

Financial Statements and Report of
Independent Certified Public
Accountants

Crohn's & Colitis Foundation, Inc.

December 31, 2024

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

National Board of Trustees
Crohn's & Colitis Foundation, Inc.

Report on the audit of the financial statements**Opinion**

We have audited the financial statements of Crohn's & Colitis Foundation, Inc. (the "Foundation"), 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 accompanying financial statements present fairly, in all material respects, the financial position of the Foundation 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 of the financial statements in accordance with auditing standards generally accepted in the United States of America (US GAAS). 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 the Foundation and to meet our other ethical responsibilities in accordance with the relevant 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 the 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 the Foundation's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

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 US GAAS 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 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 US GAAS, 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 the Foundation'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 the Foundation'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 2023 summarized comparative information

We have previously audited the Foundation's 2023 financial statements (not presented herein), and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 16, 2024. In our opinion, the accompanying summarized comparative information 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.



New York, New York
July 31, 2025

Crohn's & Colitis Foundation, Inc.

STATEMENT OF FINANCIAL POSITION

As of December 31, 2024, with summarized comparative information for 2023

	2024	2023
ASSETS		
Cash and cash equivalents	\$ 8,355,831	\$ 9,291,716
Pledges receivable, net	14,678,622	11,077,061
Bequests receivable	1,754,910	1,320,884
Accounts receivable	7,567,840	2,024,846
Prepaid expenses and other assets	1,818,182	1,858,759
Right-of-use assets	7,699,200	8,771,177
Investments	3,946,520	13,655,407
Fixed assets, net	4,826,301	6,000,274
	<u>4,826,301</u>	<u>6,000,274</u>
Total assets	<u>\$ 50,647,406</u>	<u>\$ 54,000,124</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 5,199,913	\$ 5,257,989
Research grants payable	28,564,769	30,248,553
Note payable	600,000	5,989,390
Lease liability	7,705,586	8,788,993
Deferred revenue	5,345,469	1,750,389
	<u>5,345,469</u>	<u>1,750,389</u>
Total liabilities	<u>47,415,737</u>	<u>52,035,314</u>
Commitments (Note 7)		
Net assets (deficit)		
Without donor restrictions	(6,300,153)	(6,495,911)
With donor restrictions	9,531,822	8,460,721
	<u>9,531,822</u>	<u>8,460,721</u>
Total net assets	<u>3,231,669</u>	<u>1,964,810</u>
Total liabilities and net assets	<u>\$ 50,647,406</u>	<u>\$ 54,000,124</u>

The accompanying notes are an integral part of this financial statement.

Crohn's & Colitis Foundation, Inc.

STATEMENT OF ACTIVITIES

For the year ended December 31, 2024, with summarized comparative information for 2023

	2024			2023
	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total	Total
Operating revenue				
Contributions and grants				
Contributions and grants from individuals, foundations and corporations	\$ 22,061,599	\$ 17,292,901	\$ 39,354,500	\$ 37,911,089
Contributed services and airtime	7,180,862	-	7,180,862	9,220,618
Special events revenue	33,750,215	-	33,750,215	32,118,950
Less: costs of direct benefits to donors	(6,774,599)	-	(6,774,599)	(6,693,296)
Net special events revenue	26,975,616	-	26,975,616	25,425,654
Federated campaigns	1,121,690	-	1,121,690	1,254,587
Bequests	5,885,992	-	5,885,992	3,643,002
Total contributions and grants	63,225,759	17,292,901	80,518,660	77,454,950
Other income				
IBD Plexus membership revenue	8,790,214	-	8,790,214	10,922,396
Program service fees	322,060	-	322,060	225,515
Investment return designated for operations	182,204	-	182,204	1,593,303
Federal grant revenue	551,064	-	551,064	473,436
Royalties	492,767	-	492,767	551,500
Other	361,436	-	361,436	628,808
Total other income	10,699,745	-	10,699,745	14,394,958
Total contributions, grants and other income	73,925,504	17,292,901	91,218,405	91,849,908
Net assets released from restrictions	16,221,800	(16,221,800)	-	-
Total operating revenue	90,147,304	1,071,101	91,218,405	91,849,908
Operating expenses				
Program services				
Research	34,187,297	-	34,187,297	35,738,661
Health professional education and public information	40,683,178	-	40,683,178	42,415,864
Total program services	74,870,475	-	74,870,475	78,154,525
Supporting services				
Management and general	9,480,320	-	9,480,320	11,780,520
Fundraising	5,984,092	-	5,984,092	6,381,117
Total supporting services	15,464,412	-	15,464,412	18,161,637
Total operating expenses	90,334,887	-	90,334,887	96,316,162
Changes in net assets from operations	(187,583)	1,071,101	883,518	(4,466,254)
Non-operating activities				
Investment return, net of amounts designated for operations	355,678	-	355,678	358,881
Changes in remainder trust valuations	27,663	-	27,663	9,333
Total non-operating activities	383,341	-	383,341	368,214
Changes in net assets	195,758	1,071,101	1,266,859	(4,098,040)
Net assets (deficit), beginning of year	(6,495,911)	8,460,721	1,964,810	6,062,850
Net assets (deficit), end of year	<u>\$ (6,300,153)</u>	<u>\$ 9,531,822</u>	<u>\$ 3,231,669</u>	<u>\$ 1,964,810</u>

The accompanying notes are an integral part of this financial statement.

Crohn's & Colitis Foundation, Inc.

