

SCHIZOPHRENIA AND RELATED DISORDERS
ALLIANCE OF AMERICA, INC.
(DBA Schizophrenia & Psychosis Action Alliance)

Financial Statements and
Independent Auditors' Report

Year Ended December 31, 2023



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SCHIZOPHRENIA AND RELATED DISORDERS ALLIANCE OF AMERICA, INC.
YEAR ENDED DECEMBER 31, 2023

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Management of
Schizophrenia and Related Disorders Alliance of America, Inc.

Auditors' Opinion

We have audited the accompanying financial statements of Schizophrenia and Related Disorders Alliance of America, Inc. (the "Organization", doing business as Schizophrenia & Psychosis Action Alliance), which comprise the statement of financial position as of December 31, 2023, and the related statement of activities, statement of functional expenses, and statement of 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 the Organization 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 Auditors' 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 the Organization 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 the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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

INDEPENDENT AUDITORS' REPORT, CONTINUATION

Year Ended December 31, 2023

Auditor's Responsibilities for the Audit of the Financial Statements, continuation

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 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.

Bankole, Okoye & Associates PC

Bankole, Okoye & Associates PC
Certified Public Accountants
Houston, Texas
May 18, 2024

FINANCIAL STATEMENTS

SCHIZOPHRENIA AND RELATED DISORDERS ALLIANCE OF AMERICA, INC.
(DBA SCHIZOPHRENIA & PSYCHOSIS ACTION ALLIANCE)

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2023

	<u>Amount</u>
ASSETS	
<i><u>Current Assets</u></i>	
Cash	\$ 611,506
Contributions receivable	213,116
Prepayments	<u>2,586</u>
Total current assets	827,208
Investments (Note 3)	265,198
Property and equipment, net (Note 4)	<u>45,687</u>
TOTAL ASSETS	<u>\$ 1,138,093</u>
LIABILITIES AND NET ASSETS	
<i><u>LIABILITIES</u></i>	
<i><u>Current Liabilities</u></i>	
Accounts payable	\$ 133,378
Accrued expenses	<u>10,281</u>
Total current liabilities	<u>143,659</u>
Total Liabilities	<u>143,659</u>
<i><u>NET ASSETS</u></i>	
Without donor-restrictions	944,434
With donor-restrictions (Note 5)	<u>50,000</u>
Total Net Assets	<u>994,434</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,138,093</u>

The accompanying notes are an integral part of this financial statement.

SCHIZOPHRENIA AND RELATED DISORDERS ALLIANCE OF AMERICA, INC.
(DBA SCHIZOPHRENIA & PSYCHOSIS ACTION ALLIANCE)

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2023

	<u>Without Donor- Restrictions</u>	<u>With Donor- Restrictions</u>	<u>Total</u>
OPERATING REVENUES			
Contributions	\$ 1,297,111	\$ 50,000	\$ 1,347,111
Investment income	8,561	-	8,561
Inkind revenues	175,419	-	175,419
Net assets released from restrictions:	<u>25,000</u>	<u>(25,000)</u>	<u>-</u>
Total operating revenues	<u>1,506,091</u>	<u>25,000</u>	<u>1,531,091</u>
OPERATING EXPENSES			
Program services expenses	1,230,398	-	1,230,398
Fundraising expenses	146,013	-	146,013
Management and general expenses	<u>193,761</u>	<u>-</u>	<u>193,761</u>
Total operating expenses	<u>1,570,172</u>	<u>-</u>	<u>1,570,172</u>
Change in net assets from operating activities	(64,081)	25,000	(39,081)
NONOPERATING			
Net realized and unrealized gain on investments	<u>15,319</u>	<u>-</u>	<u>15,319</u>
Change in net assets	(48,762)	25,000	(23,762)
NET ASSETS, BEGINNING OF YEAR	<u>993,196</u>	<u>25,000</u>	<u>1,018,196</u>
NET ASSETS, END OF YEAR	<u>\$ 944,434</u>	<u>\$ 50,000</u>	<u>\$ 994,434</u>

The accompanying notes are an integral part of this financial statement.

