



Financial Statements  
With Independent Auditors' Report

December 31, 2024 and 2023

# CHILDREN'S CARDIOMYOPATHY FOUNDATION, INC.

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# Kudisch, Oster & Company, LLC

*Certified Public Accountants*

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Children's Cardiomyopathy Foundation, Inc.

### **Report on the Audit of the Financial Statements**

#### *Opinion*

We have audited the accompanying financial statements of Children's Cardiomyopathy Foundation, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2024, and the related statements of activities, functional expenses and cash flows for the year 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 Children's Cardiomyopathy Foundation, Inc. as of December 31, 2024, and the results of its operations 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 audit 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 Children's Cardiomyopathy Foundation, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 Children's Cardiomyopathy Foundation, 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, including omissions, 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 Children's Cardiomyopathy Foundation, 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 Children's Cardiomyopathy Foundation, 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.

*Prior Year Financial Statements*

The 2023 financial statements were audited by other auditors, whose report dated May 2, 2024, expressed an unmodified opinion on those statements.

*Kudisch, Oster & Company, LLC*

Montclair, New Jersey  
March 6, 2025

**CHILDREN'S CARDIOMYOPATHY FOUNDATION, INC.**

Statements of Financial Position  
December 31,

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**ASSETS**

	<b>2024</b>	<b>2023</b>
<b>CURRENT ASSETS</b>		
Cash	\$ 270,862	\$ 239,784
Investments	<u>2,587,745</u>	<u>2,377,221</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 2,858,607</u></u>	<u><u>\$ 2,617,005</u></u>

**LIABILITIES AND NET ASSETS**

<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 30	\$ 12,045
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS</b>	<u>2,858,577</u>	<u>2,604,960</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 2,858,607</u></u>	<u><u>\$ 2,617,005</u></u>

See notes to financial statements

**CHILDREN'S CARDIOMYOPATHY FOUNDATION, INC.**

Statements of Activities  
Years ended December 31,

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	<u>2024</u>	<u>2023</u>
<b>Support and Revenue</b>		
Individual and corporate contributions	\$ 181,477	\$ 318,712
Special events, net of direct expenses of \$150,499 and \$132,311	444,846	245,761
Investment income	<u>260,552</u>	<u>256,094</u>
Total Support and Revenue	<u>886,875</u>	<u>820,567</u>
<b>Expenses</b>		
Program	448,390	371,955
Management and administrative	126,617	100,553
Fundraising	<u>58,251</u>	<u>82,308</u>
Total Expenses	<u>633,258</u>	<u>554,816</u>
<b>Change in net assets</b>	253,617	265,751
<b>Net Assets</b>		
Beginning of year	<u>2,604,960</u>	<u>2,339,209</u>
End of year	<u>\$ 2,858,577</u>	<u>\$ 2,604,960</u>

See notes to financial statements.

**CHILDREN'S CARDIOMYOPATHY FOUNDATION, INC.**

Statement of Functional Expenses  
Year ended December 31, 2024

	Programs					Management and General	Fundraising	Total
	Education	Patient Support	Research	Advocacy & Awareness	Total			
<b>Personnel</b>								
Salaries	\$ 28,890	\$ 28,890	\$ 28,890	\$ 28,890	\$ 115,560	\$ 48,190	\$ 28,890	\$ 192,640
Contracted services	22,455	22,455	22,455	22,455	89,820	37,426	22,455	149,701
Payroll taxes and fringe	2,837	2,837	2,837	2,837	11,348	4,731	2,837	18,916
Total Personnel	54,182	54,182	54,182	54,182	216,728	90,347	54,182	361,257
<b>Operating</b>								
Patient support and outreach	-	14,720	-	-	14,720	-	-	14,720
Education and awareness	3,316	-	-	-	3,316	-	-	3,316
Consulting	54,408	3,627	7,254	3,627	68,916	3,627	-	72,543
Professional fees	-	-	-	-	-	12,351	-	12,351
Medical conferences	-	-	-	99,388	99,388	-	-	99,388
Fees	-	-	-	-	-	12,666	-	12,666
Insurance	-	-	2,404	-	2,404	2,404	1,203	6,011
Administrative	2,097	2,097	2,097	2,097	8,388	1,050	1,049	10,487
Travel and entertainment	-	-	-	-	-	4,172	-	4,172
Website	9,087	9,087	9,087	7,269	34,530	-	1,817	36,347
Total Functional Expenses	\$ 123,090	\$ 83,713	\$ 75,024	\$ 166,563	\$ 448,390	\$ 126,617	\$ 58,251	\$ 633,258

