

**UNITED MITOCHONDRIAL  
DISEASE FOUNDATION, INC.**

**FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021  
AND  
INDEPENDENT AUDITOR'S REPORT**

\* \* \* \* \*

**UNITED MITOCHONDRIAL  
DISEASE FOUNDATION, INC.**

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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Trustees of the  
United Mitochondrial Disease Foundation, Inc.

### **Opinion**

We have audited the accompanying financial statements of the United Mitochondrial Disease Foundation, Inc. (the "Foundation"), which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, 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 United Mitochondrial Disease Foundation, Inc. as of June 30, 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 United Mitochondrial Disease 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 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, that raise substantial doubt about the United Mitochondrial Disease 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.

### **Auditors 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 United Mitochondrial Disease 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.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the United Mitochondrial Disease 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.



**STELMACK DOBRANSKY & EANNACE, LLC**  
McMurray, Pennsylvania

May 11, 2023

**UNITED MITOCHONDRIAL  
DISEASE FOUNDATION, INC.**

**STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2022 AND 2021**

	<b>2022</b>	<b>2021</b>
<b><u>ASSETS</u></b>		
Cash and cash equivalents .....	\$ 1,367,802	\$ 1,510,484
Accounts receivable .....	208,211	34,570
Grants receivable (Note 3) .....	394,455	350,611
Note receivable (Note 4) .....	0	100,000
Inventories .....	0	8,811
Investments (Note 5) .....	3,050,300	3,427,976
Prepaid expenses .....	54,854	56,315
Fixed assets - net (Note 6) .....	0	0
<b>TOTAL ASSETS</b> .....	<b><u>\$ 5,075,622</u></b>	<b><u>\$ 5,488,767</u></b>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>LIABILITIES</b>		
Accounts payable .....	\$ 509,340	\$ 42,697
Loan payable (Note 7) .....	0	275,680
Accrued liabilities .....	76,495	47,897
Grants payable (Note 8) .....	1,423,253	1,649,391
Deferred revenue .....	0	53,666
Total liabilities .....	<u>2,009,088</u>	<u>2,069,331</u>
<b>NET ASSETS</b>		
Without donor restrictions .....	1,363,325	1,772,746
With donor restrictions (Note 10) .....	<u>1,703,209</u>	<u>1,646,690</u>
Total net assets .....	<u>3,066,534</u>	<u>3,419,436</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b> .....	<b><u>\$ 5,075,622</u></b>	<b><u>\$ 5,488,767</u></b>

See Independent Auditor's Report and  
Notes to the Financial Statements

**UNITED MITOCHONDRIAL  
DISEASE FOUNDATION, INC.**

**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

	-----2022-----			-----2021-----		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>PUBLIC SUPPORT AND REVENUE</b>						
Support:						
Fundraising .....	\$ 884,264	\$ 274,262	\$ 1,158,526	\$ 721,807	\$ 167,720	\$ 889,527
Contributions .....	960,366	0	960,366	777,267	0	777,267
Tribute giving .....	136,312	0	136,312	137,721	0	137,721
Grants .....	200,000	229,699	429,699	200,000	367,347	567,347
Cancellation of grants payable .....	2,425	0	2,425	0	0	0
Total support .....	2,183,367	503,961	2,687,328	1,836,795	535,067	2,371,862
Revenue:						
Symposium and seminars .....	401,193	0	401,193	245,479	0	245,479
Sales .....	727	0	727	403	0	403
Total revenue .....	401,920	0	401,920	245,882	0	245,882
Investment income, net of fees (Note 5) .....	(474,971)	0	(474,971)	688,336	0	688,336
PPP loan forgiveness (Note 7) .....	275,680	0	275,680	247,800	0	247,800
Net assets released from program restrictions .....	447,442	(447,442)	0	357,921	(357,921)	0
Total support and revenue .....	2,833,438	56,519	2,889,957	3,376,734	177,146	3,553,880
<b>FUNCTIONAL EXPENSES</b>						
Program services:						
Research .....	1,276,461	0	1,276,461	1,170,985	0	1,170,985
Public awareness .....	462,782	0	462,782	544,474	0	544,474
Education/member support .....	976,947	0	976,947	526,378	0	526,378
Total program services .....	2,716,190	0	2,716,190	2,241,837	0	2,241,837
Supporting services:						
Administrative and general .....	199,909	0	199,909	165,219	0	165,219
Fundraising .....	326,760	0	326,760	320,646	0	320,646
Total supporting services .....	526,669	0	526,669	485,865	0	485,865
Total expenses .....	3,242,859	0	3,242,859	2,727,702	0	2,727,702
<b>CHANGES IN NET ASSETS</b> .....	(409,421)	56,519	(352,902)	649,032	177,146	826,178
<b>NET ASSETS</b> - Beginning of year .....	1,772,746	1,646,690	3,419,436	1,123,714	1,469,544	2,593,258
<b>NET ASSETS</b> - End of year .....	\$ 1,363,325	\$ 1,703,209	\$ 3,066,534	\$ 1,772,746	\$ 1,646,690	\$ 3,419,436

