

CHILDHOOD ARTHRITIS AND RHEUMATOLOGY RESEARCH ALLIANCE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021
(With Summarized Totals for the Year Ended December 31, 2020)

CHILDHOOD ARTHRITIS AND RHEUMATOLOGY RESEARCH ALLIANCE

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report	1 - 3
Statement of Financial Position	4
Statement of Activities	5
Statement of Functional Expenses	6
Statement of Cash Flows	7
Notes to the Financial Statements	8 - 14
Schedule of Annual Meeting Revenue and Expenses	15
Schedule of Registry Operations Revenue and Expenses	16

Independent Auditor's Report

Board of Directors
Childhood Arthritis and Rheumatology Research Alliance

Opinion

We have audited the accompanying financial statements of Childhood Arthritis and Rheumatology Research Alliance (a nonprofit organization) which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year 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 Childhood Arthritis and Rheumatology Research Alliance as of December 31, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Childhood Arthritis and Rheumatology Research Alliance and to meet other ethical responsibilities in accordance with the ethical requirements relating to our audit. 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 these 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 Childhood Arthritis and Rheumatology Research Alliance's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Ritz Holman LLP

Serving business, nonprofits, individuals and trusts.

330 E. Kilbourn Ave., Suite 550
Milwaukee, WI 53202

t. 414.271.1451
f. 414.271.7464
ritzholman.com

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, 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 Childhood Arthritis and Rheumatology Research Alliance'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 Childhood Arthritis and Rheumatology Research Alliance'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.

Report on Summarized Comparative Information

We have previously audited Childhood Arthritis and Rheumatology Research Alliance's December 31, 2020, financial statements and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 25, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Board of Directors
Childhood Arthritis and Rheumatology Research Alliance

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of annual meeting revenue and expenses and registry operations revenue and expenses are presented for purposes of additional analysis and are not a required part of the basic 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.



RITZHOLMAN LLP
Certified Public Accountants

Milwaukee, Wisconsin
June 16, 2022

CHILDHOOD ARTHRITIS AND RHEUMATOLOGY RESEARCH ALLIANCE
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2021
(With Summarized Totals for December 31, 2020)

	2021	2020
ASSETS		
CURRENT ASSETS		
Cash	\$ 16,174,883	\$ 12,852,834
Accounts Receivable	2,548,898	1,435,553
Pledges Receivable	---	4,333,333
Prepaid Expenses	30,467	70,177
Total Current Assets	\$ 18,754,248	\$ 18,691,897
INTANGIBLE ASSETS		
Intangible Assets	\$ 12,719	\$ 12,719
Less: Accumulated Amortization	(11,659)	(7,419)
Net Intangible Assets	\$ 1,060	\$ 5,300
TOTAL ASSETS	\$ 18,755,308	\$ 18,697,197
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 2,700,890	\$ 1,085,055
Grants Payable	365,747	---
Current Portion of Deferred Revenue	329,503	81,174
Total Current Liabilities	\$ 3,396,140	\$ 1,166,229
LONG-TERM LIABILITIES		
Deferred Revenue	\$ 1,714,118	\$ 81,174
Less: Current Portion of Deferred Revenue	(329,503)	(81,174)
Total Long-Term Liabilities	\$ 1,384,615	\$ ---
Total Liabilities	\$ 4,780,755	\$ 1,166,229
NET ASSETS		
Without Donor Restrictions	\$ 13,974,553	\$ 13,197,635
With Donor Restrictions	---	4,333,333
Total Net Assets	\$ 13,974,553	\$ 17,530,968
TOTAL LIABILITIES AND NET ASSETS	\$ 18,755,308	\$ 18,697,197

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

CHILDHOOD ARTHRITIS AND RHEUMATOLOGY RESEARCH ALLIANCE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021
(With Summarized Totals for the Year Ended December 31, 2020)