SCHIZOPHRENIA AND RELATED DISORDERS ALLIANCE OF AMERICA, INC.
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STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2023

	Program Services			Total for Program Services	Fundraising Activities	Management and General	Total Expenses
	Policy & System-Level Change	Awareness, Education, and Access	Research				
Research grants	\$ 225,000	\$ 75,000	\$ -	\$ 300,000	\$ -	\$ -	\$ 300,000
Insurance	584	1,253	1,407	3,244	1,102	600	4,946
Telephone and communications	-	1,143	-	1,143	-	399	1,542
Postage and shipping	-	437	-	437	21	344	802
Professional services expenses (includes inkind services of \$151,119)	141,675	325,830	140,076	607,581	51,048	102,006	760,635
Licenses, subscriptions, and supplies	-	72	-	72	-	3,936	4,008
Travel expenses	-	1,523	909	2,432	4	9,675	12,111
Salaries and wages	40,689	87,379	98,048	226,116	77,300	40,028	343,444
Payroll taxes	3,196	6,863	7,700	17,759	6,071	3,144	26,974
Employee benefits	1,335	2,683	3,119	7,137	1,909	1,762	10,808
Depreciation and amortization	2,180	4,673	5,249	12,102	4,109	2,236	18,447
Computer and internet expenses (includes inkind items valued at \$24,300)	2,775	42,950	-	45,725	-	1,986	47,711
Other expenses	3,875	-	2,775	6,650	4,449	27,645	38,744
Total	\$ 421,309	\$ 549,806	\$ 259,283	\$ 1,230,398	\$ 146,013	\$ 193,761	\$ 1,570,172

The accompanying notes are an integral part of this financial statement.

SCHIZOPHRENIA AND RELATED DISORDERS ALLIANCE OF AMERICA, INC.
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STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2023

	<u>Amount</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	<u>\$ (23,762)</u>
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation and amortization	18,447
Reinvested investment income	(25,386)
Changes in operating assets and liabilities:	
Contributions receivable	(166,116)
Prepayments	(1,225)
Accounts payable	(95,929)
Accrued expenses	<u>10,281</u>
Total adjustment	<u>(259,928)</u>
Net cash used in operating activities	<u>(283,690)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of property and equipment	<u>(11,074)</u>
Net cash used in investing activities	<u>(11,074)</u>
NET DECREASE IN CASH	(294,764)
CASH, BEGINNING OF YEAR	<u>906,270</u>
CASH, END OF YEAR	<u>\$ 611,506</u>

The accompanying notes are an integral part of this financial statement.

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NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Purpose

The Schizophrenia and Related Disorders Alliance of America, Inc. (the “Organization”, DBA Schizophrenia & Psychosis Action Alliance) is a nonprofit organization incorporated in the State of Maryland in May 2008. The Organization’s mission is to advance systemic change and promote recovery through Research, Education and Care, and Advocacy. Through a set of strategic initiatives, the Organization is also pursuing a global vision where schizophrenia and psychosis spectrum disorders are universally recognized and treated as a neurological brain illness. The Organization also actively promotes hope and recovery through support programs, education, collaboration, and advocacy for persons living with schizophrenia-related brain illnesses (mental illnesses involving psychosis, schizoaffective disorder, bipolar disorder, and major depression); to ensure that such persons receive respect, acceptance, appropriate treatment, and an opportunity to live a meaningful and satisfying life in a compassionate community and free of discrimination.

The Organization is supported primarily through donations by corporations, private foundations, trusts, and individuals.

Basis of Accounting

The accompanying financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted for nonprofit organizations in the United States of America promulgated by the Financial Accounting Standards Board (“FASB”). Under the accrual method, revenues are recorded in the period earned and when the amount and timing of the revenue can be reasonably determined. Expenses and asset additions are recognized at the time a liability arises which is normally at the time title passes to, or a service is received by, the Organization. Expenses are also recognized when the Organization makes irrevocable pledges of specified amounts or enters into irrevocable contractual commitments of specified amounts.

