

**College Diabetes Network,
Inc. d/b/a The Diabetes Link**

Financial Statements

December 31, 2023 and 2022

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Independent Auditors' Report

To the Board of Directors
College Diabetes Network, Inc. d/b/a The Diabetes Link

Opinion

We have audited the accompanying financial statements of College Diabetes Network, Inc. d/b/a The Diabetes Link (the Organization), which comprise the statements of financial position as of December 31, 2023 and 2022, and 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 financial statements referred to above 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. Our responsibilities under those standards are further described in the Auditors' 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 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 auditors' 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 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.

Baker Tilly US, LLP

Baker Tilly US, LLP
Tewksbury, Massachusetts
August 2, 2024

Statements of Financial Position

College Diabetes Network, Inc.
d/b/a The Diabetes Link

December 31	2023	2022
Assets		
Current Assets:		
Cash	\$ 341,558	\$ 1,483,852
Current Portion of Contributions Receivable, Net of Allowance for Doubtful Accounts of \$2,500	347,855	239,438
Prepaid Expenses	25,722	41,150
Security Deposits	275	275
Total Current Assets	715,410	1,764,715
Investments	1,488,210	249,888
Contributions Receivable, Net of Current Portion and Discount	272,121	30,229
Intangible Assets, Net of Accumulated Amortization	102,389	108,526
Trademarks	23,399	15,150
Total Assets	\$ 2,601,529	\$ 2,168,508
Liabilities and Net Assets		
Current Liabilities:		
Accounts Payable	\$ 2,165	\$ 18,906
Accrued Expenses	55,617	22,951
Total Current Liabilities	57,782	41,857
Net Assets:		
Net Assets without Donor Restrictions	1,257,578	1,292,606
Net Assets with Donor Restrictions	1,286,169	834,045
Total Net Assets	2,543,747	2,126,651
Total Liabilities and Net Assets	\$ 2,601,529	\$ 2,168,508

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

Statements of Activities

**College Diabetes Network, Inc.
d/b/a The Diabetes Link**

For the Years Ended December 31
2023
2022

	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Operating Activities:						
Revenue and Other Support:						
Contributions	\$ 115,163	\$ 2,251,675	\$ 2,366,838	\$ 372,732	\$ 1,205,932	\$ 1,578,664
Contributions - Nonfinancial Assets	38,442	-	38,442	38,141	-	38,141
Contract Revenue	5,000	-	5,000	13,000	-	13,000
Interest and Other Income	732	-	732	3,012	-	3,012
Net Assets Released from Restriction	1,799,551	(1,799,551)	-	1,195,111	(1,195,111)	-
Total Revenue and Other Support	1,958,888	452,124	2,411,012	1,621,996	10,821	1,632,817
Operating Expenses:						
Program Services	1,324,767	-	1,324,767	1,000,181	-	1,000,181
General and Administrative	356,977	-	356,977	237,097	-	237,097
Fundraising	334,531	-	334,531	228,978	-	228,978
Total Operating Expenses	2,016,275	-	2,016,275	1,466,256	-	1,466,256
Loss on Disposal of Intangible Assets	-	-	-	16,380	-	16,380
(Decrease) Increase in Net Assets from Operations	(57,387)	452,124	394,737	139,360	10,821	150,181
Nonoperating Activities:						
Investment Income (Loss), Net	22,359	-	22,359	(658)	-	(658)
Gain on Extinguishment of Long-Term Debt - Paycheck Protection Program	-	-	-	152,705	-	152,705
Total Nonoperating Activities	22,359	-	22,359	152,047	-	152,047
(Decrease) Increase in Net Assets	(35,028)	452,124	417,096	291,407	10,821	302,228
Net Assets, Beginning of Year	1,292,606	834,045	2,126,651	1,001,199	823,224	1,824,423
Net Assets, End of Year	<u>\$ 1,257,578</u>	<u>\$ 1,286,169</u>	<u>\$ 2,543,747</u>	<u>\$ 1,292,606</u>	<u>\$ 834,045</u>	<u>\$ 2,126,651</u>

