

CURE JM FOUNDATION

FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION

AT SEPTEMBER 30, 2021  
AND FOR THE YEAR THEN ENDED

CURE JM FOUNDATION  
SEPTEMBER 30, 2021 AND 2020

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**WILLIAM WHITE, SR.**

*Certified Public Accountant*

**INDEPENDENT AUDITOR'S REPORT**

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To The Board of Directors of  
Cure JM Foundation  
Leesburg, Virginia

I have audited the accompanying financial statements of Cure JM Foundation (a nonprofit organization), which comprise the statement of financial position as of September 30, 2021, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements.

**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.

**Auditor's Responsibility**

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

**Opinion**

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position Cure JM Foundation as of September 30, 2021, 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.

**Report on Summarized Comparative Information**

In my opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

**Report on Supplementary Information**

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The statement of functional expenses presented on page 13 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in black ink that reads "William White, Sr." The signature is written in a cursive style with a large, prominent "W" at the beginning.

Roanoke, Virginia  
June 5, 2023

**CURE JM FOUNDATION**

**STATEMENT OF FINANCIAL POSITION  
AT SEPTEMBER 30, 2021  
(With Comparative Totals at September 30, 2020)**

**ASSETS**

	<b><u>2021</u></b>	<b><u>2020</u></b>
<b>CURRENT ASSETS</b>		
Cash	\$ 1,192,946	\$ 1,174,200
Accounts Receivable, Net	10,000	0
Pledges Receivable	40,000	0
Investments	807,597	807,597
<b>TOTAL CURRENT ASSETS</b>	<b><u>2,050,543</u></b>	<b><u>1,981,797</u></b>
<b>TOTAL ASSETS</b>	<b><u>\$ 2,050,543</u></b>	<b><u>\$ 1,981,797</u></b>

**LIABILITIES AND NET ASSETS**

<b>CURRENT LIABILITIES</b>		
Credit Card Payable	\$ 0	\$ 7,682
Loan Payable	0	100,200
<b>TOTAL CURRENT LIABILITIES</b>	<b><u>0</u></b>	<b><u>107,882</u></b>
<b>NET ASSETS</b>		
Without Donor Restrictions	2,050,543	1,873,915
With Donor Restrictions	<u>0</u>	<u>0</u>
<b>TOTAL NET ASSETS</b>	<b><u>2,050,543</u></b>	<b><u>1,873,915</u></b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 2,050,543</u></b>	<b><u>\$ 1,981,797</u></b>

SEE INDEPENDENT AUDITOR'S REPORT AND ACCOMPANYING  
NOTES TO FINANCIAL STATEMENTS

**CURE JM FOUNDATION**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2021**  
**(With Comparative Totals for the Year Ended September 30, 2020)**

	UNRESTRICTED	RESTRICTED	2021	2020
<b>SUPPORT AND REVENUE</b>				
Contributions	\$1,562,749	\$ 0	\$1,562,749	\$1,302,759
Fundraising and Special Events	361,017	0	361,017	685,826
Online Store	92	0	92	819
Interest	967		967	23,797
Other	<u>200,400</u>	<u>0</u>	<u>200,400</u>	<u>400</u>
<b>TOTAL SUPPORT AND REVENUE</b>	<b><u>2,125,225</u></b>	<b><u>0</u></b>	<b><u>2,125,225</u></b>	<b><u>2,013,601</u></b>
<b>EXPENSES</b>				
Program Services				
Research Grants	1,098,505	0	1,098,505	1,075,523
Education and Awareness	218,433	0	218,433	265,056
Conferences	459	0	459	26,252
Supporting Services				
Management and General	246,056	0	246,056	228,624
Fundraising and Special Events	<u>385,144</u>	<u>0</u>	<u>385,144</u>	<u>361,125</u>
<b>TOTAL EXPENSES</b>	<b><u>1,948,597</u></b>	<b><u>0</u></b>	<b><u>1,948,597</u></b>	<b><u>1,956,580</u></b>
<b>CHANGE IN NET ASSETS</b>	<b>176,628</b>	<b>0</b>	<b>176,628</b>	<b>57,021</b>
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<b><u>1,873,915</u></b>	<b><u>0</u></b>	<b><u>1,873,915</u></b>	<b><u>1,816,894</u></b>
<b>NET ASSETS AT END OF YEAR</b>	<b><u>\$2,050,543</u></b>	<b><u>0</u></b>	<b><u>2,050,543</u></b>	<b><u>\$1,873,915</u></b>