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended December 31, 2024, with summarized comparative information for 2023

	Program Services			Supporting Services						
	Health									
	Research	Professional Education and Public Information	Total	Management and General	Fundraising	Costs of Direct Benefits to Donors	Total	Total		
								2024	2023	
Research grants and development costs, net	\$ 22,671,096	\$ -	\$ 22,671,096	\$ -	\$ -	\$ -	\$ -	\$ 22,671,096	\$ 23,694,643	
Salaries and related expenses	8,758,554	20,437,064	29,195,618	6,145,878	3,879,353	-	10,025,231	39,220,849	41,392,157	
Contract services and fees	1,195,658	8,652,469	9,848,127	1,651,202	1,042,259	5,809,994	8,503,455	18,351,582	17,526,099	
Contributed services and airtime	203,133	6,977,729	7,180,862	-	-	-	-	7,180,862	9,220,618	
Publications and related printed materials	70,255	333,037	403,292	124,495	78,582	-	203,077	606,369	717,893	
Occupancy costs	184,894	877,839	1,062,733	327,638	206,808	-	534,446	1,597,179	1,982,346	
Postage	44,101	201,323	245,424	75,315	47,539	-	122,854	368,278	411,677	
Conferences and conventions	293,758	93,582	387,340	1,235	780	-	2,015	389,355	366,482	
Telephone and communications	45,859	157,301	203,160	51,287	32,373	-	83,660	286,820	602,357	
Meetings and travel	126,063	394,220	520,283	147,141	92,877	84,060	324,078	844,361	1,282,791	
Office supplies and expenses	39,688	181,715	221,403	67,092	42,349	-	109,441	330,844	603,236	
Advertising	98,742	455,568	554,310	170,544	107,649	-	278,193	832,503	753,875	
Adjustment to provision for uncollectible accounts	76,380	361,552	437,932	135,348	85,433	-	220,781	658,713	557,565	
Other	241,610	908,887	1,150,497	339,481	214,287	880,545	1,434,313	2,584,810	2,915,281	
Total expenses before depreciation and amortization	34,049,791	40,032,286	74,082,077	9,236,656	5,830,289	6,774,599	21,841,544	95,923,621	102,027,020	
Depreciation and amortization	137,506	650,892	788,398	243,664	153,803	-	397,467	1,185,865	982,438	
Total functional expenses	34,187,297	40,683,178	74,870,475	9,480,320	5,984,092	6,774,599	22,239,011	97,109,486	103,009,458	
Less:										
Costs of direct benefits to donors of special events	-	-	-	-	-	(6,774,599)	(6,774,599)	(6,774,599)	(6,693,296)	
Total expenses reported by function on the statement of activities	\$ 34,187,297	\$ 40,683,178	\$ 74,870,475	\$ 9,480,320	\$ 5,984,092	\$ -	\$ 15,464,412	\$ 90,334,887	\$ 96,316,162	

The accompanying notes are an integral part of this financial statement.

Crohn's & Colitis Foundation, Inc.

STATEMENT OF CASH FLOWS

For the year ended December 31, 2024, with summarized comparative information for 2023

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities		
Changes in net assets	\$ 1,266,859	\$ (4,098,040)
Adjustments to reconcile changes in net assets to net cash and cash equivalents used in operating activities:		
Depreciation and amortization of fixed assets	1,185,865	982,439
Net realized and unrealized gains on investments	(355,678)	(1,476,623)
Donated securities	(1,131,185)	(604,919)
Change in discount and allowance on pledges receivable	592,597	165,350
Forgiveness of note payable	(400,000)	-
Changes in operating assets and liabilities:		
Pledges receivable	(4,194,158)	(1,120,357)
Bequests receivable	(434,026)	(1,320,884)
Accounts receivable	(5,542,994)	2,739,295
Prepaid expenses and other assets	40,577	808,869
Right-of-use asset	1,071,977	852,545
Accounts payable and accrued expenses	(58,076)	(1,725,266)
Lease liability	(1,083,407)	(938,483)
Deferred revenue	3,595,080	(1,592,453)
Research grants payable	(1,683,784)	(1,076,669)
Net cash and cash equivalents used in operating activities	<u>(7,130,353)</u>	<u>(8,405,196)</u>
Cash flows from investing activities		
Purchases of investments	(3,295,840)	(1,013,874)
Proceeds from sales of investments	14,491,590	9,223,245
Purchases of fixed assets	<u>(11,892)</u>	<u>(3,337,400)</u>
Net cash and cash equivalents provided by investing activities	<u>11,183,858</u>	<u>4,871,971</u>
Cash flows from financing activities		
Proceeds from note payable	1,000,000	9,000,000
Repayment of note payable	<u>(5,989,390)</u>	<u>(3,010,610)</u>
Net cash and cash equivalents (used in) provided by financing activities	<u>(4,989,390)</u>	<u>5,989,390</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(935,885)	2,456,165
Cash and cash equivalents, beginning of year	<u>9,291,716</u>	<u>6,835,551</u>
Cash and cash equivalents, end of year	<u><u>\$ 8,355,831</u></u>	<u><u>\$ 9,291,716</u></u>
Other supplemental information:		
Equity securities received	\$ 1,511,125	\$ 982,251
Cash paid for interest	\$ 104,145	\$ 366,281

The accompanying notes are an integral part of this financial statement.

Crohn's & Colitis Foundation, Inc.
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 1 - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Organization

Crohn's & Colitis Foundation, Inc. (the "Foundation") is a not-for-profit organization founded in 1967.

The Foundation's mission is to cure Crohn's disease and ulcerative colitis, and to improve the quality of life of children and adults affected by these diseases. For more than five decades, the Foundation has remained at the forefront of research in Crohn's disease and ulcerative colitis, collectively known as inflammatory bowel diseases. Today, the Foundation funds cutting-edge studies at major medical institutions, nurtures investigators at the early stages of their careers, and finances underdeveloped areas of research. In addition, the Foundation also offers a wide range of educational programs for patients and healthcare professionals and provides supportive services to help people cope with these chronic intestinal diseases.

