



GT REILLY
& COMPANY
CPAs and Advisors

Reviewed Financial Statements

CU Kids at Heart, Inc.

December 31, 2023

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Independent Accountants' Review Report

Board of Directors
CU Kids at Heart, Inc.

We have reviewed the accompanying financial statements of CU Kids at Heart, Inc., which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the Organization's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Accountants' Responsibility for the Financial Statements

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of CU Kids at Heart, Inc., and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our reviews.

Accountants' Conclusion

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

G.T. Reilly & Company

Milton, Massachusetts
May 6, 2024

CU Kids at Heart, Inc.

Statements of Financial Position

December 31

(See Independent Accountants' Review Report)

	<u>2023</u>	<u>2022</u>
<u>Assets</u>		
Current Assets:		
Cash	\$ 212,864	\$ 243,623
Interest receivable	356	217
Prepaid expenses	3,263	3,514
	<u>216,483</u>	<u>247,354</u>
Other Assets:		
Software and equipment	980	980
Less: accumulated depreciation	980	980
	<u>-</u>	<u>-</u>
 TOTAL ASSETS	 <u>\$ 216,483</u>	 <u>\$ 247,354</u>
<u>Liabilities and Net Assets</u>		
Liabilities:		
Accounts payable and accrued expenses	\$ 4,000	\$ 4,000
Net Assets:		
Without donor restrictions	201,429	223,704
With donor restrictions	11,054	19,650
	<u>212,483</u>	<u>243,354</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 216,483</u>	 <u>\$ 247,354</u>

CU Kids at Heart, Inc.

Statements of Activities and Change in Net Assets

Year Ended December 31

(See Independent Accountants' Review Report)

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS & OTHER SUPPORT						
Contributions of cash	\$ 231,515	\$ 122,904	\$ 354,419	\$ 247,970	\$ 210,675	\$ 458,645
Contributed services	15,744	-	15,744	39,057	-	39,057
Merchandise sales	-	-	-	315	-	315
Interest income	3,827	-	3,827	1,377	-	1,377
Net assets released from restrictions (Note 4)	131,500	(131,500)	-	250,875	(250,875)	-
TOTAL REVENUES, GAINS & SUPPORT	382,586	(8,596)	373,990	539,594	(40,200)	499,394
EXPENSES						
Charitable disbursements	377,229	-	377,229	452,403	-	452,403
General and administrative	21,592	-	21,592	45,309	-	45,309
Fundraising and development	6,040	-	6,040	4,623	-	4,623
TOTAL EXPENSES	404,861	-	404,861	502,335	-	502,335
INCREASE (DECREASE) IN NET ASSETS	(22,275)	(8,596)	(30,871)	37,259	(40,200)	(2,941)
NET ASSETS AT BEGINNING OF YEAR	223,704	19,650	243,354	186,445	59,850	246,295
NET ASSETS AT END OF YEAR	\$ 201,429	\$ 11,054	\$ 212,483	\$ 223,704	\$ 19,650	\$ 243,354

CU Kids at Heart, Inc.

Statements of Functional Expenses

Year Ended December 31

(See Independent Accountants' Review Report)

	2023				2022			
	Charitable Disbursements	Management and General	Fundraising and Development	Total	Charitable Disbursements	Management and General	Fundraising and Development	Total
Charitable disbursements	\$ 377,229	\$ -	\$ -	\$ 377,229	\$ 452,403	\$ -	\$ -	\$ 452,403
Professional services	-	4,125	-	4,125	-	4,000	-	4,000
Merchandise costs	-	-	251	251	-	-	1,258	1,258
Office supplies and expenses	-	166	-	166	-	756	-	756
Merchant fees	-	1,557	-	1,557	-	1,496	-	1,496
Contributed services	-	15,744	-	15,744	-	39,057	-	39,057
Ball drop event	-	-	5,789	5,789	-	-	3,365	3,365
	<u>\$ 377,229</u>	<u>\$ 21,592</u>	<u>\$ 6,040</u>	<u>\$ 404,861</u>	<u>\$ 452,403</u>	<u>\$ 45,309</u>	<u>\$ 4,623</u>	<u>\$ 502,335</u>

CU Kids at Heart, Inc.