Financial Statement Presentation

The Organization prepares its financial statements in accordance with the requirements of FASB’s Accounting Standards Codification (“ASC”) Topic 958-205, *Financial Statements of Nonprofit Organizations*, as updated. Accordingly, the Organization reports information regarding its financial position and activities according to the following two classes of net assets:

- *Net Assets without Donor/External Restrictions* – These are resources that are not subject to donor-imposed stipulations and can be used for the general operations of the Organization.
- *Net Assets with Donor/External Restrictions* – These are resources that are subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. This class of net assets also includes resources that are subject to donor restrictions requiring that the principal be held in perpetuity and any income thereon may be used by the Organization. As of December 31, 2023, the Organization had no resources to be held in perpetuity.

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The Organization is also required under FASB ASC Topic 958-205, as amended, to present a statement of cash flows, provide an analysis of its expenses by both functional and natural classifications, and make enhanced disclosures about its liquidity and availability of financial resources to meet operational cash needs in the foreseeable future.

Revenue Recognition

In accordance with FASB ASC Topic 958-605, *Not-for-Profit Entities – Revenue Recognition*, contributions received by the Organization are recorded as increases in net assets without donor restrictions or net assets with donor restrictions depending on the existence and nature of any donor restrictions.

Contributions are recognized as revenues in the period the Organization receives any direct cash donation or any unconditional promises to give cash. Conditional promises to give are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met. The Organization did not have any conditional promises to give as of December 31, 2023. Contributions of non-cash assets are recorded at their estimated fair value at the date of the contribution.

When a donor-imposed purpose or time restriction expires, net assets with donor-restrictions are reclassified to net assets without donor-restrictions and reported in the statement of activities as net assets released from restrictions. It is the Organizations policy to report donor-restricted contributions whose purpose or time restrictions are met in the reporting period as the revenue is recognized, as increases in net assets without donor restrictions.

Expenses are recorded as decreases in net assets without donor-restrictions. Gains and losses on assets or liabilities are reported as increases or decreases in net assets without donor-restrictions unless their use is restricted by explicit donor-stipulation.

When both restricted and unrestricted resources are available for use for the same purpose, it is the Organization’s policy to use restricted resources first, then unrestricted resources as they are needed.

Contributed Nonfinancial Assets

As defined by FASB Accounting Standards Update (ASU) No. 2020-07, *Presentation and Disclosures by Nonprofit Entities for Contributed Nonfinancial Assets*, contributed nonfinancial assets may include contributions of fixed assets (such as land, buildings, and equipment), use of fixed assets or utilities, materials and supplies, intangible assets, services, and unconditional promises to contribute such items.

In accordance with FASB ASC Topic 958-605, *Nonprofit Entities - Accounting for Contributions Received and Contributions Made*, contributed nonfinancial assets for which the Organization made no payment or compensation are recognized as inkind revenue at their estimated fair value at the date of receipt. However, contributed services are recognize as inkind revenue only if the services received either (a) created or enhanced nonfinancial assets, or (b) required specialized skills, were performed by individuals possessing such skills, and would typically need to be purchased if not provided by donation.

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The Organization received donations of software as a service (“SaaS”) from certain technology companies, which included free subscriptions to custom computer applications valued at \$19,800 and free licenses for personal computer applications valued at \$4,500, for the year ended December 31, 2023. These items were valued at their current subscription rates and included in inkind revenues in the statement of activities. These services benefited the Organization’s Awareness, Education and Access Program.

The Organization has also recorded a total of \$151,119 for donated research and expert advisory services for the year ended December 31, 2023, pursuant to the Organization’s evidence-based insight initiative research goals. These services were valued at the applicable hourly rates used by the donor company to bill for paid services, and was included in inkind revenues. These services benefited the Organization’s Awareness, Education and Access Program.

Measure of Operations

The Organization includes in its measure of operations all revenues and expenses that are an integral part of its programs and supporting activities. Contributions restricted in perpetuity, contributions restricted to acquisition of tangible capital assets, and unrealized gains and losses on investments are recognized as nonoperating support, revenues, gains, and losses.

