

**A CHANCE IN LIFE, INC.**  
**Financial Statements**  
**For the Years Ended**  
**December 31, 2023 and 2022**  
**(Audited)**

**A CHANCE IN LIFE, INC.**  
**Table of Contents**  
**For the Years Ended**  
**December 31, 2023 and 2022**

|                                     | <b><u>Page</u></b> |
|-------------------------------------|--------------------|
| <b>INDEPENDENT AUDITOR’S REPORT</b> | 1-2                |
| <b>FINANCIAL STATEMENTS</b>         |                    |
| Statements of Financial Position    | 3                  |
| Statement of Activities             | 4-5                |
| Statement of Functional Expenses    | 6-7                |
| Statements of Cash Flows            | 8                  |
| Notes to Financial Statements       | 9-18               |

# **DASZKOWSKI, TOMPKINS, WEG & CARBONELLA, P.C.**

Certified Public Accountants & Advisors

Walter Daszkowski, CPA, PFS  
Michele Tompkins, CPA  
Mark Weg, CPA, PFS

Dan Carbonella, CPA  
Michael R. Ferraro, CPA  
Richard P. Wismer, CPA

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
A Chance In Life, Inc.

### **Opinion**

We have audited the accompanying financial statements of A Chance In Life, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years 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 A Chance In Life, Inc. as of December 31, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audits 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 A Chance In Life, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 A Chance In Life Inc.'s ability to continue as a going concern within one year after the date that 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 generally accepted auditing standards will always detect a material

1

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 A Chance In Life Inc.'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 A Chance In Life Inc.'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.

*Daszkowski, Tompkins, Weg & Carbonella, CPA, P.C.*

Daszkowski, Tompkins, Weg & Carbonella, CPA, P.C.  
Matawan, New Jersey  
May 13, 2024

**DASZKOWSKI, TOMPKINS, WEG & CARBONELLA, P.C.**

Certified Public Accountants & Advisors

**A CHANCE IN LIFE, INC.**  
**Statements of Financial Position**  
**December 31, 2023 and 2022**

|                                       | 2023         | 2022         |
|---------------------------------------|--------------|--------------|
| <b>Assets</b>                         |              |              |
| Cash and cash equivalents             | \$ 233,690   | \$ 173,938   |
| Investments, at fair value            | 1,897,992    | 2,223,367    |
| Contributions receivable              | 28,093       | 36,080       |
| Prepaid expenses & other assets       | 24,584       | 63,896       |
| Inventory                             | 6,732        | -            |
| Property and equipment, net           | 1,006,420    | 1,048,602    |
| Total assets                          | \$ 3,197,511 | \$ 3,545,883 |
| <br><b>Liabilities and Net Assets</b> |              |              |
| Accounts payable and accrued expenses | \$ 69,568    | \$ 108,806   |
| Total liabilities                     | 69,568       | 108,806      |
| <br><b>Net Assets</b>                 |              |              |
| Without donor restrictions            | 3,004,103    | 3,377,625    |
| With donor restrictions               | 123,840      | 59,452       |
| Total net assets                      | 3,127,943    | 3,437,077    |
| Total liabilities and net assets      | \$ 3,197,511 | \$ 3,545,883 |