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

Statements of Functional Expenses

**College Diabetes Network, Inc.
d/b/a The Diabetes Link**

For the Years Ended December 31
2023
2022

	Program Services	General and Administrative	Fundraising	Total	Program Services	General and Administrative	Fundraising	Total
Personnel Expense	\$ 918,095	\$ 208,487	\$ 282,382	\$ 1,408,964	\$ 760,258	\$ 100,766	\$ 176,386	\$ 1,037,410
Professional Services	68,626	129,743	7,243	205,612	46,369	100,621	4,073	151,063
Communications and Outreach	178,845	425	2,565	181,835	103,998	4,677	11,147	119,822
Information Technology	54,359	9,944	16,911	81,214	23,680	18,473	8,702	50,855
Travel	61,393	567	6,162	68,122	39,108	2,407	13,306	54,821
Amortization	20,104	4,409	6,166	30,679	12,829	2,797	2,939	18,565
Other Expense	4,151	3,402	13,102	20,655	2,830	7,356	12,425	22,611
Chapter Grant and Stipends	19,194	-	-	19,194	11,109	-	-	11,109
Total	<u>\$ 1,324,767</u>	<u>\$ 356,977</u>	<u>\$ 334,531</u>	<u>\$ 2,016,275</u>	<u>\$ 1,000,181</u>	<u>\$ 237,097</u>	<u>\$ 228,978</u>	<u>\$ 1,466,256</u>

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

For the Years Ended December 31	2023	2022
Cash Flows from Operating Activities:		
Increase in Net Assets	\$ 417,096	\$ 302,228
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operating Activities:		
Net Realized and Unrealized (Gains) Losses on Investments	(3,126)	3,516
Amortization	30,679	18,565
Gain on Extinguishment of Long-Term Debt – Paycheck Protection Program	-	(152,705)
Non-Cash Interest Expense	-	1,785
Loss on Disposal of Intangible Assets	-	16,380
(Increase) Decrease in Contributions Receivable	(350,309)	16,299
Decrease (Increase) in Prepaid Expenses	15,428	(33,995)
(Decrease) Increase in Accounts Payable	(16,741)	4,206
Increase (Decrease) in Accrued Expenses	32,666	(132)
Net Cash Provided by Operating Activities	125,693	176,147
Cash Flows from Investing Activities:		
Purchase of Investments	(2,357,657)	(333,358)
Proceeds from Sale of Investments	1,122,461	79,954
Acquisition of Intangible Assets	(32,791)	(130,911)
Net Cash Used in Investing Activities	(1,267,987)	(384,315)
Net Decrease in Cash	(1,142,294)	(208,168)
Cash, Beginning of Year	1,483,852	1,692,020
Cash, End of Year	\$ 341,558	\$ 1,483,852

Supplemental Disclosure of Noncash Investing Activities:

During the year ended December 31, 2022, the Organization disposed of intangible assets with an original cost of \$134,390 and accumulated amortization of \$118,010, resulting in a loss on disposal in the amount of \$16,380.

1. Organization and Summary of Significant Accounting Policies:

Nature of Organization: College Diabetes Network, Inc. d/b/a The Diabetes Link (the Organization) is a nonprofit organization, incorporated on June 3, 2010 in the Commonwealth of Massachusetts, that supports college students and young professionals with Type 1 diabetes. The Organization provides innovative peer-based programs that connect students and young professionals with diabetes and empower them to thrive.

Basis of Presentation: The financial statements of the Organization have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). Any reference in these notes to applicable guidance is meant to refer to the authoritative United States generally accepted accounting principles as found in the Accounting Standards Codification (ASC) and Accounting Standards Updates (ASU) of the Financial Accounting Standards Board (FASB).

The Organization reports information regarding its financial position and activities according to the following net asset classifications:

Net Assets without Donor Restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and Board of Directors. Net assets without donor restrictions include net assets designated by the board for specific purposes.

Net Assets with Donor Restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Fair Value Measurements: The framework for measuring fair value 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 Organization 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; and
- 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.

Revenue and Other Support: Revenue is reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Revenue represents amounts derived from contributions.

1. Organization and Summary of Significant Accounting Policies (Continued):

Revenue is recognized when control of the goods and services provided is transferred to the Organization's customers and in an amount that reflects the consideration the Organization expects to be entitled to in exchange for those goods and services using the following steps: 1) identification of the contract, or contracts with a customer, 2) identification of performance obligations in the contract, 3) determination of the transaction price, 4) allocation of the transaction price to the performance obligations in the contract and 5) recognition of revenue when or as the Organization satisfies the performance obligations.

The Organization generates revenue from various professional services. Revenue from these services is recognized when the service is performed.

