ANGELMAN SYNDROME FOUNDATION, INC.

FINANCIAL STATEMENTS
AS OF SEPTEMBER 30, 2023 AND 2022

TOGETHER WITH AUDITOR'S REPORT

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Angelman Syndrome Foundation, Inc.:

Opinion

We have audited the accompanying financial statements of Angelman Syndrome Foundation, Inc. (the Foundation) (a non-profit organization) which comprise the statement of financial position as of September 30, 2023 and 2022, and the related statements of activities, cash flows and functional expenses 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 the Foundation as of September 30, 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 the Foundation. 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, which raise substantial doubt about the Foundation'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 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 the Foundation 's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, which raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of expenditures by program services 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.

Dugan + Lopatka

DUGAN & LOPATKA

Warrenville, Illinois
January 4, 2024

EXHIBIT 1

ANGELMAN SYNDROME FOUNDATION, INC.
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2023 AND 2022

	2023	2022
A S S E T S		
CURRENT ASSETS:		
Cash and cash equivalents	$ 758,252	$ 1,214,351
Pledges receivable, current portion	10,000	10,000
Investments	1,360,979	786,039
Inventory	13,391	-
Prepaid expenses	62,147	49,326
Total current assets	2,204,769	2,059,716
PROPERTY AND EQUIPMENT, at cost:		
Office furniture, fixtures, and equipment	2,921	2,921
Computer hardware	19,172	14,216
Software	533,285	533,285
Website	24,000	24,000
Less - Accumulated depreciation	(539,671)	(424,490)
Net property and equipment	39,707	149,932
OTHER ASSETS:		
Pledges receivable, long-term portion	29,889	40,000
Total assets	$ 2,274,365	$ 2,249,648
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable	$ 183,453	$ 216,417
Accrued payroll expenses	63,549	49,357
Deferred event revenue	40,492	-
Total current liabilities	287,494	265,774
NET ASSETS:		
Without donor restrictions	1,234,241	1,389,409
With donor restrictions	752,630	594,465
Total net assets	1,986,871	1,983,874
Total liabilities and net assets	$ 2,274,365	$ 2,249,648

The accompanying notes are an integral part of this statement.

ANGELMAN SYNDROME FOUNDATION, INC.
STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND REVENUE:						
Contributions	$ 913,182	$ 1,425,554	$ 2,338,736	$ 1,022,677	$ 1,314,029	$ 2,336,706
Biennial conference	37,149	-	37,149	152,724	-	152,724
Special events, net of related expenses, which includes in-kind revenue of $177,827 and $206,733 for 2023 and 2022, respectively	1,158,174	-	1,158,174	1,204,052	-	1,204,052
Net investment return (loss)	100,472	-	100,472	(107,929)	-	(107,929)
Other income	3,794	-	3,794	3,626	-	3,626
Forgiveness of Payroll Protection Program (PPP) loan	-	-	-	87,000	-	87,000
Net assets released from restrictions - satisfaction of program restrictions	1,267,389	(1,267,389)	-	734,768	(734,768)	-
Total public support and revenue	3,480,160	158,165	3,638,325	3,096,918	579,261	3,676,179
FUNCTIONAL EXPENSES:						
Program services -						
Family Support	2,125,761	-	2,125,761	1,464,448	-	1,464,448
Research	557,838	-	557,838	1,061,322	-	1,061,322
Biennial Conference and Symposium	65,673	-	65,673	375,340	-	375,340
Total program services	2,749,272	-	2,749,272	2,901,110	-	2,901,110
Management and general	261,308	-	261,308	219,898	-	219,898
Fundraising	624,748	-	624,748	519,810	-	519,810
Total functional expenses	3,635,328	-	3,635,328	3,640,818	-	3,640,818
CHANGE IN NET ASSETS	(155,168)	158,165	2,997	(543,900)	579,261	35,361
NET ASSETS, Beginning of year	1,389,409	594,465	1,983,874	1,933,309	15,204	1,948,513
NET ASSETS, End of year	$ 1,234,241	$ 752,630	$ 1,986,871	$ 1,389,409	$ 594,465	$ 1,983,874

The accompanying notes are an integral part of this statement.

