Children's Cardiomyopathy Foundation, Inc.

Financial Statements

December 31, 2023 and 2022

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Children's Cardiomyopathy Foundation, Inc.
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Independent Auditors' Report

To the Board of Trustees
Children's Cardiomyopathy Foundation, Inc.
Tenafly, New Jersey

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Children's Cardiomyopathy Foundation (a nonprofit organization) (the "Organization"), which comprise the statements of financial position as of December 31, 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 accompanying financial statements present fairly, in all material respects, the financial position of the Organization 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 (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization 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 the Organization's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditors' 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 auditors' 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 GAAS 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 GAAS, 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 the Organization'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 the Organization'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.

Nisivoccia LLP

Mt. Arlington, New Jersey
May 2, 2024

Children's Cardiomyopathy Foundation, Inc.
Statement of Financial Position
December 31, 2023 and 2022

	2023	2022
ASSETS		
Cash and cash equivalents	$ 1,542,049	$ 628,344
Investments	1,074,956	1,874,016
Intangible asset, net		6,136
Total assets	$ 2,617,005	$ 2,508,496
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable and accrued expenses	$ 12,045	$ 57,287
Deferred revenue		112,000
Total liabilities	12,045	169,287
Net assets:		
Without donor restrictions	2,604,960	2,339,209
Total net assets	2,604,960	2,339,209
Total liabilities and net assets	$ 2,617,005	$ 2,508,496

Children's Cardiomyopathy Foundation, Inc.
Statement of Activities
Year Ended December 31, 2023

	Without Donor Restrictions
Revenue and other support:	
Contributions	$ 318,712
Fundraising and special events	378,072
Net investment return	256,094
Total revenue and other support	952,878
Expenses:	
Program services:	
Education	99,559
Patient support	69,379
Research	142,741
Advocacy & awareness	60,276
Total program services	371,955
Supporting services:	
Management and general	100,553
Fundraising	214,619
Total expenses	687,127
Change in net assets	265,751
Net assets, beginning of year	2,339,209
Net assets, end of year	$ 2,604,960

Children's Cardiomyopathy Foundation, Inc.
Statement of Activities
Year Ended December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and other support:			
Contributions	$ 220,044		$ 220,044
Fundraising and special events	441,429		441,429
Net investment return	(212,109)		(212,109)
Net assets released from restrictions	25,000	(25,000)	
Total revenue and other support	474,364	(25,000)	449,364
Expenses:			
Program services:			
Education	210,967		210,967
Patient support	135,261		135,261
Research	139,409		139,409
Advocacy & awareness	48,394		48,394
Total program services	534,031		534,031
Supporting services:			
Management and general	127,271		127,271
Fundraising	255,704		255,704
Total expenses	917,006		917,006
Change in net assets	(442,642)	(25,000)	(467,642)
Net assets, beginning of year	2,781,851	25,000	2,806,851
Net assets, end of year	$ 2,339,209	$ -	$ 2,339,209

See Accompanying Notes to Financial Statements

Children's Cardiomyopathy Foundation, Inc.
Statement of Functional Expenses
Year Ended December 31, 2023

	Program Services					Supporting Services		
	Education	Patient Support	Research	Advocacy & Awareness	Total Program Services	Management and General	Fundraising	Total
Salaries	$ 48,181	$ 48,181	$ 25,508	$ 48,181	$ 170,051	$ 42,513	$ 70,853	$ 283,417
Payroll taxes	4,389	4,389	2,324	4,389	15,491	3,873	6,455	25,819
Total personnel services	52,570	52,570	27,832	52,570	185,542	46,386	77,308	309,236
Fundraising							132,311	132,311
Filing fees						3,184		3,184
Legal and professional fees						20,860		20,860
Consulting services	20,000		20,000		40,000	5,000	5,000	50,000
Software and database	3,621	2,477	1,239	2,191	9,528			9,528
Website expense	5,757	3,939	1,970	3,485	15,151			15,151
Amortization expense	2,332	1,595	798	1,411	6,136			6,136
Education and awareness	10,478				10,478			10,478
Travel and entertainment						4,633		4,633
Patient support and outreach		8,179			8,179			8,179
Research grants			90,283		90,283			90,283
Medical conferences	4,182				4,182			4,182
Bank processing fees						8,327		8,327
Telephone and internet						1,362		1,362
Insurance						6,273		6,273
Office expense	479	479	479	479	1,916	641		2,557
Office supplies	140	140	140	140	560	188		748
Storage rental						3,699		3,699
Total expenses	$ 99,559	$ 69,379	$ 142,741	$ 60,276	$ 371,955	$ 100,553	$ 214,619	$ 687,127