	Without Donor Restrictions	With Donor Restrictions	2021 Total	2020 Total
REVENUE				
General Revenue				
Membership Dues	\$ 50,500	\$ ---	\$ 50,500	\$ 48,600
Interest Income	1,422	---	1,422	46,432
Donations	7,518	---	7,518	5,647
Registration	1,000	---	1,000	---
Rebates/Commissions	407	---	407	17,139
Total General Revenue	<u>\$ 60,847</u>	<u>\$ ---</u>	<u>\$ 60,847</u>	<u>\$ 117,818</u>
Grant and Contract Revenue				
Grant Revenue	\$ 198,350	\$ ---	\$ 198,350	\$ 3,000,000
Contract Revenue	6,179,527	---	6,179,527	2,666,447
Net Assets Released from Restrictions	4,333,333	(4,333,333)	---	---
Total Grant and Contract Revenue	<u>\$ 10,711,210</u>	<u>\$ (4,333,333)</u>	<u>\$ 6,377,877</u>	<u>\$ 5,666,447</u>
Total Revenue	<u>\$ 10,772,057</u>	<u>\$ (4,333,333)</u>	<u>\$ 6,438,724</u>	<u>\$ 5,784,265</u>
EXPENSES				
Program Services	\$ 9,131,719	\$ ---	\$ 9,131,719	\$ 7,283,833
Management and General	863,420	---	863,420	756,064
Total Expenses	<u>\$ 9,995,139</u>	<u>\$ ---</u>	<u>\$ 9,995,139</u>	<u>\$ 8,039,897</u>
CHANGE IN NET ASSETS	\$ 776,918	\$ (4,333,333)	\$ (3,556,415)	\$ (2,255,632)
Net Assets, Beginning of Year	<u>13,197,635</u>	<u>4,333,333</u>	<u>17,530,968</u>	<u>19,786,600</u>
NET ASSETS, END OF YEAR	<u>\$ 13,974,553</u>	<u>\$ ---</u>	<u>\$ 13,974,553</u>	<u>\$ 17,530,968</u>

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

CHILDHOOD ARTHRITIS AND RHEUMATOLOGY RESEARCH ALLIANCE
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021
(With Summarized Totals for the Year Ended December 31, 2020)

	Program Services			Management and General	2021 Total	2020 Total
	Annual Meeting	Registry Operations	Other Programs			
Advertising/Marketing	\$ 11,099	\$ (336)	\$ ---	\$ 11,524	\$ 22,287	\$ 25,369
Amortization Expense	---	---	---	4,240	4,240	4,240
Audio Visual and Equipment	47,227	---	---	---	47,227	28,849
Bank and Credit Card Fees	---	---	---	1,840	1,840	2,292
Bio Sample	---	---	355,267	---	355,267	13,381
Executive Leadership Management	---	---	79,741	227,412	307,153	228,113
Executive Leadership Research	---	79,741	149,727	---	229,468	232,743
Food and Beverage	---	---	---	205	205	15
Grant Support to Others	1,271	15,912	996,897	1,591	1,015,671	517,528
Honorarium	4,000	---	---	500	4,500	5,000
Informatics Contracts	---	490,235	---	---	490,235	272,462
Insurance	---	---	---	33,433	33,433	29,295
Dues/Subscriptions	---	---	14	126	140	---
Leadership Travel	---	---	---	---	---	3,241
Management Fees	---	---	832,424	463,626	1,296,050	925,380
Manuscripts	---	13,395	3,215	---	16,610	116,050
Medidata Platform	---	16,500	---	---	16,500	48,038
Member Travel	14,300	25	---	---	14,325	272,915
Membership Recruitment and Retention	---	---	---	2,129	2,129	1,632
Miscellaneous Expenses	---	---	---	298	298	4,500
Office Supplies	---	---	---	291	291	96
Postage and Shipping	1,718	1,634	---	946	4,298	1,988
Precision Decisions	---	---	---	---	---	15,367
Printing and Copying	1,269	103	---	253	1,625	2,935
Professional Fees	---	16,000	---	26,077	42,077	138,937
RAVE Database Platform	---	80,800	---	---	80,800	103,800
Registry Operations	---	3,949,675	---	---	3,949,675	3,156,158
Research Discretionary Funding	---	6,000	38,611	---	44,611	21,028
Salary Support	---	9,775	54,278	---	64,053	10,987
Site Payments	---	1,261,929	164	---	1,262,093	1,279,502
Software	21,252	124	---	25,640	47,016	42,313
Staff Travel	---	---	---	1,357	1,357	8,106
Staff Training and Development	---	---	---	43,245	43,245	10,300
Steering Committee Contracts	---	27,178	410,770	---	437,948	499,677
Telephone	---	---	31	126	157	5,990
Venue Rental	139,754	---	---	---	139,754	---
Website	---	---	---	18,561	18,561	11,670
TOTALS	\$ 241,890	\$ 5,968,690	\$ 2,921,139	\$ 863,420	\$ 9,995,139	\$ 8,039,897

