

**CHARGE SYNDROME FOUNDATION, INC.**

**BUFFALO GROVE, ILLINOIS**

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

**FOR THE YEAR ENDED**  
**DECEMBER 31, 2023**

**CHARGE Syndrome Foundation, Inc.**  
**FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2023**

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## INDEPENDENT AUDITOR'S REPORT

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, 2023, 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, 2023, 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  
August 6, 2024

CHARGE Syndrome Foundation, Inc.  
STATEMENT OF FINANCIAL POSITION  
December 31, 2023

ASSETS	
CURRENT ASSETS	
Cash	\$ 336,554
Prepaid expense	51,860
	388,414
Total current assets	
NONCURRENT ASSETS	
Investments	1,203,609
	1,203,609
Total noncurrent assets	
	1,203,609
Total assets	
	\$ 1,592,023
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	
Accounts payable	\$ 9,274
Deferred memberships	1,606
	10,880
Total liabilities	
	10,880
NET ASSETS	
Without donor restrictions	1,270,408
With donor restrictions	310,735
	1,581,143
Total net assets	
	1,581,143
Total liabilities and net assets	
	\$ 1,592,023

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

CHARGE Syndrome Foundation, Inc.  
STATEMENT OF ACTIVITIES  
Year Ended December 31, 2023

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
REVENUES:			
Contributions	\$ 223,167	\$ 154,041	\$ 377,208
Contributions- in-kind	2,118	-	2,118
Fundraising	189,646	-	189,646
Conference	484,545	-	484,545
Investment income	67,413	-	67,413
Membership	36,420	-	36,420
Net assets released from restriction - satisfaction of program restrictions	105,348	(105,348)	-
Total revenues	<u>1,108,657</u>	<u>48,693</u>	<u>1,157,350</u>
EXPENSES:			
Program expenses	852,914	-	852,914
Management and general expenses	69,095	-	69,095
Total expenses	<u>922,009</u>	<u>-</u>	<u>922,009</u>
NET INCREASE IN NET ASSETS	186,648	48,693	235,341
NET ASSETS AT BEGINNING OF YEAR	<u>1,083,760</u>	<u>262,042</u>	<u>1,345,802</u>
NET ASSETS AT END OF YEAR	<u><u>\$ 1,270,408</u></u>	<u><u>\$ 310,735</u></u>	<u><u>\$ 1,581,143</u></u>

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

CHARGE Syndrome Foundation, Inc.  
STATEMENT OF FUNCTIONAL EXPENSES  
Year Ended December 31, 2023

	Program			Management and General	Total
	Conference	Information and Education	Total Program		
Bank fees	\$ -	\$ -	\$ -	\$ 28	\$ 28
Board meetings	1,795	2,243	4,038	449	4,487
Conference	550,491	-	550,491	-	550,491
EWRAP	-	18,926	18,926	-	18,926
Family Assistance	-	34,379	34,379	-	34,379
Fundraising	-	-	-	18,060	18,060
Insurance	-	5,675	5,675	3,783	9,458
Membership	-	2,042	2,042	-	2,042
Miscellaneous	-	-	-	3,347	3,347
Office expense	282	1,597	1,879	470	2,349
Outreach	-	5,053	5,053	-	5,053
Payroll taxes	-	14,597	14,597	2,576	17,173
Postage	-	790	790	339	1,129
Professional fees	-	5,960	5,960	5,960	11,920
Research/grants	-	8,760	8,760	-	8,760
Scholarships	-	4,087	4,087	-	4,087
Salary	-	185,971	185,971	32,818	218,789
401(k) match	-	7,151	7,151	1,262	8,413
Telephone	4	21	25	3	28
Webinar	-	3,090	3,090	-	3,090
Total expenses	<u>\$ 552,572</u>	<u>\$ 300,342</u>	<u>\$ 852,914</u>	<u>\$ 69,095</u>	<u>\$ 922,009</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, 2023

<b>CASH FLOWS FROM OPERATING ACTIVITES</b>	
Increase in net assets	\$ 235,341
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Gain on disposal of investments	(1,091)
Unrealized gain on investments	(30,238)
(Increase) decrease in prepaid expense	89,418
Increase (decrease) in accounts payable	5,225
Increase (decrease) in accrued wages	(7,797)
Increase (decrease) in deferred conference income	(22,500)
Increase (decrease) in deferred memberships	(1,134)
Increase (decrease) in grants payable	(50,000)
	217,224
<b>CASH FLOWS FROM INVESTING ACTIVITES</b>	
Payments for the purchase of investments	(1,058,205)
Proceeds from the sale of investments	588,932
	(469,273)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(252,049)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>588,603</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>\$ 336,554</b>

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

CHARGE Syndrome Foundation, Inc.  
NOTES TO FINANCIAL STATEMENTS

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**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 through newsletters, "Ask the Expert" webinars, biennial conferences, and educational literature. 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, 2023, 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.

