

Glut 1 Deficiency Foundation, Inc.  
Owingsville, Kentucky

Independent Accountants' Review Report  
And Financial Statements  
For the Year Ended  
December 31, 2019

Glut 1 Deficiency Foundation, Inc.  
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Independent Accountant's Review Report

To the Board of Directors  
Glut 1 Deficiency Foundation, Inc.  
Owingsville, Kentucky

We have reviewed the accompanying financial statements of the Glut 1 Deficiency Foundation, Inc., which comprise the statement of financial position as of December 31, 2019, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of entity management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

**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.

**Accountant's Responsibility**

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

**Accountant's Conclusion**

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

*Faulkner, King & Wenz, PSC*

January 21, 2020

GLUT 1 DEFICIENCY FOUNDATION, INC.  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2019

A S S E T S

Current assets:

Cash	\$ 94,615
Merchandise inventory	<u>3,387</u>
<b>Total current assets</b>	<b><u><u>\$ 98,002</u></u></b>

L I A B I L I T I E S

Current liabilities:

Accounts payable	<u>\$ 703</u>
<b>Total current liabilities</b>	<b><u>703</u></b>

N E T A S S E T S

Net assets without donor restrictions	<u>97,299</u>
<b>Total liabilities and net assets</b>	<b><u><u>\$ 98,002</u></u></b>

See accompanying notes to the financial statements.

GLUT 1 DEFICIENCY FOUNDATION, INC.  
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2019

<b>OPERATING INCREASES IN NET ASSETS</b>	
<b>WITHOUT DONOR RESTRICTIONS</b>	
<b>Public support and revenues:</b>	
Contributions received	\$ 202,776
Conference Income	89,297
Event Registration Fees	29,879
Merchandise Sales	10,817
Private Grants	2,000
Miscellaneous income	696
Total operating increases in net assets without donor restrictions	<u>335,465</u>
<b>OPERATING DECREASES IN NET ASSETS</b>	
<b>WITHOUT DONOR RESTRICTIONS</b>	
Program services	396,779
Management and general	13,966
Fundraising	5,509
<b>TOTAL OPERATING DECREASES IN NET ASSETS</b> <b>WITHOUT DONOR RESTRICTIONS</b>	<u>416,254</u>
<b>NET DECREASE IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>	(80,789)
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<u>178,088</u>
<b>NET ASSETS AT END OF YEAR</b>	<u><u>\$ 97,299</u></u>

See accompanying notes to the financial statements.

GLUT 1 DEFICIENCY FOUNDATION, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Program Services</u>	<u>Management &amp; General</u>	<u>Fund Raising</u>	<u>Total</u>
<b>OPERATING DECREASES IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>				
Salaries	\$ 31,325	\$ 9,875		\$ 41,200
Payroll taxes	2,397	755		3,152
Payroll service fees	566	443		1,009
Accounting fees		529		529
Insurance		1,668		1,668
Dues and subscriptions	412			412
Merchandise sales expense	6,148			6,148
Exhibit fees and expenses	18,388			18,388
GD1 conference expenses	163,117			163,117
Office supplies		473		473
Postage	1,710	66		1,776
Design fees	1,285			1,285
Web maintenance	242			242
Registration fees	69		2,926	2,995
Flipcause event expenses			2,583	2,583
Advertising	408			408
Bank fees		157		157
Advocacy travel and expenses	7,462			7,462
Research support	1,250			1,250
Research grants awarded	162,000			162,000
<b>TOTAL OPERATING DECREASES IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>	<u>\$ 396,779</u>	<u>\$ 13,966</u>	<u>\$ 5,509</u>	<u>\$ 416,254</u>

GLUT 1 DEFICIENCY FOUNDATION, INC.  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2019

<b>Cash flows from operating activities:</b>	
Change in net assets without donor restrictions	\$ (80,789)
Adjustments to reconcile change in net assets to net cash provided by operating activities without donor restrictions:	
(Increase) decrease in operating assets:	
Inventory	2,341
Prepaid expenses	13,172
Increase (decrease) in operating liabilities:	
Accounts payable	615
Deferred revenue	(34,933)
	<hr/>
Net cash used in operating activities	(99,594)
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<b>Net decrease in cash</b>	(99,594)
<b>Cash, beginning of year</b>	194,209
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<b>Cash, end of year (without donor restrictions)</b>	<u><u>\$ 94,615</u></u>

See accompanying notes to the financial statements.

**GLUT 1 DEFICIENCY FOUNDATION, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

**NOTE 1 - NATURE OF OPERATIONS**

Glut 1 Deficiency Foundation, Inc. (the Foundation) is a private, non-profit Corporation that was founded in 2011. The foundation is a non-profit family organization dedicated to improving the lives of those in the Glut 1 Deficiency community through its mission of increased awareness, improved education, advocacy for patients and families, and support and funding for research.