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

**A CHANCE IN LIFE, INC.**  
**Statement of Activities**  
**For the Year Ended December 31, 2023**

|                                       | <u>Without<br/>Donor<br/>Restrictions</u> | <u>With Donor<br/>Restrictions</u> | <u>Total<br/>2023</u>      |
|---------------------------------------|---|------------------------------------|----------------------------|
| <b>Revenues</b>                       |   |                                    |                            |
| Contributions                         | \$ 535,093                                | \$ 1,415,072                       | \$ 1,950,165               |
| Contributions in-kind                 | 106,976                                   | -                                  | 106,976                    |
| Special events                        | 814,804                                   | -                                  | 814,804                    |
| Direct costs of special events        | (366,760)                                 | -                                  | (366,760)                  |
| Investment income, net                | 319,865                                   | -                                  | 319,865                    |
| Net assets released from restrictions | <u>1,350,684</u>                          | <u>(1,350,684)</u>                 | <u>-</u>                   |
| Total revenues                        | <u>2,760,662</u>                          | <u>64,388</u>                      | <u>2,825,050</u>           |
| <b>Expenses</b>                       |   |                                    |                            |
| Program services- youth development   | 2,768,224                                 | -                                  | 2,768,224                  |
| Supporting services                   |   |                                    |                            |
| Management and general                | 247,088                                   | -                                  | 247,088                    |
| Fundraising                           | <u>118,872</u>                            | <u>-</u>                           | <u>118,872</u>             |
| Total expenses                        | <u>3,134,184</u>                          | <u>-</u>                           | <u>3,134,184</u>           |
| Change in net assets                  | (373,522)                                 | 64,388                             | (309,134)                  |
| Net assets - beginning of year        | <u>3,377,625</u>                          | <u>59,452</u>                      | <u>3,437,077</u>           |
| Net assets - end of year              | <u><u>\$ 3,004,103</u></u>                | <u><u>\$ 123,840</u></u>           | <u><u>\$ 3,127,943</u></u> |

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

**A CHANCE IN LIFE, INC.**  
**Statement of Activities**  
**For the Year Ended December 31, 2022**

|                                       | <u>Without<br/>Donor<br/>Restrictions</u> | <u>With Donor<br/>Restrictions</u> | <u>Total<br/>2022</u> |
|---------------------------------------|---|------------------------------------|-----------------------|
| <b>Revenues</b>                       |   |                                    |                       |
| Contributions                         | \$ 920,500                                | \$ 1,402,500                       | \$ 2,323,000          |
| Contributions in-kind                 | 469,031                                   | -                                  | 469,031               |
| Special events                        | 929,377                                   | -                                  | 929,377               |
| Direct costs of special events        | (399,890)                                 | -                                  | (399,890)             |
| Investment income, net                | (498,298)                                 | -                                  | (498,298)             |
| Net assets released from restrictions | 1,343,048                                 | (1,343,048)                        | -                     |
| Total revenues                        | <u>2,763,768</u>                          | <u>59,452</u>                      | <u>2,823,220</u>      |
| <b>Expenses</b>                       |   |                                    |                       |
| Program services- youth development   | 3,467,175                                 | -                                  | 3,467,175             |
| Supporting services                   |   |                                    |                       |
| Management and general                | 286,902                                   | -                                  | 286,902               |
| Fundraising                           | 255,392                                   | -                                  | 255,392               |
| Total expenses                        | <u>4,009,469</u>                          | <u>-</u>                           | <u>4,009,469</u>      |
| Change in net assets                  | (1,245,701)                               | 59,452                             | (1,186,249)           |
| Net assets - beginning of year        | <u>4,623,326</u>                          | <u>-</u>                           | <u>4,623,326</u>      |
| Net assets - end of year              | <u>\$ 3,377,625</u>                       | <u>\$ 59,452</u>                   | <u>\$ 3,437,077</u>   |

