

**Michael's Cause Inc.  
(a not-for-profit organization)**

**Financial Statements**

***And***

**Independent Auditor's Report**

**December 31, 2024**

***Peter & Roseanne Bozzo, PC  
Certified Public Accountants***

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***Peter & Roseanne Bozzo, PC***  
***Certified Public Accountants***

Board of Directors  
Michael's Cause Inc.  
Staten Island, New York

**Independent Auditor's Report**

**Opinion**

We have audited the accompanying financial statements of Michael's Cause Inc. (a not-for-profit organization), which comprise the statement of financial position as of December 31, 2024, and the related statements of revenues, expenses and other changes in net assets, 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 for Michael's Cause Inc. as of December 31, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America

**Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Michael's Cause Inc. 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 Michael's Cause Inc. 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 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 ABC Organization'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 Micheal's Cause 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.

*Peter & Roseanne Boyer, PC*

July 11, 2025  
Freehold, New Jersey

**122 Princeton Oval, Freehold, NJ 07728 Phone/Fax: (732) 409-0586**

**Michael's Cause Inc.**  
**STATEMENT OF FINANCIAL POSITION**  
**December 31, 2024**

**ASSETS**

**Current Assets:**

Cash and Cash Equivalents	\$ 575,547
Marketable Securities	294,138
Prepaid Expenses	<u>2,500</u>
<b>Total Current Assets</b>	<b>\$ <u>872,185</u></b>

**Property, Equipment and Right of Use Asset**

Computers	2,583
Right of Use Asset	4,413
Less: Accumulated Depreciation	<u>(2,583)</u>
<b>Net Property, Equipment and Right of Use Asset</b>	<b>\$ <u>4,413</u></b>

**Total Assets** **\$ 876,598**

See Accountants' Independent Auditor's Report and Accompanying Notes to Financial Statements

**Michael's Cause Inc.**  
**STATEMENT OF FINANCIAL POSITION**  
**December 31, 2024**

**LIABILITIES AND NET ASSETS**

**Current Liabilities:**

Accounts Payable	\$	2,235
Accrued Expenses		8,734
Deferred Revenue		1,655
Lease Liability		<u>4,413</u>
<b>Total Current Liabilities</b>	<b>\$</b>	<b><u>17,037</u></b>

**Long-Term Liabilities**

**Total Liabilities** **\$ 17,037**

Net Assets Without Donor Restrictions 859,561

**Total Net Assets** **\$ 859,561**

**Total Liabilities and Net Assets** **\$ 876,598**

See Accountants' Independent Auditor's Report and Accompanying Notes to Financial Statements

**Michael's Cause Inc.**  
**Statement of Revenues, Expenses, and Other Changes in Net Assets**  
**Year Ended December 31, 2024**

**Revenues without Donor Restrictions**

***Support and Revenues without Donor Restrictions***

Direct Public Support, Grants and Contributions	\$ 32,820
Special Events	86,919
Fundraising	219,560
Other Income	2
Investment Income	14,021

**Total Revenues without Donor Restrictions** **\$ 353,322**

**Functional Expenses:**

***Program Services:***

Research	52,103
Benevolent Assistance	124,560
<b><i>Total Program Services</i></b>	<b>\$ 176,663</b>

***Support Services:***

Fundraising Expenses	127,074
Administrative Expenses	40,949
<b><i>Total Support Services</i></b>	<b>\$ 168,023</b>
<b><u>Total Functional Expenses</u></b>	<b>\$ 344,686</b>

**Total Expenses** **\$ 344,686**

**Change in Net Assets Without Donor Restrictions** **\$ 8,636**

**Net Assets at Beginning of Year** **\$ 850,925**

**Net Assets at End of Year** **\$ 859,561**

See Accountants' Independent Auditor's Report and Accompanying Notes to Financial Statements

**Michael's Cause Inc.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**Year Ended December 31, 2024**

	<u>Research</u>	<u>Total</u>	<u>Fundraising</u>	<u>Administrative</u>
	<u>Other Prog Serv</u>	<u>Program Services</u>	<u>Expenses</u>	<u>Expenses</u>
UMass Chan Medical School	\$ 52,103	\$ 52,103		
Benevolent Assistance	124,560	124,560		
Fundraising Expenses			117,741	
Advertising			8,054	
Computer Supplies				224
Food Expenses				1,383
Operations				13,408
Insurance				1,712
Bank Service Charges				6
Operating Lease Payments				6,000
Rent				4,784
Vehicle Expenses				7,951
Other Administrative Expenses				3,820
Professional Fees			1,279	1,481
Depreciation				180
<b>Total Functional Expenses</b>	<u>\$ 176,663</u>	<u>\$ 176,663</u>	<u>\$ 127,074</u>	<u>\$ 40,949</u>