Children's Cardiomyopathy Foundation, Inc.
Statement of Functional Expenses
Year Ended December 31, 2022

	Program Services					Supporting Services		
	Education	Patient Support	Research	Advocacy & Awareness	Total Program Services	Management and General	Fundraising	Total
Salaries	$ 4,847	$ 3,231	$ 1,616	$ 3,000	12,694	$ 3,231	$ 7,154	$ 23,079
Payroll taxes	554	369	185	343	1,451	369	817	2,637
Total personnel services	5,401	3,600	1,801	3,343	14,145	3,600	7,971	25,716
Fundraising							158,327	158,327
Filing fees						3,889		3,889
Legal and professional fees						27,168		27,168
Consulting services	88,975		88,975		177,950	22,244	22,244	222,438
Management services	83,953	83,952	16,790	33,581	218,276	50,371	67,162	335,809
Software and database	3,998	2,736	1,368	2,420	10,522			10,522
Website expense	6,929	4,740	2,370	4,193	18,232			18,232
Amortization expense	4,638	3,174	1,587	2,807	12,206			12,206
Education and awareness	10,596				10,596			10,596
Interest Expense	2,024	1,385	693	1,225	5,327			5,327
Travel and entertainment						2,364		2,364
Patient support and outreach		34,849			34,849			34,849
Research grants			25,000		25,000			25,000
Medical conferences	3,628				3,628			3,628
Bank processing fees						6,428		6,428
Telephone and internet						2,039		2,039
Insurance						4,626		4,626
Office expense	611	611	611	611	2,444	817		3,261
Office supplies	214	214	214	214	856	283		1,139
Storage rental						3,442		3,442
Total expenses	$ 210,967	$ 135,261	$ 139,409	$ 48,394	$ 534,031	$ 127,271	$ 255,704	$ 917,006

Children's Cardiomyopathy Foundation, Inc.
Statement of Cash Flows
Years Ended December 31, 2023 and 2022

	2023	2022
Cash flows from operating activities:		
Change in net assets	$ 265,751	$ (467,642)
Adjustments to reconcile change in net assets		
to net cash provided by (used in) operating activities:		
Realized gain on investments	(119,076)	(108,019)
Unrealized loss (gain) on investments	(60,921)	358,241
Amortization expense	6,136	12,206
Change in operating assets and liabilities:		
Accounts payable	(45,242)	19,395
Deferred revenue	(112,000)	112,000
Net cash used in operating activities	(65,352)	(73,819)
Cash flows from investing activities:		
Purchase of investments		(479,332)
Proceeds from sale of investments	979,332	411,121
Dividends reinvested	(275)	(27,150)
Net cash provided by (used in) investing activities	979,057	(95,361)
Cash flows from financing activities:		
Repayment of SBA EIDL		(149,900)
Net cash used in financing activities		(149,900)
Net increase (decrease) in cash and cash equivalents	913,705	(319,080)
Cash and cash equivalents, beginning of year	628,344	947,424
Cash and cash equivalents, end of year	$ 1,542,049	$ 628,344
Supplemental disclosure of noncash flow information:		
Unrealized gain (loss) on investments	$ 60,921	$ (358,241)

1. Nature of Activities

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

2. Summary of Significant Accounting Policies

The accompanying financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. A summary of the significant accounting policies followed by the Organization in the preparation of the accompanying financial statements is set forth below:

Basis of Presentation

The Organization prepares its financial statements in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC"), *Accounting for Contributions Received and Made*, and *Presentation of Financial Statements of Not-for-Profit Entities*. *Presentation of Financial Statements of Not-for-Profit Entities* establishes standards for external financial reporting by not-for-profit organizations and requires that resources be classified for accounting and reporting purposes into two net asset categories: net assets with donor restrictions and net assets without donor restrictions. Contributions that are restricted by the donor are reported as increases in net assets without donor restriction if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. In addition, the standard requires the presentation of qualitative information on how the Organization manages its liquid available resources and liquidity risks. Quantitative information that communicates the availability of a nonprofit's financial assets at the statement of financial position date to meet cash needs for general expenditures within one year is required to be presented on the face of the financial statement and/or in the notes to the financial statements. *Accounting for Contributions Received and Made* requires that unconditional promises to give be recorded as receivables and revenue and requires the organization to distinguish between contributions received for each net asset category in accordance with donor-imposed restrictions. Accordingly, the net assets and changes therein are classified and reported as follows:

Net assets without donor restrictions are resources representing the portion of expendable funds available for support of the Organization's programs and general operations. These resources are not subject to donor-imposed stipulations.

