

**Simon's Heart
Financial Statements
For the Year Ended
June 30, 2023**

**Simon's Heart
Year Ended June 30, 2023**

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Independent Auditors' Report

To the Board of Directors of Simon's Heart
424 E. Elm Street
Conshohocken, PA 19428

Opinion

We have audited the accompanying financial statements of Simon's Heart (a nonprofit corporation), which comprise the statement of financial position as of June 30, 2023, 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 Simon's Heart as of June 30, 2023, and the results of its operations 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Simon's Heart 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 Simon's Heart's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 auditors' 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 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 Simon's Heart'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 Simon's Heart'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.

Baratz & Associates, P.A.

Baratz & Associates, P.A.
Marlton, NJ

October 19, 2023

Simon's Heart
Statement of Financial Position
As of June 30, 2023

Assets

Current Assets

| | |
|-----------------------------|----------------|
| Cash and cash equivalents | \$ 593,373 |
| Certificate of deposit | 25,740 |
| Prepaid expenses | 19,469 |
| Total Current Assets | <u>638,582</u> |

Other Assets

| | |
|--|---------------|
| Software costs - net of accumulated amortization | <u>25,000</u> |
|--|---------------|

| | |
|---------------------|--------------------------|
| Total Assets | <u><u>\$ 663,582</u></u> |
|---------------------|--------------------------|

Liabilities and Net Assets

Current Liabilities

| | |
|---------------------------------------|----------------|
| Accounts payable and accrued expenses | \$ 18,129 |
| Grant payable | 50,000 |
| Deferred revenue | 50,213 |
| Total Liabilities | <u>118,342</u> |

Net Assets

| | |
|----------------------------|----------------|
| Without Donor Restrictions | 473,061 |
| With Donor Restrictions | 72,179 |
| Total Net Assets | <u>545,240</u> |

| | |
|---|--------------------------|
| Total Liabilities and Net Assets | <u><u>\$ 663,582</u></u> |
|---|--------------------------|

See independent auditors' report and notes to financial statements.

Simon's Heart
Statement of Activities
Year Ended June 30, 2023

| | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>Total</u> |
|---|---------------------------------------|------------------------------------|-------------------|
| Revenues and Support | | | |
| Contributions and Grants: | | | |
| Corporations/Foundations | \$ 165,998 | \$ - | \$ 165,998 |
| Individuals | 221,227 | - | 221,227 |
| Donated Services | 101,945 | - | 101,945 |
| Fundraising: | | | |
| Simon's Soiree | 430,888 | - | 430,888 |
| Simon Says Golf | 83,242 | - | 83,242 |
| CPR Jukebox | 15,275 | - | 15,275 |
| CPR Marathon | 13,343 | - | 13,343 |
| Third Party Events | 20,168 | - | 20,168 |
| | <u>1,052,086</u> | <u>-</u> | <u>1,052,086</u> |
| Net Assets Released From Restriction | | | |
| Satisfaction of program restrictions | <u>43,336</u> | <u>(43,336)</u> | <u>-</u> |
| Total Revenues and Support | <u>1,095,422</u> | <u>(43,336)</u> | <u>1,052,086</u> |
| Expenses | | | |
| Program Services | 738,257 | - | 738,257 |
| Management and General | 55,535 | - | 55,535 |
| Fundraising | <u>203,843</u> | <u>-</u> | <u>203,843</u> |
| Total Expenses | <u>997,635</u> | <u>-</u> | <u>997,635</u> |
| Other Income | | | |
| Interest Income | <u>12,938</u> | <u>-</u> | <u>12,938</u> |
| Change in Net Assets For The Year | 110,725 | (43,336) | 67,389 |
| Net Assets At Beginning of Year | <u>362,336</u> | <u>115,515</u> | <u>477,851</u> |
| Net Assets At End of Year | <u>\$ 473,061</u> | <u>\$ 72,179</u> | <u>\$ 545,240</u> |

See independent auditors' report and notes to financial statements.