ANGELMAN SYNDROME FOUNDATION, INC.
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in total net assets	$ 2,997	$ 35,361
Adjustments to reconcile change in total net assets to net cash provided by operating activities:		
Depreciation	115,181	162,412
Forgiveness of PPP loan	-	(87,000)
Net unrealized/realized investment (gain) loss	(72,260)	134,208
Change in assets and liabilities:		
(Increase) decrease in pledges receivable	10,111	(50,000)
(Increase) decrease in inventory	(13,391)	-
(Increase) in prepaid expenses	(12,821)	(28,005)
Increase (decrease) in accounts payable	(32,964)	155,516
Increase in accrued payroll expenses	14,192	3,586
Increase in deferred event revenue	40,492	-
Net adjustments	48,540	290,717
Net cash provided by operating activities	51,537	326,078
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of investments	(502,680)	(27,499)
Purchase of property and equipment	(4,956)	(3,000)
Net cash (used in) investing activities	(507,636)	(30,499)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(456,099)	295,579
CASH AND CASH EQUIVALENTS, Beginning of year	1,214,351	918,772
CASH AND CASH EQUIVALENTS, End of year	$ 758,252	$ 1,214,351

The accompanying notes are an integral part of this statement.

ANGELMAN SYNDROME FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Program Services	Management and General	Fundraising	Total
Salaries and related benefits:				
Salaries and wages	$ 207,072	$ 114,286	$ 174,641	$ 495,999
Employee benefits and related taxes	18,904	14,549	20,131	53,584
Total salaries and related benefits	225,976	128,835	194,772	549,583
Other expenses:				
Grants awarded and related expenses	493,532	-	-	493,532
Angelman Syndrome clinics & database	1,301,850	-	-	1,301,850
Biennial conference and symposium	53,840	-	-	53,840
Professional fees	69,158	68,336	66,601	204,095
Program expenses	336,255	-	-	336,255
Marketing and promotions	43,660	1,344	52,560	97,564
Website	43,011	9,026	30,630	82,667
Postage and printing	10,033	3,772	78,874	92,679
Supplies	437	2,945	1,384	4,766
Equipment rental	410	284	488	1,182
Rent and utilities	1,511	1,044	1,741	4,296
Telephone	1,382	954	34,139	36,475
Insurance	3,378	4,550	16,659	24,587
Walk	-	-	7,862	7,862
Travel	18,386	3,348	26,310	48,044
Board of directors	-	9,396	-	9,396
Fees	33,670	7,432	78,237	119,339
Cost of direct benefits to donors	-	-	269,750	269,750
Miscellaneous	-	19,231	32,904	52,135
Depreciation	112,783	811	1,587	115,181
Total other expenses	2,523,296	132,473	699,726	3,355,495
Total functional expenses	2,749,272	261,308	894,498	3,905,078
Less expenses included with revenue on statement of activities	-	-	(269,750)	(269,750)
Total expenses included in the expense section of the statement of activities	$ 2,749,272	$ 261,308	$ 624,748	$ 3,635,328

ANGELMAN SYNDROME FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Program Services	Management and General	Fundraising	Total
Salaries and related benefits:				
Salaries and wages	$ 141,721	$ 98,454	$ 155,131	$ 395,306
Employee benefits and related taxes	14,816	12,292	18,509	45,617
Total salaries and related benefits	156,537	110,746	173,640	440,923
Other expenses:				
Grants awarded and related expenses	1,023,614	-	-	1,023,614
Angelman Syndrome clinics	635,754	-	-	635,754
Biennial conference and symposium	280,912	-	-	280,912
Professional fees	85,057	49,918	39,854	174,829
Program expenses	350,342	-	-	350,342
Marketing and promotions	117,467	4,139	41,957	163,563
Website	24,946	7,579	15,569	48,094
Postage and printing	11,944	2,143	31,341	45,428
Supplies	929	1,874	2,144	4,947
Equipment rental	278	341	336	955
Rent and utilities	939	628	1,134	2,701
Telephone	1,243	832	24,503	26,578
Insurance	7,465	6,146	18,494	32,105
Walk	-	-	37,997	37,997
Travel	28,556	100	12,302	40,958
Board of directors	-	6,994	-	6,994
Fees	13,905	7,088	95,373	116,366
Cost of direct benefits to donors	-	-	262,279	262,279
Miscellaneous	-	20,946	24,400	45,346
Depreciation	161,222	424	766	162,412
Total other expenses	2,744,573	109,152	608,449	3,462,174
Total functional expenses	2,901,110	219,898	782,089	3,903,097
Less expenses included with revenue on statement of activities	-	-	(262,279)	(262,279)
Total expenses included in the expense section of the statement of activities	$ 2,901,110	$ 219,898	$ 519,810	$ 3,640,818

ANGELMAN SYNDROME FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES:

Angelman Syndrome Foundation, Inc. (the Foundation) was incorporated as a not-for-profit organization in 1990, under the laws of the State of Florida. Its mission is to advance the awareness and treatment of Angelman Syndrome through education and information, research, advocacy, and support for individuals with Angelman Syndrome, their families, and other concerned parties.