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions.

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

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long contributed assets must be used are recorded as net assets with donor restrictions. Otherwise, the contributions are recorded as net assets without donor restrictions.

Contributions of services are reported as revenue and expenses without donor restrictions at the fair value of the service received only if the services create or enhance a nonfinancial asset or would typically need to be purchased by the Organization if they had not been provided by contribution, require specialized skills, and are provided by individuals with those skills. Contributions of goods and space to be used in program operations are reported as revenue and expenses without donor restrictions at the time the goods or space is received.

The Organization must determine whether a contribution (or a promise to give) is conditional or unconditional for transactions deemed to be a contribution. A contribution is considered to be a conditional contribution if an agreement includes a barrier that must be overcome and either a right of return of assets or a right of release of a promise to transfer assets exists. Indicators of a barrier include measurable performance related barrier or other measurable barriers, a stipulation that limits discretion by the recipient on the conduct of an activity, and stipulations that are related to the purpose of the agreement. The Organization cannot consider probability of compliance with the barrier when determining if such awards are conditional and should be reported as conditional grant advance liabilities until such conditions are met.

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at present value of their estimated future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Discount amortization is included in contribution revenue. Conditional promises to give are not included as support until the conditions are met.

Cash: The Organization maintains its cash in bank deposit accounts, which, at times, may exceed federally insured limits.

Investments and Investment Income: The Organization's investments are reported at fair value as of the date of the statements of financial position. Realized and unrealized gains and losses are reflected in the accompanying statements of activities. Investment income or loss on investments (including realized and unrealized gains and losses on investments, interest and dividends) is included in net assets without donor restrictions unless the income or loss is restricted by donor or law.

1. Organization and Summary of Significant Accounting Policies (Continued):

Concentrations of Credit Risk: Financial instruments that potentially subject the Organization to concentration of credit risk consist primarily of cash and contributions receivable. The Organization maintains its cash with high-credit quality financial institutions. The Organization believes it is not exposed to any significant losses due to credit risk on cash. Contributions receivable are carried at amounts based upon management's judgment of potential defaults. Management identifies troubled receivables balances by assessing of the donor's credit worthiness. As of each of the years ended December 31, 2023 and 2022, management has recorded an allowance for doubtful accounts in the amounts of \$2,500.

Other Risks and Uncertainties: Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in the values of the investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of financial position.

Definite-Lived Intangible Assets: The Organization accounts for amortization using the straight-line method over the related assets' estimated useful lives, as follows:

Website Development Costs	3 - 4 Years
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Impairment of Long-Lived Assets: It is required that long-lived assets, including purchased intangible assets with finite lives, be reviewed for possible impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. As of December 31, 2023 and 2022, the Organization evaluated its long-lived assets for impairment and determined that they were not impaired.

Advertising Costs: The Organization expenses advertising costs as incurred. During the years ended December 31, 2023 and 2022, the Organization incurred advertising expense in the amounts of \$290 and \$3,645, respectively.

Functional Allocation of Expenses: The costs of providing the Organization's program and other activities have been summarized on a functional basis in the statements of activities. Expenses related directly to program services or supporting activities are charged directly while other expenses that are common to several functions are allocated based on management's estimates, among major classes of programs services and supporting activities.

The expenses that are allocated include the following:

Expense	Method of Allocation
Personnel Expense	Time and Effort
Communication and Outreach	Time and Effort
Travel	Time and Effort
Information Technology	Time and Effort
Other Expenses	Time and Effort
Amortization	Time and Effort

Income Taxes: The Organization is a nonprofit Organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes on trade or business profits generated by activities related to the Organization's exempt function. The Organization may be subject to federal and state income taxes for profits generated from trade or business activities unrelated to the Organization's exempt function. As of December 31, 2023 and 2022, management believes that the Organization has not generated any unrelated business taxable income.

1. Organization and Summary of Significant Accounting Policies (Continued):

The Organization assesses the recording of uncertain tax positions by evaluating the minimum recognition threshold and measurement requirements a tax position must meet before being recognized as a benefit in the financial statements. The Organization's policy is to recognize interest and penalties accrued on any uncertain tax positions as a component of income tax expense, if any, in its statements of activities. The Organization has not recognized any liabilities for uncertain tax positions or unrecognized benefits as of December 31, 2023 and 2022. The Organization does not expect any material change in uncertain tax benefits within the next 12 months.