**A CHANCE IN LIFE, INC.**  
**Statement of Functional Expenses**  
**For the Year Ended December 31, 2023**

|  | <u>Program Services</u>                    |  | <u>Supporting Services</u>        |                    | <u>Total Expenses</u><br>2023 |
|--|--|--|-----------------------------------|--------------------|-------------------------------|
|  | <u>Care for<br/>Marginalized<br/>Youth</u> | <u>Advance, Study and<br/>Promote Positive<br/>Youth Development</u> | <u>Management<br/>and General</u> | <u>Fundraising</u> |                               |
| Salaries                               | \$ 517,795                                 | \$ 312,462   | \$ 17,855                         | \$ 44,638          | \$ 892,750                    |
| Payroll taxes and employee benefits    | 109,486                                    | 66,069   | 3,775                             | 9,438              | 188,768                       |
| Total salaries and related expenses    | 627,281                                    | 378,531  | 21,630                            | 54,076             | 1,081,518                     |
| Awards and grants                      | 1,294,203                                  | -  | -                                 | -                  | 1,294,203                     |
| Donated goods and services-the Village | 21,862                                     | -  | -                                 | -                  | 21,862                        |
| Community assistance related expenses  | 58,396                                     | -  | -                                 | -                  | 58,396                        |
| Professional fees                      | 75,775                                     | 17,964   | 45,434                            | 25,443             | 164,616                       |
| Advertising and promotions             | 3,408                                      | 22,479   | 1,704                             | 7,121              | 34,712                        |
| Transportation and travel              | 17,082                                     | 25,584   | 3,165                             | 2,976              | 48,807                        |
| Occupancy cost                         | 37,762                                     | 11,538   | 75,028                            | 15,008             | 139,336                       |
| Telecommunications                     | 4,605                                      | 768  | 768                               | 1,535              | 7,676                         |
| Technology services and software       | 9,697                                      | 6,927  | 4,156                             | 6,927              | 27,707                        |
| Office expense                         | 17,902                                     | 2,570  | 13,850                            | 2,340              | 36,662                        |
| Marketing and business development     | 69,590                                     | 41,179   | 6,767                             | 3,446              | 120,982                       |
| Insurance                              | 13,876                                     | 1,542  | -                                 | -                  | 15,418                        |
| Miscellaneous                          | 5,604                                      | -  | 5,604                             | -                  | 11,208                        |
| Bank and credit card fees              | -  | -  | 20,633                            | -                  | 20,633                        |
| Depreciation                           | -  | -  | 48,349                            | -                  | 48,349                        |
| Other                                  | 2,098                                      | -  | -                                 | 366,760            | 368,858                       |
| Total expenses                         | \$ 2,259,142                               | \$ 509,082   | \$ 247,088                        | \$ 485,632         | \$ 3,500,944                  |
| Direct costs of special events         |  |  |                                   | (366,760)          |                               |
|  |  |  |                                   | \$ 118,872         |                               |

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

**A CHANCE IN LIFE, INC.**  
**Statement of Functional Expenses**  
**For the Year Ended December 31, 2022**

|  | <u>Program Services</u>                    |  | <u>Supporting Services</u>        |                    | <u>Total Expenses</u><br>2022 |
|--|--|--|-----------------------------------|--------------------|-------------------------------|
|  | <u>Care for<br/>Marginalized<br/>Youth</u> | <u>Advance, Study and<br/>Promote Positive<br/>Youth Development</u> | <u>Management<br/>and General</u> | <u>Fundraising</u> |                               |
| Salaries                               | \$ 394,830                                 | \$ 98,707  | \$ 85,546                         | \$ 78,966          | \$ 658,049                    |
| Payroll taxes and employee benefits    | 73,514                                     | 18,378   | 15,928                            | 14,703             | 122,523                       |
| Total salaries and related expenses    | 468,344                                    | 117,085  | 101,474                           | 93,669             | 780,572                       |
| Awards and grants                      | 2,003,583                                  | -  | -                                 | -                  | 2,003,583                     |
| Donated goods and services-the Village | 466,263                                    | -  | -                                 | -                  | 466,263                       |
| Community assistance related expenses  | 13,615                                     | -  | -                                 | -                  | 13,615                        |
| Professional fees                      | 33,686                                     | 24,060   | 90,742                            | 1,282              | 149,770                       |
| Advertising and promotions             | 6,077                                      | 6,076  | 52                                | 28,305             | 40,510                        |
| Transportation and travel              | 33,059                                     | 22,228   | 17,949                            | 10,324             | 83,560                        |
| Occupancy cost                         | 76,752                                     | 34,887   | 20,933                            | 6,978              | 139,550                       |
| Telecommunications                     | 4,669                                      | 2,122  | 1,273                             | 425                | 8,489                         |
| Technology services and software       | 5,657                                      | 3,771  | 2,828                             | 314                | 12,570                        |
| Office expense                         | 17,307                                     | 8,375  | 9,857                             | 1,211              | 36,750                        |
| Marketing and business development     | 69,930                                     | 28,090   | 21,634                            | 67,980             | 187,634                       |
| Insurance                              | 6,637                                      | 4,425  | 3,318                             | 369                | 14,749                        |
| Miscellaneous                          | 639  | 639  | 1,915                             | 9,577              | 12,770                        |
| Bank and credit card fees              | 3,380                                      | 2,253  | 9,577                             | 7,323              | 22,533                        |
| Depreciation                           | 1,783                                      | 1,783  | 5,350                             | 26,747             | 35,663                        |
| Other                                  |  |  |                                   | 400,778            | 400,778                       |
| Total expenses                         | \$ 3,211,381                               | \$ 255,794   | \$ 286,902                        | \$ 655,282         | \$ 4,409,359                  |
| Direct costs of special events         |  |  |                                   | (399,890)          |                               |
|  |  |  |                                   | \$ 255,392         |                               |