The financial statements were available to be issued January 4, 2024, with subsequent events being evaluated through this date.

The following summarizes the significant accounting policies and practices reflected in the accompanying financial statements:

Basis of Presentation -

Financial statement presentation follows the recommendations of the Accounting Standards Codification (ASC), *Financial Statements for Not-for-Profit Organizations.* Under the ASC, the Foundation is required to report information regarding two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Without donor restrictions - Net assets that are not subject to donor-imposed stipulations and may be expensed for any purpose in performing the primary objectives of the Foundation. These net assets may be used at the discretion of management and the board of directors.

With donor restrictions - Net assets subject to donor-imposed stipulations. Some donor restrictions are temporary in nature; those restrictions will be met either by actions of the Foundation and/or the passage of time. Other donor restrictions are perpetual in nature, where the donor has stipulated the funds be maintained in perpetuity.

Basis of Accounting -

The accounting records of the Foundation are maintained on the accrual basis which recognizes revenue as earned and expenses as they are incurred.

Estimates -

The Foundation prepares its financial statements according to generally accepted accounting principles that require the use of estimates and assumptions that affect 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.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES: (Continued)

Cash and Cash Equivalents -

For purposes of the statement of cash flows, the Foundation considers all highly liquid instruments with an original maturity of three months or less to be cash equivalents.

Concentrations of Credit Risk -

Financial instruments which potentially subject the Foundation to concentrations of credit risk consist principally of cash. The Foundation places its cash and deposits with high credit quality financial institutions; however, deposits exceeded the federally insured limits on September 30, 2023, and 2022.

Pledge Receivables –

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the contributions are received. Amortization of the discounts is included in contribution revenue. All pledges receivable are considered fully collectible based on past experience and management's judgment; therefore, no allowance for doubtful contribution accounts receivable is needed.

Investments -

Investments are carried at fair value. Net realized and unrealized gains and losses are reflected in the statement of activities. Investment securities, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of market risk associated with certain investment securities, it is possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position.

Inventory -

Inventory consists of merchandise held for resale. Inventories are stated at cost, determined on a first-in, first-out basis. As of September 30, 2023 and 2022 the Foundation had inventories of $13,391 and $-0-, respectively, consisting of apparel and novelties purchased for resale on the Foundation's online shop.

Property and Equipment -

Property and equipment are stated at cost. It is the Foundation's policy to capitalize expenditures for items in excess of $1,000. Lesser amounts are expensed. Depreciation is provided on the double declining balance method at rates designed to depreciate the costs of assets over estimated useful lives ranging from three to seven years.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES: (Continued)

Leases -

The Foundation determines if an arrangement is a lease or contains a lease at inception of the contract. For any operating leases with a term of over one year, the Foundation records an operating lease right-of-use asset, and current and long-term operating lease liabilities in the statement of financial position.

Operating lease right-of-use assets and lease liabilities are measured based on the present value of future lease payments over the lease term at each lease's commencement date. As most of the Foundation's leases do not specify their implicit rate, the Foundation has elected a practical expedient to use the nominal yield, at lease inception, applicable to U.S. Treasury instruments with a maturity of similar length of the lease term.

Operating lease right-of-use assets include all fixed contractual lease payments and initial direct costs incurred by the Foundation, less any lease incentives the Foundation receives from the lessor. The Foundation has elected a practical expedient to account for lease and non-lease components together as a single lease component. Only the fixed lease components are included in the right-of-use assets and lease liabilities. Additionally, the Foundation has elected not to apply these lease accounting policies to leases with a term of one year or less at the commencement date.

Contributions and Grants -

The Foundation recognizes contributions when cash, securities, or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met. The Foundation reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the assets, or if they are designated as support for future periods. 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-imposed contributions whose restrictions are met in the same reporting period are reported as net assets without donor restrictions.

Deferred Revenue -

Deferred revenue relates to advance deposits where the Foundation has not met the performance obligation as of year-end. These deposits are deferred until the performance obligations are met. Deferred revenue of $40,492 at September 30, 2023 was for the Foundation's Evening event.

