

**DETECTOGETHER, INC.**  
***FINANCIAL STATEMENTS***  
***YEARS ENDED DECEMBER 31, 2023 AND 2022***  
***AND***  
***INDEPENDENT AUDITOR'S REPORT***

DETECTOGETHER, INC.  
FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report	1 - 2
Financial Statements:	
Statements of Financial Position	3
Statements of Activities	4 - 5
Statements of Functional Expenses	6
Statements of Cash Flows	7
Notes to Financial Statements	8 - 16

INDEPENDENT AUDITOR'S REPORT

Board of Directors  
DetecTogether, Inc.

**Opinion**

We have audited the financial statements of DetecTogether, Inc. (the "Organization"), which comprise the statements of financial position, as of December 31, 2023 and 2022, 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 Auditor's 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 within one year after the date that the financial statements are issued or 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 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.

INDEPENDENT AUDITOR'S REPORT

(Continued)

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.

*Ballus Lynch, LLP*

Worcester, Massachusetts  
November 4, 2024

DETECTOGETHER, INC.

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
Assets		
Current assets		
Cash	\$ 754,071	\$ 1,497,152
Contributions receivable	99,107	89,875
Prepaid expenses	<u>17,238</u>	<u>4,277</u>
Total current assets	870,416	1,591,304
Property and equipment, net	5,675	9,256
Investments	<u>3,599,801</u>	<u>2,516,766</u>
	<u>\$ 4,475,892</u>	<u>\$ 4,117,326</u>
Liabilities and Net Assets		
Current liabilities		
Accounts payable	\$ 40,212	\$ 58,645
Accrued expenses	<u>56,108</u>	<u>65,165</u>
	<u>96,320</u>	<u>123,810</u>
Net assets		
Without donor restrictions		
Undesignated	573,544	1,311,975
Board designated operating reserve	3,596,921	2,514,166
With donor restrictions	<u>209,107</u>	<u>167,375</u>
	<u>4,379,572</u>	<u>3,993,516</u>
	<u>\$ 4,475,892</u>	<u>\$ 4,117,326</u>

See accompanying independent auditor's report and notes to financial statements.

DETECTOGETHER, INC.

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue and other support			
Contributions and grants of financial assets	\$ 1,146,055	\$ 209,107	\$ 1,355,162
Contributions of nonfinancial assets	161,315	-	161,315
Interest income	17,240	-	17,240
Net investment return	333,005	-	333,005
Program service fees	28,573	-	28,573
Fundraising events held by others	9,555	-	9,555
Special fundraising events			
Sponsorships and tournament revenue	1,184,096	-	1,184,096
Less: direct benefit to donors	<u>(634,685)</u>	<u>-</u>	<u>(634,685)</u>
	<u>549,411</u>	<u>-</u>	<u>549,411</u>
Net assets released from restriction due to:			
Satisfaction of purpose and time restrictions	<u>167,375</u>	<u>(167,375)</u>	<u>-</u>
Total revenue and other support	<u>2,412,529</u>	<u>41,732</u>	<u>2,454,261</u>
Expenses			
Program	1,459,601	-	1,459,601
General and administrative	309,235	-	309,235
Fundraising	<u>299,369</u>	<u>-</u>	<u>299,369</u>
Total expenses	<u>2,068,205</u>	<u>-</u>	<u>2,068,205</u>
Change in net assets	344,324	41,732	386,056
Net assets, beginning of year	<u>3,826,141</u>	<u>167,375</u>	<u>3,993,516</u>
Net assets, end of year	<u>\$ 4,170,465</u>	<u>\$ 209,107</u>	<u>\$ 4,379,572</u>

See accompanying independent auditor's report and notes to financial statements.

DETECTOGETHER, INC.

