CHILDREN'S HEART FOUNDATION

FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2024 AND 2023

TOGETHER WITH AUDITOR'S REPORT

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Children's Heart Foundation:

Opinion

We have audited the accompanying financial statements of Children's Heart Foundation (a nonprofit organization), which comprise the statements of financial position as of December 31, 2024 and 2023 and the related statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to the financial statements (collectively, financial statements).

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Children's Heart Foundation as of December 31, 2024 and 2023 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Children's Heart Foundation 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, which raise substantial doubt about Children's Heart Foundation'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 Children's Heart Foundation'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, which raise substantial doubt about Children's Heart Foundation'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.

Dugan + Lopatka

DUGAN & LOPATKA

Warrenville, Illinois
June 19, 2025

CHILDREN'S HEART FOUNDATION
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2024 AND 2023

	2024	2023
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 2,888,901	$ 2,930,013
Contributions receivable	51,500	141,937
Prepaid expenses	80,468	68,472
Total current assets	3,020,869	3,140,422
NON CURRENT ASSETS:		
Investments	114,943	-
PROPERTY AND EQUIPMENT, at cost:		
Equipment and software	28,258	28,258
Less - Accumulated depreciation	(28,258)	(28,258)
Net property and equipment	-	-
OTHER ASSETS:		
Security deposit	5,526	5,526
Trademark	21,948	21,948
Operating lease right-of-use asset	9,952	29,855
Total other assets	37,426	57,329
Total assets	$ 3,173,238	$ 3,197,751
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	$ 98,321	$ 67,389
Grants payable	728,985	500,000
Deferred revenue	35,575	29,164
Operating lease, current maturities	9,952	19,903
Total current liabilities	872,833	616,456
LONG-TERM LIABILITIES:		
Operating lease liability, net of current	-	9,952
Total liabilities	872,833	626,408
NET ASSETS:		
Without donor restrictions	1,748,580	2,155,365
With donor restrictions	551,825	415,978
Total net assets	2,300,405	2,571,343
Total liabilities and net assets	$ 3,173,238	$ 3,197,751

The accompanying notes are an integral part of this statement.

CHILDREN'S HEART FOUNDATION
STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND REVENUE:						
Donations	$ 526,844	$ 501,116	$ 1,027,960	$ 770,130	$ 224,726	$ 994,856
Special events	3,476,209	-	3,476,209	3,211,062	-	3,211,062
Net assets released from restrictions -	305,269	(305,269)	-	177,541	(177,541)	-
Total public support	4,308,322	195,847	4,504,169	4,158,733	47,185	4,205,918
Investment income, net	74,968	-	74,968	14,549	-	14,549
Other income	7,298	-	7,298	11,406	-	11,406
Total other revenue	82,266	-	82,266	25,955	-	25,955
Total support and other revenue	4,390,588	195,847	4,586,435	4,184,688	47,185	4,231,873
FUNCTIONAL EXPENSES:						
Program services	3,420,256	-	3,420,256	2,849,383	-	2,849,383
Management and general	506,747	-	506,747	378,737	-	378,737
Fundraising	870,370	-	870,370	757,607	-	757,607
Total functional expenses	4,797,373	-	4,797,373	3,985,727	-	3,985,727
CHANGE IN NET ASSETS BEFORE OTHER CHANGES IN NET ASSETS	(406,785)	195,847	(210,938)	198,961	47,185	246,146
OTHER CHANGES IN NET ASSETS						
Return of restricted donations	-	(60,000)	(60,000)	-	-	-
CHANGE IN NET ASSETS	(406,785)	135,847	(270,938)	198,961	47,185	246,146
NET ASSETS, Beginning of year	2,155,365	415,978	2,571,343	1,956,404	368,793	2,325,197
NET ASSETS, End of year	$ 1,748,580	$ 551,825	$ 2,300,405	$ 2,155,365	$ 415,978	$ 2,571,343

The accompanying notes are an integral part of this statement.

