

CHILDHOOD ARTHRITIS AND RHEUMATOLOGY RESEARCH ALLIANCE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(With Summarized Totals for the Year Ended December 31, 2023)

CHILDHOOD ARTHRITIS AND RHEUMATOLOGY RESEARCH ALLIANCE

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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, 2024, 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, 2024, 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 businesses, nonprofits, individuals and trusts.

330 E. Kilbourn Ave., Suite 222
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, 2023, financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 15, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.


RITZ HOLMAN LLP
Certified Public Accountants

Milwaukee, Wisconsin
June 23, 2025

CHILDHOOD ARTHRITIS AND RHEUMATOLOGY RESEARCH ALLIANCE
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2024
(With Summarized Totals for December 31, 2023)

ASSETS		2024	2023
CURRENT ASSETS			
Cash		\$ 14,989,247	\$ 14,686,074
Accounts Receivable		2,259,279	2,604,039
Prepaid Expenses		72,796	23,105
Biobank Supplies		4,985	1,979
Total Current Assets		<u>\$ 17,326,307</u>	<u>\$ 17,315,197</u>
INTANGIBLE ASSETS			
Intangible Assets		\$ 135,168	\$ 135,168
Less: Accumulated Amortization		(67,836)	(43,346)
Net Intangible Assets		<u>\$ 67,332</u>	<u>\$ 91,822</u>
TOTAL ASSETS		<u><u>\$ 17,393,639</u></u>	<u><u>\$ 17,407,019</u></u>
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts Payable		\$ 2,075,342	\$ 1,349,866
Accrued Liabilities		92,734	69,434
Current Portion of Grants Payable		1,434,694	926,234
Current Portion of Deferred Revenue		1,014,627	625,664
Total Current Liabilities		<u>\$ 4,617,397</u>	<u>\$ 2,971,198</u>
LONG-TERM LIABILITIES			
Deferred Revenue		\$ 1,633,722	\$ 1,864,524
Less: Current Portion of Deferred Revenue		(1,014,627)	(625,664)
Grants Payable		1,893,351	1,424,861
Less: Current Portion of Grants Payable		(1,434,694)	(926,234)
Total Long-Term Liabilities		<u>\$ 1,077,752</u>	<u>\$ 1,737,487</u>
Total Liabilities		<u>\$ 5,695,149</u>	<u>\$ 4,708,685</u>
NET ASSETS			
Without Donor Restrictions		<u>\$ 11,698,490</u>	<u>\$ 12,698,334</u>
Total Net Assets		<u>\$ 11,698,490</u>	<u>\$ 12,698,334</u>
TOTAL LIABILITIES AND NET ASSETS		<u><u>\$ 17,393,639</u></u>	<u><u>\$ 17,407,019</u></u>

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, 2024
(With Summarized Totals for the Year Ended December 31, 2023)

	Without Donor Restrictions	
	2024	2023
REVENUE		
General Revenue		
Membership Dues	\$ 57,145	\$ 44,010
Corporate Council Membership Dues	18,204	33,334
Interest Income	676,150	565,525
Donations	193,241	85,552
Registration	400	1,500
Sponsorships	50,000	---
In-Kind Revenue	486,404	---
Rebates/Commissions	---	541
Total General Revenue	<u>\$ 1,481,544</u>	<u>\$ 730,462</u>
Grant and Contract Revenue		
Grant Revenue	\$ 632,603	\$ 438,907
Contract Revenue	7,963,974	9,671,635
Total Grant and Contract Revenue	<u>\$ 8,596,577</u>	<u>\$ 10,110,542</u>
Total Revenue	<u>\$ 10,078,121</u>	<u>\$ 10,841,004</u>
EXPENSES		
Program Services	\$ 9,554,329	\$ 10,030,574
Management and General	1,228,724	1,313,636
Fundraising	294,912	190,141
Total Expenses	<u>\$ 11,077,965</u>	<u>\$ 11,534,351</u>
 CHANGE IN NET ASSETS	 \$ (999,844)	 \$ (693,347)
Net Assets, Beginning of Year	<u>12,698,334</u>	<u>13,391,681</u>
 NET ASSETS, END OF YEAR	 <u><u>\$ 11,698,490</u></u>	 <u><u>\$ 12,698,334</u></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, 2024
(With Summarized Totals for the Year Ended December 31, 2023)

