



C-Fam, Inc.

AUDITED FINANCIAL STATEMENTS

For year ended December 31, 2023

C-Fam, Inc.
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For year ended December 31, 2023

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Independent Auditors' Report

To the Board of Trustees
of C-Fam, Inc.

We have audited the accompanying financial statements of C-Fam, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of C-Fam, Inc. as of December 31, 2023, 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.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses on page 12 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

The Nair Group, LLC

Lorton, VA
October 28, 2024



C-FAM, INC.
STATEMENT OF FINANCIAL POSITION

December 31, 2023

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$	205,369
Accounts receivable		65
Allowance for doubtful accounts		-
Investment		393,284

TOTAL CURRENT ASSETS		598,718
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Security Deposit		7,725
Prepaid		23,269
Right of use asset		141,629
Fixed assets		19,633
Less: accumulated depreciation		(16,358)

TOTAL ASSETS		774,616
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CURRENT LIABILITIES

Accounts payable and accrued liabilities		92,825
Lease liability - operating lease		142,007

TOTAL CURRENT LIABILITIES		234,832
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TOTAL LIABILITIES		234,832
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NET ASSETS

Without Donor Restrictions		539,784
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TOTAL NET ASSETS		539,784
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TOTAL LIABILITIES AND NET ASSETS	\$	774,616
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See Independent Auditors' Report and accompanying notes to Financial Statements



C-FAM, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING REVENUES AND OTHER SUPPORT			
Contributions	\$ 1,401,619	\$ -	\$ 1,401,619
Net assets released from restrictions	-	-	-
TOTAL OPERATING REVENUES AND OTHER SUPPORT	1,401,619	-	1,401,619
NONOPERATING REVENUES			
Other Income	-	-	-
Capital loss	113,912	-	113,912
TOTAL NONOPERATING REVENUES	113,912	-	113,912
TOTAL REVENUES	1,515,531	-	1,515,531
OPERATING EXPENSES			
Program services			
CFAM	1,353,454	-	1,353,454
TOTAL OPERATING PROGRAM SERVICES	1,353,454	-	1,353,454
Supporting Services			
Management and general	121,375	-	121,375
Fundraising	14,779	-	14,779
TOTAL OPERATING SUPPORTING SERVICES	136,154	-	136,154
Investment fees and taxes	4,866	-	4,866
TOTAL NONOPERATING EXPENSE	4,866	-	4,866
TOTAL EXPENSE	1,494,474	-	1,494,474
CHANGE IN NET ASSETS	21,057	-	21,057
NET ASSETS, BEGINNING OF YEAR	518,727	-	518,727
NET ASSETS, END OF YEAR	\$ 539,784	\$ -	\$ 539,784

See Independent Auditors' Report and accompanying notes to Financial Statements

December 31,	2023
CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ 21,057
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	1,298
(Increase) decrease in assets:	
Accounts and grants receivable	(65)
Security Deposit	2,995
Right of use asset	(141,629)
Prepaid expenses	(9,604)
Increase in liabilities:	
Accounts payable	(8,291)
Lease liability - operating leases	140,963
Notes Payable	-
NET CASH USED IN OPERATING ACTIVITIES	6,724
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase and sale of investments	(119,440)
Sale of fixed assets	-
Purchase of fixed assets	-
NET CASH USED IN INVESTING ACTIVITIES	(119,440)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(112,716)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	318,085
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 205,369

See Independent Auditors' Report and accompanying notes to Financial Statements

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization	<p>C-Fam, Inc. (C-Fam), the “Organization” is an organization that was created to defend life and family at international institutions and to publicize the debate. C-Fam was founded in the summer of 1997 in order to monitor and affect the social policy debate at the United Nations and other international institutions.</p> <p>C-Fam is a non-partisan, non-profit research institute dedicated to reestablishing a proper understanding of international law, protecting national sovereignty and the dignity of the human person. C-Fam publishes and promotes scholarship related to the proposition that the UN and other international institutions harm a true understanding of international law and in the process undermine the family and other institutions man requires for a just, free and happy life.</p> <p>C-Fam is primarily supported by contributions by individuals.</p>
Basis of Presentation	<p>Financial statement presentation follows Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 958 <i>Not-for-Profit Entities</i>. In accordance with the topic, C-Fam is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.</p>
Estimates	<p>The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.</p>
Cash and Cash Equivalents	<p>C-Fam considers cash on hand, deposits in banks and all unrestricted highly liquid investments with an initial maturity of three months or less to be cash.</p>
Accounts Receivable	<p>Accounts receivable approximate fair value. Management considers all amounts to be fully collectable. C-Fam has not experienced delinquent or uncollectible accounts, therefore, an allowance for doubtful accounts has not been established.</p>



