

**CHARGE SYNDROME FOUNDATION, INC.**

**BUFFALO GROVE, ILLINOIS**

**FINANCIAL STATEMENTS**  
**(Audit)**

**FOR THE YEAR ENDED**  
**DECEMBER 31, 2022**

**CHARGE Syndrome Foundation, Inc.**  
**FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2022**

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To the Board of Directors of  
CHARGE Syndrome Foundation, Inc.

### **Opinion**

We have audited the accompanying financial statements of CHARGE Syndrome Foundation, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022, 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 CHARGE Syndrome Foundation, Inc. as of December 31, 2022, and the changes in its net assets and its cash flows for the year 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 CHARGE Syndrome 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 CHARGE Syndrome 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 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 CHARGE Syndrome 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 CHARGE Syndrome 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.

*Snodgrass of N.E. Ohio, Inc.*

Ashtabula, Ohio

July 5, 2023

CHARGE Syndrome Foundation, Inc.  
STATEMENT OF FINANCIAL POSITION  
December 31, 2022

ASSETS	
CURRENT ASSETS	
Cash	\$ 588,603
Prepaid expense	141,278
	729,881
Total current assets	
NONCURRENT ASSETS	
Investments	703,007
	703,007
Total noncurrent assets	
	703,007
Total assets	
	\$ 1,432,888
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	
Accounts payable	\$ 4,049
Accrued withholdings	7,797
Deferred memberships	2,740
Grant payable	50,000
Deferred conference income	22,500
	87,086
NET ASSETS	
Without donor restrictions	1,083,760
With donor restrictions	262,042
	1,345,802
Total net assets	
	1,345,802
Total liabilities and net assets	
	\$ 1,432,888

The accompanying notes are an integral part of the financial statements.

CHARGE Syndrome Foundation, Inc.  
STATEMENT OF ACTIVITIES  
Year Ended December 31, 2022

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
REVENUES:			
Contributions	\$ 162,057	\$ 73,873	\$ 235,930
Fundraising	237,494	-	237,494
Investment income (loss)	(28,378)	-	(28,378)
Membership	10,368	-	10,368
Miscellaneous	8,187	-	8,187
Net assets released from restriction - satisfaction of program restrictions	47,973	(47,973)	-
Total revenues	<u>437,701</u>	<u>25,900</u>	<u>463,601</u>
EXPENSES:			
Program expenses	291,682	-	291,682
Management expenses	61,998	-	61,998
Total expenses	<u>353,680</u>	<u>-</u>	<u>353,680</u>
NET INCREASE IN NET ASSETS	84,021	25,900	109,921
NET ASSETS AT BEGINNING OF YEAR	<u>999,739</u>	<u>236,142</u>	<u>1,235,881</u>
NET ASSETS AT END OF YEAR	<u>\$ 1,083,760</u>	<u>\$ 262,042</u>	<u>\$ 1,345,802</u>

The accompanying notes are an integral part of the financial statements.

CHARGE Syndrome Foundation, Inc.  
STATEMENT OF FUNCTIONAL EXPENSES  
Year Ended December 31, 2022

	Program				
	Conference	Information and Education	Total Program	Management and General	Total
Bank fees	\$ -	\$ -	\$ -	\$ 75	\$ 75
Board meetings	8,028	10,036	18,064	2,007	20,071
Conference	1,742	-	1,742	-	1,742
EW RAP	-	12,504	12,504	-	12,504
Family Assistance	-	16,132	16,132	-	16,132
Fundraising	-	-	-	19,493	19,493
Insurance	-	5,398	5,398	5,398	10,796
Membership	-	1,718	1,718	-	1,718
Miscellaneous	-	-	-	545	545
Office expense	1,344	7,617	8,961	2,240	11,201
Outreach	-	3,899	3,899	-	3,899
Payroll taxes	-	9,855	9,855	1,740	11,595
Postage	-	232	232	100	332
Professional fees	-	7,464	7,464	7,464	14,928
Research/grants	-	50,500	50,500	-	50,500
Scholarships	-	24,736	24,736	-	24,736
Salary	-	125,471	125,471	22,144	147,615
401(k) match	-	3,592	3,592	634	4,226
Telephone	204	1,210	1,414	158	1,572
Total expenses	<u>\$ 11,318</u>	<u>\$ 280,364</u>	<u>\$ 291,682</u>	<u>\$ 61,998</u>	<u>\$ 353,680</u>

The accompanying notes are an integral part of the financial statements. -6-

CHARGE Syndrome Foundation, Inc.  
STATEMENT OF CASH FLOWS  
Year Ended December 31, 2022

CASH FLOWS FROM OPERATING ACTIVITES	
Increase in net assets	\$ 109,921
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Loss on disposal of investments	2,930
Unrealized loss on investments	36,643
(Increase) decrease in prepaid expense	(36,447)
Increase (decrease) in accounts payable	2,414
Increase (decrease) in accrued wages	7,581
Increase (decrease) in deferred conference income	22,500
Increase (decrease) in deferred memberships	197
Increase (decrease) in grants payable	50,000
Net cash provided by operating activities	195,739
CASH FLOWS FROM INVESTING ACTIVITES	
Payments for the purchase of investments	(559,160)
Proceeds from the sale of investments	222,526
Net cash used in investing activities	(336,634)
Net decrease in cash and cash equivalents	(140,895)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	729,498
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 588,603

The accompanying notes are an integral part of the financial statements.