See notes to financial statements.

**CHILDREN'S CARDIOMYOPATHY FOUNDATION, INC.**

Statement of Functional Expenses  
Year ended December 31, 2023

	Programs					Management and General	Fundraising	Total
	Education	Patient Support	Research	Advocacy & Awareness	Total			
<b>Personnel</b>								
Salaries	\$ 48,181	\$ 48,181	\$ 25,508	\$ 48,181	\$ 170,051	\$ 42,513	\$ 70,853	\$ 283,417
Payroll taxes and fringe	4,389	4,389	2,324	4,389	15,491	3,873	6,455	25,819
Total Personnel	52,570	52,570	27,832	52,570	185,542	46,386	77,308	309,236
<b>Operating</b>								
Patient support and outreach	-	8,179	-	-	8,179	-	-	8,179
Education and awareness	10,478	-	-	-	10,478	-	-	10,478
Research grants	-	-	90,283	-	90,283	-	-	90,283
Consulting	20,000	-	20,000	-	40,000	5,000	5,000	50,000
Professional fees	-	-	-	-	-	20,860	-	20,860
Medical conferences	4,182	-	-	-	4,182	-	-	4,182
Insurance	-	-	-	-	-	3,273	-	3,273
Administrative	4,240	3,096	1,858	2,810	12,004	20,401	-	32,405
Travel and entertainment	-	-	-	-	-	4,633	-	4,633
Amortization	2,332	1,595	798	1,411	6,136	-	-	6,136
Website	5,757	3,939	1,970	3,485	15,151	-	-	15,151
Total Functional Expenses	\$ 99,559	\$ 69,379	\$ 142,741	\$ 60,276	\$ 371,955	\$ 100,553	\$ 82,308	\$ 554,816

See notes to financial statements.



**CHILDREN'S CARDIOMYOPATHY FOUNDATION, INC.**

Statements of Cash Flows  
Years ended December 31,

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	<u>2024</u>	<u>2023</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 253,617	265,751
Adjustments to reconcile change in net assets to net cash from operating activities		
Amortization	-	6,136
Unrealized gain on investments	(177,586)	(60,921)
Changes in operating assets and liabilities		
Accounts payable and accrued expenses	(12,015)	(45,242)
Deferred revenue	-	(112,000)
Net cash from operating activities	<u>64,016</u>	<u>53,724</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sales of investments	562,433	860,256
Purchase of investments	<u>(595,371)</u>	<u>(1,302,540)</u>
Net cash from investing activities	<u>(32,938)</u>	<u>(442,284)</u>
<b>NET CHANGE IN CASH</b>	31,078	(388,560)
<b>CASH</b>		
Beginning of year	239,784	628,344
End of year	<u>\$ 270,862</u>	<u>\$ 239,784</u>

See notes to financial statements.

**1. Organization**

The Children's Cardiomyopathy Foundation, Inc. ("CCF") is a New Jersey based non-profit organization organized in 2002. CCF's primary purpose is to raise funds to support research for the causes and treatments of pediatric cardiomyopathy, educate and support patients and healthcare professionals, and raise awareness of the disease among lawmakers and the general public.

CCF works with healthcare organizations and professionals throughout the United States to further its mission and subsequent treatments.