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

CHILDHOOD ARTHRITIS AND RHEUMATOLOGY RESEARCH ALLIANCE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021
(With Summarized Totals for the Year Ended December 31, 2020)

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (3,556,415)	\$ (2,255,632)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities		
Amortization Expense	4,240	4,240
(Increase) Decrease in Accounts Receivable	(1,113,345)	511,615
(Increase) Decrease in Pledges Receivable	4,333,333	2,666,667
(Increase) Decrease in Prepaid Expenses	39,710	(26,030)
Increase (Decrease) in Accounts Payable	1,615,835	(536)
Increase (Decrease) in Grants Payable	365,747	---
Increase (Decrease) in Deferred Revenue	<u>1,632,944</u>	<u>79,824</u>
Net Cash Provided by Operating Activities	<u>\$ 3,322,049</u>	<u>\$ 980,148</u>
Net Increase in Cash and Cash Equivalents	\$ 3,322,049	\$ 980,148
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>12,852,834</u>	<u>11,872,686</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$ 16,174,883</u></u>	<u><u>\$ 12,852,834</u></u>

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

CHILDHOOD ARTHRITIS AND RHEUMATOLOGY RESEARCH ALLIANCE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

CHILDHOOD ARTHRITIS AND RHEUMATOLOGY RESEARCH ALLIANCE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE A - Summary of Significant Accounting Policies

Organization

Childhood Arthritis and Rheumatology Research Alliance's (the "Organization") purpose is to conduct collaborative research to prevent, treat and cure pediatric rheumatic diseases.

Accounting Method

The financial statements of the Organization have been prepared on the accrual basis of accounting.

Basis of Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Cash and Cash Equivalents

For purposes of the statement of cash flows, cash and cash equivalents include all highly liquid debt instruments with original maturities of three months or less when purchased.

Accounts Receivable

Accounts receivable are stated at unpaid balances, less an allowance for doubtful accounts. The Organization provides for losses on accounts receivable using the allowance method. The allowance is based on experience, third-party contracts, and other circumstances, which may affect the ability of customers to meet their obligations. Receivables are considered impaired if full principal payments are not received in accordance with the contractual terms. It is the Organization's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected.

Allowance for Uncollectible Accounts

Management believes all receivables will be collected in accordance with the terms of the agreements. Thus, no allowance for uncollectible accounts is necessary at year end.

Fixed Assets

Fixed assets are recorded at cost. Depreciation is provided over the estimated useful lives of the assets using the straight-line method. The Organization does not have a capitalization policy.

Intangible Assets

The Organization capitalizes all expenditures for intangible assets that have a useful life greater than one year. The intangible assets are recorded at cost and amortized over the estimated useful lives of the respective assets on a straight-line basis.

CHILDHOOD ARTHRITIS AND RHEUMATOLOGY RESEARCH ALLIANCE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE A - Summary of Significant Accounting Policies (continued)

Contributions and Grant Revenue

Contributions received and unconditional promises to give are measured at their fair values and are reported as increases in net assets. Contributions are considered available for the Organization's general programs unless specifically restricted by the donor. Contributions received with restrictions that are met in the same reporting period are reported as revenue without donor restrictions and increase net assets without donor restrictions. Conditional promises to give are not recognized until they become unconditional. A conditional contribution is one that has both a barrier that must be overcome and an agreement requiring advance payment to be returned or future payment not to be obligated when the barrier is not overcome. Amounts received for which the donor has limited the use of the asset or designated the gift as support for future periods are considered restricted support and included in net assets with donor restrictions.