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies is presented to assist the reader in understanding and evaluating the financial statements of CHARGE Syndrome Foundation, Inc.

**Background:** The CHARGE Syndrome Foundation, Inc. (the “Foundation”) is a non-profit charitable Foundation. It provides information on CHARGE syndrome to individuals, families, and professionals. Members receive a quarterly newsletter. There are biennial conferences for families and professionals. The Foundation provides educational literature to families, individuals, and professionals. The Foundation promotes and supports research regarding the identification, cause, and management of CHARGE syndrome. The majority of supporting revenue is from voluntary contributions and memberships.

**Basis of accounting:** The financial statements of CHARGE Syndrome Foundation, Inc. have been prepared on the accrual basis of accounting and, accordingly, include all significant receivables, payables, and other liabilities.

**Tax status:** CHARGE Syndrome Foundation, Inc. has qualified for a tax exemption under Section 501(c)(3) of the Internal Revenue Code and, accordingly, no provision has been recorded for income taxes in the accompanying financial statements. The Foundation is not a private foundation for income tax purposes. Management is not aware of any transactions that would affect the Foundation’s tax-exempt status.

The Foundation evaluates uncertain tax positions, whereby the effect of the uncertainty would be recorded if the outcome was considered probable and reasonably estimable. As of December 31, 2022, the Foundation had no uncertain tax positions requiring accrual.

**Cash:** For the purpose of the statement of cash flows, the Foundation considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

**Accounts Receivable:** Accounts receivable are stated at the amount management expects to collect from outstanding balances. Accounts receivable have been adjusted for all known uncollectible accounts. An allowance for bad debts has not been set up, as the amount is considered immaterial.

### **Investments**

In accordance with FASB ASC 958-320, “Accounting for Certain Investments Held by Not-for-Profit Foundations”, investments in debt and equity securities are stated at fair value. Realized and unrealized gains and losses are reflected in the statement of activities. The basis of donated securities is determined based on the fair market value of the security on the date of the donation. The fair values of investments have been determined based on quoted market prices. Gains or losses on the sale of investments represent the difference between net proceeds and cost determined on a specific identification method.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Deferred Revenue:** Income from membership dues and subscription fees is deferred and recognized over the periods to which the dues and fees relate.

**Financial Statement Presentation:** Net assets and revenues, expenses, gains, and losses are classified based on the absence of donor-imposed restrictions. Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets that are not subject to donor-imposed stipulations and are available for use at the discretion of the Board of Directors and/or management for general operating purposes.

Net Assets With Donor Restrictions - Net assets with donor restrictions consist of assets whose use is limited by donor-imposed, time and/or purpose restrictions. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or by the passage of time. Some net assets with donor restrictions include a stipulation that assets provided be maintained permanently (perpetual in nature) while permitting the Foundation to expend the income generated by the assets in accordance with the provisions of additional donor-imposed stipulations or a Board approved spending policy.

Contributions of cash and other assets are reported as with donor restricted support if they are received with donor stipulations that limit the use of the donated assets. 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 to net assets without restrictions and reported in the statement of activities as net assets released from restrictions.

**Functional Expenses:** Costs are reported by function under program services and support services in the statements of activities and functional expenses. The Foundation allocates general operating expenses to the various programs and supporting services functions based on percentages developed by management.

**Use of estimates:** Management uses estimates and assumptions in preparing financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

CHARGE Syndrome Foundation, Inc.  
NOTES TO FINANCIAL STATEMENTS (Continued)

**NOTE 2 - CASH**

Cash and cash equivalents are composed of the following at December 31, 2022:

Bank of America Checking	\$	334,178
Ameritrade Cash Accounts		241,553
PayPal Accounts		2,172
Undeposited funds		<u>10,700</u>
Total cash and cash equivalents	\$	<u><u>588,603</u></u>

The cash and cash equivalents accounts are held at different banks. The cash account is secured in total by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per account in claims for cash. At December 31, 2022, the Foundation's uninsured cash balance total was \$85,656.