CHILDREN'S HEART FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in total net assets	$ (270,938)	$ 246,146
Adjustments to reconcile change in total net assets to net cash provided by (used in) operating activities:		
Depreciation	-	1,714
Noncash portion of lease expense from operating leases	20,844	9,951
Net unrealized/realized investment loss	678	-
Change in assets and liabilities:		
Decrease in contributions receivable	90,437	318,183
(Increase) decrease in prepaid expenses	(11,996)	409
Increase (decrease) in accounts payable and accrued expenses	30,932	(100,094)
Increase (decrease) in grants payable	228,985	(583,555)
Increase (decrease) in deferred revenue	6,411	(10,426)
(Decrease) in lease liabilities	(20,844)	(9,951)
Net adjustments	345,447	(373,769)
Net cash provided by (used in) operating activities	74,509	(127,623)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of investments	(115,621)	-
NET CHANGE IN CASH AND CASH EQUIVALENTS	(41,112)	(127,623)
CASH AND CASH EQUIVALENTS, Beginning of year	2,930,013	3,057,636
CASH AND CASH EQUIVALENTS, End of year	$ 2,888,901	$ 2,930,013

The accompanying notes are an integral part of this statement.

CHILDREN'S HEART FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024

	Program Services	Management and General	Fundraising	Total
Research funding	$ 1,780,000	$ -	$ -	$ 1,780,000
Salaries, taxes, and benefit	661,483	311,825	295,579	1,268,887
Insurance	4,196	1,979	1,875	8,050
Office supplies and postage	72,765	30,784	29,179	132,728
Professional fees	223,502	105,358	99,870	428,730
Travel	1,681	793	751	3,225
Rent and utilities	11,388	5,368	5,089	21,845
Advertising	7,779	-	23,335	31,114
Special events	550,037	-	366,690	916,727
Meetings and conferences	61,603	29,040	27,527	118,170
Information technology	45,564	21,478	20,360	87,402
Miscellaneous	258	122	115	495
Total expenses	$ 3,420,256	$ 506,747	$ 870,370	$ 4,797,373

The accompanying notes are an integral part of this statement.

CHILDREN'S HEART FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023

	Program Services	Management and General	Fundraising	Total
Research funding	$ 1,435,000	$ -	$ -	$ 1,435,000
Salaries, taxes, and benefits	596,291	281,094	266,449	1,143,834
Insurance	5,137	2,422	2,295	9,854
Office supplies and postage	112,338	5,303	5,027	122,668
Professional fees	91,541	41,184	39,038	171,763
Travel	4,447	2,096	1,987	8,530
Rent and utilities	12,355	5,058	4,795	22,208
Advertising	2,965	-	8,895	11,860
Special events	483,470	-	389,706	873,176
Meetings and conferences	25,474	12,008	11,383	48,865
Depreciation	894	421	399	1,714
Information technology	79,471	29,151	27,633	136,255
Total expenses	$ 2,849,383	$ 378,737	$ 757,607	$ 3,985,727

(1) NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Children's Heart Foundation (Foundation), an Illinois not-for-profit corporation, is a national foundation that supports research toward discovering the causes and improving the methods of diagnosing, treating, and preventing congenital heart defects. The Foundation began operations in 1996 and has funded 128 research projects, totaling approximately $20,000,000 to date. Each year the Foundation, through its regions, partners, and other supporters, supports, promotes, and/or receives benefits from fundraisers held throughout the country.

Basis of Presentation -

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as applicable to not-for-profit organizations (U.S. GAAP).

Income Taxes -

The Foundation has been determined to be exempt from income tax under Section 501(c)(3) of the Internal Revenue Code, and accordingly, no provision has been made for either federal or state income taxes.

The Foundation has evaluated the tax positions taken for all open tax years. Currently, the 2021, 2022, and 2023 tax years are open and subject to examination by the Internal Revenue Service; however, the Foundation is not currently under audit nor has the Foundation been contacted by this jurisdiction.