See Independent Auditor's Report and  
Notes to the Financial Statements

**UNITED MITOCHONDRIAL  
DISEASE FOUNDATION, INC.**

**STATEMENTS OF FUNCTIONAL EXPENSES  
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

	-----2022-----					-----2021-----						
	-----Program Services-----			---Supporting Services---		2022 Total	-----Program Services-----			---Supporting Services---		2021 Total
	Research	Public Awareness	Education Member Support	Admin & General	Fundraising		Research	Public Awareness	Education Member Support	Admin & General	Fundraising	
Bank fees .....	\$0	\$0	\$0	\$3,029	\$19,398	\$22,427	\$150	\$75	\$1,053	\$1,504	\$20,627	\$23,409
Depreciation .....	0	0	0	0	0	0	0	0	0	1,755	0	1,755
Fundraising .....	0	8,811	0	0	56,332	65,143	0	0	0	0	39,634	39,634
Research grants awarded .....	641,072	0	0	0	0	641,072	584,864	0	0	0	0	584,864
Insurance .....	3,559	1,509	2,819	919	1,473	10,279	3,235	1,730	2,293	169	1,109	8,536
Licenses and fees .....	0	0	0	5,395	0	5,395	334	167	2,336	3,337	500	6,674
Meetings .....	20,118	44,224	498,155	0	9,730	572,227	5,608	41,376	44,427	0	17,125	108,536
Miscellaneous .....	3,996	651	2,925	79	3,324	10,975	309	30	3,222	0	4,000	7,561
Payroll taxes .....	33,426	14,237	24,799	8,653	14,288	95,403	33,080	17,336	25,923	7,790	13,350	97,479
Postage and shipping .....	1,231	87	1,236	881	2,037	5,472	87	45	2,570	874	1,722	5,298
Printing .....	252	17	763	21	419	1,472	289	411	306	241	554	1,801
Professional fees .....	1,812	705	1,453	11,386	1,482	16,838	1,968	1,061	5,337	6,070	969	15,405
Promotion and marketing .....	21,133	108,900	11,340	1,115	12,413	154,901	2,587	133,361	5,328	0	12,917	154,193
Rent .....	19,039	9,008	11,963	14,557	8,052	62,619	23,024	13,641	16,181	14,597	7,978	75,421
Recruiting and relocation .....	297	89	178	0	30	594	0	0	0	0	0	0
Salaries and benefits .....	522,086	238,524	400,215	132,701	192,305	1,485,831	506,209	287,034	394,773	115,696	196,364	1,500,076
Repairs and maintenance .....	846	30,303	4,114	14,874	938	51,075	1,228	40,890	4,929	6,608	558	54,213
Supplies .....	1,510	2,731	5,937	3,931	897	15,006	1,696	3,682	8,092	4,060	0	17,530
Telephone .....	6,084	2,986	11,050	2,368	3,642	26,130	6,317	3,635	9,608	2,518	3,239	25,317
<b>Total functional expenses .....</b>	<b>\$1,276,461</b>	<b>\$462,782</b>	<b>\$976,947</b>	<b>\$199,909</b>	<b>\$326,760</b>	<b>\$3,242,859</b>	<b>\$1,170,985</b>	<b>\$544,474</b>	<b>\$526,378</b>	<b>\$165,219</b>	<b>\$320,646</b>	<b>\$2,727,702</b>