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue and other support			
Contributions and grants of financial assets	\$ 1,007,541	\$ 218,875	\$ 1,226,416
Contributions of nonfinancial assets	103,076	-	103,076
Interest income	10,344	-	10,344
Net investment return	(78,185)	-	(78,185)
Program service fees	15,722	-	15,722
Fundraising events held by others	13,938	-	13,938
Special fundraising events			
Sponsorships and tournament revenue	850,811	-	850,811
Less: direct benefit to donors	<u>(351,646)</u>	<u>-</u>	<u>(351,646)</u>
	<u>499,165</u>	<u>-</u>	<u>499,165</u>
Net assets released from restriction due to:			
Satisfaction of purpose and time restrictions	<u>296,734</u>	<u>(296,734)</u>	<u>-</u>
Total revenue and other support	<u>1,868,335</u>	<u>(77,859)</u>	<u>1,790,476</u>
Expenses			
Program	1,619,103	-	1,619,103
General and administrative	208,595	-	208,595
Fundraising	<u>229,003</u>	<u>-</u>	<u>229,003</u>
Total expenses	<u>2,056,701</u>	<u>-</u>	<u>2,056,701</u>
Change in net assets	(188,366)	(77,859)	(266,225)
Net assets, beginning of year	<u>4,014,507</u>	<u>245,234</u>	<u>4,259,741</u>
Net assets, end of year	<u>\$ 3,826,141</u>	<u>\$ 167,375</u>	<u>\$ 3,993,516</u>

See accompanying independent auditor's report and notes to financial statements.

DETECTOGETHER, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

YEARS ENDED DECEMBER 31, 2023 AND 2022

	Program	General and Administrative	Fundraising	Total
Year ended December 31, 2023				
Payroll	\$ 711,945	\$ 162,730	\$ 142,389	\$ 1,017,064
Payroll taxes and benefits	95,202	37,110	19,040	151,352
Rent	23,800	4,900	6,300	35,000
Depreciation expense	2,507	537	537	3,581
Travel, meetings, and seminars	33,604	2,963	1,763	38,330
Insurance	-	1,730	-	1,730
Miscellaneous expense	-	-	23,151	23,151
Office operations	340,065	31,692	42,283	414,040
Professional fees	252,478	67,573	63,906	383,957
	<u>1,459,601</u>	<u>309,235</u>	<u>299,369</u>	<u>2,068,205</u>
Special fundraising events				
Direct benefits to donors	-	-	634,685	634,685
	<u>-</u>	<u>-</u>	<u>634,685</u>	<u>634,685</u>
Total functional expenses	<u>\$ 1,459,601</u>	<u>\$ 309,235</u>	<u>\$ 934,054</u>	<u>\$ 2,702,890</u>
	Program	General and Administrative	Fundraising	Total
Year ended December 31, 2022				
Payroll	\$ 584,728	\$ 118,602	\$ 129,977	\$ 833,307
Payroll taxes and benefits	72,786	15,015	16,179	103,980
Rent	23,800	4,900	6,300	35,000
Depreciation expense	2,207	473	473	3,153
Travel, meetings, and seminars	19,802	669	995	21,466
Insurance	2,986	615	663	4,264
Miscellaneous expense	-	-	13,298	13,298
Office operations	767,385	29,774	44,183	841,342
Professional fees	145,409	38,547	12,449	196,405
Promotional events and fundraising	-	-	4,486	4,486
	<u>1,619,103</u>	<u>208,595</u>	<u>229,003</u>	<u>2,056,701</u>
Special fundraising events				
Direct benefits to donors	-	-	351,646	351,646
	<u>-</u>	<u>-</u>	<u>351,646</u>	<u>351,646</u>
Total functional expenses	<u>\$ 1,619,103</u>	<u>\$ 208,595</u>	<u>\$ 580,649</u>	<u>\$ 2,408,347</u>

See accompanying independent auditor's report and notes to financial statements.

DETECTOGETHER, INC.

