

CURE JM FOUNDATION

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

AT SEPTEMBER 30, 2022
AND FOR THE YEAR THEN ENDED

CURE JM FOUNDATION
DECEMBER 31, 2022 AND 2021

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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, 2022, 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, 2022, 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, 2021, 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 prominent initial "W".

Roanoke, Virginia
September 7, 2023

CURE JM FOUNDATION

**STATEMENT OF FINANCIAL POSITION
AT SEPTEMBER 30, 2022
(With Comparative Totals at September 30, 2021)**

ASSETS

	<u>2022</u>	<u>2021</u>
CURRENT ASSETS		
Cash	\$ 1,275,202	\$ 1,192,946
Accounts Receivable, Net	0	10,000
Pledges Receivable	30,000	40,000
Investments	807,597	807,597
TOTAL CURRENT ASSETS	<u>2,112,799</u>	<u>2,050,543</u>
TOTAL ASSETS	<u>\$ 2,112,799</u>	<u>\$ 2,050,543</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Credit Card Payable	\$ 0	\$ 0
Loan Payable	0	0
TOTAL CURRENT LIABILITIES	<u>0</u>	<u>0</u>
NET ASSETS		
Without Donor Restrictions	2,112,799	2,050,543
With Donor Restrictions	<u>0</u>	<u>0</u>
TOTAL NET ASSETS	<u>2,112,799</u>	<u>2,050,543</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,112,799</u>	<u>\$ 2,050,543</u>

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

CURE JM FOUNDATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2022
(With Comparative Totals for the Year Ended September 30, 2021)

	UNRESTRICTED	RESTRICTED	2022	2021
SUPPORT AND REVENUE				
Contributions	\$1,559,125	\$ 0	\$1,559,125	\$1,562,749
Fundraising and Special Events	264,902	0	264,902	361,017
Online Store	0	0	0	92
Interest	9	0	9	967
Other	<u>0</u>	<u>0</u>	<u>0</u>	<u>200,400</u>
TOTAL SUPPORT AND REVENUE	<u>1,824,036</u>	<u>0</u>	<u>1,824,036</u>	<u>2,125,225</u>
EXPENSES				
Program Services				
Research Grants	813,010	0	813,010	1,098,505
Education and Awareness	223,703	0	223,703	218,433
Conferences	673	0	673	459
Supporting Services				
Management and General	215,911	0	215,911	246,056
Fundraising and Special Events	<u>508,483</u>	<u>0</u>	<u>508,483</u>	<u>385,144</u>
TOTAL EXPENSES	<u>1,761,780</u>	<u>0</u>	<u>1,761,780</u>	<u>1,948,597</u>
CHANGE IN NET ASSETS	62,256	0	62,256	176,628
NET ASSETS AT BEGINNING OF YEAR	<u>2,050,543</u>	<u>0</u>	<u>2,050,543</u>	<u>1,873,915</u>
NET ASSETS AT END OF YEAR	<u>\$2,112,799</u>	<u>0</u>	<u>2,112,799</u>	<u>\$2,050,543</u>

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

CURE JM FOUNDATION
STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2022
(With Comparative Totals for the Year Ended September 30, 2021)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 62,256	\$ 176,628
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities: (Increase) Decrease in:		
Accounts Receivable	10,000	(10,000)
Pledges Receivable	10,000	(40,000)
Accrued Interest	0	0
Increase (Decrease) in:		
Credit Card Payable	0	(7,682)
Loan Payable	0	(100,200)
Payroll Taxes Payable	0	0
NET CASH PROVIDED BY OPERATING ACTIVITIES	82,256	18,746
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Short Term Investments	0	0
NET CASH USED FOR INVESTING ACTIVITIES	0	0
NET DECREASE IN CASH	82,256	18,746
CASH AT BEGINNING OF YEAR	1,192,946	1,174,200
CASH AT END OF YEAR	\$1,275,202	\$1,192,946
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, 2022 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, 2021, from which the summarized information was derived.

Advertising

The Organization's advertising costs are expensed as incurred. Advertising expenses amounted to \$109 and \$8,770 for the years ended September 30, 2022 and 2021, 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 \$569,121 and \$552,192 for the years ended September 30, 2022 and 2021, respectively.

5. **INVESTMENTS**

The Organization's investments at September 30, 2022 and 2021 respectively consist of the following:

Level 1 Investments	<u>2022</u>	<u>2021</u>
Certificates of Deposit	<u>\$ 807,597</u>	<u>\$ 807,597</u>

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:

	<u>2022</u>	<u>2021</u>
Cash and Cash Equivalents	<u>\$ 1,275,202</u>	<u>\$ 1,192,946</u>

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. There is still 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 September 7, 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, 2022**

	Program Expense	Management and General	Fundraising and Special Events	Total
Research Grants - US	\$ 654,144	\$ -	\$ -	\$ 654,144
Research Grants - Foreign	158,866	-	-	158,886
Officers' Compensation	60,103	51,517	60,103	171,723
Other Salaries and Wages	107,412	37,008	220,805	365,225
Payroll Taxes	19,470	6,790	16,030	42,290
Legal	-	935	-	935
Accounting	4,865	27,566	-	32,431
Other Fees for Services	24,671	21,766	76,918	123,355
Office Expense	-	53,350	3,997	57,347
Information Technology	-	6,867	515	7,382
Meetings	673	409	-	1,082
Insurance	-	7,003	-	7,003
Educational and Special Events	-	-	-	-
Web Development and Redesign	7,182	-	3,357	10,539
Other Expenses	0	2,700	126,758	129,458
TOTALS	<u>\$1,037,386</u>	<u>\$ 215,911</u>	<u>\$ 508,483</u>	<u>\$1,761,780</u>