Net assets with donor restrictions are net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity. Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities. The Organization had no net assets with donor restrictions as of December 31, 2023 and 2022.

Support and Revenue Recognition

The Organization recognizes contributions when cash, securities, or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on when they depend have been substantially met.

Revenue is measured based on consideration specified in a contract with a customer. This occurs with the transfer of control at a specific point in time. The Organization recognizes fundraising and special event revenue at the time the event occurs. There are no multi-year contracts and performance obligations are typically satisfied within one year or less.

Disaggregation of Revenue

In the following table, revenue is disaggregated by timing of satisfaction of performance obligations for the years ended December 31:

	2023	2022
Performance obligations satisfied at a point in time	$ 378,072	$ 441,429

Revenue from performance obligations satisfied at a point in time consists of fundraising and special events.

Functional Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among program and supporting services benefited. The financial statements report certain categories of expense that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied.

Expenses are charged to each program based on direct expenditures incurred. Any program expenditures not directly chargeable are allocated to programs based on units of service and support costs are allocated to programs based on time spent. Program expenses are those related to education, patient support, research and advocacy. Management and general expenses relate to administrative costs associated with the administration of those programs. Fundraising expenses include the direct costs of special events and the allocation of employees' salaries and other costs involved in fundraising and special events based on estimates of time and effort considered by management to be reasonable.

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 amounts of assets and liabilities, revenue and expenses and changes therein, and disclosures of contingent assets and contingent liabilities and accompanying notes. It is reasonably possible that the Organization's estimates may change in the near term.

Cash and Cash Equivalents

The Organization considers all highly liquid investing instruments purchased with an original maturity of three months or less to be cash equivalents.

Leases

The Organization applies FASB ASC 842 to determine whether an arrangement is or contains a lease at inception.

The Organization has elected for all underlying classes of assets, to not recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less, but greater than 1 month at lease commencement, and do not include an option to purchase the underlying asset that the Company is reasonably certain to exercise. The Organization recognizes lease cost associated with its short-term leases on a straight-line basis over the lease term.

The short-term lease cost recognized and disclosed for those leases in 2023 and 2022 is $3,699 and $3,442, respectively.

Investments

The Organization follows FASB ASC, *Accounting for Certain Investments Held by Not-for-Profit Organizations*. Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. The fair value of investments is determined by reference to quoted market prices. Investment income or loss (including interest and dividends) and realized gain and loss on sale of investments are included in the statement of activities as increases or decreases of net assets without donor restrictions unless the income or loss is restricted by donor or law.

Investment income and gains restricted by a donor are reported as increases in net assets without donor restrictions if the restrictions are met (either by the passage of time or by use) in the reporting period in which the income and gains are recognized. Fair market value, at acquisition or contribution, as well as at subsequent dates, is determined based on quoted market prices as provided by the investment advisors.

Management evaluates securities for other-than-temporary impairment at least on a quarterly basis, and more frequently when economic or market concerns warrant such evaluation.

Consideration is given to (1) the length of time and the extent to which the fair value has been less than cost, (2) the financial condition and near-term prospects of the issuer, and (3) the intent and ability of the Organization to retain its investment in the issuer for a period of time sufficient to allow for any anticipated recovery in fair value.

Intangible Assets

In accordance with FASB ASC, *Intangibles – Goodwill and Other*, website costs incurred during the application and infrastructure development stage are capitalized.

Costs incurred during the planning stage and operation stage are expensed as incurred. Capitalized costs are amortized on a straight-line basis over the estimated useful life.

Deferred Revenue

Deferred revenue consists of amounts received in advance of services being performed which will be recognized as income in future periods when the services are performed. At December 31, 2023 and 2022 deferred revenue was $0 and $112,000, respectively.