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Change in net assets	\$ 386,056	\$ (266,225)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	3,581	3,153
Net investment (gains) losses	(213,929)	119,025
(Increase) decrease in operating assets:		
Contributions receivable	(9,232)	45,359
Prepaid expenses	(12,961)	(1,193)
Increase (decrease) in operating liabilities:		
Accounts payable	(18,433)	(31,118)
Accrued expenses	(9,057)	(45,406)
Deferred revenue	-	(2,000)
Total adjustments	<u>(260,031)</u>	<u>87,820</u>
Net cash provided by (used in) operating activities	<u>126,025</u>	<u>(178,405)</u>
Cash flows for investing activities:		
Purchases of property and equipment	-	(7,964)
Payments for purchases of investments	(1,721,911)	(2,780,360)
Proceeds from sale of investments	<u>852,805</u>	<u>1,664,258</u>
Net cash used in investing activities	<u>(869,106)</u>	<u>(1,124,066)</u>
Net change in cash	(743,081)	(1,302,471)
Cash, beginning of year	<u>1,497,152</u>	<u>2,799,623</u>
Cash, end of year	<u>\$ 754,071</u>	<u>\$ 1,497,152</u>

See accompanying independent auditor's report and notes to financial statements.

DETECTOGETHER, INC.

NOTES TO FINANCIAL STATEMENTS

1 - DESCRIPTION OF ORGANIZATION

DetecTogether, Inc. (the “Organization”) is a non-profit organization located in Westborough, Massachusetts. The Organization’s mission is to save lives by teaching people how to recognize early warning signs of cancer and how to collaborate with health care professionals to help save their own lives. Early cancer detection is the most effective and most successful treatment for cancer.

2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Organization prepares its financial statements in accordance with generally accepted accounting principles promulgated in the United States of America (U.S. GAAP) for not-for-profit entities. The significant accounting and reporting policies used by the Organization are described subsequently to enhance the usefulness and understandability of the financial statements.

Basis of accounting

The financial statements of the Organization have been prepared on the accrual method of accounting. Accordingly, assets are recorded when the Organization obtains the rights of ownership or is entitled to claims for receipt, and liabilities are recorded when the obligation is incurred.

Accounting estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period and the reported amounts of assets and liabilities at the date of the financial statements. On an ongoing basis, the Organization’s management evaluates the estimates and assumptions based upon historical experience and various other factors and circumstances. The Organization’s management believes that the estimates and assumptions are reasonable in the circumstances; however, the actual results could differ from those estimates.

Net assets

The financial statements report net assets and changes in net assets in two classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

Net assets without donor restrictions - Net assets without donor restrictions are resources available to support operations. The only limits on the use of these net assets are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations. In addition, the governing board of the Organization may elect to designate such resources for specific purposes. This designation may be removed at the board’s discretion.

Net assets with donor restrictions - Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor’s instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature; the Organization must continue to use the resources in accordance with the donor’s instructions.

DETECTOGETHER, INC.

NOTES TO FINANCIAL STATEMENTS

(Continued)

2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net assets (continued)

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions. Net assets restricted for acquisition of buildings or equipment (or less commonly, the contribution of those assets directly) are reported as net assets with donor restrictions until the specified asset is placed in service by the Organization, unless the donor provides more specific directions about the period of its use.

Classification of transactions

All revenues and net gains are reported as increases in net assets without donor restrictions in the statement of activities unless the donor specified the use of the related resources for a particular purpose or in a future period. All expenses and net losses are reported as decreases in net assets without donor restrictions.

Cash

The Organization maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts. The Organization believes it is not exposed to any significant credit risk on cash.

Contributions receivable

Contributions receivable are unconditional promises to give that are recognized as contributions when the promise is received. Contributions receivable that are expected to be collected in less than one year are reported at net realizable value. Contributions receivable that are expected to be collected in more than one year are recorded at fair value at the date of promise. That fair value is computed using a present value technique applied to anticipated cash flows. Amortization of the resulting discount is recognized as additional contribution revenue. The allowance for uncollectible contributions receivable is determined based on management's evaluation of the collectability of individual promises. Promises that remain uncollected more than one year after their due dates are written off unless the donors indicate that payment is merely postponed.

Property and equipment

Property and equipment are reported in the statements of financial position at cost, if purchased, and at fair value at the date of donation, if donated. All land and buildings are capitalized. Equipment is capitalized if it has a cost of \$1,000 or more and a useful life when acquired of more than one year. Repairs and maintenance that do not significantly increase the useful life of the asset are expensed as incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

Investments

Investments are reported at fair value. The net investment return is reported in the statement of activities as increases or decreases to net assets without donor restriction unless its use is restricted by explicit donor stipulations or by law.