Use of Estimates: Management has used estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities in its preparation of the financial statements in accordance with GAAP. Actual results experienced by the Organization may differ from those estimates.

Subsequent Events: Management has evaluated subsequent events spanning the period from December 31, 2023 through August 2, 2024, the date the financial statements were available to be issued.

Recently Adopted Accounting Policies: In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments – Credit Losses (Topic 326)*. The ASU introduces a new credit loss methodology, Current Expected Credit Losses (CECL), which requires earlier recognition of credit losses, while also providing additional transparency about credit risk. The FASB has issued several updates to the ASU since its original issuance in 2016. The CECL methodology utilizes a lifetime “expected credit loss” measurement objective for the recognition of credit losses at the time the financial asset is originated or acquired. The expected credit losses are adjusted each period for changes in expected lifetime credit losses. The CECL methodology replaces the multiple impairment methods permitted to be utilized in prior years, which generally require that a loss be incurred before it is recognized.

On January 1, 2023, the Organization adopted the ASU prospectively. The impact of the adoption of this ASU was immaterial to the financial statements. Accordingly, there was no adjustment to net assets upon adoption. The Organization has not restated comparative information for the prior year and, therefore, the comparative information for the prior year is reported in accordance with previously applicable GAAP.

2. Availability and Liquidity:

The following reflects the Organization's financial assets as of December 31, 2023 and 2022, reduced by amounts not available for general use within one year of December 31, 2023 and 2022 due to contractual or donor-imposed restrictions.

Financial Assets at End of Year:	2023	2022
Cash	\$ 341,558	\$ 1,483,852
Contributions Receivable, Net of Allowance for Doubtful Accounts and Discount	619,976	269,667
Investments	1,488,210	249,888
Total Financial Assets at End of Year	2,449,744	2,003,407
Less: Amounts Unavailable for General Expenditures within One Year Due to:		
Restricted by Donor with Time or Purpose Restrictions	272,121	30,229
Board Designations:		
Board Reserves	450,000	450,000
	722,121	480,229
Financial Assets Available to Meet Cash Needs for General Expenditures over the Next 12 Months	\$ 1,727,623	\$ 1,523,178

2. Availability and Liquidity (Continued):

The Organization is substantially supported by restricted contributions. Although a donor's restrictions require resources to be used in a particular manner or in a future period, the Organization expects to use all of the unexpended donor restricted contributions within one year of the date of the statement of financial position, except for the portion related to long-term contributions receivable. Therefore, the net assets with donor restrictions are considered available for general expenditures within one year. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations may come due. In addition, if needed, the board could vote to release the above board designations such that those net assets could then be available to meet cash needed for general expenditures.

3. Contributions Receivable:

Contributions receivable as of December 31, 2023 and 2022 consists of the following:

	2023	2022
Receivable in Less than One Year	\$ 350,355	\$ 241,938
Receivable in One to Five Years	300,000	30,229
	650,355	272,167
Less: Allowance for Doubtful Accounts	2,500	2,500
Less: Discount	27,879	-
	<u>\$ 619,976</u>	<u>\$ 269,667</u>

As of December 31, 2023, the risk adjusted rate used by the Organization amounted to 5.04%. As of December 31, 2022, the discount on long-term contributions receivable using a risk-adjusted rate based on the daily treasury yield curves was considered immaterial to the financial statements.

4. Fair Value Measurements:

Investments measured at fair value on a recurring basis as of December 31, 2023 and 2022 are as follows:

Fair Value Measurements at December 31, 2023				
	Totals	Level 1	Level 2	Level 3
Money Market Mutual Funds	\$ 1,425,352	\$ 1,425,352	\$ -	\$ -
Treasury Securities	59,645	-	59,645	-
Equities	3,213	3,213	-	-
	<u>\$ 1,488,210</u>	<u>\$ 1,428,565</u>	<u>\$ 59,645</u>	<u>\$ -</u>

Fair Value Measurements at December 31, 2022				
	Total	Level 1	Level 2	Level 3
Treasury Securities	\$ 181,719	\$ -	\$ 181,719	\$ -

Cash is not included in the fair value hierarchy with other investments. Cash classified as investments for the year ended December 31, 2022 amounted to \$68,169.

4. Fair Value Measurements (Continued):

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used for the years ended December 31, 2023 and 2022.

Money Market Mutual Funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Organization are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Organization are deemed to be actively traded.