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

**A CHANCE IN LIFE, INC.**  
**Statements of Cash Flows**  
**Years Ended December 31, 2023 and 2022**

|  | 2023         | 2022           |
|--|--------------|----------------|
| <b>Cash Flows from Operating Activities:</b>   |              |                |
| Change in net assets   | \$ (309,134) | \$ (1,186,249) |
| Adjustments to reconcile change in net asset to cash provided (used) by operating activities |              |                |
| Depreciation   | 48,349       | 35,663         |
| Net change in investment value   | (699,305)    | 524,920        |
| Decrease (increase) in assets  |              |                |
| Contributions receivable   | 7,987        | 23,255         |
| Grant receivable   | -            | 107,979        |
| Prepaid expenses and other assets  | 32,580       | 29,819         |
| Increase (decrease) in liabilities   |              |                |
| Accounts payable and accrued expenses  | (39,238)     | 23,788         |
| Net cash provided (used) by operating activities   | (958,761)    | (440,825)      |
| <b>Cash Flows from Investing Activities:</b>   |              |                |
| Purchase of office equipment and furniture   | (6,167)      | (107,904)      |
| Purchases of investments   | (41,644)     | (556,141)      |
| Proceeds from sale of investments  | 1,066,324    | 791,737        |
| Net cash provided (used) by investing activities   | 1,018,513    | 127,692        |
| Net change in cash   | 59,752       | (313,133)      |
| Beginning of year  | 173,938      | 487,071        |
| End of year  | \$ 233,690   | \$ 173,938     |

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

**A CHANCE IN LIFE, INC.**  
**Notes to Financial Statements**  
**For the Years Ended**  
**December 31, 2023 and 2022**

**Note 1 – Nature of Organization**

A Chance In Life, Inc. (the Organization) is located in New York City. The nature of the activities to be conducted and the purpose to be promoted or carried out by the Organization is (a) to solicit funds and contributions to support work throughout the world to provide a chance in life and to make lasting, positive differences in the lives of disadvantaged, poor and at-risk children, their families, and their communities, directly or through other humanitarian organizations and instrumentalities as the corporation may elect to aid or assist, or through agents of the Organization abroad, and (b) to engage in charitable, scientific, literary, or educational activities within the meaning of Section 501(c)(3) of the Internal Revenue Code. The primary sources of revenue are contributions and special events.

**Note 2 – Summary of Significant Accounting Policies**

The organization prepares its financial statements in accordance with generally accepted accounting principles promulgated in the United States of America (“US GAAP”) for not-for-profit entities. The significant accounting and reporting policies used by the organization are described subsequently to enhance the usefulness and understandability of the financial statements.

***Basis of Accounting***

The accompanying financial statements have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America.

***Basis of Presentation***

The financial statements of the Organization have been prepared in accordance with U.S. general generally accepted principals (“US GAAP”) which require the Organization to report information regarding its financial position and activities according to the following net assets classifications:

*Net assets without donor restrictions* - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Organization’s management and the board of directors.

*Net Assets with Donor Restrictions* - Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose or in a future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor’s instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature; the organization must continue to use the resources in accordance with the donor’s instructions. When time and purpose restrictions expire, net assets with donor restrictions are reclassified to net assets without donor restrictions.