Income Tax Status

The Organization is a not-for-profit organization that is exempt from federal income taxes pursuant to Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. The Organization is also exempt under Title 15 of the State of New Jersey *Corporations and Associations Not-for-Profit Act*. The Organization is also exempt under Article 7-A of the Executive Law (Article 7-A) of the State of New York. Accordingly, no provision for federal or state income tax has been presented in the accompanying financial statements.

The Organization follows the provisions of FASB ASC, *Income Taxes*. The standard prescribes a minimum recognition threshold and measurement methodology that a tax position taken or expected to be taken in a tax return is required to meet before being recognized in the financial statements. It also provides guidance for derecognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition related to those tax positions.

The Organization does not expect a significant increase or decrease to the total amounts of unrecognized tax positions during the year ended December 31, 2023. However, the Organization is subject to audit by tax authorities, including a review of its nonprofit status which management believes would be upheld upon examination. The Organization believes that it has appropriate support for the positions taken on its tax returns. Nonetheless, the amounts ultimately paid, if any, upon resolution of the issues raised by the taxing authorities may differ materially from the amounts accrued for each year.

The Organization files informational returns with the federal and various states on an annual basis – Form 990 with the Internal Revenue Service, and the applicable form with each state. These returns are subject to examinations at any time within statutorily defined periods from the latest filing date for federal and for each state jurisdiction.

Reclassification

Certain amounts in the prior year financial statements have been reclassified in order to be consistent with the current year presentation.

Donated Services

The Board of Trustees makes significant contributions of time relative to general management and operations of the Organization. These donated services are not reflected in the financial statements for the years ended December 31, 2023 and 2022, as they do not meet the criteria for recognition as contributed services in accordance with U.S. generally accepted accounting principles.

Fair Value Measurements

In accordance with FASB ASC, *Fair Value Measurements and Disclosures*, fair value is defined as a market-based measurement, not an entity-specific measurement. The objective of a fair value measurement is to estimate the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions (that is, an exit price at the measurement date from the perspective of a market participant that holds the asset or owes the liability). A fair value measurement assumes that the transaction to sell the asset or transfer the liability either occurs in the principal market (or in its absence, the most advantageous market) for the asset or liability.

The Fair Value Measurements Topic of the FASB ASC establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. Fair value focuses on the price that would be received to sell the asset or paid to transfer the liability regardless of whether an observable market price existed (an exit price). An exit price valuation will include margins for risk even if they are not observable. As the Organization is released from risk, the margins for risk will also be released through net realized capital gains (losses) in net income.

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy are as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement. Level 3 assets and liabilities measured at fair value are based on one or more of three valuation techniques:

- Market approach - Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities;

- Cost approach - Amount that would be required to replace the service capacity of an asset (i.e., replacement cost);
- Income approach - Techniques that convert future amounts to a single present amount based on market expectations (including present value techniques, option-pricing models, and lattice models).

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. For some assets and liabilities, observable market transactions or market information may be available.

For other assets and liabilities, observable market transactions and market information might not be available. When a price for an identical asset or liability is not observable, a reporting entity measures fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs.

Because fair value is a market-based measurement, it is measured using the assumptions that market participants would use when pricing the asset or liability, including assumptions about risk. As a result, a reporting entity's intention to hold an asset or settle or otherwise fulfill a liability is not relevant when measuring fair value.

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

Common stocks and exchange traded funds: The carrying amounts are stated at the value at the closing price reported in the active market in which the individual securities are traded.

Mutual funds: The carrying amounts are valued at the net asset value (NAV) of shares held by the Organization at year end.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The Organization invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the Organization's investments and the amounts reported in the statement of financial position and the statement of activities.

Credit Risk and Concentrations

Financial instruments, which potentially subject the Organization to concentrations of credit risk, consist primarily of cash and cash equivalents. At times, amounts invested with financial institutions may be in excess of federally insured limits. The Organization invests with reputable financial institutions to limit their exposure and has not experienced any losses in such accounts. As a result, management believes it is not exposed to any significant risk related to cash and cash equivalents.

Subsequent Events

Management has reviewed subsequent events and transactions that occurred after December 31, 2023 and through the date of the independent auditors' report and the date the financial statements were available to be issued, May 2, 2024. The financial statements include all events or transactions, including estimates, required to be recognized in accordance with generally accepted accounting principles. Management has determined that there are no nonrecognized subsequent events that require additional disclosure.