See Accountants' Independent Auditor's Report and Accompanying Notes to Financial Statements

**Michael's Cause Inc.**  
**STATEMENT OF CASH FLOWS**  
**For the Year Ended December 31, 2024**

**CASH FLOWS FROM OPERATING ACTIVITIES**

<b>Change in Net Assets</b>	\$	8,636
Adjustments to reconcile change in Net Assets (Loss) to Net Cash provided by (used in) operating activities:		
Depreciation and Amortization		180
Decrease (Increase) in Operating Assets:		
Increase (Decrease) in Operating Liabilities:		
Accounts Payable		(10,743)
Accrued Expenses		410
Deferred Revenue		1,655
<b>Total Adjustments</b>	\$	<u>(8,498)</u>
<b>Net Cash Provided By Operating Activities</b>	\$	<u>138</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Purchases of Marketable Securities		(447,552)
Proceeds from Maturity of Marketable Securities		<u>450,000</u>
<b>Net Cash Provided By Investing Activities</b>	\$	<u>2,448</u>

**CASH FLOWS FROM FINANCING ACTIVITIES**

<b>Net Cash Provided (Used) By Financing Activities</b>	\$	<u>-</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	\$	2,586
<b>Cash and Cash Equivalents at Beginning of Year</b>		<u>572,961</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	\$	<u><u>575,547</u></u>

**Non-cash Investing and Financing Activities**

The Right of Use Asset and a lease liability were amortized by \$5,654 during the year ended December 31, 2024.

See Accountants' Independent Auditor's Report and Accompanying Notes to Financial Statements

**Michael's Cause Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2024**

**1. Nature of Activities and Significant Accounting Policies**

Michael's Cause Inc. ("The Organization") was incorporated as a New York Corporation in April 2011 and qualifies as a tax-exempt not-for-profit corporation under Section 501(c)(3) of the Internal Revenue Code. The Organization registers annually as a public charity with the New York State Department of Law-Charities Bureau. The mission of the Organization is to promote awareness of the disease Duchenne Muscular Dystrophy, provide funds for additional research to be done in search of a cure for this disease, and provide benevolent assistance for others with the disease.

The Organization is primarily funded through special events, grants, fundraising events, and donations from the general public.

**Program Services**

The Organization engages in the following program services to fulfill its mission of providing funds for research for the cure of Duchenne Muscular Dystrophy.

The Organization funded one project during the year to advance research to find a cure for Duchenne Muscular Dystrophy.

The Organization provided benevolent assistance for individuals with Duchenne Muscular Dystrophy during the year ended December 31, 2024.

These financial statements have been prepared in accordance with Generally Accepted Accounting Principles. The Organization's policy is to prepare its financial statements on the accrual basis of accounting. Revenues are recognized when earned and expenses and losses are recognized when a liability has been incurred. A summary of the Organization's accounting policies is as follows:

**Cash and Cash Equivalents**

Cash and cash equivalents consist of operating checking and money market accounts. The Organization considers all short-term, highly liquid investments with original maturities of three months or less when purchased to be cash equivalents.

**Concentration of Credit Risk**

Financial instruments, which potentially subject the Organization to the concentration of credit risk, consist primarily of temporary cash investments. The Organization places its temporary cash investments in high-credit financial institutions. However, a portion of temporary cash investments may exceed FDIC-insured levels from time to time.

**Michael's Cause Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2024**

**Marketable Securities**

The Organization determines the appropriate classification of its marketable securities, which consist of debt securities, at the time of purchase and reevaluates such designation at each balance sheet date. All the Organization's marketable securities are held-to-maturity debt securities since the Organization has both the positive intent and ability to hold the securities to maturity. Held-to-maturity debt securities are carried on the balance sheet at amortized cost where amortized cost represents the cost to purchase the security adjusted for the accretion or amortization of discounts or premiums paid below or above par value, and accrued interest. Unrealized gains and losses are not recognized in the financial statements until realized.

**Fair Value of Financial Instruments**

Generally Accepted Accounting Principles establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The Organization uses the following three levels of the fair value hierarchy:

- Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization can access.
- Level 2 Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, inputs other than quoted prices that are observable for the asset or liability and inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The Organization does not have any assets that require fair market value measurement according to the above framework.

**Property, Equipment and Right of Use Asset**

Property, Equipment and Right of Use Asset consist of computers depreciated over a three-year period and an operating lease for a vehicle. The Organization capitalizes all equipment when the asset has a benefit beyond the current year. The Organization depreciates a full month in the year of acquisition and records no depreciation for the month of disposition. The Organization capitalizes operating leases in accordance with FASB ASC 842 as both a Right of Use Asset and a lease liability. Both the Right of Use Asset and lease liability are reduced over the life of the lease. The Organization did not have any finance leases.