Simon's Heart
Statement of Functional Expenses
Year Ended June 30, 2023

| | <u>Program Services</u> | <u>Management and General</u> | <u>Fundraising</u> | <u>Total</u> |
|----------------------------------|------------------------------------|--|---------------------------|--------------------------|
| Bank and credit card fees | \$ 10,931 | \$ - | \$ 2,732 | \$ 13,663 |
| Charitable contributions | 950 | - | - | 950 |
| Computer software and expense | 33,701 | - | 2,418 | 36,119 |
| Conferences and seminars | 2,817 | - | - | 2,817 |
| Donated services | 101,945 | - | - | 101,945 |
| Education | 13,788 | - | - | 13,788 |
| Grants | 100,000 | - | - | 100,000 |
| Insurance | 3,997 | 1,710 | - | 5,707 |
| Marketing and promotions | 69,328 | - | 10,673 | 80,001 |
| Meals and entertainment | 2,753 | 99 | 29 | 2,881 |
| Medical equipment | 115,121 | - | - | 115,121 |
| Medical professionals | 21,530 | - | - | 21,530 |
| Office supplies and expense | 7,830 | 1,029 | - | 8,859 |
| Payroll service | 1,302 | 88 | 88 | 1,478 |
| Postage and shipping | 3,653 | 34 | - | 3,687 |
| Professional fees | 7,050 | 37,941 | - | 44,991 |
| Rent | 12,703 | 1,200 | - | 13,903 |
| Salaries and wages: | | | | |
| Executive director | 97,111 | 12,139 | 12,139 | 121,389 |
| Program employees | 81,632 | - | - | 81,632 |
| Payroll taxes | 16,302 | 1,107 | 1,107 | 18,516 |
| Employee benefits | 1,935 | - | - | 1,935 |
| Supplies | 7,029 | - | 2,485 | 9,514 |
| Telephone | 2,886 | 188 | - | 3,074 |
| Travel | 9,833 | - | 199 | 10,032 |
| Venue, entertainment and food | 12,130 | - | 171,973 | 184,103 |
| Total Functional Expenses | \$ <u>738,257</u> | \$ <u>55,535</u> | \$ <u>203,843</u> | \$ <u>997,635</u> |

See independent auditors' report and notes to financial statements.

**Simon's Heart
Statement of Cash Flows
Year Ended June 30, 2023**

Cash Flows From Operating Activities:

| | |
|------------------------|-----------|
| Increase in Net Assets | \$ 67,389 |
|------------------------|-----------|

**Adjustments to Reconcile Increase in Net Assets to
Net Cash Provided by Operating Activities:**

| | |
|---|------|
| Interest Reinvested in Certificate of Deposit | (38) |
|---|------|

Changes In Operating Assets and Liabilities

(Increase) decrease in assets:

| | |
|-------------------------------------|--------|
| Contributions and grants receivable | 10,000 |
|-------------------------------------|--------|

| | |
|------------------|----------|
| Prepaid expenses | (12,357) |
|------------------|----------|

(Decrease) in liabilities:

| | |
|---------------------------------------|----------|
| Accounts payable and accrued expenses | (18,290) |
|---------------------------------------|----------|

| | |
|---------------|--------|
| Grant payable | 50,000 |
|---------------|--------|

| | |
|------------------|-----------------|
| Deferred revenue | <u>(12,195)</u> |
|------------------|-----------------|

| | |
|--|---------------|
| Net Cash Provided By Operating Activities | <u>84,509</u> |
|--|---------------|

| | |
|--|--------|
| Net Increase In Cash and Cash Equivalents | 84,509 |
|--|--------|

| | |
|---|----------------|
| Cash and Cash Equivalents at Beginning of Year | <u>508,864</u> |
|---|----------------|

| | |
|---|--------------------------|
| Cash and Cash Equivalents at End of Year | <u><u>\$ 593,373</u></u> |
|---|--------------------------|

See independent auditors' report and notes to financial statements.

Simon's Heart
Notes to Financial Statements
Year Ended June 30, 2023

1. Organization

Simon's Heart (the "Organization") was incorporated as a tax-exempt 501(c)(3) not-for-profit Pennsylvania corporation to raise awareness about the warning signs and conditions that lead to sudden cardiac arrest and death in children. The Organization's activities include providing free heart screenings to children, advocating for life-saving legislation, hosting awareness and educational events, and promoting research. Contributions from individuals, corporations and foundations and fundraising events are the Organization's primary sources of revenue.