When a donor 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. When the restriction on a contribution is met in the same reporting period as the contribution is received, the contribution is reported in net assets without donor restrictions. Net assets restricted for acquisition of building or equipment are reported as net assets with donor restrictions until the specified asset is placed in service when the net assets are released to net assets without donor restrictions. When a donor requires the investment of a contribution and restricts the use of investment income, the investment income is reported as net assets with donor restrictions until appropriated for the designated time or use when the net assets are released to net assets without donor restrictions.

Contributions of assets other than cash are recorded at their estimated fair value at the date of the gift. Donated services are recognized as contributions if the services create or enhance nonfinancial assets or the services require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Accordingly, the value of contributed time that does not meet these requirements has not been determined and is not reflected in the accompanying financial statements.

Estimates

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

Functional Expenses

The Organization allocates costs directly to program and management when appropriate. Certain expenses are attributable to one or more programs or supporting functions of the Organization. Those expenses include management fees, which are allocated based on estimates of time and effort.

CHILDHOOD ARTHRITIS AND RHEUMATOLOGY RESEARCH ALLIANCE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE B - Future Accounting Pronouncements

Accounting Standards Update 2020-07, Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958) will be effective for fiscal years beginning after June 15, 2021. The amendments in this update are required and provide new presentation and disclosure requirements about contributed nonfinancial assets to nonprofits, including additional disclosure requirements for recognized contributed services. Contributed nonfinancial assets will be required to be reported as a separate line in the statement of activities. A financial statement note will be required to provide disaggregated contributed nonfinancial assets by category including: the type of contributed nonfinancial asset; qualitative information about the monetization or utilization of the nonfinancial assets; the policy about the monetization or utilization of nonfinancial assets; a description of restrictions, valuation, and the market used to determine the fair value. The amendments, required to be presented retrospectively to all periods presented, will not change the recognition and measurement requirements for those assets.

Accounting Standards Update 2016-02, Leases (Topic 842) will be effective for fiscal years beginning after December 15, 2021. This update requires the recognition of lease assets and lease liabilities on the statement of financial position measured at the present value of lease payments and requires disclosure of key information about the leasing arrangements.

Accounting Standards Update 2020-08, Receivables – Nonrefundable Fees and Other Costs (Topic 310-20) will be effective for fiscal years beginning after December 15, 2021. The amendments in this update represent changes to clarify the codification. An organization shall apply the amendment prospectively. This amendment impacts the effective yield of an existing individual callable debt security.

Accounting Standards Update 2016-13, Financial Instruments - Credit Losses (Topic 326) will be effective for fiscal years beginning after December 15, 2023. The main objective of this update is to provide financial statement users with more decision-useful information about the expected credit losses on financial instruments and other commitments to extend credit held by a reporting entity at each reporting date. To achieve this objective, the amendments in this update replace the incurred loss impairment methodology in current GAAP with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates, including exploring more forward-looking alternatives.

NOTE C - Comparative Financial Information

The financial information shown for 2020 in the accompanying financial statements is included to provide a basis for comparison with 2021. The comparative information is summarized by total only, not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity to generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2020, from which the summarized information was derived.

CHILDHOOD ARTHRITIS AND RHEUMATOLOGY RESEARCH ALLIANCE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE D - Concentration of Risk

The Organization maintains its cash balances at several financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2021, the Organization's uninsured cash balances total \$15,886,283.

The Organization receives 52% of contract revenue from one source and 64% of the Organization's accounts receivable comes from one source.

NOTE E - Liquidity

Financial assets available for use are those assets considered liquid and expected they could be readily convertible to cash within one year of the statement of financial position date to meet cash needs for general expenditures and to pay obligations as they become due. Financial assets that are restricted by contract or the donor are considered unavailable for general expenditures and excluded from financial assets available for use.

Financial assets available for use consist of the following as of December 31, 2021:

<u>Description</u>	<u>Amount</u>
Cash and Cash Equivalents	\$16,174,883
Accounts Receivable	<u>2,548,898</u>
Available for Use	<u>\$18,723,781</u>

NOTE F - Accounts Receivable

Accounts receivable consists of \$2,548,898 related to contract revenue as of December 31, 2021.