**Net Assets**

The Organization reports information on its statement of financial position and Statement of Revenues, Expenses, and Other Changes in Net Assets according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. All net assets on December 31, 2024 are without donor restrictions.

**Support and Revenues without Donor Restrictions**

The Organization receives revenue from direct public support and contributions, special events, grants, and fundraising activities. Revenues with restrictions are recorded as donor restricted contributions in the Statement of Revenues, Expenses, and Other Changes in Net Assets for the year ended December 31, 2024. Special events are recorded at gross revenue received with a corresponding cost of direct benefits.

**Michael's Cause Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2024**

provided to donors shown as an expense in the Statement of Revenues, Expenses, and Other Changes in Net Assets.

**Special Event Costs**

The Organization reports special event costs that directly benefit donors as an expense called Cost of Direct Benefits to Donors in the Statement of Revenues, Expenses, and Other Changes in Net Assets. There were no special event costs for the year ended December 31, 2024.

**Functional Expenses**

The Organization records its expenses in the Statement of Revenues, Expenses, and Other Changes in Net Assets according to program and support services. The expenses are recorded to research and benevolent assistance, fundraising and administrative expenses according to function. Direct costs that relate to a specific program or support service are allocated directly to that expense account. Indirect costs are allocated to an expense account based on the direct costs incurred to total direct costs of all expense accounts.

**Advertising**

Advertising expenses are expensed as incurred and are charged to fundraising expenses in the Statement of Revenues, Expenses, and Other Changes in Net Assets.

**Income Taxes**

The Organization is recognized as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for federal or state taxes has been made in the financial statements.

**Use of Estimates**

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

**Recently Issued Accounting Pronouncements**

In May 2014, the Financial Accounting Standards Board ("FASB") issued ("ASU 2014-09"), "Revenue from Contracts with Customers," which is a comprehensive new revenue recognition model requiring a company to recognize revenue to depict the transfer of goods and services to customers at an amount that reflects consideration to which the Organization expects to be entitled in exchange for those goods and services. The Organization adopted the guidance effective January 1, 2019, and the adoption did not have an impact on the Organization's financial statements.

In February 2016, the FASB issued ("ASU 2016-02") Leases (Topic 842), referred to as ASC 842, requiring an organization to recognize operating lease assets and liabilities on the balance sheet and increasing the disclosure requirements of leasing arrangements. Private Organizations were required to have adopted the provisions of ASC 842 effective January 1, 2022. The Organization adopted ASC 842 on January 1, 2022.

**Michael's Cause Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2024**

**2. Liquidity**

All the Organization's financial assets within one year of the balance sheet date in the amount of \$872,185 are available to meet the general expenditures of the Organization. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organization invests cash more than daily requirements in money market accounts.

**3. Marketable Securities**

The Organization's investments in marketable securities are in United States Treasury bills with a maturity date of six to twelve months. The Organization has classified and accounted for the marketable securities as held-to-maturity debt securities. The marketable securities are carried on the balance sheet at amortized cost of \$294,138, which also includes a cash balance of \$17. The original cost and accrued interest of the marketable securities are \$287,350 and \$6,771, respectively.

**4. Property, Equipment and Right of Use Asset**

Property and equipment are recorded at cost. Maintenance and repairs are charged to the Statement of Revenues, Expenses, and Other Changes in Net Assets in the year in which the expense is incurred. The Organization owns computers to assist in supporting the program and support activities of the Organization. The computers are being depreciated on a straight-line basis over a three-year period. The cost of the computers is \$2,583, and depreciation expense for the year ended December 31, 2024, is \$180.

The Organization signed a three-year lease for a new vehicle in September 2022. The Organization has recorded the lease as an operating lease as required by ASC 842 and recorded an initial Right of Use Asset and lease liability in the amount of \$18,774. The Organization recorded a reduction of the Right of Use Asset and lease liability for use of the asset in the amount of \$5,654 and operating lease payments in the amount of \$6,000 during the year ended December 31, 2024.

**5. Lease Liability**

Future payments required by the operating lease are as follows:

2025	<u>4,413</u>
Total	4,413
Less: Current portion	<u>(4,413)</u>
Long-term portion	<u>\$ 0</u>

**Michael's Cause Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2024**

**6. Income Taxes**

The Organization's Form 990, Return of Organization Exempt from Income Tax, for the years ending December 31, 2022, through 2024 are subject to examination by the Internal Revenue Service for three years after they were filed.

**7. Subsequent Events**

In preparing these financial statements, management has evaluated events and transactions for potential recognition or disclosure through July 11, 2025, the date the financial statements were available to be issued and did not note any material subsequent events that occurred after December 31, 2024.