The Foundation has its headquarters in New York City (the "National Office") and has 35 Chapters (the "Chapters") across the United States.

Basis of Presentation

The accompanying financial statements of the Foundation, which include the 35 chapters have been prepared in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP"). Those standards require that net assets and revenues, gains, expenses and losses be classified as net assets with or without restrictions based on the existence or absence of donor-imposed restrictions as follows:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed stipulations. Net assets without donor restrictions represent resources that are available in support of operations, including resources for capital expenditures.

Net assets with donor restrictions - Net assets that are subject to donor-imposed restrictions. Net assets with donor restrictions include amounts that are restricted by donors for particular research projects or education programs or are restricted as to the timing of use.

Net assets with donor restrictions also include funds whereby the donors have stipulated that the principal contributed be invested and maintained in perpetuity. As of and for the years ended December 31, 2024 and 2023, the Foundation had no such funds.

Cash and Cash Equivalents

The Foundation considers highly liquid financial instruments with original maturities of three months or less when purchased, to be cash equivalents.

Investments

The estimated fair value of investments is based on quoted market prices, except for certain investments, principally marketable alternative investments, for which quoted market prices are not available. The estimated fair value of marketable alternative investments is based on valuations provided by external investment managers as of the measurement date. Because alternative investments are not readily marketable, their estimated fair value is subject to uncertainty and, therefore, may differ from the value that would have been used had a ready market for such investments existed. Such differences could be material.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2024

Investment securities are exposed to various risks, such as interest rate, market, economic conditions, world affairs and credit risk. Due to the level of risk associated with certain investment securities, it is possible that changes in their values could occur in the near term and such changes could materially affect the reported amounts in the financial statements.

Effective January 1, 2019, the Foundation instituted a spending rate policy to facilitate growth in its mission investment. Under this policy, the Foundation's Investments Committee recommends an annual spending rate up to 5% calculated over the long-term investment portfolio's 36-month rolling average. The spending rate is initially incorporated into the annual budget approval process by the Budget & Finance Committee and is ultimately ratified by the Board of Trustees. In establishing the spending rate, the Investments Committee shall consider general economic conditions, the effects of inflation or deflation and the investment portfolio returns in the prior three-, five- and seven-year periods.

The investment return to be used by the Foundation in operations is approved by the Board of Trustees and is reported as operating revenue on the Foundation's statement of activities. The difference between the actual realized and unrealized gain or loss on the investment portfolio and the authorized spending level is reported as a nonoperating activity.

The Foundation did not incorporate an approved spending rate allocation in operations for the year ended December 31, 2024. The approved spending rate for the fiscal year ending December 31, 2023 was 5% and totaled \$1,117,742, which is included in investment return designated for operations in the accompanying statement of activities. Interest and dividends, net of investment fees, totaled \$182,204 and \$475,561 and are also reported in investment return designated for operations for the years ended December 31, 2024 and 2023, respectively.

In March 2024, in lieu of incorporating an annual spending rate allocation of investment returns designated for operations for the year ended December 31, 2024, the Budget and Finance Committee approved the liquidation of approximately \$12,292,000 of the Foundation's investments. Of the total proceeds, approximately \$6,094,000 was used to repay the Foundation's outstanding balance on its line of credit, and the remaining approximately \$6,198,000 was transferred to cash and cash equivalents and designated to support operations.

Revenue Recognition

The Foundation recognizes revenue when control of the promised goods or services is transferred to the Foundation's customers in an amount that reflects the consideration the Foundation expects to be entitled to in exchange for those goods or services.

IBD Plexus Membership Revenue

On October 2, 2017, the Foundation launched IBD Plexus, a first-of-its-kind information exchange platform housing data from thousands of patients participating in four of the Foundation's cohort groups - IBD Qorus, RISK pediatric, SPARC IBD, and IBD Partners. Patients have contributed millions of data points, which are now accessible from a single location. IBD Plexus allows investigators to more rapidly access key information for research purposes. After completion and approval of a written proposal, individual members of the program receive access to biosamples and raw data. The Foundation satisfies its performance obligation and recognizes revenue evenly over the membership term as its members simultaneously receive and consume the benefits over that timeframe. The Foundation offers short-term memberships of one year and Premier Membership of up to five years. Generally, membership does not commence until after the Foundation receives payment. Payments received under these arrangements in advance of the Foundation satisfying its performance obligation are reported as deferred revenue in the accompanying statement of financial position.

Crohn's & Colitis Foundation, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2024

Royalties

The Foundation receives royalties from its publication provided to journal subscribers. This agreement is in place through December 2028. The revenue is earned based on varying percentages of attributable revenue earned in an accounting year and are paid out by April 30, subsequent to the end of the relevant accounting year.

Contributions and Grants

The Foundation receives grants and contributions from a number of sources including the U.S. government, private foundations, and other donors. Grants and contributions are evaluated as to whether they qualify as exchange transactions or contributions as defined by U.S. GAAP. The Foundation determines whether a contribution is conditional based on whether an agreement includes a barrier that must be overcome and either a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets. If the agreement (or a referenced document) includes both, the Foundation is not entitled to the transferred assets (or a future transfer of assets) until it has overcome the barriers of the agreement. Unconditional contributions, including cash, promises to give, and certain contributed services, gifts-in-kind and other assets are recorded as revenue, at fair value, when received. Conditional contributions are recorded when the conditions on which they depend are substantially met. Contributions are recorded, net of estimated uncollectible amounts. Unconditional pledges that are expected to be collected within one year are recorded at their net realizable value. Unconditional pledges that are expected to be collected in future years are recorded at the present value of their estimated future cash flows using an appropriate discount rate which articulates with the collection period of the respective pledge. Amortization of the related discounts is included in contributions revenue.