**NOTE 3 - INVESTMENTS**

Investments at December 31, 2022 are recorded at market value based upon quoted market prices (fair value) and are summarized as follows:

	Cost	Market	Unrealized Gain
Exchange Traded Funds	\$ 191,519	\$ 206,677	\$ 15,158
Stocks	5,099	6,012	913
Fixed Income	468,449	462,621	(5,828)
Mutual Funds	<u>27,697</u>	<u>27,697</u>	<u>-</u>
Total investments	<u><u>\$ 692,764</u></u>	<u><u>\$ 703,007</u></u>	<u><u>\$ 10,243</u></u>

Investment income (loss) is summarized as follows at December 31, 2022:

Interest, dividends, and capital gains	\$	13,057
Realized loss		(2,930)
Net unrealized loss		(36,643)
Investment expense		<u>(1,862)</u>
Total investment income (loss)	\$	<u><u>(28,378)</u></u>

CHARGE Syndrome Foundation, Inc.  
NOTES TO FINANCIAL STATEMENTS (Continued)

**NOTE 4 - FAIR VALUE MEASUREMENTS**

Generally accepted accounting principles establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad Levels:

Level 1 – inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority.

Level 2 – inputs consist of quoted prices for similar assets in active markets, quoted prices for identical or similar assets in inactive markets, or observable inputs other than quoted market prices.

Level 3 – inputs consist of inputs that are unobservable and significant to the fair value measurement and have the lowest priority.

The Foundation uses appropriate valuation techniques based on available inputs to measure the fair value of its investments. An asset’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. Valuation techniques must maximize the use of observable inputs and minimize the use of unobservable inputs.

The following table set forth by level, within the fair value hierarchy, the calculation techniques used to determine the fair value of the Foundation’s assets as follows at December 31, 2022:

Description	Fair Value	(Level 1)	(Level II)	(Level III)
<i>Exchange Traded Funds</i>	\$ 206,677	\$ 206,677	-	-
<i>Stocks</i>	6,012	6,012		
<i>Fixed Income</i>	462,621	462,621		
<i>Mutual Funds</i>	27,697	27,697	-	-
Total assets measured at fair value	<u>\$ 703,007</u>	<u>\$ 703,007</u>	<u>\$ -</u>	<u>\$ -</u>

**NOTE 5 - CONTRIBUTED SERVICES**

No amounts have been reflected in the financial statements for donated services. The Foundation generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Foundation.

CHARGE Syndrome Foundation, Inc.  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**NOTE 6 - NET ASSETS WITHOUT DONOR RESTRICTIONS**

Net assets without donor restrictions is comprised of undesignated amounts for the following purposes at December 31, 2022:

Undesignated - Operating	\$ 871,728
Undesignated - Board restricted	<u>212,032</u>
Total net assets without donor restrictions	<u>\$ 1,083,760</u>

**NOTE 7 - NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are restricted for the following purposes at December 31, 2022:

Subject to expenditure for specified purpose:	
EWRAP Program	\$ 102,153
Family Assistance Program	63,267
Crocker Barker CHARGE Sibling Scholarship	41,654
Emma Bluestone Scholarship	<u>54,968</u>
Total net assets with donor restrictions	<u>\$ 262,042</u>

Net assets released from donor restrictions during the year ended December 31, 2022:

Subject to expenditure for specified purpose:	
EWRAP Program	\$ 12,504
Family Assistance Program	13,707
Crocker Barker CHARGE Sibling Scholarship	<u>21,762</u>
Total net assets released from restrictions	<u>\$ 47,973</u>

**NOTE 8 - RETIREMENT PLANS**

CHARGE Syndrome Foundation has a 401(k) plan for all employees. The Organization contributes a up to a 4% match of an employee's contributions. Employees are eligible for the match after completion of 30 days of employment and are 100% vested upon enrollment. Contributions for the year ended December 31, 2022 were \$4,226.

CHARGE Syndrome Foundation, Inc.  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**NOTE 9 - LIQUIDITY AND AVAILABILITY OF RESOURCES**

The Foundation's financial assets available within one year of the statement of financial position date for general expenditures are as follows at December 31, 2022:

Cash	\$ 588,603
Investments	<u>703,007</u>
Total financial assets	1,291,610
Less amounts unavailable for general expenditures within one year, due to:	
Restricted by donors	<u>262,042</u>
Total financial assets available to meet general expenditures within one year:	<u><u>\$ 1,029,568</u></u>

**NOTE 10 - SUBSEQUENT EVENTS**

The continued spread of the COVID-19 (coronavirus) pandemic is affecting the United States and global economies, and may affect the Foundation's operations and those of third parties on which the Foundation relies. The ultimate impact of the COVID-19 pandemic is highly uncertain and subject to change. The Foundation does not yet know the full extent of the impact on operations; however, these effects could have a material impact on the Foundation's financial performance.

Management has evaluated subsequent events through July 5, 2023, the date on which the financial statements were available to be issued.