CCF is funded primarily from public donations, as well as from foundation and agency grants.

**2. Summary of Significant Accounting Policies**

*Basis of Presentation and Use of Estimates* - the accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

*Measure of Operations* - the statements of activities reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to CCF's ongoing activities. Non-operating activities are limited to resources that generate return from investments, endowment contributions, financing costs, and other activities considered to be of a more unusual or nonrecurring nature.

*Net Assets* - Net assets, revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions.

Net assets without donor restrictions are those currently available at the discretion of the board for use in the operations of CCF.

Net assets with donor restrictions are restricted by donor-imposed restrictions as to use or time restricted. When a restriction expires, net assets are reclassified to net assets without restrictions and reported in the statement of activities as net assets released from restrictions. Contributions with donor restrictions that are met within the reporting period are reported as contributions without restrictions. There are no net assets with donor restrictions at December 31, 2023 and 2022.

*Cash and Cash Equivalents* - Cash consists of accounts maintained in checking and savings accounts. CCF considers all highly liquid investing instruments purchased with an original maturity of three months or less to be cash equivalents.

*Revenue Recognition* - Public donations, special events and grants are reported at estimated net realizable amounts from public and corporate donors.

CCF reports gifts of cash, other assets and long-lived assets as restricted support if they are received with donor stipulations that limit the use of the donated assets.

**CHILDREN'S CARDIOMYOPATHY FOUNDATION, INC.**  
**Notes to Financial Statements**  
**December 31, 2024 and 2023**

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When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified as net assets with donor restrictions and reported in the statement of activities as net assets released from restrictions. In the absence of donor specification that income and gains on donated funds are restricted, such income and gains are reported as revenues of net assets without donor restrictions.

CCF 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*

For the years ended December 31, 2024 and 2023, revenue disaggregated by timing of satisfaction of performance and obligations are as follows:

	<u>2024</u>	<u>2023</u>
Performance obligations satisfied at a point in time	<u>\$ 595,345</u>	<u>\$ 378,072</u>

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

*In-Kind Donations* - Contributions of donated noncash assets are recorded at their fair values in the period received. Contributions of services are recognized if the services create or enhance nonfinancial assets or require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donations. There have been no in-kind donations for the years ended December 31, 2024 and 2023.

*Investments* - CCF follow FASB ASC 124, *Accounting for Certain Investments Held by Not-for-Profits*. Investments, consisting primarily of temporary cash investments, mutual funds and US Treasury notes, are recorded at their fair values, as determined by reference to quoted market prices. Purchases and sales of investments are recorded on a trade-date basis. Realized gains and losses on investments are calculated based on cost and are reflected in the statement of activities. Interest income is recorded on an accrual basis.

*Fair Value Disclosures* – CCF has provided fair value disclosure information for relevant assets and liabilities in these financial statements.

For applicable assets and liabilities subject to the provisions of the accounting standard relating to fair value measurements, CCF will value, such assets and liabilities using quoted market process in active markets for identical assets and liabilities to the extent possible. To the extent that such market prices are not available, management will next attempt to value such assets and liabilities using observable measurement criteria, including quoted market prices of similar assets and liabilities in active and inactive markets and other corroborated factors. In the event that quoted market prices in active markets for identical assets or liabilities (Level 1) and other observable measurement criteria (Level 2) or unobservable inputs that are not available (Level 3), CCF will develop measurement criteria based on the best information available, including information from banking institutions and advisors.

*Exchange Traded Funds ("ETF's") and Mutual Funds* - investments in ETF's and mutual funds are invested primarily in investment-grade equity securities. For these investments, CCF has ownership interest in the mutual fund but not in the individual securities held by the fund. The assets of each mutual fund consist primarily of shares of the underlying holdings. Each mutual fund net asset value (NAV) is the value of a single share that is actively traded on national securities exchanges. The respective investment fund is valued on a daily basis at the close of business day. These funds are valued primarily on the basis of market quotation or on the basis of information furnished by a nationally recognized pricing service based on observable market data and are classified as Level 1 within the fair value hierarchy.