Allocation of Expenses -

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and wages, professional fees, supplies and depreciation, which are allocated on the basis estimated of time and effort.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES: (Continued)

In-Kind Contributions -

In addition to receiving cash contributions, the Foundation receives in-kind contributions from various donors. Donations in-kind are sought by the Foundation to (1) offset event expenses. Examples include donated equipment and structural rentals, supplies, such as helium, event aesthetics or other non-consumable supplies; (2) to enhance the participant experience at local walk sites and grassroots special events. Examples include food and beverages for participants, prizes for contest winners and event giveaways; (3) to assist in fundraising efforts at the local level. Examples include raffles and auction items such as goods and services. Items donated are tracked locally and shared with the Foundation's national office via a donation-in-kind form. The estimated fair value is provided by the donor using estimated wholesale prices of identical or similar items using pricing data under a "like-kind" methodology considering the items conditions for use. Estimates are made only for non-reporting event sites by averaging the total donations in kind reported and received by the Foundation's office and determining an average amount per participant. This average amount per participant is applied to the number of participants at each non-reporting event site. For the years ended September 30, 2023, and 2022, the value of in-kind donations totaled $177,827 and $206,733, respectively. Of the in-kind donations, $177,827 and $206,733 are included in the cost of direct benefits to donors in the statement of functional expenses in 2023 and 2022, respectively.

Grant Award Recognition -

As a function of fulfilling its mission, the Foundation awards research grants that can be a one, two or three year grant. The second or third year of the award is conditional upon meeting measurable performance or other barriers set in the first year and therefore these amounts are not expensed until the barriers have been met. As of September 30, 2023, the Foundation has conditional grants to give of $1,304,927 for fiscal year 2024 and $867,839 for fiscal year 2025 conditioned on the recipient meeting the measurable barriers.

New Accounting Pronouncement -

Effective October 1, 2022, the Foundation adopted ASU 2016-02, *Leases* (Topic 842) and subsequent amendments. Under ASU 2016-02, all of the Foundation's real estate and equipment leases that have lease terms exceeding twelve months will now be required to be recognized on the statement of financial position as amortizable right-of-use assets accompanied by liabilities for the present value of the lease payments that the Foundation is obligated to make in order to obtain control of the leased assets for the duration of each lease term.

Lease expense, under these amendments, will be recognized in different patterns depending on whether the underlying lease is an operating lease or a finance lease. Lease expense for operating leases will be recognized as a single expense using the straight-line method over the term of the lease, which includes options to renew the lease that the Foundation is reasonably expected to exercise. Finance lease expense will consist of two components, interest expense on the lease obligation payable and straight-line amortization of the right-of-use asset.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES: (Continued)

New Accounting Pronouncement - (Continued)

Implementation of these amendments is reflected using the modified retrospective method as of October 1, 2022. Consequently, the 2022 financial statements and disclosures do not reflect the effects of implementing the new lease standard. Upon implementation, the Foundation elected an available package of practical expedients permitted under the transition guidance included in ASU 2018-11, *Leases* (Topic 842) – *Targeted Improvements* that permits the Foundation to carry forward the historical lease identification, classification and initial direct costs associated with the Foundation's pre-existing leases. The Foundation did not have any material operating leases as of October 1, 2022, and the implementation of the amendments did not materially impact the Foundation's net earnings or cash flows.

(2) INCOME TAXES:

The Foundation has been determined by the Internal Revenue Service to be exempt from income tax under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income tax has been established.

(3) PLEDGES RECEIVABLE:

At September 30, 2023 and 2022, the timing of payments of pledges receivable as determined by the underlying agreements are expected to be as follows:

	2023	2022
Receivable in less than one year	$ 10,000	$ 10,000
Receivable in greater than one year and less than five years	29,889	40,000
Total pledges receivable	38,889	50,000
Less unamortized discounts	-	-
Net pledges receivable	$ 38,889	$ 50,000

(4) INVESTMENTS:

The market value of investments for the years ended September 30 is as follows:

	2023	2022
Mutual funds	$ 960,756	$ 786,039
U.S. Treasuries	400,223	-
Total investments	$ 1,360,979	$ 786,039

(4) INVESTMENTS: (Continued)

Investment return (loss) consists of the following:

	2023	2022
Interest and dividends	$ 40,370	$ 35,166
Net realized/unrealized gain (loss)	72,260	(134,208)
Investment fees	(12,158)	(8,887)
Net investment return (loss)	$ 100,472	$ (107,929)

(5) FAIR VALUE MEASUREMENTS:

The Accounting Standards Codification for Fair Value Measurements established 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 hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1:

Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

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.
- 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 to the valuation methodology are unobservable and significant to the fair value measurement.