The Foundation maintains an allowance for uncollectible pledges for estimated losses that may result from the inability of its donors to make payments. Such allowances are based upon several factors, including, but not limited to, historical collection experience and the financial condition of its donors. Receivables are written-off when deemed to be uncollectible.

Contributed Services and Airtime

The Foundation's volunteers, comprised principally of physicians and health professionals, have made significant contributions of their time in furtherance of the Foundation's programs. The Foundation has determined that such donated services meet the criteria for recognition in the financial statements and are reported as both revenue and expense in the statement of activities at fair value. Total donated services amounted to \$1,534,069 and \$1,634,669 for the years ended December 31, 2024 and 2023, respectively.

The Foundation receives considerable in-kind contributions primarily in the form of donated public service announcements on television and radio stations. The fair value of such in-kind contributions, based upon information provided by third-party media services, is reflected in the statement of activities as contributed airtime revenue and health professional education and public information program service expense. Total contributed airtime amounted to \$5,646,793 and \$7,585,949 for the years ended December 31, 2024 and 2023, respectively.

Special Events Revenue

Revenue and expenses related to a special event are recognized upon the occurrence of the respective event. Amounts received in advance of the event are recorded as deferred revenues and costs incurred prior to the event date are recognized as prepaid expenses in the accompanying statement of financial position.

Crohn's & Colitis Foundation, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2024

Federated Campaigns

The Foundation participates in several federated campaigns. The federated campaigns raise funds for various charitable organizations including the Foundation primarily through employee payroll deductions in workplace campaigns administered through fundraising organizations like United Way and its local chapters, Benevity, and Foundation members corporations. The Foundation receives a share of the total workplace giving campaign. Since the Foundation does not receive enough information to calculate an expected amount to be received in the future, federated campaign revenue is recorded when the funds are received.

Deferred Revenue

Deferred revenue consists of conditional contributions, payments on contracts in which deliverables have not yet been met, and a non-refundable signing bonus received by the Foundation in connection with a third party to publish the Foundation's journal. The conditional contributions are recognized as income when the conditions have been substantially met. Contractual revenue including IBD Plexus memberships and royalty related signing bonus are recognized as revenue ratably over the contractual term as specified in the agreements. Foundation programs and projects consist primarily of President's Corporate Circle memberships and advances for royalties. Project and program revenues are recorded when earned or the conditions are met as Other Income, and royalty advances are recognized as described in Note 1.

The following table depicts the significant activities of deferred revenue:

	December 31, 2023	Revenue Recognized in 2024	Cash Received in Advance of Performance	December 31, 2024
IBD Plexus membership revenue	\$ 1,186,111	\$ 8,790,214	\$ 11,698,778	\$ 4,094,675
Royalty and signing bonus	275,000	55,000	316,680	536,680
Foundation programs and projects	289,278	289,278	714,114	714,114
	<u>\$ 1,750,389</u>	<u>\$ 9,134,492</u>	<u>\$ 12,729,572</u>	<u>\$ 5,345,469</u>

The deferred revenue balance of \$5,345,469 at December 31, 2024 includes amounts totaling \$5,180,469 that will be earned and recognized as revenue in the next fiscal year, and \$165,000 that will be earned thereafter.

Fair Value Measurements

The Financial Accounting Standards Board ("FASB") Topic 820, under the FASB Accounting Standards Codification ("ASC") defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. This standard provides a consistent definition of fair value, which focuses on an exit price between market participants in an orderly transaction. The standard also prioritizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that observable inputs be used when available.

Observable inputs are inputs that market participants would use in pricing the asset or liability based on market data obtained from independent sources. Unobservable inputs reflect assumptions that market participants would use in pricing the asset or liability based on the best information available in the

Crohn's & Colitis Foundation, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2024

circumstances. The hierarchy is broken down into three levels based on the transparency of inputs as follows:

- Level I - Quoted prices are available in active markets for identical assets or liabilities as of the measurement date. A quoted price for an identical asset or liability in an active market provides the most reliable fair value measurement because it is directly observable to the market.
- Level II - Pricing inputs other than quoted prices in active markets, which are either directly or indirectly observable as of the measurement date. The nature of these securities includes investments for which quoted prices are available but traded less frequently and investments that are fair valued using other securities, the parameters of which can be directly observed.
- Level III - Securities that have little to no pricing observability as of the measurement date. These securities are measured using management's best estimate of fair value, where the inputs into the determination of fair value are not observable and require significant management judgment or estimation.

Observable inputs reflect the assumptions market participants would use in pricing the asset or liability developed from sources independent of the reporting Foundation. Unobservable inputs reflect the reporting foundation's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

The Foundation has segregated all financial assets and liabilities that are measured at fair value on a recurring basis (at least annually) into the most appropriate level within the fair value hierarchy based on the inputs used to determine the fair value, except for those investments that are measured at fair value using the net asset value ("NAV") per share practical expedient.

The Foundation follows the accounting standards of the FASB ASC Subtopic, 820-10-35-59, *Fair Value Measurement and Disclosures - Fair Value Measurements of Investments in Certain Entities that Calculate NAV per Share (or its Equivalent)*. This allows for the estimation of the fair value of investments in investment companies, for which the investment does not have a readily determinable fair value, using NAV per share or its equivalent, as provided by the investment managers. The Foundation reviews and evaluates the values provided by the investment managers and agrees with the valuation methods and assumptions used in determining the NAVs of these investments as of the measurement date. These estimated fair values may differ significantly from the values that would have been used had a ready market for these securities existed.

Bequests Receivable

Bequests are recognized as revenue when the Foundation is notified that it has an irrevocable right to the gift and the value can be estimated, generally when the bequest has been through probate and declared valid.