Cash and Cash Equivalents

All highly liquid investments with original maturity of ninety (90) days or less are considered as cash equivalents. There were no cash equivalents as of December 31, 2023. The carrying amount reported for cash in the accompanying statement of financial position as of December 31, 2023, approximated its fair value.

Investments

Investments in stocks and marketable securities with readily determinable fair values are reported at their fair values in the statement of financial position. Investment income (interest and dividends) are reported as operating revenue in the statement of activities as an increase or decrease in the net assets without donor-restrictions unless their use is limited by donor-imposed restrictions. Net realized or net unrealized gains and losses are included in the nonoperating items in the statement of activities.

Property and Equipment

Acquisitions of property and equipment in excess of \$1,500, per item, are capitalized. Purchases of property and equipment are recorded at cost or, if donated, at fair value at date of donation. Property and equipment include certain capitalized website development costs that are being amortized over five years.

Income Tax Status

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and has been classified by the Internal Revenue Service as a publicly supported

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organization. No provision for income tax is included in the accompanying financial statement as the Organization has no taxable unrelated business income. Management has concluded that the Organization has properly maintained its exempt status and classified its revenue as exempt in the accompanying statement of activities.

The Organization applies the provisions of FASB ASC Topic 740, *Income Taxes*, which prescribes a comprehensive model for the financial statement recognition, measurement, presentation, and disclosure of uncertain tax positions taken or expected to be taken in income tax returns. FASB ASC Topic 740 also provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosures, and transition. The Organization believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

The Organization files Form 990, *Return of Organization Exempt from Income Tax*, for its exempt activities in the United States federal jurisdiction within the United States. Federal income tax returns for calendar years 2022 through 2020 remain subject to examination by the Internal Revenue Service, generally for three years after they were filed.

Functional Classification of Expenses

In accordance with FASB ASC Topic 958-720-45-2, *Functional Classification of Expenses*, the costs of providing the Organization's various programs and other activities have been summarized on a functional basis (i.e., expenses have been grouped according to the purpose for which they were incurred) in the statement of activities and in the statement of functional expenses. Certain costs have been allocated among the programs and supporting services benefited. The primary functional classifications of the Organization's uses of resources are:

1. Program Services Expenses,
2. Fundraising Expenses, and
3. Management and General Expenses.

Fundraising activities and management and general activities are considered the support activities. Fundraising expenses are costs incurred in connection with special events and other activities targeted at raising funds for the Organization's programs and mission. Management and general expenses include those expenses that are not directly identifiable with the core function but provide for the overall support and direction of the Organization. The Organization's core programs are described in Note 2.

Expenses that can be directly identified with a specific program or support activity are classified directly to that program or support activity and are not allocated to other programs and services. However, expenses that are attributable to more than one program or to more than one activity have been allocated among the programs and support activities benefited. The allocated major expenses include the following:

1. Salaries and payroll taxes are allocated based on estimates of the personnel's time and effort for each program or activity.

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2. Professional services expenses are allocated based on the nature and purpose of the services and how they relate to the program or support activities.
3. Other allocable expenses are allocated based on estimated benefits to the programs and support activities.

Management's Judgment and Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted for nonprofit organizations in the United States of America requires management to make estimates and assumptions that affect the following aspects of the financial statements:

1. the reported amounts of assets and liabilities,
2. the disclosure of contingent assets and liabilities at the date of the financial statements, and
3. the reported amounts of revenues and expenses during the reporting period.

Significant estimates included in the financial statements relate primarily to the functional classifications of expenses between the program and support functions of the Organization as well as the valuation of contributed services recorded as in-kind revenues and in-kind expenses.

Advertising Costs

The Organization uses advertising to promote its programs among the audiences it serves and to educate the public about schizophrenia and psychosis conditions. The production costs of advertising and awareness promotions are expensed the first time the advertising and promotion takes place. Total expense for advertising and awareness promotions was \$4,167 in the year ended December 31, 2023.

