

Glut1 Deficiency Foundation, Inc.
Owingsville, Kentucky

Financial Statements and
Independent Auditor's Report
December 31, 2023 and 2022

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, 2023 and 2022, 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, 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 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.

To the Board of Directors
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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 22, 2024

GLUT1 DEFICIENCY FOUNDATION, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2023 AND 2022

A S S E T S

	<u>2023</u>	<u>2022</u>
Current assets:		
Cash	\$ 448,811	\$ 421,810
Contributions receivable	2,040	1,139
Prepaid expenses	<u>15,176</u>	<u>25,000</u>
Total current assets	<u>\$ 466,027</u>	<u>\$ 447,949</u>

L I A B I L I T I E S

Current liabilities:		
Deferred revenue	\$ 36,355	\$ -
Accounts payable	2,326	1,540
Accrued payroll liabilities	<u>6,227</u>	<u>6,005</u>
Total current liabilities	<u>44,908</u>	<u>7,545</u>

N E T A S S E T S

Net assets without donor restrictions	<u>421,119</u>	<u>440,404</u>
Total liabilities and net assets	<u>\$ 466,027</u>	<u>\$ 447,949</u>

GLUT1 DEFICIENCY FOUNDATION, INC.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
OPERATING INCREASES IN NET ASSETS		
WITHOUT DONOR RESTRICTIONS		
Public support and revenues:		
Contributions received	\$ 300,936	\$ 429,786
Private grants	32,516	274,676
Interest income	3,001	-
Merchandise sales	2,092	3,006
Public grants	-	34,602
Conference income	546	33,372
Miscellaneous income	1,125	1,534
Total operating increases in net assets without donor restrictions	<u>340,216</u>	<u>776,976</u>
OPERATING DECREASES IN NET ASSETS		
WITHOUT DONOR RESTRICTIONS		
Program services	308,907	575,666
Management and general	29,543	23,211
Fundraising	21,051	12,934
TOTAL OPERATING DECREASES IN NET ASSETS		
WITHOUT DONOR RESTRICTIONS	<u>359,501</u>	<u>611,811</u>
NET (DECREASE) INCREASE IN NET ASSETS		
WITHOUT DONOR RESTRICTIONS	(19,285)	165,165
NET ASSETS AT BEGINNING OF YEAR	<u>440,404</u>	<u>275,239</u>
NET ASSETS AT END OF YEAR	<u><u>421,119</u></u>	<u><u>440,404</u></u>

See accompanying notes to the financial statements.

GLUT1 DEFICIENCY FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Program Services</u>	<u>Management & General</u>	<u>Fund Raising</u>	<u>Total</u>
OPERATING DECREASES IN NET ASSETS WITHOUT DONOR RESTRICTIONS				
Salaries	\$ 104,453	\$ 9,068	\$ 4,535	\$ 118,056
Payroll taxes	7,329	1,412	353	9,094
Payroll service fees	2,679	2,345	558	5,582
Accounting fees		6,200		6,200
Legal fees		-		-
Insurance		1,688		1,688
GLD conference expenses	-			-
Dues and subscriptions	2,869			2,869
Merchandise sales expense	-			-
Exhibit fees and expenses	24,307			24,307
Office supplies		3,483		3,483
Postage	-	64		64
Design fees	-			-
Educational outreach	24,244			24,244
Registration fees			6,045	6,045
Flipcause event expenses			-	-
Print materials	-			-
Bank fees		328		328
Utilities		2,092		2,092
Advocacy & Outreach travel and expenses	-			-
Rare as One program expenses	15,955	2,863	9,560	28,378
PCORI program expenses	32,516			32,516
Research support	13,360			13,360
Research grants awarded	81,195			81,195
TOTAL OPERATING DECREASES IN NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>\$ 308,907</u>	<u>\$ 29,543</u>	<u>\$ 21,051</u>	<u>\$ 359,501</u>

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
GLD 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
Educational outreach	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 travel and expenses	194			194
Rare as One program expenses	172,097			172,097
PCORI program expenses	-			-
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.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Change in net assets without donor restrictions	\$ (19,285)	\$ 165,165
Adjustments to reconcile change in net assets to net cash provided by operating activities without donor restrictions:		
(Increase) decrease in operating assets:		
Inventory	-	640
Prepaid expenses	9,824	(6,406)
Receivables	(901)	1,563
Increase (decrease) in operating liabilities:		
Deferred revenue	36,355	(122,676)
Accounts payable	786	844
Accrued payroll liabilities	222	2,875
	<u>27,001</u>	<u>42,005</u>
Net cash provided by operating activities	<u>27,001</u>	<u>42,005</u>
Net increase in cash	27,001	42,005
Cash, beginning of year	<u>421,810</u>	<u>379,805</u>
Cash, end of year	<u><u>\$ 448,811</u></u>	<u><u>\$ 421,810</u></u>

See accompanying notes to the financial statements.

GLUT1 DEFICIENCY FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

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, 2023 AND 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

GLUT1 DEFICIENCY FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

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. 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, 2023 AND 2022

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 22, 2024. The Foundation has never been audited by the Internal Revenue Service (IRS). However, the tax years of 2020 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, 2023 and 2022, reduced by amounts not available for general use because of contractual restrictions within one year of the balance sheet date. As of December 31, 2023 and 2022, the financial assets available at year end were \$414,496 and \$422,949 respectively, of which 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 \$36,355 and \$0 respectively, for 2023 and 2022 relates to program receipts from outside foundation grants in advance of program performance. Such performance is anticipated to be completed in 2024 and 2025.

GLUT1 DEFICIENCY FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 5 - DATE OF MANAGEMENT'S REVIEW

Subsequent events were evaluated through January 22, 2024, 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, 2023, cash balances of \$22,150 exceeded FDIC insurance coverage. No adverse results are anticipated.

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