Equities: Valued at the closing price reported on the active market on which the individual securities are traded.

Treasury Securities: Valued using pricing models maximizing the use of observable inputs for similar securities. This methodology included basing value on yields currently available on comparable securities of issuers with similar credit ratings. When quotes prices are not available for identical or similar bonds, the bond is valued under a discounted cash flow approach that maximizes observable inputs, such as current yields of similar instruments, but includes adjustments for certain risks that may not be observable, such as credit and liquidity risks or a broker quote if available.

The preceding methods 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 Organization believes its valuation methods are 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.

5. Investments:

Investments as of December 31, 2023 and 2022 consist of the following:

	2023	2022
Money Market Mutual Funds	\$ 1,425,352	\$ -
Treasury Securities	59,645	181,719
Equities	3,213	-
Cash Equivalents	-	68,169
	<u>\$ 1,488,210</u>	<u>\$ 249,888</u>

For the years ended December 31, 2023 and 2022, net investment income (loss) consists of the following:

	2023	2022
Interest and Dividends	\$ 19,233	\$ 2,858
Net Unrealized Gains (Losses)	2,319	(2,969)
Net Realized Gains (Losses)	807	(547)
	<u>\$ 22,359</u>	<u>\$ (658)</u>

6. Intangible Assets and Trademarks:

As of December 31, 2023 and 2022, intangible assets consist of the following:

	2023		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Intangibles Subject to Amortization:			
Website Development Costs	\$ 140,303	\$ 37,914	\$ 102,389
Intangibles Not Subject to Amortization:			
Trademarks	23,399	-	23,399
Total Intangible Assets	<u>\$ 163,702</u>	<u>\$ 37,914</u>	<u>\$ 125,788</u>
	2022		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Intangibles Subject to Amortization:			
Website Development Costs	\$ 115,761	\$ 7,235	\$ 108,526
Intangibles Not Subject to Amortization:			
Trademarks	15,150	-	15,150
Total Intangible Assets	<u>\$ 130,911</u>	<u>\$ 7,235</u>	<u>\$ 123,676</u>

As of December, 31, 2023, \$16,429 of website development costs have not yet been placed into service. These website development costs are expected to be placed into service during the year ended December 31, 2024.

Amortization expense for the years ended December 31, 2023 and 2022 amounted to \$30,679 and \$18,565, respectively.

Future amortization expense related to intangible assets as of December 31, 2023 is as follows:

Year Ending	
<u>December 31,</u>	
2024	\$ 31,258
2025	31,258
2026	<u>23,444</u>
	<u>\$ 85,960</u>

7. Long-Term Debt - Paycheck Protection Program:

Consolidated Appropriations Act: On December 27, 2020, the Consolidated Appropriations Act was enacted and signed into law, which in part, was designated to provide certain aid and stimulus to the U.S. economy. The Organization qualifies as a small business under the Consolidated Appropriations Act and submitted a loan application with a qualified lender for funding under the PPP, administered by the SBA.

On March 17, 2021, the Organization's application with the lender was approved and as a result, the Organization obtained a Second loan (the Second PPP Loan) in the amount of \$150,920. The Second PPP Loan bore fixed interest at 1.00% per annum, which began accruing from the date of the loan, and was set to mature on March 17, 2026. The Second PPP loan was unsecured and guaranteed by the SBA. The Second PPP Loan was eligible to be forgiven provided the Organization satisfied certain conditions and upon approval by the lender and the SBA. The Second PPP Loan provided for the deferral of payments until the SBA had determined the forgiveness amount, at which time, any remaining loan amount would have required equal monthly payments of principal plus accrued interest in an amount sufficient to have repaid the remaining Second PPP Loan balance by the maturity date. On May 17, 2022, the Organization obtained from the SBA notification of forgiveness of the entire Second PPP loan balance plus accrued interest in the aggregate amount of \$152,705, which was recorded to nonoperating activities as a gain on extinguishment of long-term debt - paycheck protection program in the accompanying statements of activities.