**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.

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

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

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

**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.

**In-kind Contributions:** The Foundation received donated goods of \$2,118 for the year ended December 31, 2023. Such amounts are recorded at their estimated fair value determined on the date of contribution and are reported as contributions in-kind and program expenses on the accompanying statement of activities and statement of functional expenses.

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

**NOTE 2 - CASH**

Cash and cash equivalents are composed of the following at December 31, 2023:

Bank of America Checking	\$ 326,947
Ameritrade Cash Accounts	8,363
PayPal Accounts	<u>1,244</u>
 Total cash and cash equivalents	 <u><u>\$ 336,554</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, 2023, the Foundation's uninsured cash balance total was \$78,945. Differences between the bank balance and the amounts reported in the balance sheet result from outstanding transactions.

**NOTE 3 - INVESTMENTS**

Investments at December 31, 2023 are recorded at market value based upon quoted market prices (fair value) and are summarized as follows:

	Cost	Market	Unrealized Gain (Loss)
Exchange Traded Funds	\$ 217,581	\$ 261,859	\$ 44,278
Fixed Income	771,000	766,283	(4,717)
Mutual Funds	<u>175,467</u>	<u>175,467</u>	<u>-</u>
 Total investments	 <u><u>\$ 1,164,048</u></u>	 <u><u>\$ 1,203,609</u></u>	 <u><u>\$ 39,561</u></u>

Investment income is summarized as follows at December 31, 2023:

Interest, dividends, and capital gains	\$ 36,442
Realized gain	1,091
Net unrealized gain	30,238
Investment expense	<u>(358)</u>
 Total investment income	 <u><u>\$ 67,413</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, 2023:

Description	Fair Value	(Level 1)	(Level II)	(Level III)
<i>Exchange Traded Funds</i>	\$ 261,859	\$ 261,859	-	-
<i>Fixed Income</i>	766,283	766,283		
<i>Mutual Funds</i>	175,467	175,467	-	-
Total assets measured at fair value	<u>\$ 1,203,609</u>	<u>\$ 1,203,609</u>	<u>\$ -</u>	<u>\$ -</u>

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

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**NOTE 5 - NET ASSETS WITHOUT DONOR RESTRICTIONS**

Net assets without donor restrictions is comprised of undesignated amounts for the following purposes at December 31, 2023:

Undesignated - Operating	\$ 1,005,040
Undesignated - Board restricted	<u>265,368</u>
Total net assets without donor restrictions	<u>\$ 1,270,408</u>

**NOTE 6 - NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are restricted for the following purposes at December 31, 2023:

Subject to expenditure for specified purpose:	
EWRAP Program	\$ 131,656
Family Assistance Program	44,779
Emma Bluestone Scholarship	41,294
CHARGE for Conner	16,967
Crocker Barker CHARGE Sibling Scholarship	<u>76,039</u>
Total net assets with donor restrictions	<u>\$ 310,735</u>

Net assets released from donor restrictions during the year ended December 31, 2023:

Subject to expenditure for specified purpose:	
EWRAP Program	\$ 21,301
Family Assistance Program	29,186
Emma Bluestone Scholarship	14,283
CHARGE for Conner	14,365
Crocker Barker CHARGE Sibling Scholarship	<u>26,213</u>
Total net assets released from restrictions	<u>\$ 105,348</u>

**NOTE 7 - RETIREMENT PLANS**

CHARGE Syndrome Foundation has a 401(k) plan for all employees. The Organization contributes 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, 2023 were \$8,413.

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

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**NOTE 8 - 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, 2023:

Cash	\$ 336,554
Investments	<u>1,203,609</u>
Total financial assets	1,540,163
Less amounts unavailable for general expenditures within one year, due to:	
Restricted by donors	<u>310,735</u>
Total financial assets available to meet general expenditures within one year:	<u><u>\$ 1,229,428</u></u>

**NOTE 9 - IN-KIND**

The Foundation received a significant amount of donated services from board members and volunteers. No amount has been recognized in the Statement of Activities for these services because the criteria for recognition under FASB ASC 958, *NPO Entities* have not been satisfied. The Foundation receives more than 3,600 volunteer hours per year. The total fair value of in-kind services received, but not recognized as revenue, during the year ended December 31, 2023 was \$93,306.

**NOTE 10 - SUBSEQUENT EVENTS**

Management has evaluated subsequent events through August 6, 2024, the date on which the financial statements were available to be issued.