3. Liquidity and Availability

The provisions of FASB Update No. 2016-14 require the presentation of qualitative information on how the Organization manages its liquid available resources and liquidity risks. Quantitative information that communicates the availability of a nonprofit's financial assets at the statement of financial position date to meet cash needs for general expenditures within one year is required to be presented on the face of the financial statement and/or in the notes to the financial statements.

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 of the following:

	2023	2022
Financial assets at year end:		
Cash and cash equivalents	$ 1,542,049	$ 628,344
Investments	1,074,956	1,874,016
Total financial assets available to meet general expenditures over the next twelve months	$ 2,617,005	$ 2,502,360

The Organization strives to maintain liquid financial assets sufficient to meet 60 days of normal operating expenses. In addition to these financial assets, a significant portion of the Organization's annual expenditures will be funded by current year operating revenues including contributions and fundraising and special event revenue. As part of the Organization's liquidity plan, cash in excess of daily requirement is invested in short-term investments. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

4. Investments

The following financial instruments, measured on a recurring basis, are carried at fair value in the Organization's financial statements. The fair value disclosures include information regarding the valuation of the Organization's investments as of December 31, 2023 and 2022:

	2023		
	Cost Basis	Fair Market Value (Level 1)	Unrealized Gains
ETF's	$ 353,293	$ 542,942	$ 189,649
Mutual Funds	384,004	532,014	148,010
Total investments	$ 737,297	$ 1,074,956	$ 337,659

	2022		
	Cost Basis	Fair Market Value (Level 1)	Unrealized Gains
Equities	$ 119	$ 4,210	$ 4,091
ETF's	832,625	919,776	87,151
Mutual Funds	765,658	950,030	184,371
Total investments	$ 1,598,403	$ 1,874,016	$ 275,614

Investment activity for the years ended December 31, 2023 and 2022 is comprised of the following:

	2023	2022
Beginning balance	$ 1,874,016	$ 2,028,877
Purchases		479,332
Sales	(979,332)	(411,121)
Dividend income reinvested	275	27,150
Realized gain on investments	119,076	108,019
Unrealized gain (loss) on investments	60,921	(358,241)
Ending balance	$ 1,074,956	$ 1,874,016

Return on investments for the years ended December 31, 2023 and 2022 is comprised of the following:

	2023	2022
Interest and dividend income	$ 72,424	$ 34,542
Realized gain on investments	119,076	108,019
Unrealized gain (loss) on investments	60,921	(358,241)
	$ 252,421	$ (215,680)

5. Intangible Assets

During 2018, the Organization incurred costs to develop a website. Intangibles are being amortized over three years. Intangible assets at December 31, 2023 and 2022 are comprised of the following:

	Estimated Useful Lives (Years)	2023	2022
Website Development Costs	3	$ 98,462	$ 98,462
Less: Accumulated Amortization		(98,462)	(92,326)
		$ -	$ 6,136

For the years ended December 31, 2023 and 2022, the Organization incurred amortization expense of $6,136, and $12,206, respectively.

6. Net Assets with Donor Restrictions

Net assets released from donor restrictions during 2023 and 2022 are as follows:

	2023	2022
Satisfaction of purpose restriction:		
CCF Research Goals		$ 25,000
	$ -	$ 25,000

7. Related Party Transactions

On August 1, 2021 the Organization entered into a consulting services agreement with Lisa Yue (Spark Strategic Consulting, LLC), president of the board of directors, through July 2022. The Organization entered into a new contract in August of 2022 for consulting services through July 2023. For the years ended December 31, 2023 and 2022 consulting fees totaled $50,000 and $216,030, respectively. The consulting agreement is a legal document signed by all parties involved and was also disclosed to and approved by the board of directors. Invoices from Spark Strategic Consulting, LLC, along with a detailed time sheet, are submitted to the Organization monthly and paid.

8. Leases

The Organization accounts for leases in accordance with FASB ASC 842. The Organization is a lessee in several noncancellable operating leases for storage. The Organization leases 2 storage units on a month-to-month basis with no expiration date, however, the Organization may cancel the lease at any time by providing 15 days notice to the lessor. Total rent expense for both the years ended December 31, 2023 and 2022 was $3,699 and $3,442.