**A CHANCE IN LIFE, INC.**  
**Notes to Financial Statements - Continued**  
**For the Years Ended**  
**December 31, 2023 and 2022**

***Revenue Recognition***

Revenue is recognized when earned. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

***Classification of Transactions***

All revenues and net gains are reported as increases in net assets without donor restrictions in the statement of activities unless the donor specified the use of the related resources for a particular purpose or in a future period. All expenses and net losses are reported as decreases in net assets without donor restrictions.

***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 revenues and expenses during the reported period. Actual results could differ from those estimates.

***Cash and Cash Equivalents***

Cash and cash equivalents consist of cash on hand or in demand deposit accounts and highly liquid investments purchased with an original maturity of three months or less. Cash and cash equivalents held within the investment account are included with the investment portfolio.

***Fair Value Measurements and Disclosures***

Carrying values of financial instruments, including cash and cash equivalents, prepaid expenses, and accrued expenses, approximated their fair values due to the short-term nature of these financial instruments. There were no changes in methods or assumptions during the years ended December 31, 2023 and 2022.

***Contributions Receivable***

Contributions receivable are unconditional promises to give that are recognized as contributions when the promise is received. Contributions receivable that are expected to be collected in less than a year are reported at net realizable value. Contributions receivable that are expected to be collected in more than one year are recognized at fair value at the date of promise. That fair value is computed using a present value technique applied to anticipated cash flows. Amortization of the resulting discount is recognized as additional contribution revenue.

**A CHANCE IN LIFE, INC.**  
**Notes to Financial Statements - Continued**  
**For the Years Ended**  
**December 31, 2023 and 2022**

The allowance for uncollectible contributions receivable is determined based on management's evaluation of the collectability of individual promises. Promises that remain uncollected more than one year after their due dates are written off unless the donors indicate that payment is merely postponed.

***Investments***

Investments are reflected on the statements of financial position at fair value. Changes in unrealized gains and losses resulting from changes in fair value are reflected in the statements of activities and changes in net assets. Dividends and interest are recognized as they are earned.

***Property and Equipment, net***

A Chance in Life, Inc., capitalizes property and equipment in excess of \$1,000, which are stated at cost less accumulated depreciation and amortization, including costs incurred related to the purchase and renovation of its building. Management periodically evaluates whether events or circumstances have occurred indicating that the carrying amount of long-lived assets may not be recovered. Depreciation and amortization are calculated using the straight-line method over the lesser of the estimated useful lives of the assets or the lease term. The useful lives range from 3 to 39 years. Maintenance and repair costs are expensed as incurred.

***Grants and Contracts Payable***

Grants and contracts payable include all unconditional awards that have been authorized prior to A Chance In Life Inc.'s fiscal year end but remain unpaid as of December 31, 2023 and 2022. Conditional grants are expensed and considered an obligation in the period the conditions are substantially satisfied. The Organization had no conditional grants during fiscal years 2023 and 2022. There were approximately \$0 and \$0 of grants authorized as of December 31, 2023 and 2022 respectively

***Accounting for Contributions***

Contributions, including unconditional promises to give, are recognized when received. All contributions are reported as increases in net assets without donor restrictions unless use of the contributed assets is specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in net assets with donor restrictions. Unconditional promises with payments due in future years have an implied restriction to be used in the year the payment is due, and therefore are reported as restricted until the payment is due, unless the contribution is clearly intended to support activities of the current fiscal year. The organization is a beneficiary under one or more donors' wills. Contributions from bequests are recognized as contributions receivable when the probate court declares that the will is valid, and the organization has an irrevocable right to the bequest.

**A CHANCE IN LIFE, INC.**  
**Notes to Financial Statements - Continued**  
**For the Years Ended**  
**December 31, 2023 and 2022**

***Contributions In-Kind***

Contributions in-kind include donated services, perishable goods, clothing and toys, and are all recorded at their fair value on the date of donation. Volunteers have also donated time to the Organization's program services and fundraising campaigns. These services were not reflected in the accompanying statement of activities and changes in net assets because they do not meet the necessary criteria for recognition under U.S. GAAP.