Based on the evaluation of Foundation's tax positions, management believes all positions would be upheld under an examination; therefore, no provision for the effects of uncertain tax positions has been recorded for the years ended December 31, 2024 and 2023.

Cash and Cash Equivalents -

For purposes of the statements of cash flows, the Foundation considers all highly liquid instruments with an original maturity of three months or less to be cash equivalents.

Contributions Receivable -

Contributions receivable consist of promises to give from various donors that are expected to be collected in less than one year. Unconditional promises to give expected to be collected in future years are initially recorded at the present value of estimated future cash flows. In subsequent years, amortization of the discounts is included in contribution revenue in the statements of activities. The Foundation determines the allowance for uncollectible promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectible. At December 31, 2024 and 2023, an allowance for uncollectible promises to give was not deemed necessary.

(1) NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Investments -

Investments are carried at fair value in the statement of financial position. Net investment income is reported in the statement of activities and consists of interest income, realized and unrealized gains and losses, less investment management fees.

The Foundation invests in various investment products. Investments are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the values of investments will occur in the near term and any such changes could materially affect the amount reported in the statement of financial position.

Property and Equipment -

The Foundation capitalizes property and equipment over $1,000. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as without donor restricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as with donor restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Foundation reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Foundation reclassifies net assets with donor restrictions to net assets without donor restrictions at that time. Property and equipment are depreciated using the straight-line method over estimated useful lives over five years. Depreciation expense was $-0- and $1,714 for the years ended December 31, 2024 and 2023, respectively.

Trademark -

The trademark is considered an indefinite-lived intangible and in accordance with ASC 350, Intangibles –*Goodwill and Other* (“ASC 350”), indefinite-lived intangible assets are not amortized. The Foundation assesses its trademark for impairment at least annually. If the asset is determined to be impaired, the difference between the book value of the asset and its current fair value would be recognized as an expense in the period in which the impairment is determined. As of December 31, 2024 and 2023 there was no impairment of the trademark.

Concentration of Credit Risk -

The Foundation maintains its cash balances at two high credit quality financial institutions located in Illinois. The balances at the financial institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. At times the Foundation’s cash deposits were in excess of the FDIC limit. However, the Foundation believes it is not exposed to any significant risk on cash.

(1) NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Basis of Presentation -

The Foundation is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Without donor restrictions - Net assets that are not subject to donor-imposed stipulations and may be expensed for any purpose in performing the primary objectives of the Foundation. These net assets may be used at the discretion of management and the board of directors.

With donor restrictions - Net assets subject to donor-imposed stipulations. Some donor restrictions are temporary in nature; those restrictions will be met either by actions of the Foundation and/or the passage of time. Other donor restrictions are perpetual in nature, where the donor has stipulated the funds be maintained in perpetuity.

Contributions -

Contributions and promises to contribute are recognized as income when received or when they become unconditional promises to give. Contributions receivable are all due in less than one year.

All donor-restricted support is reported as an increase with donor restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), with donor restricted net assets, they are reclassified to without donor restricted net assets and reported in the statement of activities and changes in net assets as net assets released from restrictions.

During the year ended December 31, 2024, the Foundation returned $60,000 in previously recognized donations to the original donor due to donor request. The donation was originally recorded in 2023. This amount is reflected as a return of donor-restricted donations in the accompanying statement of activities.

Conditional promises (those with a measurable performance or other barrier and a right of return) are recognized when the underlying conditions are met. Cash received in advance of these conditions being met is recorded as refundable advances. The Foundation reports conditional promises with donor restrictions as increases in net assets without donor restrictions when both the condition and restrictions are satisfied. As of December 31, 2024 and 2023, there were no conditional promises to give.