C-Fam, Inc.
NOTES TO FINANCIAL STATEMENTS(CONTINUED)
For year ended December 31, 2023

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Investment Investment purchases are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statement of financial position. Net investment gain/(loss) is reported in the statement of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less investment management and custodial fees.

Fixed Assets C-Fam capitalizes all fixed asset acquisitions of \$1,000 and above. Fixed assets are recorded at cost, if purchased, or fair market value at date of donation, if contributed. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets.

Computers	3-5 years
Furniture and equipment	7 years
Leasehold improvements	Shorter of useful life or lease term

Income Taxes C-Fam is exempt from federal income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code.

C-Fam has adopted the Accounting for Uncertainty in Income Taxes, as required by Topic 740 of the FASB ASC. Topic 740 requires C-Fam to determine whether a tax position is more likely than not to be sustained upon examination by the applicable taxing authority, including resolution of any related appeals or litigation processes, based on the technical merits of the position. The tax to be recognized is measured as the largest amount of benefit that is more than fifty percent likely of being realized upon ultimate settlement which could result in C-Fam recording a tax liability that would reduce its net assets.

C-Fam has analyzed its tax positions, and has concluded that no liability for unrecognized tax benefits should be recorded related to any uncertain tax positions taken on returns filed for open tax years (2019 - 2022), or expected to be taken in its 2022 tax return. C-Fam is not aware of any tax positions for which it believes that there is a reasonable possibility that the total amounts of unrecognized tax benefits will change materially in the next twelve months.

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Net Assets

C-Fam's net assets are reported in following two classes:

Unrestricted net assets: Includes unrestricted revenue and contributions received without donor - imposed restrictions. These net assets are available for the operation of C-Fam and include both internally designated and undesignated resources.

Temporarily restricted net assets: Includes revenue and contributions subject to donor-imposed stipulations that will be met by the actions of C-Fam and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

Contributions

Contributions are recorded as revenue in the year notification is received from the donor. Contributions are recorded as restricted support if they are received with donor - stipulations that limit the use of the donated assets and which cannot be altered by actions of C-Fam. Contributions whose restrictions are fulfilled in the same period are recorded as unrestricted support in the statement of activities. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from donor restrictions.

**Functional
Allocation of
Expenses**

The costs of providing the various programs and activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

NOTE 2 – FAIR VALUE MEASUREMENT

The Organization reports financial assets and liabilities in accordance with ASC 820, Fair Value Measurements and Disclosures (ASC 820). ASC 820 defines fair value as the price that would be received to sell 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 market participants on the measurement date.



C-Fam, Inc.
NOTES TO FINANCIAL STATEMENTS(CONTINUED)
For year ended December 31, 2023

ASC 820 established a three-level disclosure hierarchy to indicate the level of judgment used to estimate fair value measurements as follows:

- Level 1 – quoted prices in active markets for identical assets or liabilities as of the reporting date;
- Level 2 – quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets in markets that are not active; and inputs other than quoted prices (such as interest rate and yield curves);
- Level 3 – uses inputs that are unobservable, supported by little or no market activity and reflect significant management judgment.

The tables below summarize investments by level for items measured at fair value on a recurring basis at December 31, 2023:

	Assets at Fair Value as of December 31, 2023			
	Level 1	Level 2	Level 3	Total
Cash	\$ 123,477	\$ -	\$ -	\$ 123,477
Common stock equities	393,284	-	-	393,284
Total	\$ 516,761	\$ -	\$ -	\$ 516,761

At December 31, 2023 the organization had unrealized gain of \$92,263 and realized gain of \$7,020.

NOTE 3 – FIXED ASSET

Fixed Assets consisted of the following:

Description	December 31, 2023
Equipment	\$ 13,143
Furniture	6,490
Less accumulated depreciation	(16,358)
	\$ 3,275

During the period ended December 31, 2023, the Organization had depreciation expense of \$1,298.