***Donated Securities***

Donated securities are recorded at their fair values as of the date they are received. Total donated securities for the years ended December 31, 2023 and 2022 was \$55,138 and \$42,375, respectively.

***Expense Recognition and Allocation***

The cost of providing the Organization's programs and other activities is summarized on a functional basis in the statement of activities and statement of functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions benefited using a reasonable allocation method that is consistently applied as follows:

- Salaries and wages, benefits, and payroll taxes are allocated based on activity reports prepared by key personnel.
- Occupancy, depreciation, amortization, and interest are allocated on a square foot basis dependent on the programs and supporting activities occupying the space.
- Telephone and internet services, insurance, supplies and miscellaneous expenses that cannot be directly identified are allocated on the basis of the employee headcount for each program and supporting activity.

Every year the basis on which costs are allocated is evaluated.

General and administrative expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the Organization. Fundraising costs are expensed as incurred, even though they may result in contributions received in future years. The Organization generally does not conduct its fundraising activities in conjunction with its other activities. In the few cases in which it does, such as when the annual report or donor acknowledgements contain requests for contributions, joint costs have been allocated between fundraising and general and administrative expenses in accordance with standards for accounting for costs of activities that include fundraising. Additionally, advertising costs are expensed as incurred.

**A CHANCE IN LIFE, INC.**  
**Notes to Financial Statements - Continued**  
**For the Years Ended**  
**December 31, 2023 and 2022**

***Tax Status***

The Organization is qualified as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code (IRC). In addition, the Organization has been determined by the IRS to be a publicly supported organization, and not a private foundation. Donors are eligible to receive the maximum charitable tax deduction available for public charities under the IRC. As of December 31, 2023, no amounts have been recognized for uncertain income tax positions. The Organization's tax returns for the year ended 2019 and forward are subject to the usual review by the appropriate authorities.

***Leases***

The Organization determines if the contract is a leasing arrangement and the classification of that lease, if applicable, at inception. Operating lease assets represent the right to control the use of an identified asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease assets and liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. For operating leases, the Organization uses the risk-free rate of return. The Organization recognizes operating lease expense for operating leases on a straight-line basis over the lease term.

The Organization leases office space and equipment under noncancelable operating leases which may include renewal or termination options. Renewal or termination options are not reasonably certain of exercise and are therefore not recognized in lease assets and liabilities until the date of exercise. Leases with an initial term of 12 months or less are not recorded on the balance sheet and are expenses on a straight-line basis. Lease and non-lease components are accounted for together as a single lease component for operating leases associated with office space and equipment leases.

***Newly Adopted Accounting Pronouncements***

In September 2020, the FASB issued ASU No. 2020-07, Not-For Profit Entities (Topic 958): Presentation and Disclosures by Not-For-Profit Entities for Contributed Nonfinancial Assets, to increase transparency of contributed nonfinancial assets for not-for-profit entities through enhancements to presentation and disclosure. ASU 2020-07 requires not-for-profit entities to separately present contributed nonfinancial assets on the statement of activities and disclose enhanced qualitative and quantitative information. The ASU is effective for annual periods beginning after June 15, 2022. The Organization has adopted ASU 2020-07 retrospectively for the years ended December 31, 2023 and 2022 and resulted in no material impact on the statements of activities.

**A CHANCE IN LIFE, INC.**  
**Notes to Financial Statements - Continued**  
**For the Years Ended**  
**December 31, 2023 and 2022**

**Note 3 – Liquidity and Availability of Financial Assets**

The following reflects the Organization's financial assets as of the statement of financial position date, reduced by amounts not available for general use within one year of the statement of financial position date because of contractual or donor-imposed restrictions or internal designations.