The Foundation has been determined by the Internal Revenue Service to be a non-profit organization and is tax-exempt under IRC 501(c)(3) of the Internal Revenue Code of 1986. Therefore, no provision for federal income tax has been made in the accompanying financial statements.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Accounting**

Glut 1 Deficiency Foundation Inc's policy is to prepare its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Revenues are recognized in the period in which they become due. Expenses are recognized in the period in which the related liability occurs.

**Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Basis of presentation**

Financial statement presentation follows the requirements of the ASU 2016-14, adopted during 2019, which is included in ASC 958 of the Financial Accounting Standards Board (FASB) Codification. Under ASU 2016-14, the Foundation is required to report information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions. Net assets were previously reported according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. Accordingly, all net assets of the Foundation have been recorded as net assets without donor restrictions.

**Cash and cash equivalents**

For purposes of the statement of cash flows, the Foundation considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents.



**GLUT 1 DEFICIENCY FOUNDATION, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Other Assets**

Other assets consist of merchandise inventory available for sale. Inventories are stated at the lower of cost or market.

**Property and Equipment**

The Foundation capitalizes property and equipment over \$1,000. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as contributions without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as contributions with no restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Foundation reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Foundation reclassifies net assets with donor restrictions to net assets without donor restrictions at that time. Property and equipment would be depreciated using the straight-line method over estimated useful lives ranging from five years for furniture and vehicles to thirty-nine years for buildings. The Foundation currently has no amounts recorded for property and equipment.

**Contributed Services**

No amounts have been reflected in the financial statements for donated services. The Foundation generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Foundation in its mission, but these services do not meet the criteria for recognition as contributed services.

**Advertising Costs**

Advertising costs are charged to operations in the year incurred and totaled \$408 for the year ended December 31, 2019.

**Revenue Recognition**

The Foundation recognizes revenues from exchange transactions, primarily event sponsorships, event registrations, and advertising, as the services are provided to the customer.

**GLUT 1 DEFICIENCY FOUNDATION, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Contributions are recorded as revenue when an unconditional promise to give has been made. Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Upon the expiration of any donor restrictions, such assets are reclassified to net assets without donor restrictions.

Revenues are reported as income when earned.

**Adoption of New Accounting Standard**

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*, requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The core principle of ASU 2014-09 is to recognize revenues when a customer obtains control of a good or service, in an amount that reflects the consideration to which an entity is expected to be entitled for those goods or services. In August 2015, the FASB issued ASU 2015-14, which deferred the effective date of ASU 2014-09 by one year.

Effective January 1, 2019, the Foundation adopted the requirements of ASU 2014-09 and all related amendments (the new revenue standard).

There was no adjustment necessary to the opening balance of net assets as a result of adopting the new revenue standard. For the year ended December 31, 2019, the Foundation has determined that there are no significant differences between the amounts reported for revenue and contract assets and liabilities using Topic 605 (previously in effect) and the accounting treatment used in accordance with the new revenue standard. Adoption of ASU 2014-09 had no material impact on the Foundation's financial statements.

**Functional Allocation of Expenses**

The costs of program and supporting service activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Certain costs are attributed to more than one program or supporting function and, therefore, require allocation among the programs and supporting services benefited. Management believes their allocations are done on a reasonable and consistent basis. Most personnel costs, office expenses, professional services, and other expenses are identified with a specific program or supporting function at the time they are incurred and are reported accordingly. However, some of these expenses require allocation, which is done on the basis of estimates of time and effort.

**GLUT 1 DEFICIENCY FOUNDATION, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

**NOTE 3 - TAX POLICIES**

The Accounting Standards Codification (ASC) 740-10-50, *Accounting for Uncertainty in Income Taxes*, requires entities to disclose known or anticipated positions of income tax uncertainty. The Foundation is not aware of any uncertain income tax positions as of January 21, 2020. The Foundation has never been audited by the Internal Revenue Service (IRS). However, the tax years of 2016 forward could be subject to examination by the IRS or other applicable tax jurisdictions.

**NOTE 4 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The following reflects the Foundation's financial assets as of December 31, 2019, reduced by amounts not available for general use because of contractual restrictions within one year of the balance sheet date. As of December 31, 2019, the financial assets available at year end were \$94,615 and all but \$25,000 are available to meet cash needs for general expenditures within one year. There were no amounts unavailable due to contractual restrictions or donor imposed restrictions, except as outlined in note 5 below.

**NOTE 5 - BOARD-DESIGNATED FUNDS**

As of December 31, 2019, the Foundation committed \$25,000 to fund the remainder of a research grant awarded in 2019. This expenditure is anticipated to occur in March 2020.

**NOTE 6 - DATE OF MANAGEMENT'S REVIEW**

Subsequent events were evaluated through January 21, 2020, which is the date the financial statements were available to be issued.