SEE INDEPENDENT AUDITOR'S REPORT AND ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

**CURE JM FOUNDATION**  
**STATEMENT OF CASHFLOWS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2021**  
**(With Comparative Totals for the Year Ended September 30, 2020)**

	<b>2021</b>	<b>2020</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 176,628	\$ 57,021
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities: (Increase) Decrease in:		
Accounts Receivable	(10,000)	0
Pledges Receivable	(40,000)	0
Accrued Interest	0	2,425
Increase (Decrease) in:		
Credit Card Payable	(7,682)	7,682
Loan Payable	(100,200)	100,200
Payroll Taxes Payable	<u>0</u>	<u>(105,866)</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>18,746</u>	<u>61,462</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Short Term Investments	0	(24,012)
<b>NET CASH USED FOR INVESTING ACTIVITIES</b>	<u>0</u>	<u>(24,012)</u>
<b>NET DECREASE IN CASH</b>	18,746	37,450
<b>CASH AT BEGINNING OF YEAR</b>	<u>1,174,200</u>	<u>1,136,750</u>
<b>CASH AT END OF YEAR</b>	<u>\$1,192,946</u>	<u>\$ 1,174,200</u>
Supplemental Cash Flow Information		
Interest expense paid during the year	<u>\$0</u>	<u>\$0</u>

SEE INDEPENDENT AUDITOR'S REPORT AND ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

# CURE JM FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

### 1. THE ORGANIZATION

Cure JM Foundation (the "Organization"), is a public nonprofit Organization established on October 11, 2003 focused on finding better treatments and a cure for Juvenile Myositis ("JM") and improving the lives of families affected by JM. The Organization's support is derived primarily from donor contributions. The Organization facilitates communication and collaboration between researchers, physicians, other related organizations and patients to find a more effective treatment, and ultimately a cure for the disease.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The summary of significant accounting policies of the Cure JM Foundation is presented to assist in understanding the financial statements. The financial statements and notes are representations of the Organization's management, who is responsible for their integrity and objectivity.

#### Method of Accounting

The financial statements have been presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America, and accordingly reflect all significant assets and liabilities.

#### Financial Statement Presentation

The Organization follows the Not-For-Profit Entities Presentation of Financial Statements Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification which requires it to report information regarding its financial positions and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. A description of the two net asset categories are as follows:

*Without Donor Restrictions* – Net Assets that are not restricted by donor-imposed stipulations.

*With Donor Restrictions* – Net Assets which carry donor-imposed stipulations that they be maintained permanently by the Organization or stipulations met either by actions of the Organization and/or by the passage of time.

#### Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

#### Revenue Recognition

All contributions are considered available for the general programs of the Organization, unless specifically restricted by the donor. The Organization reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a 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.



## CURE JM FOUNDATION

### NOTES TO FINANCIAL STATEMENTS

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

##### Cash and Cash Equivalents

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

##### Investments

The Organization follows FASB ASC 820-10 guidance on "Fair Value Measurements" which established a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices that are observable, either directly or indirectly with fair value being determined through the use of models or other valuation methodologies. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

In accordance with FASB ASC-958 guidance on investment income, gains and losses are reported as increases or decreases in net assets without donor restrictions unless its use is restricted by explicit donor stipulations. However, investment income that is limited to specific uses by donor-imposed restrictions is reported as increases in net assets without donor restrictions when the restrictions are met in the same reporting period.

##### Grants

The Organization awards funds each year to support research projects. The projects generally extend over a period not to exceed two years and may be subject to renewal at the option of the Board of Directors based on the terms of the grant. The Organization has not recorded any Grants Payable as of September 30, 2021 since grant payments are conditional upon the grantee completing the related deliverable of the grant's purpose and all such payments had been made.

##### Comparative Financial Data

The financial statements include certain prior year summarized comparative information in total but not by fund. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with Cure JM Foundation's financial statements for the year ended September 30, 2020, from which the summarized information was derived.

##### Advertising

The Organization's advertising costs are expensed as incurred. Advertising expenses amounted to \$8,770 and \$2,886 for the years ended September 30, 2021 and 2020, respectively.

#### 3. INCOME TAXES

The Organization is recognized as a non-profit organization under Section 501(c)(3) of the Internal Revenue Code as other than a private foundation. Therefore, contributions to the Organization are tax deductible under Section 170 of the Internal Revenue Code.