(5) FAIR VALUE MEASUREMENTS: (Continued)

Level 3: (Continued)

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodology used for assets measured at fair value. There have been no changes in the methodology used on September 30, 2023, and 2022:

Mutual Funds: Valued at the closing price reported on the active market on which the individual securities are traded.

U.S. Treasuries: Valued by a pricing service using models that incorporate market observable data such as reported sales of similar securities, broker quotes, yields, bids, offers, and reference data.

The preceding method described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Foundation believes its valuation method is 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 following table sets forth by level, within the fair value hierarchy, the Foundation's assets at fair value:

	Assets at Fair Value as of September 30, 2023			
Description	Level 1	Level 2	Level 3	Total
Mutual funds:				
International funds	$ 196,271	$ -	$ -	$ 196,271
Large cap blended funds	329,281	-	-	329,281
Large cap value funds	199,243	-	-	199,243
Real estate funds	62,220	-	-	62,220
Small cap blended funds	138,098	-	-	138,098
Small cap value funds	35,643	-	-	35,643
U.S. Treasuries	-	400,223	-	400,223
Total investments	$ 960,756	$ 400,223	$ -	$ 1,360,979

(5) FAIR VALUE MEASUREMENTS: (Continued)

Description	Assets at Fair Value as of September 30, 2022 Level 1	Level 2	Level 3	Total
Mutual funds:				
Bond funds	$ 490,757	$ -	$ -	$ 490,757
International funds	91,417	-	-	91,417
Large cap blended funds	89,783	-	-	89,783
Large cap value funds	53,189	-	-	53,189
Real estate funds	22,149	-	-	22,149
Small cap blended funds	38,744	-	-	38,744
Total investments	$ 786,039	$ -	$ -	$ 786,039

(6) NOTES PAYABLE:

In February 2021, the Foundation qualified and was approved for a PPP loan, payable to a bank as part of the Economic Aid Act in the amount of $87,000. Interest accrues at 1%, with the amount to be repaid in equal installments of principal and interest, beginning at the earlier of the date the SBA remits the loan forgiveness amount, or 10 months after the end of the forgivable covered period, with the final payment due April 2026. As part of the agreement, the entire loan, or a portion can be forgiven. During fiscal year 2022, the Foundation received full forgiveness.

(7) NET ASSETS:

Net assets without donor restrictions for the years ended September 30, 2023, and 2022 consist of the following:

	2023	2022
Board Designated -		
Operating and strategic reserves	$ 600,000	$ 600,000
Research	627,655	627,655
	1,227,655	1,227,655
Undesignated	6,586	161,754
	$ 1,234,241	$ 1,389,409

(7) NET ASSETS: (Continued)

Net assets with donor restrictions for the years ended September 30, 2023, and 2022 are available for the following purposes:

	2023	2022
Education	$ -	$ 3,858
Communication	-	11,346
Clinics	223,369	50,000
Pritzker Fellowship	529,261	529,261
	$ 752,630	$ 594,465

(8) EMPLOYEE BENEFIT PLAN:

The Foundation has a 403(b) plan for all of its eligible employees that matches up to six percent of the participating employee's contribution. The Foundation contributed $14,011 and $16,274 for the years ended September 30, 2023, and 2022, respectively.

(9) OPERATING LEASES:

The Foundation leases storage space on a month-to-month and as-needed basis. Short-term rental expense for the years ended September 30, 2023 and 2022 was $4,296 and $2,701, respectively.

The Foundation also has an operating lease for equipment. The lease requires quarterly payments of $328, expiring in June 2026. Total equipment lease expense for the years ended September 30, 2023 and 2022 were $1,182 and $955, respectively.

The Foundation has elected not to capitalize operating lease assets and liabilities that do not meet the materiality threshold. For the year ended September 30, 2023, the total future minimum lease payments under non-material operating leases are as follows:

Year ending September 30,	Amount
2024	$ 1,312
2025	1,312
2026	984
	$ 3,608

(10) CONCENTRATION:

The Foundation had approximately 14% of its total public support and revenue directly from one donor for the years ended September 30, 2023 and 2022.