2. PROGRAMS

The Organization's programs and activities relate to its mission to advance systemic change and promote recovery through Research, Education and Care, and Advocacy. Initiatives include:

Policy & Systems-Level Change

The Organization backs federal, state, and local policies with the best chances to save lives, advocate for patients' rights to life-sustaining treatments/services and medical professionals' ability to provide such treatments without judicial oversight. The Organization empowers community members to join movements against discrimination of people with schizophrenia and psychosis disorders, including meetings with Congress members and by hosting capitol hill briefings.

The Organization also promotes public awareness of anosognosia as a neurological condition; advances initiatives such as petitioning the World Health Organization to update its International Classification of Diseases by accurately classifying anosognosia as a highly prevalent neurological condition to make it easier for patients with anosognosia to receive proper care.

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Awareness, Education, & Access

The Organization builds awareness of and educates about schizophrenia, psychosis and related disorders through extensive website resources, initiatives, social media outreach and participation in media interviews, webinars, and public programs. The Organization promotes medical professionals training and career development through digital education partnerships that offer continued education as well as attending and presenting at health education conferences.

Additionally, The Organization provides administrative support, materials, and oversight for two different support groups:

1. Schizophrenia Alliance self-help/peer support groups, which are run by and for people diagnosed with psychiatric brain disorders that include psychosis.
2. Families for Care which is a peer support group for families of those with schizophrenia or schizophrenia-related brain illnesses. The group provides education and support to enable families and their loved ones with schizophrenia to build positive, accepting relationships.

Research

The Organization provides patient perspectives to industry organizations and regulators to accelerate innovative treatment approaches and advocate for the inclusion of patient voices in research and regulatory processes. The Organization actively participates in assessments and meetings to prioritize patient needs in drug development, Institute for Clinical and Economic Review assessments, and U.S. Food and Drug Administration reviews.

The Organization funds research such as:

1. Seeking new disease biomarkers and other early disease indicators that could improve diagnosis and treatment.
2. Quantifying the societal costs of schizophrenia and related disorders, underscoring the country's devastating failure to provide appropriate medical care for people living with schizophrenia and the urgent need for policy changes to promote comprehensive solutions.
3. Surveying caregivers of adults with schizophrenia or schizoaffective disorder to spotlight the disease's negative impact on finances, career, and family lives.

3. INVESTMENTS AND FAIR VALUE MEASUREMENTS

Investments consist of money market accounts and mutual funds and are stated at fair value. Investments are summarized as follows, as of December 31, 2023:

	<u>Amount</u>
Liquidity funds	\$ 15,295
Mutual funds	<u>249,903</u>
Total	<u>\$ 265,198</u>

Fair value is defined as the price that would be received if an asset sold or paid if a liability transferred in an orderly transaction between market participants on the measurement date. The Statement also establishes a fair value hierarchy that distinguishes between inputs based on market

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data from independent sources (observable inputs) and a reporting entity's internal assumptions based upon the best information available when external market data is limited or unavailable (unobservable inputs).

The Organization measures and reports certain assets at fair value and within a hierarchal disclosure framework which prioritizes and ranks the level of observable inputs used in measuring fair value. At each balance sheet date, the Organization performs an analysis of all instruments subject to fair value measurements.

The fair value three-tier hierarchy requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The three levels of inputs that may be used to measure fair value under FASB ASC Topic 820, as amended, are as follows:

- Level 1:* Valuations are based on quoted prices in active markets for identical investments. Accordingly, valuations of these securities do not entail a significant degree of judgment.
- Level 2:* Valuations are based on inputs other than Level 1 inputs that are either directly or indirectly observable such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; inputs other than quoted prices that are observable; or other inputs not directly observable, but derived principally from, or corroborated by, observable market data.
- Level 3:* Valuations are based on inputs that are unobservable and significant to the overall fair value measurement, and include situations where there is little if any, market activity for the investment. The inputs into the determination of fair value require significant management judgment or estimation.