See Independent Auditor's Report and  
Notes to the Financial Statements

**UNITED MITOCHONDRIAL  
DISEASE FOUNDATION, INC.**

**STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

	<b>2022</b>	<b>2021</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets .....	\$ (352,902)	\$ 826,178
Adjustments to reconcile change in net assets provided by (used in) operating activities:		
Depreciation .....	0	1,755
Realized (gain) on sale of investments .....	(162,628)	(109,304)
Unrealized (gain) loss on investment .....	727,188	(509,148)
(Gain) on PPP loan forgiveness .....	(275,680)	(247,800)
Changes in assets (increase)/decrease:		
Accounts and pledges receivable .....	(117,485)	162,278
Note receivable .....	100,000	0
Inventories .....	8,811	10,739
Prepaid expenses .....	1,461	(5,568)
Changes in liabilities (decrease)/increase:		
Accounts payable .....	466,643	(132,731)
Accrued expenses .....	28,599	2,763
Grants payable .....	(226,138)	83,926
Deferred revenue .....	(53,666)	(14,229)
Net cash provided by (used in) operating activities .....	<u>144,203</u>	<u>68,859</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds on sale of investments .....	596,091	629,897
Purchase of investments .....	<u>(882,976)</u>	<u>(734,118)</u>
Net cash provided by (used in) investing activities .....	<u>(286,885)</u>	<u>(104,221)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
New borrowings:		
Payroll protection loan .....	<u>0</u>	<u>275,680</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(142,682)</b>	<b>240,318</b>
<b>CASH AND CASH EQUIVALENTS</b> – Beginning of year .....	<u>1,510,484</u>	<u>1,270,166</u>
<b>CASH AND CASH EQUIVALENTS</b> – End of year .....	<u>\$ 1,367,802</u>	<u>\$ 1,510,484</u>
<b>SUPPLEMENTAL INFORMATION</b>		
Interest paid .....	\$ 0	\$ 0
Income taxes paid on unrelated business income .....	\$ 0	\$ 0

See Independent Auditor's Report and  
Notes to the Financial Statements



**UNITED MITOCHONDRIAL  
DISEASE FOUNDATION, INC.**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Organization and Nature of Activities

The United Mitochondrial Disease Foundation, Inc. (“the Foundation”) was organized on April 28, 1995 and is the result of a merger between a number of specific Mitochondrial disease organizations to form a larger, more cohesive united foundation representing all mitochondrial diseases and all sufferers, adult and children alike. The Foundation’s mission is to promote research for cures and treatments of mitochondrial disorders and to provide support to affected families.

Basis of Accounting

The accompanying financial statements are prepared on the accrual basis of accounting, and accordingly, reflect all significant receivables, payables, and other liabilities.

Financial Statement Presentation

The Foundation’s financial statements are prepared in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification ASC 958-210, which establishes standards for external financial reporting by not-for-profit organizations. Under FASB ASC 958-210, 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.

Contributions

Contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions depending on the existence or nature of any donor restrictions.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Foundation considers all highly liquid investments with an initial maturity of one year or less to be cash equivalents. For the years ended June 30, 2022 and 2021, the Foundation had no noncash investing or financing activities for cash flow purposes.

Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported revenues and expenses. Actual results could differ from those estimates.

Accounts Receivable

Accounts receivable are evaluated regularly for collectability. If an account becomes uncollectible, an expense will be recognized. No allowance for doubtful accounts is considered necessary.