|  | 2023         | 2022         |
|--|--------------|--------------|
| Total assets at year-end   | \$ 3,197,511 | \$ 3,545,883 |
| Less nonfinancial assets:  |              |              |
| Office furniture and equipment, net of<br>accumulated depreciation                       | 1,006,420    | 1,048,602    |
| Financial assets at year-end   | 2,191,091    | 2,497,281    |
| Less those unavailable for general expenditures<br>within one year:                      |              |              |
| Donor restrictions for specific purposes   | 123,840      | 59,452       |
| Financial assets available to meet cash needs for<br>general expenditure within one year | \$ 2,067,251 | \$ 2,437,829 |

The Organization examines liquidity required to meet its ongoing operating expenses regularly, considering all expenditures related to ongoing activities over a twelve-month period. As a part of the Organizations liquidity management plan, cash in excess of daily requirements are invested in a short-term investments and money market funds. Although, the management does not anticipate the need, the funds may be drawn upon, if necessary, to meet unexpected liquidity needs.

**Note 4– Fair Value Measurements**

The Organization follows guidance with respect to accounting and reporting for fair value of its financial assets and liabilities. This guidance establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between participants on the measurement date. Fair Value requires an Organization to determine the unit of account, the mechanism of hypothetical transfer, and the appropriate markets for the asset or liability being measured.

**A CHANCE IN LIFE, INC.**  
**Notes to Financial Statements - Continued**  
**For the Years Ended**  
**December 31, 2023 and 2022**

This guidance also establishes a hierarchy of valuation inputs based on the extent to which the inputs are observable in the marketplace. Observable inputs reflect market data obtained from sources independent of the reporting entity and unobservable inputs reflect the entity's own assumptions about how market participants would value an asset or liability based on the best information available. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs.

The standard describes a fair value hierarchy based on three levels of inputs, of which the first two are considered observable and the last unobservable, that may be used to measure fair value.

The three inputs levels are as follows:

- Level 1. Quoted prices in active markets that the Organization has the ability to access for identical assets or liabilities for which significant observable inputs exist. Market price data is generally obtained from exchange or dealer markets. The Organization does not adjust the quoted price for such assets and liabilities. Investments included in level 1 may include certain equity securities, registered mutual funds and exchange traded funds.
- Level 2. Inputs other than level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the same term of assets or liabilities. This includes use of model-based valuations techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets. Inputs are obtained from various sources including market participants, dealers and brokers. Investments included in level 2 may include certain U.S. government bonds, money market funds, fixed income, equity and hedge funds and other multi strategy funds for which observable inputs exist and trade in markets not considered to be active.
- Level 3. Unobservable inputs, as they trade infrequently or not at all, that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Investments included in level 3 primarily consist of the Organization's ownership in equity fund investments, hedge funds, private equity funds, real asset funds and other similar funds. The values of these investments represent the ownership interest in the net asset value of the respective partnerships. These investments are primarily made under agreements to participate in investment vehicles and are generally subject to certain withdrawal restrictions. The fair value of the securities held by limited partnerships that do not have readily determinable fair values are determined by the general partner and are based on appraisals or other estimates that require varying degrees of judgment.

**A CHANCE IN LIFE, INC.**  
**Notes to Financial Statements - Continued**  
**For the Years Ended**  
**December 31, 2023 and 2022**

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are 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.

**Note 5 – Investments**

Investments are shown in the financial statements at approximate fair value and are composed of the following at December 31, 2023 and 2022 and deemed to be level 1 investments (quoted prices in active markets).

|                          | 2023<br>Level 1     | 2022<br>Level 1     |
|--------------------------|---------------------|---------------------|
| Cash equivalents         | <u>\$ 20,068</u>    | <u>\$ 38,929</u>    |
| Equity securities        | <u>1,312,091</u>    | <u>1,285,543</u>    |
| Fixed Income:            |                     |                     |
| Certificates of deposits | -                   | -                   |
| Bonds                    | 290,422             | 428,086             |
| US Treasury Securities   | 271,181             | 464,038             |
| Total accrued interest   | <u>4,230</u>        | <u>6,771</u>        |
| Total fixed income       | <u>565,833</u>      | <u>898,895</u>      |
| Total investments        | <u>\$ 1,897,992</u> | <u>\$ 2,223,367</u> |