NOTE G - Intangible Assets

Intangible assets presented on the statement of financial position as of December 31, 2021, consists of the following:

<u>Amortized Asset</u>	<u>Gross Value</u>	<u>Accumulated Amortization</u>	<u>Residual Value</u>	<u>Life</u>
Website	<u>\$12,719</u>	<u>\$11,659</u>	<u>\$1,060</u>	3 years
Total	<u>\$12,719</u>	<u>\$11,659</u>	<u>\$1,060</u>	

Estimated amortization expense for next year is as follows:

<u>For the Year Ending December 31,</u>	<u>Amount</u>
2022	<u>\$1,060</u>
Total	<u>\$1,060</u>

**CHILDHOOD ARTHRITIS AND RHEUMATOLOGY RESEARCH ALLIANCE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE H - Future Liabilities

The Organization signed three contracts relating to future conferences. The cancellation value of the contracts at December 31, 2021, was \$220,956.

NOTE I - Management Arrangement

Under an arrangement with Executive Director, Inc., the Organization is provided with office facilities, management, record-keeping, accounting, storage, and other significant services, plus related overhead costs. Under this contract, which is renewed annually, the annual charges of \$1,354,905 for the year ended December 31, 2021, consist of the following:

<u>Description</u>	<u>Amount</u>
Management Fees	<u>\$1,354,905</u>
Total	<u>\$1,354,905</u>

NOTE J - Revenue from Contracts with Customers

Membership Dues

The Organization offers a membership which provides members with a package of benefits. In general, membership in the Organization provides the member with the ability to apply for CARRA grants and travel awards, have access to the CARRA members only collaboration site, receive travel support to attend the annual scientific meeting, and opportunities to engage with CARRA research committees. The member dues revenue is reported at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing the member access to the requisite member benefits. The Organization's membership dues are billed annually in advance of the membership year which runs from January 1 to December 31 and are recorded as a contract liability (deferred membership dues) until earned. These revenues are recognized over a period of time which corresponds with the membership year.

Beginning Deferred Membership Dues	\$ 11,750
Revenue Recognized from Prior Year Deferred	(11,750)
New Memberships Issued	60,560
Revenue Recognized on New Membership	<u>(38,750)</u>
Ending Deferred Membership Dues	<u>\$ 21,810</u>

Conventions and Meetings

The Organization hosts an annual convention and various conferences and meetings for professionals in the industry. Registration fees for these events are billed to the participant at the time of registration. The event revenue is reported at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing the registrant access to the event and event materials. Revenue from these events are recognized at the point in time the event is held and the Organization's performance obligation to hold the event is completed.

All components of revenue are recognized at a point in time. The Organization had \$1,000 of convention and meeting registration revenue for the year ended December 31, 2021.

CHILDHOOD ARTHRITIS AND RHEUMATOLOGY RESEARCH ALLIANCE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE J - Revenue from Contracts with Customers (continued)

Contract Service Fee Revenue

Contract service fee revenue is reported at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for contract services. The Organization bills the customer for fees after the services are completed. Revenue from the services are recognized at the point in time the service is held and the Organization's performance obligation to provide the service is completed. The Organization signed multi-year contracts relating to future services. As of December 31, 2021, the Organization has available contract funds of \$23,051,748, which are available through 2031.

Beginning Deferred Contract Service Fees	\$ 69,424
Revenue Recognized from Prior Year Deferred	(69,424)
New Contract Service Fee Revenue	7,802,411
Revenue Recognized on Contract Service Fees	<u>(6,110,103)</u>
Ending Deferred Contract Service Fees	<u>\$1,692,308</u>

NOTE K - Conditional Contribution

The Organization has signed multi-year grants relating to future services. As of December 31, 2021, the Organization has available grant funds of \$3,959,972, which are available through 2022.

NOTE L - Income Taxes

The Organization is exempt from income tax under Section 501(c)(3) of Internal Revenue Code and is classified as other than a private foundation. Management has reviewed all tax positions recognized in previously filed tax returns and those expected to be taken in future tax returns. As of December 31, 2021, the Organization had no amounts related to unrecognized income tax benefits and no amounts related to accrued interest and penalties. The Organization does not anticipate any significant changes to unrecognized income tax benefits over the next year.

NOTE M - Subsequent Events

The Organization has evaluated events and transactions occurring after December 31, 2021, the date of the most recent statement of financial position, through the date financial statements are available to be issued, June 16, 2022, for possible adjustment to the financial statements or disclosure and determined that no subsequent events need to be disclosed.