2. Summary of Significant Accounting Policies

Basis of Accounting and Presentation

The Organization's financial statements are prepared on the accrual basis of accounting and in accordance with generally accepted accounting principles and provisions related to Financial Accounting Standards for Not-For-Profit Organizations. As such, the financial statements are presented on the basis of two net asset classifications; net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions – Net assets not subject to donor-imposed stipulations.

Net assets with donor restrictions – Net assets subject to donor-imposed stipulations that expire by the passage of time or can be fulfilled or removed by actions pursuant to the stipulations. They include gifts restricted by donors for specific programs and other operating purposes. And net assets subject to donor-imposed stipulations that are required to be maintained permanently, thereby restricting the use of principal. Normally, donor-imposed stipulations allow part or all of the income earned to be used currently.

Use of 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 income and expenses during the reporting period. Actual results could differ from those estimates.

Contributions

Contributions are generally recorded as revenue at the time of receipt. Unconditional promises to give property or donate services are recorded at their fair value when the gifts are made and/or the services are performed. Conditional promises to give are recognized when the conditions stipulated by the donor are substantially met. A conditional promise to give is considered unconditional if the possibility that the condition will not be met is remote.

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donations. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, 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. Donor restricted contributions whose restrictions are met in the same reporting periods are reported as without donor restriction support.

Simon's Heart
Notes to Financial Statements
Year Ended June 30, 2023

Contributions received and unconditional promises are measured at their fair values and reported as an increase in net assets.

Contributions of donated non-cash assets are recorded at their fair market value in the period received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair value in the period received. Donated services by volunteers neither enhance nor create non-financial assets nor do they require specialized skills, and thus are not recognized as support in the Foundation's Statement of Activities.

Grant Expenditures

Grant expenditures are recognized in the period the grant is approved unless the grant is subject to future contingencies. Grants that are subject to future contingencies, conditional grants, are recognized as grant expenses and as a grant payable in the period in which the grantee meets the terms of the conditions. Grants payable that are expected to be paid in future years are recorded at the present value of expected future payments. There was a grant payable of \$50,000 as of June 30, 2023.

Cash and Cash Equivalents

The Organization maintains cash in demand deposit accounts with federally insured banks. At times, the balances in these accounts may be in excess of federally insured limits. Cash equivalents include money market funds, which are not insured by the FDIC or otherwise guaranteed by the U.S. Government.

Fair Value of Financial Instruments

Valuation techniques used in fair value measurements need to maximize the use of observable inputs and minimize the use of unobservable inputs. A valuation method may produce a fair value measurement that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Company believes its valuation methods are appropriate and consistent with those used by other market participants, the use of different methodologies or assumptions could result in different fair value measurements at the reporting date. Assets and liabilities measured at fair value are categorized into one of three different levels depending on the observability of the inputs employed in their measurement. Level 1 inputs are quoted prices in active markets for identical assets or liabilities. Level 2 inputs are observable inputs other than quoted prices included within Level 1 for the asset or liability, either directly or indirectly through market-corroborated inputs. Level 3 inputs are unobservable inputs for the asset or liability, including the Company's own assumptions in determining the fair value of the assets or liabilities.

Software Costs

The Organization capitalizes the cost to develop internally used software related to its Heartbytes platform initiative. Software costs are amortized using the straight-line method over the estimated useful life of the software of five years. Development costs of \$25,000 were incurred in prior years. As of June 30, 2023, the software was still under development and was not placed in service, and the Organization did not begin amortizing the costs. The Organization will start to amortize the costs at the time the platform is placed in service.

Simon's Heart
Notes to Financial Statements
Year Ended June 30, 2023

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities based on management's determination of the usage of funds. Accordingly, certain costs have been allocated among programs and supporting services.

Advertising

Advertising costs are charged to operations when incurred. For the year ended June 30, 2023 advertising costs totaled \$80,001, and are reflected in Marketing and promotions expense on the statement of functional expenses.

Noncash Contributions/Volunteer Services

Simon's Heart is operated by three full-time and several part-time employees, but relies heavily on the efforts of volunteers, particularly for the heart-screening program. No amounts have been reflected in the statement of activities for these services in that they do not meet the criteria for recognition.

Donated services are recognized as contributions in accordance with Accounting Standard Codification (ASC) No. 958, Not-for-Profit Organizations if the services either create or enhance non-financial assets or require specialized skills when performed by people with those skills and would otherwise be purchased by the Organization.