C-Fam, Inc.
NOTES TO FINANCIAL STATEMENTS(CONTINUED)
For year ended December 31, 2023

NOTE 4 – ACCOUNTS PAYABLE

Accounts Payable consisted of the following:

Description	December 31, 2023
Accounts payable	\$ 23,181
Chase Credit Card	57,528
Executive Director Credit Card	-
American Express Credit Card	10,477
Accrued Expense	-
Payroll Liability	1,639
	\$ 92,825

During the period ended December 31, 2023, the Organization had 66% of its total accounts payable and accrued liabilities which was related to one vendor with nothing over 90 day aging.

NOTE 5 – LEASE COMMITMENTS

Effective October 28, 2014, the Organization entered into a 5-years and 2 month lease agreement to lease office space in New York, New York, which expires in November 28, 2019. The Organization entered into consecutive 1-year leases initiated on February 2021 expiring February 2023. This lease currently calls for monthly payments of \$3,900. A 1 year lease was entered into in November 1, 2022 expiring October 31, 2023 with monthly payments of \$2,995. Another 1 year lease was entered into in August 1, 2023 expiring July 31, 2024 with monthly payments of \$4,800.

Effective September 30, 2019, the Organization entered into a 1-year lease agreement to lease office space in Virginia which expires in August 31, 2020 with monthly payments of \$3,400. The Organization entered into a 3-year lease on October 1, 2020 which expires September 30, 2023 with monthly payments of \$3,800, \$3,914, and \$4,031 for each year. Another 3-year lease on October 1, 2023 which expires September 30, 2026 with monthly payments of \$4,152, \$4,277, and \$4,405 for each year

The Organization has used a weighted average discount rate of 5.13% for an average 22 months to calculate the present value of the sum of the lease payments which is its recorded lease liability. This rate is determined to the Treasury bill rate, as published by the U.S Department of the Treasury as of the lease agreement execution date and reflects the Organizations risk-free rate. The rate is the coupon equivalent or investment yield for the 52-week bill and is based on the purchase price, discount and a 365-or 366 day year.

The following is a summary of the minimum lease payments required under all non-cancelable lease agreements with original terms of greater than one year for the years ending December 31:



C-Fam, Inc.
NOTES TO FINANCIAL STATEMENTS(CONTINUED)
For year ended December 31, 2023

<i>For the Year Ended December 31,</i>	Amount
2024	73,671
2025	51,708
2026	39,645
Total minimum lease payments	\$ 165,024

Rent expense for the years ended December 31, 2022 was \$134,410.

A reconciliation of the undiscounted cash payments to the operating lease liability for the year ending December 31, 2023:

Undiscounted future cash flows	165,024
Less: discounted to present value	23,017
Operating lease liability	\$ 142,007

NOTE 6 - SUBSEQUENT EVENTS

Subsequent events were evaluated through October 28, 2024, which is the date the financial statements were available to be issued.



C-FAM, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Program Services</u>	<u>Management and general</u>	<u>Fundraising</u>	<u>Total</u>
Compensation - officers, directors, etc.	165,603	-	-	\$ 150,266
Other salaries	416,647	-	-	364,839
Other employee benefits	205,699	-	-	126,049
Payroll taxes	46,219	-	-	39,277
	-			
Total salaries and related expenses	834,168	-	-	834,168
	-			
Professional fees - accounting	-	32,484	-	32,484
Advertising/promotion	-	429	-	429
Office expenses	144,103	704	704	145,510
Information technology	-	-	-	-
Occupancy	112,220	11,095	11,095	134,410
Travel	80,383	-	-	80,383
Depreciation and amortization	-	1,298	-	1,298
Insurance	6,747	-	-	6,747
Bad debt	-	-	-	-
Contracted services	48,113	-	-	48,113
Program activities	91,614	-	-	91,614
Training	-	-	-	-
Communication	4,275	407	407	5,089
Interest expense	-	14,402	-	14,402
Other expenses	31,831	60,556	2,573	94,961
Total expenses	\$ 1,353,454	\$ 121,375	\$ 14,779	\$ 1,489,608

See Independent Auditors' Report and accompanying notes to Financial Statements