**CHILDHOOD ARTHRITIS AND RHEUMATOLOGY RESEARCH ALLIANCE
SCHEDULE OF ANNUAL MEETING REVENUE AND EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021
(With Summarized Totals for the Year Ended December 31, 2020)**

	<u>2021</u>	<u>2020</u>
REVENUE		
Annual Meeting Revenue	\$ 1,000	\$ ---
Total Revenue	<u>\$ 1,000</u>	<u>\$ ---</u>
EXPENSES		
Advertising/Marketing	\$ 11,099	\$ 2,807
Audio Visual and Equipment	47,227	108
Awards and Grants	1,271	---
Venue Rental	139,754	---
Honorarium	4,000	---
Insurance	---	1,803
Leadership Travel	---	413
Member Travel	14,300	114,082
Postage and Shipping	1,718	---
Printing and Copying	1,269	2,243
Software	21,252	17,593
Staff Travel	---	3,422
Total Expenses	<u>\$ 241,890</u>	<u>\$ 142,471</u>
 NET REVENUE OVER EXPENSES	 <u>\$ (240,890)</u>	 <u>\$ (142,471)</u>

**CHILDHOOD ARTHRITIS AND RHEUMATOLOGY RESEARCH ALLIANCE
SCHEDULE OF REGISTRY OPERATIONS REVENUE AND EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021
(With Summarized Totals for the Year Ended December 31, 2020)**

	FROST Project	CDC Lupus	Pfizer SOW	Novartis Research Study	AMGEN Embrl Report	Roche Research Study	BMS Limit JIA-1	BMS Limit JIA-2 COVID	Registry Operations	Other Projects	2021 Total	2020 Total
REVENUE												
Contract Revenue	\$ 50,000	\$ 322,488	\$ 3,137,829	\$ 528,717	\$ 319,060	\$ 1,237,406	\$ 155,835	\$ 394,906	\$	\$ 33,286	\$ 6,179,527	\$ 2,666,447
Total Revenue	\$ 50,000	\$ 322,488	\$ 3,137,829	\$ 528,717	\$ 319,060	\$ 1,237,406	\$ 155,835	\$ 394,906	\$	\$ 33,286	\$ 6,179,527	\$ 2,666,447
EXPENSES												
Advertising/Marketing	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Audio Visual and Equipment												
Bio Sample												
Consulting												
Executive Leadership Research		69,943								9,798	16,000	123,490
Grant Payments										15,750	79,741	80
Gifts and Awards										15,750	15,750	250
Honorarium										162	162	5,000
Hotel/Accommodations											490,235	94,166
Informatics Contracts											490,235	272,462
Leadership Travel												855
Manuscripts		13,395									13,395	
Medidata Platform											16,500	48,038
Office Supplies												96
Parent/Patient Travel												3,816
Postage and Shipping											1,634	556
Printing and Copying											103	256
RAVE Database Platform											80,800	103,800
Registration Management												181,659
Reconsenting Payments											244,000	
Registry Management											2,621,901	2,481,664
Research and Registry				7,340	103,065	24,002	67,668	166,336	244,000	36,154	3,026,466	
Leadership Services	2,385								275,065		277,450	228,206
Registry Associate Program									401,759		401,759	256,394
Research Discretionary Funding									6,000	6,000	6,000	13,615
Salary Support	4,564						432	864	3,895		9,775	
Steering Committee Contracts	27,178										27,178	41,379
Signage												57
Site Payments	1,145	11,503							1,243,281	6,000	1,261,929	1,276,502
Software									124		124	
Staff Travel												2,719
Total Expenses	\$ 35,292	\$ 94,841	\$	\$ 7,340	\$ 103,065	\$ 24,002	\$ 68,100	\$ 167,200	\$ 5,395,148	\$ 73,702	\$ 5,968,690	\$ 61,773
NET REVENUE OVER EXPENSES	\$ 14,708	\$ 227,647	\$ 3,137,829	\$ 521,377	\$ 215,995	\$ 1,213,404	\$ 87,735	\$ 227,706	\$ (5,395,148)	\$ (40,416)	\$ 210,837	\$ (2,565,690)