Charitable Remainder Trusts

The Foundation has been named as a beneficiary of charitable remainder trusts held by third-party trustees. A charitable remainder trust is an arrangement in which a donor establishes a trust with specified distributions to be made to a designated beneficiary or beneficiaries over the trust's term. The Foundation will receive its share of the assets remaining upon the termination of the charitable remainder trusts. The Foundation has recorded the estimated present value of its beneficial interest in each of the trust's assets as charitable remainder trusts within prepaid expenses and other assets in the accompanying statement of financial position. The Foundation's interest in trust assets are deemed to be Level III financial instruments.

Crohn's & Colitis Foundation, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2024

Reinsurance Contracts

The Foundation entered into an agreement with an insurance company to reinsure its charitable gift annuity program. Under the terms of the agreement, the insurance company agreed to assume the risk of changes in the present value of expected future cash flows payable to the annuitants in exchange for cash consideration. Additionally, the insurance company agreed to administer the monthly payments made to the beneficiaries over the duration of the annuity agreements. Subsequent changes in the actuarial present value of the Foundation's liability to annuitants do not impact the Foundation's statement of activities. As of December 31, 2024 and 2023, the actuarial present value of the Foundation's liability to the beneficiaries was \$179,995 and \$189,535, respectively. The asset is included within prepaid expenses and other assets and the liability is included in accounts payable and accrued expenses on the accompanying statement of financial position. The discount rate was 5.00% and 4.75% for the years ended December 31, 2024 and 2023, respectively. Since the inputs in determining the fair value of the reinsurance agreement are not observable, the Foundation's beneficial interest is classified as Level III within the fair value hierarchy.

Fixed Assets

Fixed assets, which consist of furniture, fixtures, equipment, and website development costs are recorded at cost or, if donated, at fair value on the date received. Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from three to 10 years. Leasehold improvements are amortized over the remaining lease term or the estimated life of the improvements, whichever is shorter. Fixed assets costing greater than \$5,000 are capitalized.

Research Grants Payable

The Foundation records appropriations for research grants as a liability and expense after approval by the National Board of Trustees based upon: (i) the recommendations of the Board's advisory committees including the National Scientific Advisory Committee's Grants Review Committee, the Research Training Awards Program Committee and the Research Initiatives Committee, and any appropriate ad hoc review committee (collectively, the "Review Committees"); and (ii) the availability of funding. Most grants are approved for a one-year term with conditional annual renewal periods of up to two years. The grants are conditional based upon the evaluation of program accomplishments and progress reporting from the grant recipients by the Review Committees. The annual grants are disbursed in accordance with the grant terms or management's discretion based on need or liquidity considerations. Conditional grants are recognized in the period in which the terms of the conditions are satisfied by the respective grantee.

In addition to grants, the Foundation incurs research and development expenses to support its various research programs and initiatives aligned with its mission. These expenses are subject to approval by the Research department leadership and are recorded in the statement of activities as incurred. At the end of the fiscal year, applicable expenses are accrued to research grants payable.

Functional Allocation of Expenses

Expenses that can be directly identified with the program or supporting service activity to which they relate are charged accordingly. Other expenses have been allocated among program and supporting services based on effort reporting determined by the Foundation to be appropriate.

Concentrations of Credit Risk

Financial instruments that potentially subject the Foundation to concentrations of credit and market risk consist principally of cash and cash equivalents on deposit with financial institutions, which from time to time may exceed the Federal Deposit Insurance Corporation limit. The Foundation does not believe that a significant risk of loss due to the failure of a financial institution to perform exists.

Crohn's & Colitis Foundation, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2024

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP 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.

Management's estimates and assumptions include the determination of allowances for doubtful accounts for pledges receivable, the allocation of certain expenses amongst program and supporting activities, the useful lives assigned to fixed assets and value of in-kind contributions. Actual results could differ from these estimates.

Measure of Operations

The accompanying statement of activities presents the changes in net assets distinguishing between operating and nonoperating activities. Operating activities principally include all revenues and expenses that relate to the Foundation's core mission. Operating revenues include investment return pursuant to the Foundation's investment spending policy. Operating revenues also include the release of net assets with donor restrictions net assets in support of operating activities, and all contributions without donor restrictions and with donor restrictions. Forgiveness of loans given to maintain operations through the pandemic are determined to be operating income.

The Foundation has defined nonoperating activities principally to include investment return (loss), net of amounts distributed to support operations in accordance with the investment spending policy and changes in remainder trust valuations. Certain other gains and losses considered to be of a more unusual or non-recurring nature are also included as part of nonoperating activities.

Income Taxes

The Foundation is a not-for-profit voluntary health organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the "Code") and has been classified as a publicly supported charitable organization under Section 509(a)(1) of the Code and qualifies for the maximum charitable contribution deduction by donors. Contributions to the Foundation are tax deductible within the limitations prescribed by the Code. The Foundation is also exempt from state and local taxes under similar statutes.

Accounting for uncertainty in tax positions taken or expected to be taken in a tax return, including issues relating to financial statement recognition and measurement, provides that the tax effects from an uncertain tax position can be recognized in the financial statements only if the position is more likely than not to be sustained if the position were to be challenged by a taxing authority. The assessment of the tax position is based solely on the technical merits of the position, without regard to the likelihood that the tax position may be challenged. The Foundation is exempt from income tax under the Code, however, is subject to tax on income unrelated to its exempt purposes, unless that income is otherwise excluded under the Code. The Foundation has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements. In addition, the Foundation has not recorded a provision for income taxes as it has no material tax liability from unrelated business income activities.