Inventories

Inventories consist of merchandise and are stated at the lower of cost (first-in-first-out) or market.

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**UNITED MITOCHONDRIAL DISEASE FOUNDATION, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

Investments

The Foundation records investments in accordance with FASB ASC 958-320. Under FASB ASC 958-320, investments are presented at their fair value, which is established using the fair value hierarchy (See Note 5).

Fixed Assets

Fixed assets are recorded at cost and depreciated using the straight-line method over estimated useful lives of 3 to 10 years. Depreciation expense, totaling \$0 and \$1,755 for the years ended June 30, 2022 and 2021, respectively, is allocated to the various activities based on usage.

Revenue and Expense Recognition

Income from program service fees are deferred and recognized over the periods to which the specific types of income relate. Costs and expenses related to such activities are also deferred as prepaid expenses and recognized in the period when the programs are held.

Functional Allocation of Expenses

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

Income Tax Status

The Foundation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Foundation's tax-exempt purpose is subject to taxation as unrelated business income. For the years ended June 30, 2022 and 2021, the Foundation had no such income. In addition, the Foundation qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(1).

The Forms 990, *Return of Organization Exempt from Income Tax*, of the Foundation are subject to examination by the IRS, generally for three years after they were filed.

Concentration of Credit Risk

Financial instruments which potentially subject the organization to a concentration of credit risk consist principally of cash, temporary cash investments and marketable securities. The cash, temporary cash investments and marketable security accounts of the organization are maintained at high quality financial institutions. At times such accounts may be in excess of FDIC insurance limits but pose no significant concentration of credit risk.

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(Continued)

**UNITED MITOCHONDRIAL DISEASE FOUNDATION, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

Changes in Presentation of Comparative Statements

Certain prior year amounts have been reclassified to conform to the current year presentation.

Subsequent Events

Management has evaluated subsequent events through May 11, 2023, the date on which the financial statements were available to be issued.

**2. DESCRIPTION OF MAJOR PROGRAMS**

Research

The Foundation is committed to finding treatments and cures for mitochondrial disease and believes research is the path to success. Since 1996 the Foundation has been providing research grants in order to advance the cause of research into mitochondrial disease. UMDF has launched mitoSHARE a worldwide patient-populated registry. The goal of the registry is to advance scientific research using data gathered from patients and families affected by mitochondrial disease. In addition, the Foundation has initiated a pilot genetic testing program to improve diagnosis of suspected mitochondrial disease and has also initiated a web base Clinical Trial Finder tool.

Public Awareness

The Foundation is raising awareness among clinicians and other allied health professionals through exhibitions at the Annual Mitochondrial Medical Symposium and other medical meetings. The Foundation has established a Web based Mito University, providing patients, families, caregivers and clinicians with the resources, facts and knowledge to better navigate their journey with Mitochondrial Disorders. The Foundation works closely with government agencies like the FDA, NIH, DOD, and other government representatives to maximize mitochondrial disease awareness and to increase research funding to further therapeutic advancements.

Education/Member Support

The Foundation creates caring, supportive communities across the nation for adults, children and families suffering from mitochondrial disease through their regional coordinators and affiliated groups and ambassadors. This allows foundation members to network with other families and individuals to talk about mitochondrial disorders. The Foundation also keeps members updated with the latest treatment advances and information through frequent e-connect newsletters. Additionally, families have online access to Mitochondrial experts through the “Ask the Mito Doc” podcast and webinars. A library of multimedia educational materials and resource guides are available online at Mito U. The Foundation also hosts dozens of live support and education webinars reaching thousands of constituents each year.