The return on investments for December 31, 2023 and 2022 consist of the following:

|   | 2023              | 2022                |
|---|-------------------|---------------------|
| Interest and dividends                    | <u>\$ 35,469</u>  | <u>\$ 50,332</u>    |
| Net realized gain (loss) on investments   | 53,664            | 151,175             |
| Net unrealized gain (loss) on investments | <u>240,364</u>    | <u>(687,715)</u>    |
| Total return on investments (loss)        | 329,497           | (486,208)           |
| Less investment fees                      | <u>9,632</u>      | <u>12,090</u>       |
| Net return on investments (loss)          | <u>\$ 319,865</u> | <u>\$ (498,298)</u> |

**A CHANCE IN LIFE, INC.**  
**Notes to Financial Statements - Continued**  
**For the Years Ended**  
**December 31, 2023 and 2022**

**Note 6 – Property and Equipment, Net**

Property and equipment, net, consisted of the following as of December 31:

|                               | <u>2023</u>         | <u>2022</u>         |
|-------------------------------|---------------------|---------------------|
| Building and improvements     | \$ 952,712          | \$ 952,712          |
| Furniture and equipment       | 104,822             | 98,654              |
| Vehicles                      | 74,810              | 74,810              |
| Total                         | <u>1,132,344</u>    | <u>1,126,176</u>    |
| Less accumulated depreciation | <u>(125,924)</u>    | <u>(77,574)</u>     |
| Property and equipment, net   | <u>\$ 1,006,420</u> | <u>\$ 1,048,602</u> |

**Note 7 – Contributions In-Kind**

Contributions in-kind consisted of the following for the years ended December 31, 2023 and 2022:

|                                 | <u>2023</u>       | <u>2022</u>       |
|---------------------------------|-------------------|-------------------|
| Contributed goods - the Village | \$ 38,172         | \$ 465,471        |
| Contributed goods - events      | <u>68,804</u>     | <u>3,560</u>      |
| Total                           | <u>\$ 106,976</u> | <u>\$ 469,031</u> |

**Note 8 – Operating Leases**

The Organization leases office space in New York City with the term of 12 months. Total rent expense under the operating leases for the years ended December 31, 2023 and 2022 was \$105,815 and \$99,665, respectively. Future minimum annual rental commitments under the cancelable short-term operating leases at December 31, 2023 was \$34,840.

**Note 9 – Retirement Plan**

The Organization allows staff the opportunity to save for retirement through a simple IRA plan. The Organization may provide a discretionary matching amount up to a 3% match. The matching expense for the years ended December 31, 2023 and 2022 was \$29,519 and \$16,644, respectively.

**A CHANCE IN LIFE, INC.**  
**Notes to Financial Statements - Continued**  
**For the Years Ended**  
**December 31, 2023 and 2022**

**Note 10 – Net Assets with Donor Restrictions**

Net assets with donor restrictions are made up of awards and grants that have been designated for a specific region, institution, or a program. As of December 31, 2023, net assets with donor restrictions totaled \$1,474,524, and \$1,350,684 was released from restriction for A Chance In Life's program resulting in \$123,840 as being restricted for year-end December 31, 2023. As of December 31, 2022, net assets with donor restrictions totaled \$1,402,500, and \$1,343,048 was released from restriction for A Chance In Life's program resulting in \$59,452 as being restricted for year-end December 31, 2022, it was all released in 2023.

**Note 11 – Concentration and Commitment**

The Organization's financial instruments that are potentially exposed to concentrations of credit risk consist primarily of cash and cash equivalents and investments. The Organization maintains its cash and cash equivalents in bank deposits and money market accounts.

As of December 31, 2023 and 2022, the Organization's cash deposited in a bank did not exceed the FDIC's general deposit insurance rule of \$250,000.

**Note 12 - Subsequent Events**

Subsequent events have been evaluated through May 13, 2024, which is the date the financial statements were available to be issued. The Organization is not aware of any material subsequent events that occurred during such period that would require disclosure.