Statements of Cash Flows

For the Year Ended December 31

(See Independent Accountants' Review Report)

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Decrease in net assets	\$ (30,871)	\$ (2,941)
Changes in operating assets and liabilities:		
Interest and dividends receivable	(139)	(211)
Prepaid expense	251	555
Accounts payable and accrued expenses	<u>-</u>	<u>300</u>
NET CASH USED IN OPERATING ACTIVITIES	<u>(30,759)</u>	<u>(2,297)</u>
NET DECREASE IN CASH	(30,759)	(2,297)
CASH AT BEGINNING OF YEAR	<u>243,623</u>	<u>245,920</u>
CASH AT END OF YEAR	<u>\$ 212,864</u>	<u>\$ 243,623</u>

CU Kids at Heart, Inc.

Notes to Financial Statements

December 31, 2023

(See Independent Accountants' Review Report)

Note 1 – Organization and Activities

Organization – CU Kids at Heart, Inc. (“the Organization”) is a Massachusetts-based 501(c)(3) charitable organization, incorporated on December 13, 2016. The Organization was founded by Eastern Corporate Federal Credit Union (“EasCorp”).

Activities – The mission of the Organization is to help children lead healthy and happy lives through the funding of research activities aimed at the prevention, treatment, and/or cure of pediatric neurological diseases.

Through a variety of fundraising events and activities, the Organization collects donations from the employees, members, and philanthropic contributions of credit unions throughout the United States; supporting corporations; and the general public. Donations raised by the Organization are distributed to various non-profit entities to fund medical research in line with the organizational mission. The Organization also works to raise awareness of rare pediatric diseases and related medical research.

Note 2 – Summary of Significant Accounting Policies

Financial Statement Presentation – The Organization follows the provisions of the Financial Accounting Standards Board’s Accounting Standard Update (ASU) 2016-14, “*Presentation of Financial Statements of Not-for-Profit Entities*” (Topic 958). Under this standard, the Organization presents in its statements of financial position and its statements of activities and changes in net assets two classes of net assets based on the existence or absence of donor-imposed restrictions as discussed below.

Net Assets Without Donor Restrictions – These are net assets available for use in general operations and not subject to donor restrictions. At its discretion, the Board of Directors may designate funds from net assets without restrictions to be used for specific purposes or to be disbursed to specific charitable organizations.

Net Assets with Donor Restrictions – These net assets are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met with the passage of time, the occurrence of events, or by the use of the funds for specific purposes or disbursement to specific charitable organizations as specified by the donor. Other donor-imposed restrictions may be perpetual in nature where the donor stipulates that the funds be maintained in perpetuity and only the investment earnings therefrom may be used, with or without restrictions.

Donor-restricted support is recorded as “net assets with donor restrictions” when received or pledged. When a temporary donor-imposed restriction expires, either by use of the funds for the specified purpose, or by the expiration of a time restriction, related amounts of “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”.

Note 2 – Summary of Significant Accounting Policies (Cont.)

Contributions made with donor-imposed restrictions to maintain the principal in perpetuity (endowments), while allowing the use of income generated therefrom, are also classified as "net assets with donor restrictions". Income derived from the investment of these perpetual net assets is reported as an increase in "net assets without donor restrictions" or "net assets with donor restrictions", depending on the terms of the donor instrument. Unrealized gains or losses on perpetual net assets are reported as increases or decreases in "net assets with donor restrictions" unless the donor explicitly states otherwise.

See Note 4 regarding restrictions on net assets.

Contributions – The Organization recognizes contributed support in accordance with Accounting Standards Update (ASU) 2018-08, "*Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*". The ASU assists entities in evaluating whether transactions should be accounted for, and reported as contributions or as exchange transactions, and in determining whether a contribution is conditional or unconditional.