During the year ended June 30, 2023, Simon's Heart received donated services from businesses and individuals which meet the requirements for disclosure under ASC No. 958. These services include the following:

1. Medical Professionals – Cardiologists, sports physicians and nurses donated their time and experience to Simon's Heart by assisting during its heart screenings throughout the year. The value of these services is estimated to be \$73,320 for the year ended June 30, 2023.
2. Digital Registry – Several companies donated their time and services to maintain HeartBytes, a youth cardiac registry for seemingly healthy children. The registry streamlines the heart screening process and gathers data for research. Companies have donated data storage and software maintenance services in the estimated amount of \$28,625 for the year ended June 30, 2023.

Deferred Revenues

The Organization hosts a golf event and barbeque in July each year. Due to the timing of the event at the beginning of the fiscal year, the Organization typically sells tickets to the event during the previous fiscal year. The timing of revenue recognition, billings and cash collections related to fundraising event ticket sales results in deferred revenue on the Statement of Financial Position.

The beginning and ending deferred revenues were as follows:

| | <u>June 30, 2023</u> | <u>June 30, 2022</u> |
|-------------------|----------------------|----------------------|
| Deferred Revenues | <u>\$ 50,213</u> | <u>\$ 62,408</u> |

Simon's Heart
Notes to Financial Statements
Year Ended June 30, 2023

Revenue recognized for the year ended June 30, 2023 that was included in the deferred revenue balance at the beginning of the year was \$62,408. The full deferred revenue balance as of June 30, 2023 is expected to be recognized as revenue during the year ended June 30, 2024.

Income Taxes

The Organization is exempt from federal income taxes pursuant to Section 501(c)(3) of the Internal Revenue Code and exempt from state income taxes under the statutes of the Commonwealth of Pennsylvania. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)A and has been classified as an organization other than a private foundation under Section 509(a)(2). Accordingly, no income tax provision has been made in these financial statements.

FASB ASC 740-10-65-1 requires financial statement recognition of the impact of a tax position, if that position is more than likely than not to be sustained on examination, based on the technical merits of the position. The benefit is calculated as the larger amount that is more than 50 percent likely to be realized upon resolution of the benefit. The Organization has evaluated its tax positions and believes all could be sustained upon examination. With few exceptions, the Organization is no longer subject to income tax examinations by federal authorities before 2020.

Any penalties and interest assessed by taxing authorities are included in operating expenses. No interest and penalties have been recorded for the year ended June 30, 2023.

New Accounting Pronouncements

On July 1, 2022 the Organization adopted FASB ASU 2016-02, Leases (Topic 842). The new standard requires lessees to record right-of-use assets and corresponding lease liabilities on the balance sheet for all leases with the terms exceeding twelve months on a modified retrospective method. This approach requires recognition of the right of use asset and lease liability at the beginning of the earliest period presented with optional practical expedients. The amount of that increase will depend on the lease portfolio at the time of the adoption. The Organization does not have any leases with terms exceeding twelve months, so the adoption of ASU 2016-02 and related amendments did not result in a change in total assets or liabilities.

Leases

For any new or modified lease, the Organization, at the inception of the contract, determines whether a contract is or contains a lease. The Organization records right-of-use ("ROU") assets and lease obligations for its operating leases, which are initially recognized based on the discounted future lease payments over the term of the lease. If the rate in the Organization's leases is not easily determinable, the Organization's applicable incremental borrowing rate is used in calculating the present value of the sum of the lease payments. The lease term is defined as the non-cancelable period of the lease plus any options to extend or terminate the lease when it is reasonably certain that the Organization will exercise the option.

The Organization has elected not to recognize ROU asset and lease obligations for its short-term leases, which are defined as leases with an initial term of 12 months or less, and those leases that ended prior to June 30, 2023. For a majority of all classes of underlying assets, the Organization has

Simon's Heart
Notes to Financial Statements
Year Ended June 30, 2023

elected to not separate lease from non-lease components. The operating ROU asset and lease obligations will be amortized on a straight-line basis to the earlier of its useful life or lease term. For leases in which the lease and non-lease components have been combined, the variable lease expense includes expenses such as common area maintenance, utilities, and repairs and maintenance.