Advertising -

Advertising costs are expensed as incurred. Advertising expense was $31,114 and $11,860 for the years ended December 31, 2024 and 2023, respectively, and is included with marketing expenses in the statements of functional expenses.

(1) NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Donated Services and In-Kind Contributions -

Volunteers contribute significant amounts of time to the Foundation's fundraising and special projects; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by U.S. GAAP. Contributed goods are recorded at fair value at the date of donation. The Foundation recognizes contributed services at their fair value if the services have value to the Foundation and require specialized skills, are provided by individuals possessing those skills, and would have been purchased if not provided by contributors. No significant contributions of such goods or services were received during the years ended December 31, 2024 and 2023, respectively.

Functional Expenses -

The costs of program and supporting service activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include depreciation, information technology, meetings and conferences, special events, advertising, office supplies and postage, professional fees, rent and utilities, salaries, taxes, benefits, travel, insurance, and miscellaneous which are allocated on the basis of estimates of time and effort. Special events are allocated based on time or materials used at the event that is used to knowledge attendants about CHD and how much is used to request funds.

Leases -

The Foundation determines if an arrangement is a lease or contains a lease at inception of the contract. The Foundation's operating leases are presented in operating lease right-of-use assets, current portion of operating lease liabilities, and long-term portion of operating lease liabilities in the accompanying statement of financial position.

Operating lease right-of-use assets and lease liabilities are measured based on the present value of future lease payments over the lease term at each lease's commencement date. As most of the Foundation's leases do not specify their implicit rate, the Foundation has elected a practical expedient to use the nominal yield, at lease inception, applicable to U.S. Treasury instruments with a maturity of similar length of the lease term.

Operating lease right-of-use assets include all fixed contractual lease payments and initial direct costs incurred by the Foundation, less any lease incentives the Foundation receives from the lessor. The Foundation has elected a practical expedient to account for lease and non-lease components together as a single lease component.

(1) NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Leases - (Continued)

The terms of the Foundation's leases generally contain lease payments and reimbursements to the lessor of the Foundation's proportionate share of common area maintenance (CAM), real estate taxes and other pass-through charges. Only the fixed lease components are included in the right-of-use assets and lease liabilities. Additionally, the Foundation has elected not to apply these lease accounting policies to leases with a term of one year or less at the commencement date.

Operating lease expense for lease payments is recognized on a straight-line basis over the terms of each lease. Variable lease components include CAM, real estate taxes and other charges and are recorded as lease expense as incurred.

The Foundation's leases can contain options granting the right to renew or extend the term of the lease for specified option periods. The decision as to whether the Foundation will exercise the renewal options is generally at the Foundation's sole discretion. The Foundation includes lease extensions in the lease term when it is reasonably certain that the Foundation will exercise the extension.

Deferred Revenue -

Deferred Revenue includes revenue resulting from the Foundation recognizing registration and gift revenue designated for specific walks or gala in the period the event occurs.

(2) LIQUIDITY AND AVAILABILITY:

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the date of the statement of financial position, comprise the following:

	2024	2023
Financial assets at year-end:		
Cash and cash equivalents	$ 2,888,901	$ 2,930,013
Contributions receivable	51,500	141,937
Total financial assets	2,940,401	3,071,950
Less: amounts not available for general expenditures within one year, due to:		
Donor-restricted for a specific purpose or research grant payable	1,280,810	915,978
Financial assets available to meet cash needs for general expenditures within one year	$ 1,659,591	$ 2,155,972

(2) LIQUIDITY AND AVAILABILITY: (Continued)

As part of the Foundation's liquidity management plan, cash in excess of current needs for expenses are invested or kept in cash. The Foundation aims to have enough liquid funds on hand to pay for six to nine months of budgeted unrestricted expenditures.

(3) GRANTS AWARD:

During 2023, the Foundation awarded a conditional grant (included in the amounts below) for which the expenses cannot be recognized by the Foundation until the awardees meet the conditions in the agreement. The conditional grant totaled $1,500,000 over a 5-year period.