Impairment of long-lived assets and long-lived assets to be disposed of

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

DETECTOGETHER, INC.

NOTES TO FINANCIAL STATEMENTS

(Continued)

2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions and grants of financial assets

Contributions, including unconditional promises to give, are recognized when received. All contributions are reported as increases in net assets without donor restrictions unless use of the contributed assets is specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in net assets with donor restrictions. Unconditional promises with payments due in future years have an implied restriction to be used in the year the payment is due, and therefore are reported as restricted until the payment is due, unless the contribution is clearly intended to support activities of the current fiscal year. If terms of restricted donations are satisfied in the year they are received, the donations are reflected as without donor restrictions in the statement of activities. Conditional promises, such as matching grants, are not recognized until they become unconditional, that is, until all conditions on which they depend are substantially met.

Contributions of nonfinancial assets

The Organization receives contributions in a form other than cash or investments. If material, donated supplies and other items are recorded as contributions at the date of gift and as expenses when the donated items are placed into service or distributed. If the Organization receives a contribution of land, buildings, or equipment, the contributed asset is recognized as an asset at its estimated fair value at the date of gift, provided that the value of the asset and its estimated useful life meets the Organization's capitalization policy. Donated use of facilities is reported as contributions and as expenses at the estimated fair value of similar space for rent under similar conditions. If the use of the space is promised unconditionally for a period greater than one year, the contribution is reported as a contribution and an unconditional promise to give at the date of gift, and the expense is reported over the term of use.

The Organization receives the use of its facility without charge and has recorded this contribution at fair value. Rent was \$35,000 in 2023 and 2022. The Organization receives donated items for its fundraising event. Donated special event items were \$126,315 and \$68,076 in 2023 and 2022.

The Organization benefits from personal services provided by a substantial number of volunteers. Those volunteers have donated significant amounts of time and services in the Organization's program operations and in its fundraising events. However, the majority of the contributed services do not meet the criteria for recognition in financial statements. U.S. GAAP allows recognition of contributed services only if (a) the services create or enhance nonfinancial assets or (b) the services would have been purchased if not provided by contribution, require specialized skills, and are provided by individuals possessing those skills. The Organization receives services from a large number of volunteers who give significant amounts of their time to the Organization's programs, but which do not meet the criteria for financial statement recognition.

Expense recognition and allocation

The cost of providing the Organization's programs and other activities is summarized on a functional basis in the statement of activities and statement of functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions benefited using a reasonable allocation method that is consistently applied, as follows:

- Salaries and wages, benefits, and payroll taxes are allocated based on activity reports prepared by key personnel.
- Rent, depreciation, and insurance are allocated on a square foot basis depending on the programs and supporting activities occupying the space.

DETECTOGETHER, INC.

NOTES TO FINANCIAL STATEMENTS

(Continued)

2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Expense recognition and allocation (continued)

Management periodically evaluates the basis on which costs are allocated.

General and administrative expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the Organization.

Fundraising costs are expensed as incurred, even though they may result in contributions received in future years. The Organization generally does not conduct its fundraising activities in conjunction with its other activities. In the few cases in which it does, joint costs have been allocated between fundraising and general and administrative expenses in accordance with standards for accounting for costs of activities that include fundraising. Additionally, advertising costs are expensed as incurred. Advertising expense was \$86,042 and \$76,422 in 2023 and 2022.

Tax-exempt status

The Organization is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code (IRC), though it would be subject to tax on income unrelated to its exempt purposes (unless that income is otherwise excluded by the IRC). Contributions to the Organization are tax deductible to donors under Section 170 of the IRC. The Organization is not classified as a private foundation.

