

Glut1 Deficiency Foundation, Inc.
Owingsville, Kentucky

Financial Statements and
Independent Auditor's Report
December 31, 2022 and 2021

Glut1 Deficiency Foundation, Inc.
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Glut1 Deficiency Foundation, Inc.
Owingsville, Kentucky

Opinion

We have audited the accompanying financial statements of the Glut1 Deficiency Foundation, Inc., (a nonprofit organization), which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Glut1 Deficiency Foundation, Inc. as of December 31, 2022 and 2021, 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 Glut1 Deficiency Foundation, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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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 Glut1 Deficiency Foundation Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material 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, including omissions, 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 Glut1 Deficiency Foundation Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

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- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Glut1 Deficiency Foundation, 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.

Faulkner, King & Wenz, PSC

Mt. Sterling, Kentucky

January 16, 2023

GLUT1 DEFICIENCY FOUNDATION, INC.
 STATEMENTS OF FINANCIAL POSITION
 DECEMBER 31, 2022 AND 2021

A S S E T S

	2022	2021
Current assets:		
Cash	\$ 421,810	\$ 379,805
Contributions receivable	1,139	2,702
Merchandise inventory	-	640
Prepaid expenses	25,000	18,594
Total current assets	\$ 447,949	\$ 401,741

L I A B I L I T I E S

Current liabilities:		
Deferred revenue	\$ -	\$ 122,676
Accounts payable	1,540	696
Accrued payroll liabilities	6,005	3,130
Total current liabilities	7,545	126,502

N E T A S S E T S

Net assets without donor restrictions	440,404	275,239
Total liabilities and net assets	\$ 447,949	\$ 401,741

GLUT1 DEFICIENCY FOUNDATION, INC.
 STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
 FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022	2021
OPERATING INCREASES IN NET ASSETS		
WITHOUT DONOR RESTRICTIONS		
Public support and revenues:		
Private Grants	\$ 274,676	\$ 196,022
Contributions received	429,786	246,223
Public Grants	34,602	-
Conference Income	33,372	7,642
Merchandise Sales	3,006	1,330
Miscellaneous income	1,534	750
Total operating increases in net assets without donor restrictions	776,976	451,967
OPERATING DECREASES IN NET ASSETS		
WITHOUT DONOR RESTRICTIONS		
Program services	575,666	308,195
Management and general	23,211	22,910
Fundraising	12,934	14,591
TOTAL OPERATING DECREASES IN NET ASSETS	611,811	345,696
NET INCREASE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	165,165	106,271
NET ASSETS AT BEGINNING OF YEAR	275,239	168,968
NET ASSETS AT END OF YEAR	440,404	275,239

See accompanying notes to the financial statements.

GLUT1 DEFICIENCY FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022

	Program Services	Management & General	Fund Raising	Total
OPERATING DECREASES IN NET ASSETS WITHOUT DONOR RESTRICTIONS				
Salaries	\$ 76,202	\$ 9,499	\$ 360	\$ 86,061
Payroll taxes	5,649	688	28	6,365
Payroll service fees	984	136	232	1,352
Accounting fees		8,794		8,794
Legal Fees		39		39
Insurance		1,657		1,657
G1D conference expenses	198,377			198,377
Dues and subscriptions	1,971			1,971
Merchandise sales expense	640			640
Exhibit fees and expenses	18,732			18,732
Office supplies		840		840
Postage	1,179	25		1,204
Design fees	340			340
Web maintenance	31,736			31,736
Registration fees			7,861	7,861
Flipcause event expenses			4,453	4,453
Print materials	1,041			1,041
Bank fees		189		189
Utilities		1,344		1,344
Advocacy & Outreach travel and expenses	194			194
Rare as One program expenses	172,097			172,097
Research support	6,524			6,524
Research grants awarded	60,000			60,000
TOTAL OPERATING DECREASES IN NET ASSETS WITHOUT DONOR RESTRICTIONS	\$ 575,666	\$ 23,211	\$ 12,934	\$ 611,811