(10) CONCENTRATION: (Continued)

During the years ended September 30, 2023, and 2022, the Foundation received approximately 32% and 33%, respectively, of its non-investment income from the annual fundraising walk held nationally to show the commitment to making a difference in the lives of Angelman Syndrome individuals and their families. This source of revenue is contingent upon the continued success of this event and may cause disruption in program activities if not conducted or successful.

(11) LIQUIDITY AND AVAILABILITY:

The Foundation manages its cash available to meet general expenditures following three guiding principles:

- Operating within a prudent range of financial soundness and stability,
- Maintaining adequate liquid assets, and
- Maintaining sufficient reserves to provide reasonable assurance that long term grant commitments and obligations under endowments with donor restrictions and quasi-endowments that support mission fulfillment will continue to be met, ensuring the sustainability of the Foundation.

The Foundation's Grant Committee (the Committee) meets semi-annually to review and approve grant requests. Due to this timing, the Foundation strives to maintain financial assets available to meet general expenditures at a level that represents 100% of annual expenses for administrative, general, and fundraising expenses plus an amount that represents the expected payment for grant commitments approved by the Committee.

The table below presents financial assets available for general expenditures within one year on September 30, 2023 and 2022:

	2023	2022
Financial assets at year-end:		
Cash and cash equivalents	$ 758,252	$ 1,214,351
Pledges receivable	10,000	10,000
Investments	1,360,979	786,039
Total financial assets	2,129,231	2,010,390
Less amounts not available to be used within one year:		
Donor-imposed restrictions	(752,630)	(594,465)
Board designated - Operating and strategic reserves	(600,000)	(600,000)
Board designated - Research Grants	(627,655)	(627,655)
Financial assets not available to be used within one year	(1,980,285)	(1,822,120)
Financial assets available to meet general expenditures within one year	$ 148,946	$ 188,270

ANGELMAN SYNDROME FOUNDATION, INC.
SCHEDULE OF EXPENDITURES BY PROGRAM SERVICES
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Family Support	Research	Biennial Conference and Symposium	Total
Salaries and wages	$ 183,100	$ 18,246	$ 5,726	$ 207,072
Employee benefits and related taxes	16,633	1,779	492	18,904
Grants awarded and related expenses	-	493,532	-	493,532
Angelman Syndrome clinics & database	1,301,850	-	-	1,301,850
Biennial conference and symposium	-	-	49,677	49,677
Conferences not held by ASF	4,163	-	-	4,163
Professional fees	46,723	20,980	1,455	69,158
Program expenses	336,255	-	-	336,255
Marketing and promotions	36,844	4,511	2,305	43,660
Website	32,414	7,585	3,012	43,011
Postage and printing	10,033	-	-	10,033
Supplies	437	-	-	437
Equipment rental	325	44	41	410
Rent and utilities	1,197	162	152	1,511
Telephone	1,094	149	139	1,382
Insurance	2,589	343	446	3,378
Travel	8,249	8,247	1,890	18,386
Fees	31,270	2,180	220	33,670
Depreciation	112,585	80	118	112,783
Total program expenses	$ 2,125,761	$ 557,838	$ 65,673	$ 2,749,272

ANGELMAN SYNDROME FOUNDATION, INC.
SCHEDULE OF EXPENDITURES BY PROGRAM SERVICES
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Family Support	Research	Biennial Conference and Symposium	Total
Salaries and wages	$ 94,730	$ 17,048	$ 29,943	$ 141,721
Employee benefits and related taxes	9,984	1,623	3,209	14,816
Grants awarded and related expenses	-	1,023,614	-	1,023,614
Angelman Syndrome clinics & database	635,754	-	-	635,754
Biennial conference and symposium	-	-	280,797	280,797
Conferences not held by ASF	115	-	-	115
Professional fees	81,092	1,326	2,639	85,057
Program expenses	350,342	-	-	350,342
Marketing and promotions	87,372	6,132	23,963	117,467
Website	14,598	3,291	7,057	24,946
Postage and printing	8,116	5	3,823	11,944
Supplies	673	33	223	929
Equipment rental	204	26	48	278
Rent and utilities	689	88	162	939
Telephone	912	116	215	1,243
Insurance	6,115	545	805	7,465
Travel	5,879	5,616	17,061	28,556
Fees	6,819	1,800	5,286	13,905
Depreciation	161,054	59	109	161,222
Total program expenses	$ 1,464,448	$ 1,061,322	$ 375,340	$ 2,901,110