3 - LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of December 31, 2023 and 2022 are:

	2023	2022
Financial assets:		
Cash and cash equivalents	\$ 754,071	\$ 1,497,152
Contributions receivable	99,107	89,875
Long-term investments	3,599,801	2,516,766
Total financial assets	4,452,979	4,103,793
Less: Financial assets held to meet donor-imposed restrictions:		
Purpose-restricted net assets	209,107	167,375
Less: Board-designated operating reserve	3,596,921	2,514,166
Amount available for general expenditures within one year	\$ 646,951	\$ 1,422,252

The above table reflects the board-designated funds as unavailable because it is the Organization's intention to retain those resources for the long-term support of the Organization. Note 7 provides more information about those funds and about the spending policy for board-designated funds.

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments. The Organization operates with a balanced budget and anticipates collecting sufficient revenue through direct contributions to cover general expenditures not covered by donor-restricted resources. Refer to the statement of cash flows which identifies the sources and uses of the Organization's cash.

DETECTOGETHER, INC.

NOTES TO FINANCIAL STATEMENTS  
(Continued)

4 - CONTRIBUTIONS RECEIVABLE

Payments of contributions receivable are expected to be received as follows:

	2023	2022
Less than one year	\$ 99,107	\$ 89,875

There were no material allowances or discounts considered necessary at December 31, 2023 and 2022.

5 - PROPERTY AND EQUIPMENT

Property and equipment, together with estimated useful lives, consists of the following:

	Estimated Useful Lives	2023	2022
Leasehold improvements	3 years	\$ 5,000	\$ 5,000
Computers	5 years	1,419	1,419
Furniture and equipment	3 years	35,364	35,364
Website development	5 years	49,719	49,719
		91,502	91,502
Less: Accumulated depreciation		85,827	82,246
		\$ 5,675	\$ 9,256

Depreciation expense was \$3,581 and \$3,153 in 2023 and 2022, respectively.

6 - INVESTMENTS

Investments are comprised of the following:

	2023	2022
Common stock	\$ 2,880	\$ 2,600
Money market	9,932	579,860
Mutual funds	2,216,942	757,881
Corporate bonds	1,370,047	1,176,425
	\$ 3,599,801	\$ 2,516,766

Net investment return for 2023 and 2022 is comprised of the following:

	2023	2022
Interest and dividends	\$ 119,452	\$ 52,310
Gains (losses) on investments	213,929	(119,025)
Investment fees	(376)	(11,470)
Net investment return	\$ 333,005	\$ (78,185)

DETECTOGETHER, INC.

NOTES TO FINANCIAL STATEMENTS  
(Continued)

7 - NET ASSETS WITHOUT DONOR RESTRICTIONS

Included in net assets without donor restrictions are board-designated funds reserved for future operations. All spending from this reserve must be approved by the governing board. The balance in the board designated operating reserve is \$3,596,921 and \$2,514,166 at December 31, 2023 and 2022, respectively.

8 - NET ASSETS WITH DONOR RESTRICTIONS

At December 31, 2023 and 2022, net assets with donor restrictions are available for the following purposes or periods:

	2023	2022
Purpose restrictions, available for spending:		
Strategic planning	\$ 100,000	\$ -
Rapid response	10,000	75,000
Youth programs	-	2,500
Total purpose restricted net assets	110,000	77,500
Time restrictions		
Contributions receivable, which are unavailable for spending until due, some of which are also subject to purpose restrictions	99,107	89,875
Total net assets with donor restrictions	\$ 209,107	\$ 167,375

During 2023 and 2022, net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of other events specified by donors as follows:

	2023	2022
Purpose restrictions:		
Operations	\$ 16,375	\$ 75,234
E-Learning	25,000	50,000
Rapid response	123,500	161,500
Youth programs	2,500	10,000
	\$ 167,375	\$ 296,734

9 - FAIR VALUE MEASUREMENTS

The Organization reports fair value measures of its assets and liabilities using a three-level hierarchy that prioritizes the inputs used to measure fair value. This hierarchy, established by U.S. GAAP, requires that entities maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The asset or liability's measurement within the fair value hierarchy is based on the lowest level of input that is significant to the measurement. The three levels of inputs used to measure fair value are as follows:

Level 1: Valuation is based on quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level 2: Valuation is based on observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

DETECTOGETHER, INC.