During 2023, the Foundation approved four research grants totaling $835,000 to fund studies on congenital heart defects. The grants for 2023 were as follows: $200,000 to John LaDisa, MD, $200,000 to Mark Rodefeld, MD, $200,000 to Hee Cheol Cho, MD, $200,000 to Julia Emamaullee, MD, and $35,000 to the American Academy of Pediatrics. In addition, the Foundation paid $600,000 from conditional research grants agreed upon in previous years that were recognized in 2023 as the awardees met the conditions in the agreement. Those payments consisted of $300,000 to the University of Michigan and $300,000 to the American Heart Association. As of December 31, 2023, grants payable of $500,000 consist of the second year of the grants awarded in 2023. As of December 31, 2023, the remaining conditional payments for the American Heart Association grant was approximately $1,200,000.

During 2024, the Foundation approved four research grants totaling $1,195,000 to fund studies on congenital heart defects. The grants for 2024 were as follows: $300,000 to Robert Tranqilo, MD, $300,000 to Thangam Natarajan, MD, $200,000 to Yuli Kim, MD, $200,000 to Benjamin Smood, MD, $160,000 to Yun Zhang and $35,000 to the American Academy of Pediatrics. In addition, the Foundation paid $584,000 from conditional research grants agreed upon in previous years that were recognized in 2024 as the awardees met the conditions in the agreement. Those payments consisted of $142,500 to the University of Michigan, $142,500 to the Cincinnati Children's Hospital and $300,000 to the American Heart Association. As of December 31, 2024, grants payable of $728,985 consist of the second year of the grants awarded in 2024. As of December 31, 2024, the remaining conditional grant payments for the above mentioned agencies amounted to $1,290,000.

(4) OPERATING LEASES:

The Foundation leases its office space under an operating lease with non-related parties. The Foundation is also responsible for its share of real estate taxes, insurance and maintenance costs for the space. The Foundation's lease agreement ended in June 2023 and was renewed in July 2023. The new operating leases will expire in June of 2025.

(4) OPERATING LEASES: (Continued)

The components of lease expense for the years ending December 31, 2024 and 2023 are as follows:

	2024	2023
Operating lease cost	$ 20,844	$ 10,422
Short-term lease cost	-	10,162
Total lease expense	$ 20,844	$ 20,584

Future minimum lease payments under noncancelable leases as of December 31, 2024 are as follows:

2025	$ 10,422
Total future minimum lease payments	10,422
Less imputed interest included	(470)
Present value of net minimum lease payments	$ 9,952

The following provides additional information related to the Foundation's leases as of and for the years ended December 31, 2024 and 2023:

	2024	2023
Current portion of lease liabilities	$ 9,952	$ 19,903
Long-term portion of lease liabilities	-	9,952
Total lease liabilities	$ 9,952	$ 29,855

	2024	2023
Weighted average lease term	.5 years	1.5 years
Weighted average discount rate	4.87%	4.87%

Cash paid for amounts included in the measurements of the Company's leases for the years ended December 31, 2024 and 2023, are as follows:

Operating cash from operating leases	$ 20,844	$ 20,584

(5) SPECIAL EVENTS:

The Foundation is the beneficiary of several fundraising events throughout the country. The revenue from these special events for the years ended December 31, 2024 and 2023 is as follows:

	2024	2023
Children's Heart Foundation - Walk Events	$ 2,269,409	$ 2,044,064
Children's Heart Foundation - Non Walk Events	1,069,904	1,054,237
Third party events	136,896	112,761
Total special events	$ 3,476,209	$ 3,211,062

(6) NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions are restricted for the following purposes or periods for the years ended December 31, 2024 and 2023:

