Public Health Fund. Program operating expenses primarily pertain to the charitable and philanthropic grants the Public Health Fund provides. Expenses are directly applied when applicable and other expenses are allocated to programs or supporting services. Personnel expenses, audit and insurance expense, communications, and other have been allocated based upon estimated head counts for each function. All fundraising costs are charged to fundraising expenses and thus, there are no joint costs.

Subsequent events

The Public Health Fund evaluates events and transactions occurring subsequent to the date of the financial statements for matters requiring recognition or disclosure in the financial statements. The accompanying financial statements consider events through May 23, 2024, the date on which the financial statements were available to be issued.

2. RELATED PARTY TRANSACTIONS:

Expenses of \$56,630 and \$54,852 for the years ended December 31, 2023 and 2022, respectively, are related to various management, administrative and accounting services provided to the Public Health Fund by GCF.

3. FAIR VALUE MEASUREMENTS:

Generally accepted accounting principles defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value as follows:

Level 1 – Valuations based on quoted price in active markets for identical assets or liabilities that the Public Health Fund has the ability to access. Valuation adjustments are not applied to Level 1 instruments. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these items does not entail a significant degree of judgment.

Level 2 – Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, directly or indirectly.

Level 3 – Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

The availability of observable inputs can vary and is affected by a wide variety of factors. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3.

Valuation policy, techniques, inputs, and process

The Treasurer, under the supervision of the Board of Trustees, determines the fair value measurement policies and procedures in consultation with its investment advisors. These policies and procedures are reassessed at least annually to determine if the current valuation techniques are still appropriate. At that time, the unobservable inputs used in fair value measurements are evaluated and adjusted, as necessary, based on current market conditions and other third-party information. In determining the reasonableness of the methodology, its investment advisors and the Treasurer all evaluate a variety of factors including a review of existing agreements, economic conditions, and industry and market developments.

The Public Health Fund values substantially all of its investments at amounts reported by the investment manager and as validated through consideration of the audited financial statements of such investments. Accordingly, the Public Health Fund does not use separate quantitative information to value such investments.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2023 and 2022.

Common stocks and mutual funds including exchange traded funds: Valued at the closing price reported on the active market on which the individual stocks or funds are traded.

The following tables present the assets as of December 31, 2023 and 2022 that are measured at fair value on a recurring basis and are categorized using the fair value hierarchy.

	December 31, <u>2023</u>	(Level 1)	(Level 2)	(Level 3)
Investments:				
Mutual funds	\$ 6,291,851	6,291,851	-	-
Common stocks	<u>659,243</u>	<u>659,243</u>	-	-
Total assets in the fair value hierarchy	<u>\$ 6,951,094</u>	<u>6,951,094</u>	-	-
	December 31, <u>2022</u>	(Level 1)	(Level 2)	(Level 3)
Investments:				
Mutual funds	\$ 6,082,426	6,082,426	-	-
Common stocks	<u>297,797</u>	<u>297,797</u>	-	-
Total assets in the fair value hierarchy	<u>\$ 6,380,223</u>	<u>6,380,223</u>	-	-

4. ENDOWMENTS:

The Public Health Fund has adopted investment and spending policies for board-designated endowment assets. Changes in endowment net assets are as follows for the years ended December 31:

	<u>2023</u>	<u>2022</u>
Endowment Funds:		
Endowment net assets-beginning of year	\$ 6,859,509	5,787,813
Net investment returns	940,498	(852,285)
Contributions	-	2,000,000
Amounts appropriated for expenditure	<u>(367,552)</u>	<u>(76,019)</u>
Change in endowment net assets	<u>572,946</u>	<u>1,071,696</u>
Total endowment funds	<u>\$ 7,432,455</u>	<u>6,859,509</u>

5. LIQUIDITY DISCLOSURES:

The Public Health Fund’s goal is generally to maintain financial assets to meet one year of operating expenses. As part of its liquidity plan, excess cash is invested in short-term investments, including a money market account. The Public Health Fund calculates a 5% spendable amount based upon a 20-quarter rolling average each January. The calculation performed in January 2024 and 2023 resulted in \$309,649 and \$297,454, respectively available for 2024 and 2023 expenditures.

The following table presents the financial assets available to meet cash needs for general expenditures within one year at December 31:

	<u>2023</u>	<u>2022</u>
Financial assets:		
Cash	\$ 481,526	479,286
Investments	<u>6,951,094</u>	<u>6,380,223</u>
Financial assets available at year-end	7,432,620	6,859,509
Less those unavailable for general expenditures within one year due to:		
Accounts payable and accrued liabilities	165	-
Restricted by donor with purpose restrictions less spending policy calculation	<u>7,122,806</u>	<u>6,562,055</u>
Financial assets available to meet cash needs for general expenditures within one year	\$ <u><u>309,649</u></u>	<u><u>297,454</u></u>