

CHILDREN'S CARDIOMYOPATHY FOUNDATION
(A non-profit Corporation)

FINANCIAL STATEMENTS
AND
ACCOMPANYING INDEPENDENT AUDITOR'S REPORT

DECEMBER 31, 2016

CHILDREN'S CARDIOMYOPATHY FOUNDATION

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Independent Auditors Report

Board of Directors
Children's Cardiomyopathy Foundation.

We have audited the accompanying statement of financial position of Children's Cardiomyopathy Foundation. (a nonprofit organization) as of December 31, 2016 and the related statements of activities and changes in assets, and cash flows for the year then ended.

Management's Responsibility 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 misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material aspects, the financial position of Children's Cardiomyopathy Foundation. As of December 31, 2016, and the results of its operations and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.


Beam & Associates, Inc.
March 16, 2017

CHILDREN'S CARDIOMYOPATHY FOUNDATION
STATEMENT OF FINANCIAL POSITION
December 31, 2016
See accompanying notes and accountant's report

	<u>2016</u>
<u>ASSETS</u>	
CURRENT ASSETS	
Cash and cash equivalents	\$ 703,740
Investments	<u>1,539,137</u>
Total current assets	2,242,877
PROPERTY AND EQUIPMENT	
Property and equipment	-
Total Assets	<u>\$ 2,242,877</u>
<u>LIABILITIES AND NET ASSETS</u>	
CURRENT LIABILITIES	
Accounts payable	\$ -
NOTES PAYABLE, less current portion	<u>-</u>
NET ASSETS	
Unrestricted	2,209,903
Temporarily Restricted	32,974
Permanently Restricted	-
Total net assets	<u>2,242,877</u>
Total Liabilities and Net Assets	<u>\$ 2,242,877</u>

CHILDREN'S CARDIOMYOPATHY FOUNDATION

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2016

See accompanying notes and accountant's report

	General Unrestricted	Temporarily Restricted	Permantly Restricted	Total
REVENUES, GAINS, AND OTHER SUPPORT				
Contributions	\$ 154,407			154,407
Grants		32,974		32,974
Fundraising	711,231			711,231
Interest and dividends	47,556			47,556
Merchandise Sales	944			944
Unrealized gains	116,480			116,480
TOTAL REVENUES, GAINS AND OTHER SUPPORT	<u>1,030,618</u>	<u>32,974</u>		<u>1,063,592</u>
EXPENSES				
Management and general	90,276			90,276
Program and services	521,820	32,974		554,794
Fundraising expenses	316,743			316,743
Total Expenses	<u>928,839</u>	<u>32,974</u>		<u>961,813</u>
CHANGE IN NET ASSETS	<u>101,779</u>	<u>-</u>		<u>101,779</u>
ASSETS AT BEGINNING OF THE YEAR	<u>2,141,098</u>			<u>2,141,098</u>
NET ASSETS AT THE END OF THE YEAR	<u><u>2,242,877</u></u>	<u><u>-</u></u>		<u><u>2,242,877</u></u>

CHILDREN'S CARDIOMYOPATHY FOUNDATION
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2016
See accompanying notes and accountant's report

	<u>2016</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Decrease in net assets	\$ 101,779
Adjustments to reconcile increase in net assets to net cash provided by activities:	
Depreciation	-
Changes in assets and liabilities:	
Decrease (Increase) in	-
Accounts receivable	-
Prepaid expenses	-
(Decrease) Increase in:	
Accounts payable	-
	<u>101,779</u>
Net cash provided by (used in) operating activities	
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of equipment	-
Purchase of Investments	<u>(422,313)</u>
Net cash provided by (used in) investing activities	<u>(422,313)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Collections of contributions restricted for long-term purposes	-
Net cash provided by (used in) financing activities	-
CASH AND CASH EQUIVALENTS, Beginning	<u>1,024,274</u>
CASH AND CASH EQUIVALENTS, End	<u><u>703,740</u></u>

CHILDREN'S CARDIOMYOPATHY FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016

NOTE A – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Children's Cardiomyopathy Foundation. (the Organization) purpose is primarily to raise funds to support research into the causes and treatments of pediatric cardiomyopathy, secondly, to educate and support patients and healthcare professionals, and raise awareness of the disease among lawmakers and the general public.

Financial Statement Presentation

The Organization follows Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements for Not-for-Profit Organizations*. Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, which represents the expendable resources that are available for operations at management's discretion; temporary restricted net assets; which represents resources restricted by donors as to purpose or by the passage of time; and permanently restricted assets, which represents resources whose use by the Organization is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Organization. In addition, the Organization is required to present a statement of cash flows.

Basis of Accounting

The financial statements have been prepared using the accrual basis of accounting.

Promises to Give

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporary or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted assets are reclassified to unrestricted net assets.

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.

Property and Equipment

The Organization capitalizes property and equipment over \$1,000. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time. Property and equipment are depreciated using the straight-line method over the useful lives ranging from three to five years.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted net assets depending on the existence or nature of any donor restrictions.

Income Taxes

The Organization is a not-for-profit Organization that is exempt from income taxes under Section 501 (c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Investments

As of December 31, 2016 the organization held investments. The investments are recorded at their fair value on the Statement of Financial Position in current assets. Changes in fair value are reflected in support and revenue.

NOTE A – CONCENTRATION OF RISK

Cash is held in a money market account. Money market accounts are not FDIC insured.

NOTE B – EVALUATION OF SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through March 16, 2017 the date which the financial statements were available to be issued.

CHILDREN'S CARDIOMYOPATHY FOUNDATION
SUPPLEMENTAL SCHEDULE
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2016
See accompanying notes and accountant's report

				<u>2016</u>
	<u>Program and Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Fundraising			215,536	215,536
Compensation	174,935	40,912	91,829	307,676
Payroll Taxes	17,865	4,178	9,378	31,421
Payroll Service		1,083		1,083
Filing Fees		3,954		3,954
Legal and Professional Fees		8,524		8,524
Advertising and Marketing	12,504			12,504
Education and Awareness	19,532			19,532
Advocacy	4,000			4,000
Postage and Freight		838		838
Copying and Printing	2,135			2,135
Travel and Entertainment		5,498		5,498
Patient Support and News Letter	26,098			26,098
Research Grants	289,292			289,292
Conferences and Conventions	8,433			8,433
Bank Processing Fees		10,790		10,790
Telephone and Internet		4,600		4,600
Insurance		4,726		4,726
Office Expense		33		33
Supplies		1,090		1,090
Storage Rental		4,050		4,050
	<u>554,794</u>	<u>90,276</u>	<u>316,743</u>	<u>961,813</u>