*US Treasury Notes* - investments in US Treasury notes are invested primarily in US government treasury notes, with maturities ranging from two to five years. The notes have a yield of 3.75%-4.5%, with semi-annual interest payments.

CCF reviews its investments for impairment whenever events or changes in circumstances indicate that the carrying value of such investment is not temporary or may not be recoverable. There were no indications of impairment in 2024 or 2023.

*Intangible Assets* - intangible assets consist of website costs incurred during the application and infrastructure development and are amortized over a three year period. For the year ended December 31, 2023, amortization expense was \$6,136. The asset was fully amortized as of December 31, 2023.

*Deferred Revenue* – deferred revenue consists of amounts received in advance of services being provided and will be recognized in future periods when the services are performed.

*Functional Allocation of Expenses* - the statements of functional expenses present the natural classification detail of expenses by function. Expenses have been charged to program and supporting services, either directly when identifiable to a specific program, or indirectly based on management's estimate of the functional area benefited. Indirect allocation of wages and benefits are based on time and effort and other indirect costs are primarily allocated based on square footage or usage.

*Income Taxes* – CCF qualifies as a tax-exempt organization as described in Section 501(c)(3) of the Internal Revenue Code (the "Code") and is exempt from federal income taxes on related income pursuant to Section 101(a) of the Code and is also exempt from state and local income taxes.

CCF recognizes the effect of income tax positions only if those positions are more likely than not to be sustained. Management has determined that CCF had no uncertain tax positions that would require financial statement recognition and/or disclosure. CCF is no longer subject to examinations by the applicable taxing jurisdictions for periods prior to 2021.

*Advertising Costs* – Advertising and marketing costs are expensed as incurred.

*Financial Instruments and Concentrations of Credit Risk* – CCF manages deposit concentration risk by placing cash, money market accounts, and certificates of deposit with financial institutions believed by us to be creditworthy. At times, amounts on deposit may exceed insured limits. To date, CCF has not experienced losses in any of these accounts.

Credit risk associated with investments are made by an investment advisor whose performance is monitored by management and the Board of Directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis, management believes that the investment policies and guidelines are prudent for the long-term welfare of CCF.

*Risks and Uncertainties* - CCF invests in various investment securities which are exposed to various risks, such as interest rate, market, and credit risks. In addition, due to the level of risk associated with investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term, as well as the collectability of receivables are subject to the ability of the donor to repay the amounts due and that such changes could materially affect the amounts reported in the accompanying financial statements.

*Donated Services and In-Kind Contributions* – Donated services are recognized when they are received if the services (a) create or enhance nonfinancial assets, or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not donated. Donated services are reported as contributions and expenses in amounts equal to their estimated fair value, which is calculated on the estimated value of the services provided. CCF has volunteers that donate their time for program and administrative support. Volunteers have made significant contributions of their time in furtherance of CCF's mission, but do not meet the criteria for recognition and are not included in the financial statements.

### **3. Liquidity and Availability**

CCF is substantially supported by unrestricted contributions from individual, corporate and organizational donors, and grants and contracts. As part of CCF's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Revenue is used for expenditures for use in programs that are ongoing, major and central to its annual operations and are available to meet cash needs for general expenditures. General expenditures include general and administrative expenses, fundraising and grant commitments expected to be paid in the subsequent year. Annual operations are defined as total expenses related to both program and supporting services. Another part of this policy is CCF's approval of the annual balanced budget.