8. Employee Retention Credit:

The Coronavirus Aid, Relief and Economic Security (CARES Act), as amended by the Consolidated Appropriations Act, the American Rescue Plan Act and the Infrastructure and Jobs Act, includes certain provisions for an employee retention credit (ERC). The ERC incentivizes employers severely impacted by the COVID-19 pandemic to retain their employees through a fully refundable tax credit, which is allowed against the employer's share of employment taxes for qualified wages paid after March 12, 2020 and before October 1, 2021. Credits in excess of the tax amounts paid by an employer are treated as overpayments and are also refunded to the employer. The ERC is calculated as a percentage of qualified wages (as defined in the CARES Act, as amended) paid by an eligible employer. The ERC is equal to (i) 50% of the first \$10,000 in qualified wages paid to each employee after March 12, 2020 and before January 1, 2021, with a maximum annual credit of \$5,000 for each employee; and (ii) 70% of the first \$10,000, per calendar quarter, in qualified wages paid to each employee between January 1, 2021 and September 30, 2021, with a maximum annual credit of \$21,000 for each employee.

The Organization qualified for the ERC as it experienced a significant decline in gross receipts in 2021 as a result of the effects of the COVID-19 pandemic. A decline in gross receipts is defined as: (i) for 2020, 50% compared to the same calendar quarter in 2019; and (ii) for 2021, 20% compared to the same calendar quarter in 2019.

The Organization has elected to account for the ERC as a conditional government grant under the FASB's ASC 958-605, *Not-for-Profit Entities: Revenue Recognition*. During the year ended December 31, 2022, the Organization fully satisfied the barriers to recognize the contribution revenue in the amount of \$143,138. As of December 31, 2023 and 2022, the Organization has outstanding ERC in the amount of \$143,138 which is included in contributions receivable on the accompanying statements of financial position.

9. Net Assets without Donor Restrictions:

Net assets without donor restrictions as of December 31, 2023 and 2022 consist of the following:

	2023	2022
Undesignated	\$ 807,578	\$ 842,606
Board Reserves	450,000	450,000
	<u>\$ 1,257,578</u>	<u>\$ 1,292,606</u>

10. Net Assets with Donor Restrictions:

Net assets with donor restrictions as of December 31, 2023 and 2022 consist of the following:

	<u>2023</u>	<u>2022</u>
Subject to Passage of Time	\$ 774,724	\$ 413,112
Subject to Passage of Time and Purpose	<u>511,445</u>	<u>420,933</u>
Total Net Assets With Donor Restrictions	<u>\$ 1,286,169</u>	<u>\$ 834,045</u>

11. Net Assets Released from Restriction:

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes specified by donors or by the passage of time. Net assets released from restriction during the years ended December 31, 2023 and 2022 consist of the following:

	<u>2023</u>	<u>2022</u>
Subject to Passage of Time	\$ 1,115,079	\$ 1,195,111
Subject to Passage of Time and Expenditures for Specified Purpose	<u>684,472</u>	<u>-</u>
Total Net Assets Released From Restrictions	<u>\$ 1,799,551</u>	<u>\$ 1,195,111</u>

12. Contributions - Nonfinancial Assets:

The Organization received contributed nonfinancial assets and services recognized as revenue and other support within the statements of activities. The contributed nonfinancial assets did not have donor-imposed restrictions. During the years ended December 31, 2023 and 2022, contributed nonfinancial assets consisted of the following:

	<u>2023</u>	<u>2022</u>
Legal Services	\$ 19,647	\$ 16,791
Conference Fees and Trade Show Goods	<u>18,795</u>	<u>21,350</u>
	<u>\$ 38,442</u>	<u>\$ 38,141</u>

Contributed nonfinancial assets recognized consist of legal services and donated conference fees and trade show goods. Contributed nonfinancial assets are valued and are reported at the estimated fair value in the financial statements based on current rates for similar legal services and prevailing for conference attendance.

13. Economic Dependency:

During the years ended December 31, 2023 and 2022, the Organization received a substantial portion of its contributions from three and two donors, respectively. Contributions from these donors approximated 51% and 37% of the Organization's total contributions during the years ended December 31, 2023 and 2022, respectively.

As of December 31, 2023 and 2022, contributions receivable from two donors represented approximately 84% and 71%, respectively, of the Organization's total contributions receivable.

14. Indemnifications:

In the ordinary course of business, the Organization enters into various agreements containing standard indemnification provisions. The Organization's indemnification obligations under such provisions are typically in effect from the date of execution of the applicable agreement through the end of the applicable statute of limitations. The aggregate maximum potential future liability of the Organization under such indemnification provisions is uncertain. As of December 31, 2023 and 2022, no amounts have been accrued related to such indemnification provisions.