	Program Services	Management and General	Fundraising	2024 Total	2023 Total
Advertising/Marketing	\$ ---	\$ 7,507	\$ ---	\$ 7,507	\$ 2,863
Amortization Expense	---	24,490	---	24,490	24,437
Audio Visual and Equipment	8,560	---	---	8,560	79,966
Bank and Credit Card Fees	---	8,077	---	8,077	7,392
Bio Sample	386,626	---	---	386,626	279,721
Dues/Subscriptions	---	3,805	---	3,805	3,814
Employee Recruitment and Retention	---	61	---	61	1,649
Executive Committee Management	153,282	51,094	---	204,376	224,722
Food and Beverage	---	1,323	---	1,323	197,415
Conferences and Meetings	1,150	---	49,255	50,405	47,815
Grant Support to Others	1,917,390	---	---	1,917,390	1,281,719
Informatics Contracts	421,903	---	---	421,903	247,393
Insurance	---	34,503	---	34,503	39,277
Manuscripts	85,400	---	---	85,400	5,710
Member Travel	190	---	---	190	182,682
Miscellaneous Expenses	---	9,273	---	9,273	17,472
Office Supplies	---	2,009	---	2,009	1,096
Postage and Shipping	---	1,276	---	1,276	235
Printing and Copying	7,590	107	---	7,697	3,264
Professional Fees	582,263	112,394	5,350	700,007	244,650
Registry Operations	3,314,635	---	---	3,314,635	4,484,090
Salary Support	734,632	639,981	195,825	1,570,438	1,339,382
Payroll Taxes	54,316	47,318	14,479	116,113	91,511
Employee Benefits	112,556	98,054	30,003	240,613	176,536
Site Payments	1,320,115	---	---	1,320,115	1,806,473
Software	13,854	100,665	---	114,519	99,254
Staff Travel	---	18,604	---	18,604	22,124
Staff Training and Development	---	238	---	238	---
Website	---	67,945	---	67,945	97,369
Work Effort - Contracts	395,818	---	---	395,818	490,395
Work Effort - Mentorship	44,049	---	---	44,049	33,925
TOTALS	\$ 9,554,329	\$ 1,228,724	\$ 294,912	\$ 11,077,965	\$ 11,534,351

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, 2024
(With Summarized Totals for the Year Ended December 31, 2023)

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (999,844)	\$ (693,347)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities		
Amortization Expense	24,490	24,437
(Increase) Decrease in Accounts Receivable	344,760	2,572,408
(Increase) Decrease in Prepaid Expenses	(49,691)	4,619
(Increase) Decrease in Biobank Supplies	(3,006)	(1,979)
Increase (Decrease) in Accounts Payable	725,476	397,227
Increase (Decrease) in Grants Payable	468,490	175,799
Increase (Decrease) in Accrued Liabilities	23,300	16,524
Increase (Decrease) in Deferred Revenue	<u>(230,802)</u>	<u>436,898</u>
Net Cash Provided by Operating Activities	<u>\$ 303,173</u>	<u>\$ 2,932,586</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Intangible Assets	<u>\$ ---</u>	<u>\$ (1,050)</u>
Net Cash Used by Investing Activities	<u>\$ ---</u>	<u>\$ (1,050)</u>
Net Increase in Cash and Cash Equivalents	\$ 303,173	\$ 2,931,536
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>14,686,074</u>	<u>11,754,538</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$ 14,989,247</u></u>	<u><u>\$ 14,686,074</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, 2024

CHILDHOOD ARTHRITIS AND RHEUMATOLOGY RESEARCH ALLIANCE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

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 and Credit Losses

Accounts receivable on trade and other receivables are stated at unpaid balances, less an allowance for credit losses. The expected credit losses are updated by management at each reporting date to reflect changes in credit risk since the financial instrument was initially recognized. The expected credit losses on trade or other receivables are estimated based on historical credit loss experience, aging analysis, and management's assessment of current conditions and reasonable and supportable expectations of future conditions. The Organization assesses collectability by pooling receivables where similar characteristics exist and evaluates receivables individually when specific customer balances no longer share those risk characteristics and are considered at risk or uncollectible. Accounts receivable balances are charged off against the allowance for credit losses after recovery efforts have ceased. The expense associated with the allowance for expected credit losses is recognized in bad debts expense. As of December 31, 2024, accounts receivable are expected to be collected in full; therefore, no allowance for credit losses has been recorded.

Fixed Assets

Fixed assets are recorded at cost. All tangible personal property with a useful life of more than one year and a unit acquisition cost of \$10,000 or more will be capitalized and depreciated over its useful life using the straight-line method of depreciation.

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, 2024

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 are allocated based on estimates of time and effort.

CHILDHOOD ARTHRITIS AND RHEUMATOLOGY RESEARCH ALLIANCE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE B - Comparative Financial Information

The financial information shown for 2023 in the accompanying financial statements is included to provide a basis for comparison with 2024. 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, 2023, from which the summarized information was derived.

NOTE C - 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, 2024, the Organization's uninsured cash balances total \$14,697,679.

One source of the Organization's accounts receivable is 61% of the balance. Of the accounts payable balance, 70% comes from one source. Four sources of grants payable represent 48% of the grants payable balance.

NOTE D - 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. The Organization has credit cards with available credit of \$200,000, of which \$-0- was in use as of December 31, 2024. The Organization monitors liquidity by tracking financial ratios and cash flow to determine their ability to meet short-term obligations.

Financial assets available for use consist of the following as of December 31, 2024:

<u>Description</u>	<u>Amount</u>
Cash and Cash Equivalents	\$14,989,247
Accounts Receivable	<u>2,259,279</u>
Available for Use	<u>\$17,248,526</u>

NOTE E - Accounts Receivable

Accounts receivable consists of \$2,259,279 related to contract revenue as of December 31, 2024. All amounts are expected to be collected in 2025.