NOTES TO FINANCIAL STATEMENTS

(Continued)

9 - FAIR VALUE MEASUREMENTS (Continued)

Level 3: Valuation is based on unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

When available, the Organization measures fair value using level 1 inputs because they generally provide the most reliable evidence of fair value. However, level 1 inputs are not available for many of the assets and liabilities that the Organization is required to measure at fair value (for example, unconditional promises to give and in-kind contributions).

The primary uses of fair value measures in the Organization's financial statements are:

- initial measurement of noncash gifts, including gifts of investment assets and unconditional promises to give.
- recurring measurement of investments.

Determination of fair value

Following is a description of the valuation methodologies used for items measured at fair value. There have been no changes in the methodologies used during the year ended December 31, 2023 and 2022.

*Common Stock:* Valued at the closing price reported in the market in which the individual securities are traded.

*Mutual funds and money market funds:* Valued at the daily closing price as reported by the securities. Securities held by the Organization are open-ended funds that are registered with the SEC. These funds are required to publish their net asset value (NAV) and to transact at this price. The securities held by the Organization are deemed to be actively traded.

*Corporate bonds:* Determined using contractual cash flows and the interest rate determined by the closing bid price on the last business day of the fiscal year if the same or the obligation with a similar maturity is actively traded.

The Organization's financial assets that are measured at fair value on a recurring basis were recorded using the fair value hierarchy as of December 31, 2023 as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments				
Common stock	\$ 2,880	\$ -	\$ -	\$ 2,880
Money market	9,932	-	-	9,932
Mutual funds	2,216,942	-	-	2,216,942
Corporate bonds	-	1,370,047	-	1,370,047
Total recurring fair value measurements	<u>\$ 2,229,754</u>	<u>\$ 1,370,047</u>	<u>\$ -</u>	<u>\$ 3,599,801</u>

DETECTOGETHER, INC.

NOTES TO FINANCIAL STATEMENTS  
(Continued)

9 - FAIR VALUE MEASUREMENTS (Continued)

*Determination of fair value* (continued)

The Organization's financial assets that are measured at fair value on a recurring basis were recorded using the fair value hierarchy as of December 31, 2022 as follows:

	Level 1	Level 2	Level 3	Total
Investments				
Common stock	\$ 2,600	\$ -	\$ -	\$ 2,600
Money market	579,860	-	-	579,860
Mutual funds	757,881	-	-	757,881
Corporate bonds	-	1,176,425	-	1,176,425
Total recurring fair value measurements	\$ 1,340,341	\$ 1,176,425	\$ -	\$ 2,516,766

There are no liabilities measured at fair value on a recurring basis.

There were no significant transfers between the levels during the year. The Organization's policy is to recognize transfers in and out of the levels at the end of the fiscal year; interim changes in the availability of fair value inputs are no recognized.

10 - SPECIAL FUNDRAISING EVENTS

The Organization's main fundraising event is a golf tournament. The Organization collected all of the proceeds and performed all administrative functions related to the tournament and has reflected all of the event revenue and costs of direct benefits to donors in its statement of activities as of December 31, 2023 and 2022.

11 - CONCENTRATIONS OF RISK

The Organization invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Market risks include global events which could impact the value of investment securities such as a pandemic or international conflict. 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 and that such changes could materially affect the amounts reported in the statement of financial position.

12 - RELATED PARTY TRANSACTIONS

The Organization had the following balances and transactions with related parties:

	2023	2022
Contributions, founder	\$ 32,608	\$ 13,120
Contributions, immediate family	39,322	17,486
Contributions, foundation	2,600	25,000
Rent expense	35,000	35,000

DETECTOGETHER, INC.

NOTES TO FINANCIAL STATEMENTS

(Continued)

13 - SIMPLE IRA RETIREMENT PLAN

The Organization maintains a simple IRA retirement plan for certain qualified employees. The Organization contributes up to a maximum of 3% of the eligible employee's compensation. Contributions to the retirement plan by the Organization were \$27,714 and \$29,063 for the years ended December 31, 2023 and 2022, respectively.

14 - SUBSEQUENT EVENTS

Subsequent events have been evaluated through November 4, 2024, which is the date the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required.