The following is a summary of the Organization's investments by level, within the fair value hierarchy, as of December 31, 2023:

	Fair Value Measurement				Cost Basis
	Level 1	Level 2	Level 3	Total	
Liquidity funds	\$ 15,295	\$ -	\$ -	\$ 15,295	\$ 15,295
Mutual funds	249,903	-	-	249,903	243,175
Total	<u>\$ 265,198</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 265,198</u>	<u>\$ 258,470</u>

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4. PROPERTY AND EQUIPMENT

The following is a summary of property and equipment, at cost less accumulated depreciation and amortization as of December 31, 2023:

	<u>Amount</u>
Capitalized website development costs	\$ 77,882
Accumulated amortization	<u>(32,195)</u>
Property and equipment, net	<u>\$ 45,687</u>

Amortization expense for the year ended December 31, 2023, was \$18,447.

5. NET ASSETS

Net Assets without Donor-Restrictions:

The Organization's total net assets without donor-restrictions was \$944,434 as of December 31, 2023, which was available to support the Organization's programs and activities.

Net Assets with Donor-Restrictions:

As of December 31, 2023, one of the Organization's corporate partners sponsoring the Organization's mission and program activities, contributed \$50,000 that was designated for use in 2024.

6. CONCENTRATIONS OF CREDIT RISKS

The Organization invested in marketable securities, including mutual funds and liquidity funds. These investments valued at \$265,198 as of December 31, 2023, were held by a U.S. investment company. The Organization's investments are exposed to various risks such as custodial credit risk and market risks. Custodial credit risk refers to the risk that in the event of the failure of a depository financial institution or broker, the depositor will not be able to recover the deposits. Additionally, because of the market risks, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the statement of financial position and the statement of activities.

The Securities Investor Protection Corporation ("SIPC") insures each investor against custodial risks up to \$500,000, inclusive of a sublimit of \$250,000 for claims of cash. SIPC does not protect against the decline in value of securities. The Organization's securities were held by an SIPC-member company and qualify as securities for purposes of SIPC protection up to the protection overall limit and sublimit described above in this paragraph.

Additionally, the Organization maintains cash deposit balances with financial institutions considered by management as credit-worthy and strong. These cash balances may occasionally exceed limits insured by the Federal Deposit Insurance Corporation ("FDIC"), which is \$250,000 per customer per

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bank. As of December 31, 2023, cash amount in excess of FDIC insured limit was \$218,034. Management believes that any custodial credit risk related to cash deposits with financial institutions is low due to the overall financial strength of these financial institutions.

7. LIQUIDITY MANAGEMENT AND FINANCIAL ASSETS AVAILABILITY

Accounting principles generally accepted for nonprofit organizations in the United States of America require organizations to make enhanced disclosures about liquidity and availability of resources to meet current cash needs, as well as how the organization manages its liquidity. The Organization had \$824,622 of financial assets available within one year of the latest balance sheet date to meet cash needs for general expenditures, consisting of the following:

	<u>Amount</u>
Cash	\$ 611,506
Receivables	<u>213,116</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 824,622</u>

The Organization reasonably estimates its cash needs on a month to month basis and structures its financial assets to provide cash for its general expenditures, liabilities, and other obligations as they become due.

8. CONCENTRATION OF REVENUE SOURCES

Fifty-five (55) percent of the Organization's total cash contributions revenue for the year was provided by only five (5) donor sources. It is always considered reasonably possible that contribution sources might be lost in the near term.

9. RELATED PARTY TRANSACTIONS

In 2023, the Organization received cash contributions of \$298,950 from board members and entities associated with them. The Organization also received from a company in which a board member is the managing director, contributions of research and advisory services valued at \$151,119, included in in-kind revenue in the statement of activities.

In 2023, the Organization made payments totaling \$74,600 for services provided by a company associated with a board member and had an outstanding liability of \$22,988 payable to the same company.

10. SUBSEQUENT EVENTS

Management has evaluated transactions and events that occurred subsequent to December 31, 2023, to assess the need for potential recognition of transactions or additional disclosures in the financial statements through May 18, 2024, the date the financial statements were available to be issued.