The ASU clarifies that a contribution represents a nonreciprocal transaction where the grantor or donor does not receive a benefit of commensurate value in return for the assets or resources provided to the recipient. In an exchange transaction, the resource provider receives some thing or benefit of commensurate value in return for the resources provided. Distinguishing between contributions and exchange transactions determines the appropriate accounting and reporting for a transaction. Substantially all of the Organization's revenue and support for both 2023 and 2022 has been determined to be contributions, which are reported as support with or without donor restrictions.

Contributed Services – The Organization recognizes contributions of services received as support in the statement of activities with an equal amount recognized as expense if the services provided require special skills and would need to be purchased by the Organization if not contributed. For the years ended December 31, 2023 and 2022, the Organization recognized approximately \$16,000 and \$39,000, respectively in contributed services support and related expenses for administrative and bookkeeping functions which were provided to the Organization at no charge by personnel employed by EasCorp.

Accounting Estimates – The presentation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses. Actual results may differ from these estimates.

Cash Equivalents – The Organization considers short-term, highly-liquid investments with original maturities of three months or less to be cash equivalents.

Software and Equipment – Software and equipment are reported at cost less accumulated provisions for depreciation. Depreciation has been calculated and provided over the estimated useful lives of the respective assets on a straight-line basis. There is no depreciation expense for the years ended December 31, 2023 and 2022 as all assets are fully depreciated. The useful lives of software and equipment was estimated to be 3 years.

Expenses by Function and Nature – The statement of activities and changes in net assets presents a summary of the Organization's expenses by function: charitable disbursements, general and administrative expenses, and fundraising expenses. A statement of functional expenses is included, which presents the Organization's functional expenses by their natural classification. If necessary, certain expenses may be allocated to the functional classifications on a reasonable basis that would be consistently applied.

Note 2 – Summary of Significant Accounting Policies (Cont.)

Tax Status – The Organization is a nonprofit organization exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. Accordingly, there are no provisions for income taxes included in these financial statements.

Evaluation of Subsequent Events – Management has evaluated subsequent events involving the Organization for potential recognition or disclosure in the accompanying financial statements. Subsequent events are events or transactions that occurred after December 31, 2023 up through May 6, 2024, the date the accompanying financial statements were available to be issued.

Note 3 – Credit Risk and Concentration Risk

Financial Instruments – The Organization's financial instruments that may be subject to concentrations of credit risk consist of cash and cash equivalents.

The Organization maintains its cash and cash equivalents in high-quality financial institutions. At times, such balances may exceed federally insured limits. On December 31, 2023, the Organization had no cash account balances in excess of federally insured limits.

Contributed Support – The Organization receives contributions principally from credit unions, charitable organizations, corporations, and individuals. During the year ended December 31, 2023, approximately \$82,000 (23%) and \$43,900 (12%) of the Organization's contributions were received from two charitable organizations, respectively. During the year ended December 31, 2022, approximately \$99,000 (22%) of the Organization's contributions were received from one of these same charitable organizations.

Note 4 – Net Assets, Liquidity and Availability of Resources

The Organization's financial assets available within one year for charitable disbursements and general expenditures are as follows as of December 31:

	<u>2023</u>	<u>2022</u>
Liquid Assets:		
Cash	\$ 212,864	\$ 243,623
Interest and dividends receivable	356	217
	<u>213,220</u>	<u>243,840</u>
Less: Net assets restricted by donors:		
Time restricted beyond one year	-	-
Purpose restrictions	11,054	19,650
	<u>11,054</u>	<u>19,650</u>
Financial assets available for charitable disbursements and general expenditure within one year	<u>\$ 202,166</u>	<u>\$ 224,190</u>

The Organization's "Purpose Restricted" net assets at December 31, 2023 are restricted to support specific fundraising events or to fund specific charitable disbursements of the Organization as required by the donors. During 2023 and 2022, \$131,500 and \$250,875, respectively, of such restricted net assets were released from restrictions when the Organization made contributions to non-profit entities in accordance with the Organization's mission.