GLUT1 DEFICIENCY FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Program Services</u>	<u>Management & General</u>	<u>Fund Raising</u>	<u>Total</u>
OPERATING DECREASES IN NET ASSETS WITHOUT DONOR RESTRICTIONS				
Salaries	\$ 45,433	\$ 9,025	\$ 4,512	\$ 58,970
Payroll taxes	3,562	715	357	4,634
Payroll service fees	940	262	135	1,337
Accounting fees		8,250		8,250
Legal Fees				-
Insurance		1,650		1,650
G1D conference expenses	20,288			20,288
Dues and subscriptions	566			566
Merchandise sales expense	1,887			1,887
Exhibit fees and expenses	4,066			4,066
Office supplies		937		937
Postage	1,747	316		2,063
Design fees	1,156			1,156
Web maintenance	1,548			1,548
Registration fees			3,776	3,776
Flipcause event expenses			5,738	5,738
Print materials	60			60
Bank fees		738	73	811
Utilities		1,017		1,017
Advocacy travel and expenses	26			26
Rare as One program expenses	74,784			74,784
Research support	5,382			5,382
Research grants awarded	146,750			146,750
	<u>146,750</u>	<u> </u>	<u> </u>	<u>146,750</u>
TOTAL OPERATING DECREASES IN NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>\$ 308,195</u>	<u>\$ 22,910</u>	<u>\$ 14,591</u>	<u>\$ 345,696</u>

GLUT1 DEFICIENCY FOUNDATION, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022	2021
Cash flows from operating activities:		
Change in net assets without donor restrictions	\$ 165,165	\$ 106,271
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities without donor restrictions:		
(Increase) decrease in operating assets:		
Inventory	640	1,860
Prepaid expenses	(6,406)	(14,919)
Receivables	1,563	2,834
Increase (decrease) in operating liabilities:		
Deferred revenue	(122,676)	(194,022)
Accounts payable	844	(1,365)
Accrued payroll liabilities	2,875	1,043
	42,005	(98,298)
Net cash provided (used) by operating activities		
	42,005	(98,298)
Net increase (decrease) in cash		
	379,805	478,103
Cash, beginning of year		
	\$ 421,810	\$ 379,805
Cash, end of year		
	\$ 421,810	\$ 379,805

See accompanying notes to the financial statements.

GLUT1 DEFICIENCY FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 1 - NATURE OF OPERATIONS

Glut1 Deficiency Foundation, Inc. (the Foundation) is a non-profit public charity that was founded in 2011. The foundation is a non-profit family organization dedicated to improving the lives of those in the Glut1 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 public charity 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

Glut1 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 are earned. 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, 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. 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.

GLUT1 DEFICIENCY FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

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.

Revenue Recognition

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

GLUT1 DEFICIENCY FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Grant Revenue

Grants from third parties are recorded as revenues in the period the Foundation meets the conditions for revenue recognition, namely when expenses have been incurred for the purposes specified by the contracts. To the extent amounts received exceed amounts spent, the Foundation records the excess as deferred revenue.

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. Unrestricted contributions are typically recorded when received. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a 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.

Adoption of New Accounting Standards

In May 2014, the FASB issued Accounting Standards Update 2014-09, *Revenue Recognition (Topic 606): Revenue from Contracts with Customers*. This standard outlines a five-step revenue recognition model in which an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Foundation implemented ASU 2014-09 effective January 1, 2019.

In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958) Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The FASB issued this ASU to clarify and improve the scope and the accounting guidance for contributions received and contributions made. The amendments in this ASU should assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, *Not-for-Profit Entities*, or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. The Foundation adopted ASU 2018-08 effective January 1, 2019.

GLUT1 DEFICIENCY FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 16, 2023. The Foundation has never been audited by the Internal Revenue Service (IRS). However, the tax years of 2019 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, 2022 and 2021, reduced by amounts not available for general use because of contractual restrictions within one year of the balance sheet date. As of December 31, 2022 and 2021, the financial assets available at year end were \$422,949 and \$383,147 respectively, of which \$422,949 and \$260,471 respectively, are available to meet cash needs for general expenditures within one year. Amounts unavailable due to contractual restrictions or donor imposed restrictions are outlined below.

Deferred Revenue

The Foundation recognizes contract revenue in the period the Foundation meets the conditions for revenue recognition, namely as stipulated program expenses are incurred. Deferred revenue of \$0 and \$122,676 respectively, for 2022 and 2021 relates to program receipts from an outside foundation grant in advance of program performance. Such performance was completed in 2022.

GLUT1 DEFICIENCY FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 5 - DATE OF MANAGEMENT'S REVIEW

Subsequent events were evaluated through January 16, 2023, which is the date the financial statements were available to be issued.

NOTE 6 - CONCENTRATIONS OF CREDIT RISK

The Foundation maintains its cash balances in financial institutions. The Federal Deposit Insurance Corporation insures the balances at financial institutions up to \$250,000. At December 31, 2022, cash balances of \$171,810 exceeded FDIC insurance coverage. No adverse results are anticipated.

Approximately 35% and 43% of the Foundation's revenue recognized in 2022 and 2021 respectively, was received from Chan Zuckerberg Initiative DAF, an advised fund of Silicon Valley Community Foundation in the form of a grant during the years ended December 31, 2022 and 2021.