The Organization follows the guidance of the Financial Accounting Standards Board Accounting Standards Codification 740-10, *Accounting for Uncertainty of Income Taxes* which clarifies the accounting for the recognition and measurement of the benefits of individual tax position in the financial statements, including those non-profit organizations. Tax positions must meet a recognition threshold of more-likely-than-not in order for the benefit of those tax positions to be recognized in the financial statements.

## CURE JM FOUNDATION

### NOTES TO FINANCIAL STATEMENTS

#### 3. **INCOME TAXES (Cont'd)**

The Organization analyzes tax positions taken, including those related to the requirements set forth in IRC Sec 501(c) to qualify as a tax exempt organization, activities performed by volunteers and board members, the reporting of unrelated business income, and its status as a tax-exempt organization under state statute. The Organization does not know of any tax benefits arising from uncertain tax positions and there was no effect on the Organization's financial position or changes in net assets as a result of analyzing its tax position.

Prior year income tax returns may be subject to audit in various tax jurisdictions; most of which define open tax years as three years from the later of the due date or the date the return is filed. The Organization record no liability for uncertain income tax positions for any open tax years.

#### 4. **CONCENTRATION OF CREDIT RISK**

The Organization maintains its cash balances at three financial institutions. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. The Organization had uninsured bank balances of \$552,192 and \$424,200 for the years ended September 30, 2021 and 2020, respectively.

#### 5. **INVESTMENTS**

The Organization's investments at September 30, 2021 and 2020 respectively consist of the following:

Level 1 Investments	<b><u>2021</u></b>	<b><u>2020</u></b>
Certificates of Deposit	<b><u>\$ 807,597</u></b>	<b><u>\$ 807,597</u></b>

#### 6. **DONATED SERVICES AND FACILITIES**

The Organization conducts the majority of its support services at 19309 Winmeade Drive #204, Leesburg, Virginia. The Organization does not occupy any significant part of the real property and, therefore, no fair value of the rental space has been recorded.

#### 7. **LIQUIDITY AND AVAILABILITY OF RESOURCES**

The following reflects the Organization's financial assets available for general expenditure as of the statement of financial position date, all of which are available to meet cash needs for general expenditures within one year:

	<b><u>2021</u></b>	<b><u>2020</u></b>
Cash and Cash Equivalents	<b><u>\$ 1,192,946</u></b>	<b><u>\$ 1,174,200</u></b>

As part of its liquidity management plan, the Organization maintains Certificates of Deposit to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due, as disclosed in Note 5.

## **CURE JM FOUNDATION**

### **NOTES TO FINANCIAL STATEMENTS**

#### **8. SUBSEQUENT EVENTS**

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic, which continues to spread throughout the United States. The Organization's staff and programs continue to operate. While this disruption is expected to be temporary, there is uncertainty around the duration and, therefore, ongoing operations and financial position. Management continues to monitor government incentives that the Organization may be eligible for in order to offset any potential negative effects this pandemic may have on its finances. Management has maintained regular discussions and communications with the Organization's Board of Directors concerning organizational risk as a result of COVID-19.

The Organization evaluated subsequent events through the date the financial statements were available to be issued. With the exception of the event noted above, the Organization is not aware of any significant events that occurred subsequent to the statement of financial position date, and prior to June 5, 2023, that would have a material impact on the financial statements.

SUPPLEMENTARY INFORMATION

**CURE JM FOUNDATION**

**STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	<b>Program Expense</b>	<b>Management and General</b>	<b>Fundraising and Special Events</b>	<b>Total</b>
Research Grants - US	\$ 986,005	\$ -	\$ -	\$ 986,005
Research Grants - Foreign	112,500	-	-	112,500
Officers' Compensation	47,828	40,995	47,828	136,651
Other Salaries and Wages	110,988	38,240	228,155	377,383
Payroll Taxes	17,572	6,128	14,467	38,167
Legal	-	1,000	-	1,000
Accounting	8,504	48,191	-	56,695
Other Fees for Services	6,792	5,992	21,175	33,959
Office Expense	-	52,288	3,918	56,206
Information Technology	-	4,485	336	4,821
Meetings	459	279	-	738
Insurance	-	7,672	-	7,672
Educational and Special Events	-	-	-	-
Web Development and Redesign	18,103	-	8,462	26,565
Other Expenses	8,646	40,786	60,803	110,235
<b>TOTALS</b>	<b><u>\$1,317,397</u></b>	<b><u>\$ 246,056</u></b>	<b><u>\$ 385,144</u></b>	<b><u>\$1,948,597</u></b>