	2024	2023
Groom Research Fund	$ 25,000	$ 25,000
Matching from the Heart	101,016	101,016
Mend a Heart Foundation	12,954	12,954
Szymczak Fund	218,298	183,802
John Dimitri Fund	-	60,000
Micah Mason Fund	52,356	32,206
Landauer Endowment Fund	141,101	-
Cortney Barnett Research Fund	1,100	1,000
	$ 551,825	$ 415,978

(7) DEFERRED REVENUE:

Deferred revenue consists of revenue received for special events that will occur after the fiscal year end. The following table provides information about significant changes in deferred revenue as of December 31, 2024 and 2023:

	2024	2023
Deferred revenue, beginning of the year	$ 29,164	$ 39,590
Revenue recognized that was included in deferred revenue at the beginning of the year	(29,164)	(39,590)
Increase in deferred revenue due to cash received during the year	35,575	29,164
Deferred revenue, end of the year	$ 35,575	$ 29,164

(8) ENDOWMENT:

The ASC provides guidance on the net asset classification of donor-restricted endowment funds for a non-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA). The ASC also requires additional disclosures about an organization's endowment funds (both donor-restricted endowment funds and board-designated endowment funds) whether or not the organization is subject to UPMIFA. The Foundation's endowment consists of one donor-contributed fund to cover operating expenses as required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law -

The Board of Directors of the Foundation has interpreted Illinois Prudent Management of Institutional Funds Act (IPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument and the Foundation's bylaws at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by IPMIFA.

In accordance with IPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

(1) The duration and preservation of the fund;
(2) The purposes of the Foundation and the donor-restricted endowment fund;
(3) General economic conditions;
(4) The possible effect of inflation and deflation;
(5) The expected total return from income and the appreciation of investments;
(6) Other resources of the Foundation;
(7) The investment policies of the Foundation.

(8) ENDOWMENT: (Continued)

Composition of endowment net assets by type of fund as of December 31, 2024 is as follows:

	2024		
	Accumulated Investments Gain/(Loss)	Perpetual in Nature	Total
Donor-restricted endowment funds	$ 1,341	$ 139,760	$ 141,101

Changes in endowment net assets for the year ended December 31, 2024 is as follows:

	2024		
	Accumulated Investments Gain/(Loss)	Perpetual in Nature	Total
Endowment net assets - beginning	$ -	$ -	$ -
Investment return:			
Investment income	2,169	-	2,169
Net depreciation (realized and unrealized)	(828)	-	(828)
Total investment return	1,341	-	1,341
Contributed amounts	-	139,760	139,760
Endowment net assets - ending	$ 1,341	$ 139,760	$ 141,101

(9) FAIR VALUE MEASUREMENTS:

The Accounting Standards Codification for *Fair Value Measurement* establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value.

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1:

Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.

Level 2:

Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3:

Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability'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 used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodology used for assets measured at fair value. There has been no change in the methodology used at December 31, 2024 and 2023.

Certificates of deposit and corporate bonds: Certificates of deposit and corporate bonds are classified within level 2 as they are valued using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters.

(9) FAIR VALUE MEASUREMENTS: (Continued)

The preceding method described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Foundation believes its valuation method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Foundation's assets at fair value:

	Assets at Fair Value as of December 31, 2024			
Description	Level 1	Level 2	Level 3	Total
Certificate of deposit	$ -	$ 49,820	$ -	$ 49,820
Corporate bonds	-	45,539	-	45,539
Municipal bonds	-	19,584	-	19,584
Total assets at fair value	$ -	$ 114,943	$ -	$ 114,943

(10) INVESTMENT INCOME:

Investment income for the years ended December 31, 2024 and 2023 consisted of the following:

	2024	2023
Interest- cash equivalent	$ 73,777	$ 14,549
Interest- investments	2,169	-
Investment fees	(300)	-
Realized (loss)	(678)	-
Total investment income	$ 74,968	$ 14,549

(11) SUBSEQUENT EVENTS:

Subsequent events have been evaluated through June 19, 2025, the date of the financial statements was available to be issued.