3. Fair Value Measurements

The Organization's investments are reported at fair value in the accompanying statement of financial position. The methods used to measure fair value may produce an amount that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The three levels of the fair value hierarchy under Topic 820 are described as follows:

- | | |
|---------|--|
| Level 1 | Inputs to the valuation methodology are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Plan can access at the measurement date. |
| Level 2 | <p>Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, such as:</p> <ul style="list-style-type: none">a. Quoted prices for similar assets or liabilities in active marketsb. Quoted prices for identical or similar assets or liabilities in inactive marketsc. Inputs other than quoted prices that are observable for the asset or liabilityd. Inputs that are derived principally from or corroborated by observable market data by correlation or other means. |

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

- | | |
|---------|---|
| Level 3 | Inputs that are unobservable inputs for the asset or liability. |
|---------|---|

Simon's Heart
Notes to Financial Statements
Year Ended June 30, 2023

Fair Value Measurement as of June 30, 2023 Reporting Date Using:

| | Fair Value | Quoted Prices In Active Markets for Identical Assets (Level I) | Significant Other Observable Inputs (Level II) | Unobservable Inputs (Level III) |
|---|------------------|---|--|---------------------------------------|
| Investments: | | | | |
| Certificate of Deposit | \$ 25,740 | - | \$ 25,740 | - |
| Total assets in the fair value hierarchy | \$ 25,740 | \$ - | \$ 25,740 | \$ - |

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2023. Certificates of deposit are valued using pricing models maximizing the use of observable inputs for similar securities.

4. Certificate of Deposit

The Organization holds a Certificate of Deposit (CD) with a value of \$25,740 at June 30, 2023. The CD had an initial maturity date when purchased of 12 months. At June 30, 2023, the interest rate on the CD was 1.54% and it is scheduled to mature in September 2023.

5. Liquidity and Availability of Financial Assets

The following reflects the financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date. The following table reflects the Organization's financial assets (cash, cash equivalents and investments) as of June 30, 2023 reduced by amounts not available for general expenditures within one year.

| | |
|---|-------------------|
| Financial Assets | \$ 619,113 |
| Less those unavailable for general expenditures within one year due to: | |
| Donor-imposed restrictions | <u>(72,179)</u> |
| Financial assets available to meet cash needs for general expenditures within one year: | <u>\$ 546,934</u> |

6. Net Assets With Donor Restrictions

Net assets with donor restrictions consisted of funds designated for the following specific operating purposes as of June 30, 2023:

| | |
|--|------------------|
| Subsidize HeartBytes Licenses and Expenses | \$ 67,605 |
| Student Internship | <u>4,574</u> |
| | <u>\$ 72,179</u> |

Simon's Heart
Notes to Financial Statements
Year Ended June 30, 2023

During the year ended June 30, 2023, net assets were released from donor restrictions by incurring expenses satisfying the purpose or time restrictions specified by the donors as follows:

| | |
|--------------------|------------------|
| Heart Screenings | \$ 16,214 |
| Student Internship | 2,690 |
| Strategic Plan | 7,050 |
| GotAED Videos | 12,468 |
| Released by Donor | <u>4,914</u> |
| | <u>\$ 43,336</u> |

The Organization maintains a money market account at a brokerage company. Although not specifically designated as the net assets with donor restrictions account, the total in this account exceeded the amount that was restricted at all times during year ended June 30, 2023.

7. Grants Authorized

During the year ended June 30, 2023, the Organization authorized and pledged a grant totaling \$100,000, to a non-profit medical organization. The Organization paid out \$50,000 of this grant during the year ended June 30, 2023 and recognized the remaining \$50,000 as a grant payable for the year then ended. The Organization has committed to pay the remaining grant by June 30, 2024.

8. Commitments and Leases

In October 2015, Simon's Heart entered into a sublease agreement to sublet furnished office space in Conshohocken, Pennsylvania. The sublease was month-to-month and cancelable at any time by either party. The sublease was replaced with a new sublease on February 1, 2023 upon the sale of the building by the landlord. The new lease is also month-to-month and is cancelable at any time by either party with one-month written notice. The lease is considered short-term as its renewal cannot be assumed. Office rent expense for the year ending June 30, 2023 was \$6,000.

The Organization leases several storage units under short-term cancelable month-to-month leases. Rent expense under these leases was \$7,903 for the year ending June 30, 2023.

9. Subsequent Events

The Company has evaluated subsequent events through October 19, 2023, which is the date the financial statements were available to be issued.