CHILDHOOD ARTHRITIS AND RHEUMATOLOGY RESEARCH ALLIANCE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE F - Intangible Assets

Intangible assets presented on the statement of financial position as of December 31, 2024, consists of the following:

<u>Amortized Asset</u>	<u>Gross Value</u>	<u>Accumulated Amortization</u>	<u>Residual Value</u>	<u>Life</u>
Website	\$ 12,719	\$12,719	\$ ---	3 years
Website Redesign	96,399	40,166	56,233	5 years
Mobile App	25,000	14,583	10,417	5 years
App Trademark	<u>1,050</u>	<u>368</u>	<u>682</u>	5 years
Total	<u>\$135,168</u>	<u>\$67,836</u>	<u>\$67,332</u>	

Estimated amortization expense for next years are as follows:

<u>For the Year Ending December 31,</u>	<u>Amount</u>
2025	\$24,490
2026	24,490
2027	18,300
2028	<u>52</u>
Total	<u>\$67,332</u>

NOTE G - Grants Payable

The Organization has \$1,893,351 of grants payable as of December 31, 2024, which is related to the contracts signed with various corporations.

Future grants payable payments are as follows:

<u>For the Year Ending December 31,</u>	<u>Amount</u>
2025	\$1,434,694
2026	<u>458,657</u>
Total	<u>\$1,893,351</u>

CHILDHOOD ARTHRITIS AND RHEUMATOLOGY RESEARCH ALLIANCE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE H - Deferred Revenue

Deferred revenue consists of the following amounts as of December 31, 2024:

<u>Source</u>	<u>Amount</u>
Grant and Contract Revenue	\$ 973,595
Sponsorships	5,000
Membership Dues	17,570
Corporate Council Membership Dues	<u>18,462</u>
Total Current Portion of Deferred Revenue	<u>\$1,014,627</u>
 <u>Source</u>	 <u>Amount</u>
Contract Revenue	\$ 613,900
Membership Dues	<u>5,195</u>
Total Non-Current Portion of Deferred Revenue	<u>\$ 619,095</u>
Total Deferred Revenue	<u>\$1,633,722</u>

Future recognition of deferred revenue is expected as follows:

<u>For the Year Ending December 31,</u>	<u>Amount</u>
2025	\$1,014,627
2026	465,247
2027	<u>153,848</u>
Total Deferred Revenue	<u>\$1,633,722</u>

NOTE I - Revenue from Contracts with Customers

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.

Beginning Deferred Convention Revenue	\$ ---
Revenue Recognized from Prior Year Deferred	---
New Convention Revenue	55,400
Revenue Recognized on Conventions	<u>(50,400)</u>
Ending Deferred Convention Revenue	<u>\$ 5,000</u>

CHILDHOOD ARTHRITIS AND RHEUMATOLOGY RESEARCH ALLIANCE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE I - Revenue from Contracts with Customers (continued)

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	\$ 52,726
Revenue Recognized from Prior Year Deferred	(52,726)
New Memberships Issued	63,850
Revenue Recognized on New Membership	<u>(22,623)</u>
Ending Deferred Membership Dues	<u>\$ 41,227</u>

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 provided 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, 2024, the Organization has available contract funds of \$7,505,446, which are available through 2031. The Organization had receivables of \$2,259,279 and \$2,604,039 for the years ended December 31, 2024 and 2023, respectively.

Beginning Deferred Contract Service Fees	\$ 1,811,798
Revenue Recognized from Prior Year Deferred	(1,811,798)
New Contract Service Fee Revenue	7,739,671
Revenue Recognized on Contract Service Fees	<u>(6,152,176)</u>
Ending Deferred Contract Service Fees	<u>\$ 1,587,495</u>

NOTE J - Conditional Contributions

The Organization has contracts with governmental agencies which include specific use stipulations requiring funds be used only on qualifying expenses determined by the grant contract and allowable cost policies. The Organization will not receive the grant funds unless spent on the required activity and within the allowable cost guidance. As of December 31, 2024, the Organization has grant funds of \$553,420 available for its programs through September 30, 2025.

CHILDHOOD ARTHRITIS AND RHEUMATOLOGY RESEARCH ALLIANCE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE K - In-Kind Contributions

The Organization received total in-kind services of \$486,404. Services were utilized during the year and value was based on fair market value.

<u>Type of Service</u>	<u>Amount</u>
Legal	\$461,404
ERP Implementation	<u>25,000</u>
Total	<u>\$486,404</u>

NOTE L - Retirement Plan

The Organization maintains a 401(k) retirement plan covering employees who worked at least six months. The contributions are immediately vested upon employee eligibility. The Organization made contributions of 5% of eligible employees' monthly gross wages for January through December of 2024. Total retirement expense for the year ended December 31, 2024, was \$72,072.

NOTE M - 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, 2024, 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 N - Subsequent Events

The Organization has evaluated events and transactions occurring after December 31, 2024, the date of the most recent statement of financial position, through the date financial statements are available to be issued, June 23, 2025, for possible adjustment to the financial statements or disclosure and determined that no subsequent events need to be disclosed.