CCF manages its cash available to meet general expenditures through the following three guiding principles:

- Operating within a prudent range of financial soundness and stability
- Maintaining adequate liquid assets
- Maintaining sufficient reserves to provide reasonable assurance that long term agreements or other commitments and obligations will continue to be met, thereby ensuring the sustainability of CCF

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the date of the statement of assets, liabilities and net assets, are as follows:

Financial assets at year-end:

Cash	\$ 270,862
Investments	<u>2,587,745</u>
Total financial assets	<u>\$ 2,858,607</u>

**CHILDREN'S CARDIOMYOPATHY FOUNDATION, INC.**  
**Notes to Financial Statements**  
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All financial assets are available to meet general expenditures over the next twelve months.

*Reclassifications* – certain amounts in 2023 have been reclassified in order to conform to the current year presentation.

**4. Investments**

Investments at December 31, 2024 and 2023 consist of:

	<u><b>2024</b></u>	<u><b>2023</b></u>
Temporary cash	\$ 725,880	\$ 1,302,265
Exchange traded funds	669,741	542,942
Mutual funds	597,937	532,014
US Treasury notes	594,187	-
	<u><u>\$ 2,587,745</u></u>	<u><u>\$ 2,377,221</u></u>

For the years ended December 31, 2024 and 2023, investment income consists of:

	<u><b>2024</b></u>	<u><b>2023</b></u>
Interest/dividend income	\$ 82,966	\$ 72,424
Realized and unrealized gains on investments	177,586	179,997
	<u><u>\$ 260,552</u></u>	<u><u>\$ 252,421</u></u>

The following table presents assets measured at fair value on a recurring basis, except those measured at cost per share as a practical expedient as identified in the following at December 31, 2024 and 2023:

		<u>Fair Value Measurements at Report Date Using</u>		
		<u>Significant</u>		
		<u>Quoted Prices in</u>	<u>Other</u>	<u>Significant</u>
		<u>Active Markets for</u>	<u>Observable</u>	<u>Unobservable</u>
		<u>Identical Assets</u>	<u>Inputs</u>	<u>Inputs</u>
		<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>
<u><b>2024</b></u>	<u>Total</u>			
Temporary cash	\$ 725,880	\$ 725,880	\$ -	\$ -
ETF's	669,741	669,741	-	-
Mutual funds	597,937	597,937	-	-
US Treasury notes	594,187	-	594,187	-
	<u><u>\$ 2,587,745</u></u>	<u><u>\$ 1,993,558</u></u>	<u><u>\$ 594,187</u></u>	<u><u>\$ -</u></u>
<u><b>2023</b></u>				
Temporary cash	\$ 1,302,265	\$ 1,302,265	\$ -	\$ -
ETF's	542,942	542,942	-	-
Mutual funds	532,014	-	532,014	-
	<u><u>\$ 2,377,221</u></u>	<u><u>\$ 1,845,207</u></u>	<u><u>\$ 532,014</u></u>	<u><u>\$ -</u></u>

**CHILDREN'S CARDIOMYOPATHY FOUNDATION, INC.**  
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The fair values and cost basis of the investments as of December 31, 2024 and 2023 are as follows:

	<u>Fair Value</u>	<u>Cost</u>
Temporary cash	\$ 725,880	\$ 725,880
Exchange traded funds ("ETF's")	669,741	353,293
Mutual funds	597,937	395,679
US Treasury notes	594,187	589,500
	<u>\$ 2,587,745</u>	<u>\$ 2,064,352</u>

**5. Related Party Transactions**

CCF entered into a consulting agreement with a board member, which was renewed in 2024 and expires in December 2025. Terms of the prior agreement provided for payments for services up to \$50,000 and the current agreement has an annual cap of \$30,000 and if services rendered exceed that amount, prior authorization is required. For the years ended December 31, 2024 and 2023, payments to the board member were \$64,210 and \$50,000.

**6. Subsequent Events**

CCF has evaluated subsequent events occurring through March 6, 2025, which is the date the financial statements were available to be issued. Based on this evaluation, management has determined that there are no subsequent events that have occurred which require disclosure in the financial statements.