Summarized Comparative Information

The financial statements include certain prior year summarized comparative information in total, which does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Foundation's audited financial statements as of and for the year ended December 31, 2023, from which the summarized information was derived.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2024

Leases

The Foundation determines if an arrangement contains a lease at inception based on whether there is an identified asset and whether the Foundation controls the use of the identified asset throughout the period of use. The Foundation also assesses and classifies leases as either financing or operating leases at the lease commencement. Right-of-use ("ROU") assets are recognized at the lease commencement date and represent the Foundation's right to use an underlying asset for the lease term and lease liabilities represent the Foundation's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the lease commencement date based on the present value of future lease payments over the remaining lease term. Present value of lease payments are discounted based the risk-free rate. Expenses related to leases determined to be operating leases are recognized on a straight-line basis, while those determined to be finance leases are recognized following a front-loaded expense pattern in which interest and amortization are presented separately in the income statement.

The Foundation's ROU assets are initially measured based on the corresponding lease liability adjusted for: (i) payments made to the lessor at or before the commencement date; (ii) initial direct costs incurred; and (iii) lease incentives under the lease. Options to renew or terminate the lease are recognized as part of the Foundation's ROU assets and lease liabilities when it is reasonably certain the options will be exercised. ROU assets are also assessed for impairments consistent with the long-lived asset guidance.

The Foundation does not allocate consideration between lease and non-lease components, such as operating costs, as the Foundation has elected to not separate lease and non-lease components for any leases within its existing classes of assets. Operating lease expense for fixed lease payments is recognized on a straight-line basis over the lease term. Variable lease payments for usage-based fees are not included in the measurement of the ROU assets or lease liabilities and are expensed as incurred.

Reclassifications

Certain amounts pertaining to the 2023 financial statements have been reclassified to conform with the 2024 presentation. Such reclassifications did not change total assets, liabilities, net assets and revenues and expenses as previously reported.

Subsequent Events

Management has evaluated subsequent events through July 31, 2025, which is the date the financial statements were available to be issued. The Foundation is not aware of any material subsequent events which would require recognition or disclosure in the accompanying financial statements.

NOTE 2 - RESEARCH GRANTS

At December 31, 2024 and 2023, the accompanying statement of financial position include research grants payable of \$28,564,769 and \$30,248,553, respectively. Research grants are available to be paid within one year but awardees may ask for a no cost extension at the discretion of the Foundation.

In 2024 and 2023, grants in the amount of \$1,009,511 and \$1,710,247, respectively, were refunded/ rescinded and netted with research grants and development costs expense in the accompanying statements of activities and functional expenses.

In addition, the Foundation has unpaid conditional grants outstanding of \$7,218,337 and \$11,299,978 at December 31, 2024 and 2023, respectively, which are payable upon satisfaction of the underlying conditions by the grantees and, therefore, such amounts have not been recorded in the accompanying financial statements.

Crohn's & Colitis Foundation, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2024

NOTE 3 - PLEDGES RECEIVABLE, NET

At December 31, 2024 and 2023, pledges receivable, net, are due to be collected as follows:

	2024	2023
Within one year	\$ 7,491,783	\$ 7,604,090
One to five years	6,654,049	3,567,584
More than five years	1,386,667	166,667
	<u>15,532,499</u>	<u>11,338,341</u>
Discounted to present value (at rates ranging from 3.47% to 4.77%)	<u>(597,750)</u>	<u>(261,280)</u>
Net present value	14,934,749	11,077,061
Allowance for uncollectible pledges	<u>(256,127)</u>	<u>-</u>
Pledges receivable, net	<u>\$ 14,678,622</u>	<u>\$ 11,077,061</u>

NOTE 4 - INVESTMENTS

Investments as of December 31, 2024 and 2023, consist of the following:

	2024	2023
Cash and cash equivalents	\$ 2,064,174	\$ 51,402
Certificate of deposit	174,096	174,096
US Treasury Note	499,775	-
Mutual funds - Equities	682,785	6,105,783
Mutual funds - Fixed income	160,837	6,667,173
Equities	124,099	75,272
Marketable alternative assets	240,754	581,681
Total	<u>\$ 3,946,520</u>	<u>\$ 13,655,407</u>

Crohn's & Colitis Foundation, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2024

The following table summarizes the valuation of the Foundation's investments within the fair value hierarchy as of December 31, 2024:

	2024				
	Level I	Level II	Level III	Investments at NAV	Total
Mutual funds:					
Equities	\$ 682,785	\$ -	\$ -	\$ -	\$ 682,785
Fixed income	160,837	-	-	-	160,837
US Treasury Note	-	499,775	-	-	499,775
Equities	124,099	-	-	-	124,099
Marketable alternative assets	-	-	107,272	133,482	240,754
Total	<u>\$ 967,721</u>	<u>\$ 499,775</u>	<u>\$ 107,272</u>	<u>\$ 133,482</u>	1,708,250
Cash and cash equivalents					2,064,174
Certificate of deposit					174,096
					<u>\$ 3,946,520</u>

The following table summarizes the valuation of the Foundation's investments within the fair value hierarchy as of December 31, 2023:

	2023				
	Level I	Level II	Level III	Investments at NAV	Total
Mutual funds:					
Equities	\$ 6,105,783	\$ -	\$ -	\$ -	\$ 6,105,783
Fixed income	6,667,173	-	-	-	6,667,173
Equities	75,272	-	-	-	75,272
Marketable alternative assets	-	-	105,008	476,673	581,681
Total	<u>\$ 12,848,228</u>	<u>\$ -</u>	<u>\$ 105,008</u>	<u>\$ 476,673</u>	13,429,909
Cash and cash equivalents					51,402
Certificate of deposit					174,096
					<u>\$ 13,655,407</u>

The following tables include information related to investments valued at NAV as of December 31, 2024 and 2023:

	2024			
Alternative Investment Strategy	Fair Value Determined Using NAV in Funds	Unfunded Commitments	Redemption Terms	Redemption Restrictions
TIAA Access Account	\$ 133,482	None	Daily	\$1,000 minimum for transfers

Crohn's & Colitis Foundation, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2024

	2023			
<u>Alternative Investment Strategy</u>	<u>Fair Value Determined Using NAV in Funds</u>	<u>Unfunded Commitments</u>	<u>Redemption Terms</u>	<u>Redemption Restrictions</u>
TIAA Access Account	\$ 476,673	None	Daily	\$1,000 minimum for transfers

The Foundation's Level III investment consists of a Teachers Insurance and Annuity Association of America ("TIAA") Traditional Annuity account, a fixed rate annuity contract that is fully and unconditionally guaranteed and backed by the claims-paying ability by TIAA. During the accumulation phase, the TIAA Traditional Annuity provides a guaranteed minimum rate of interest between 1% and 3% with the potential for additional interest, if declared by TIAA. The TIAA Traditional Annuity is reported at contract value.

The contract value of the TIAA Traditional Annuity equals the accumulated cash contributions, interest credited, and transfers, if any, less withdrawals and transfers, if any. The TIAA Traditional Annuity is not available for sale or transfer on any securities exchange. Accordingly, transactions in similar investment instruments are not observable. The crediting rate is supported by the investment performance of a large, diversified portfolio which is correlated with the highest quality debt security yields and is adjusted for contract liquidity. A 20-year analysis of crediting rates for TIAA Traditional Annuity contracts suggests a rate of return that is representative of a risk adjusted market rate for this type of product. While transactions involving the purchases and sales of individual TIAA Traditional Annuity contracts are not observable in a public marketplace, contract value provides an approximation of fair value.

The following table summarizes the activity within the Foundation's Level III investments for the years ended December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Balance at January 1,	\$ 105,008	\$ 99,980
Purchases	1,281	4,145
Sales	(53)	(44)
Distributions and annuity settlement options	(2,317)	(2,281)
Appreciation in fair value	<u>3,353</u>	<u>3,208</u>
Balance at December 31,	<u>\$ 107,272</u>	<u>\$ 105,008</u>

Crohn's & Colitis Foundation, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2024

NOTE 5 - FIXED ASSETS, NET

Fixed assets, net, consisted of the following at December 31, 2024 and 2023:

	2024	2023
Furniture and fixtures	\$ 530,164	\$ 530,164
Office equipment	484,561	484,561
Computer equipment	1,358,561	959,386
Software	5,492,449	5,879,733
Website development costs	4,284,050	4,284,050
Leasehold improvements	704,582	704,582
	<u>12,854,367</u>	<u>12,842,476</u>
Accumulated depreciation and amortization	<u>(8,028,066)</u>	<u>(6,842,202)</u>
Fixed assets, net	<u>\$ 4,826,301</u>	<u>\$ 6,000,274</u>

NOTE 6 - NOTE PAYABLE

The Foundation received a \$1,000,000 note from a member of the Board of Trustees in July 2024 at an interest rate of 5.06% per annum, originally due December 31, 2025. On December 31, 2024, the Trustee agreed to forgive \$400,000 of principal and \$23,012 of interest to the Foundation, which is included as contribution income in the statement of activities for the year ended December 31, 2024. Payment of the remaining \$600,000 of the note, plus interest, is due on request from the Trustee.

NOTE 7 - COMMITMENTS

Lines of Credit

The Foundation signed an agreement for a \$3,000,000 secured line of credit with the custodian of its long-term investments during fiscal 2022. The line of credit's interest rate is the federal fund rate plus 225 basis points (7.5% as of December 31, 2023). The line was secured by the securities in the Foundation's investment account. During fiscal 2023, the Foundation increased the available credit on this line to \$10,000,000 at the same borrowing terms. The outstanding balance was \$5,989,390 as of December 31, 2023. In March 2024, the Foundation paid the line of credit down in full and liquidated the account that provided surety for the line.

The Foundation had a one-year unsecured \$3,000,000 line of credit with its primary banking institution available at 300 basis points above the Secured Overnight Financing Rate (SOFR) through January 27, 2024. The Foundation borrowed and repaid \$3,000,000 under this line during fiscal 2023. The Foundation did not renew the line past January 2024.

Operating Leases

The Foundation assesses contracts at inception to determine whether an arrangement includes a lease, which conveys the Foundation's right to control the use of an identified asset for a period of time in exchange for consideration.

Crohn's & Colitis Foundation, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2024

The Foundation has non-cancelable leases for office space and equipment for its National Office and Chapter offices throughout the country for which ROU assets and liabilities are recorded in the accompanying statement of financial position. The discount rate applied to measure the ROU assets and lease liabilities is based on the risk-free discount rate determined using a period comparable with that of the lease term. Certain lease agreements contain termination rights, rent abatements, and/or escalation clauses. The leases expire between 2025 and 2034, which represent the non-cancelable periods of the leases. The Foundation excludes extension and termination options that are not reasonably certain to be exercised from its lease terms. Lease payments consist primarily of fixed rental payments for the right to use the underlying leased assets over the leased terms. The Foundation's leases do not contain any residual value guarantees or material restrictive covenants.

The National Office lease is secured by an irrevocable letter of credit for \$174,096; the bank required the Foundation to purchase a certificate of deposit for the same amount to collateralize the letter of credit over the entire lease term, which is included in investments in the accompanying statement of financial position.

The related cost of the ROU assets and accumulated amortization at December 31, 2024 is as follows:

ROU assets	\$ 8,771,177
Accumulated amortization	<u>(1,071,977)</u>
	<u>\$ 7,699,200</u>
Weighted-average remaining lease term (operating leases):	3.04 years
Weighted-average discount rate:	2.87%

The component of lease costs for the year ended December 31, 2024 are as follows:

Operating lease costs	\$ 1,428,181
Amortization of ROU assets	19,412
Interest on lease liabilities	<u>165,237</u>
Total lease costs	1,612,830
Other occupancy costs	<u>(15,651)</u>
Total occupancy expenses	<u>\$ 1,597,179</u>

Crohn's & Colitis Foundation, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2024

Future minimum lease payments on the Foundation's operating lease agreements as of December 31, 2024 were as follows:

<u>Year Ending December 31,</u>	
2025	\$ 1,374,297
2026	1,274,641
2027	1,125,388
2028	989,672
2029	578,049
Thereafter	<u>3,769,896</u>
Total	9,111,943
Less: amount representing interest (rates from 0.22% to 5.37%)	<u>(1,406,357)</u>
Total lease liability	<u>\$ 7,705,586</u>

Rent expense totaled \$1,427,555 and \$1,546,907 for years ended December 31, 2024 and 2023, respectively.

NOTE 8 - PENSION PLAN

On October 1, 1982, the Foundation established a defined contribution pension plan. At inception, employees are eligible to participate in the plan upon hire. Employer contributions to this plan were 5% of each participating employee's salary upon reaching one year of service. On January 1, 2014, the Foundation amended the plan to implement a new graded vesting schedule with respect to Foundation contributions for new employees. New participants to the plan become 100% vested in the portion of Foundation contributions upon reaching three years of service and having worked at least 1,000 hours of service during the plan year. In addition, employees hired prior to January 1, 2014 continue to receive contributions equal to 5% of compensation and receive 6% of a participating employee's salary upon reaching six years of service. Effective July 1, 2022, the Foundation modified the participant threshold in the Plan to begin accruing employer contributions at six months of service. The service time to achieve the 6% level was lowered from six years to five years, and a new 7% of compensation level was added for employees who achieve ten years of service.

On January 1, 2004, the Foundation established a 457(b) deferred compensation plan for a select group of its executive staff. The 457(b) Plan is a nonqualified deferred compensation plan subject to the provisions of the Code Section 457. Until paid or made available to the participant, all deferred amounts and investment earnings related to deferral amounts are solely the property and rights of the Foundation and are subject to the claims of the Foundation's creditors. Participants' rights under the 457(b) Plan are equal to those of a general creditor of the Foundation. The Foundation's plan assets were approximately \$1,046,000 and \$1,391,000 for the years ended December 31, 2024 and 2023, respectively, and are included in investments and accounts payable and accrued expenses in the accompanying statement of financial position. The Foundation's contribution to its plans was approximately \$1,305,000 and \$1,175,000 for the years ended December 31, 2024 and 2023, respectively.

Crohn's & Colitis Foundation, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2024

NOTE 9 - NET ASSETS

As of December 31, 2024 and 2023, net assets with donor restrictions consisted of the following restrictions:

	2024	2023
Purpose restricted:		
Research programs	\$ 719,565	\$ 4,282,057
Education programs	1,840,720	1,720,612
Time restricted	6,971,537	2,458,052
	<u>\$ 9,531,822</u>	<u>\$ 8,460,721</u>

NOTE 10 - NET ASSETS RELEASED FROM RESTRICTIONS

For the years ended December 31, 2024 and 2023, net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes specified by donors or the passage of time as follows:

	2024	2023
Purpose restricted:		
Research programs	\$ 10,402,615	\$ 14,531,535
Education programs	4,509,695	3,985,296
Time restricted	1,309,490	200,611
	<u>\$ 16,221,800</u>	<u>\$ 18,717,442</u>

NOTE 11 - AVAILABILITY RESOURCES AND LIQUIDITY

The Foundation regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also maintaining sufficient funds to provide reasonable assurance that commitments and obligations supporting mission fulfillment will continue to be met. The Foundation has various sources of liquidity at its disposal, including approximately \$12 million of cash, cash equivalents, and investments.

For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Foundation considers all expenditures related to its ongoing operating activities to support those activities to be general expenditures. The Foundation anticipates utilizing all net assets with donor restrictions in the subsequent fiscal year, with the exception of those that are not available within the next 12-months which total \$7,442,966 and \$3,472,971 as of December 31, 2024 and 2023, respectively.

Crohn's & Colitis Foundation, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2024

As of December 31, 2024 and 2023, the following table shows the total financial assets held by the Foundation that could readily be made available within one year of the statement of financial position date to meet general expenditures:

	2024	2023
Financial assets at year end:		
Cash and cash equivalents	\$ 8,355,831	\$ 9,291,716
Pledges receivable, net	14,678,622	11,077,061
Bequests receivable	1,754,910	1,320,884
Accounts receivable	7,567,840	2,024,846
Investments	3,946,520	13,655,407
Total financial assets at year end	36,303,723	37,369,914
Less: amounts not available to be used within one year:		
Pledges receivable, net	(7,442,966)	(3,472,971)
Financial assets available to meet general expenditures within one year	<u>\$ 28,860,757</u>	<u>\$ 33,896,943</u>

NOTE 12 - RELATED-PARTY TRANSACTIONS

The Foundation receives contributions from members of its Board of Trustees. For the years ended December 31, 2024 and 2023, members of the Board of Trustees contributed financial gifts of \$770,084 and \$633,071, respectively.

Included in pledges receivable are \$407,925 and \$530,632 due from members of the Board of Trustees as of December 31, 2024 and 2023, respectively.

As mentioned in Note 6, the Foundation has an outstanding loan balance of \$600,000, due to a Trustee as of December 31, 2024.