**3. GRANTS RECEIVABLE**

Grants receivable consist of the following:

	<u>2022</u>	<u>2021</u>
Amounts due from Mitocon .....	\$ 96,209	\$ 96,209
Amounts due from AMDF .....	184,682	134,682
Amounts due from PALS .....	53,725	59,881
Amounts due from Lily .....	<u>59,839</u>	<u>59,839</u>
Total grants receivable .....	<u>\$ 394,455</u>	<u>\$ 350,611</u>

(Continued)

**UNITED MITOCHONDRIAL DISEASE FOUNDATION, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

**3. GRANTS RECEIVABLE, continued**

Aging of grants receivable is as follows:	<u>2022</u>	<u>2021</u>
Amounts due in one year .....	\$ 235,568	\$ 185,568
Amounts due in one to five years .....	<u>158,887</u>	<u>165,043</u>
Total grants receivable .....	<u>\$ 394,455</u>	<u>\$ 350,611</u>

**4. NOTES RECEIVABLE**

The Foundation entered into a note purchase agreement on October 25, 2019 with Napigen, Inc. which amounted to \$100,000. For the \$100,000, the Foundation received a convertible promissory note from Napigen. In November 2021 the note converted to preferred stock in Napigen, Inc.

**5. INVESTMENTS**

Fair Value Measurements

FASB ASC 820-10, Fair Value Measurements establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs have the lowest priority. The Company uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Company measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. The fair values of the fixed income funds and equities are Level 1 inputs. No Level 3 inputs were available to the Foundation.

The following tables summarize fair value measurements by level at June 30, 2022 and 2021 for investments measured at fair value on a recurring basis:

<u>June 30, 2022</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Total Fair Value</u>
Fixed income .....	\$ 1,170,807	\$ 0	\$ 1,170,807
Equities .....	1,772,375	0	1,772,375
Preferred stock .....	<u>0</u>	<u>107,118</u>	<u>107,118</u>
Total .....	<u>\$ 2,943,182</u>	<u>\$ 107,118</u>	<u>\$ 3,050,300</u>

<u>June 30, 2021</u>	<u>Level 1</u>	<u>Total Fair Value</u>
Fixed income .....	\$ 1,156,431	\$ 1,156,431
Equities .....	<u>2,271,545</u>	<u>2,271,545</u>
Total .....	<u>\$ 3,427,976</u>	<u>\$ 3,427,976</u>

(Continued)

**UNITED MITOCHONDRIAL DISEASE FOUNDATION, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

**5. INVESTMENTS, continued**

Level 1 Fair Value Measurements

The fair values of mutual funds are based upon quoted prices for identical instruments traded in active markets.

Level 2 Fair Value Measurements

The fair values of preferred stocks are based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market.

The following schedule summarizes the investment return and its classification in the Statements of Activities for the years ended June 30, 2022 and 2021:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<u>2022</u>			
Interest and dividend income .....	\$ 101,179	\$ 0	\$ 101,179
Realized gains .....	162,628	0	162,628
Unrealized gains (losses) .....	<u>(727,188)</u>	<u>0</u>	<u>(727,188)</u>
Subtotal investment return .....	(463,381)	0	(463,381)
Less investment fees .....	<u>(11,590)</u>	<u>0</u>	<u>(11,590)</u>
Total investment return .....	<u>\$ (474,971)</u>	<u>\$ 0</u>	<u>\$ (474,971)</u>
<u>2021</u>			
Interest and dividend income .....	\$ 86,194	\$ 0	\$ 86,194
Realized gains .....	109,304	0	109,304
Unrealized gains .....	<u>509,148</u>	<u>0</u>	<u>509,148</u>
Subtotal investment return .....	704,646	0	704,646
Less investment fees .....	<u>(16,310)</u>	<u>0</u>	<u>(16,310)</u>
Total investment return .....	<u>\$ 688,336</u>	<u>\$ 0</u>	<u>\$ 688,336</u>

**6. FIXED ASSETS**

Fixed assets are summarized as follows at June 30:

	<u>2022</u>	<u>2021</u>
Furniture and fixtures .....	\$ 22,513	\$ 22,513
Computer equipment .....	140,564	140,564
Leasehold improvements .....	<u>5,225</u>	<u>5,225</u>
Total fixed assets .....	168,302	168,302
Less accumulated depreciation .....	<u>168,302</u>	<u>168,302</u>
Fixed assets – net .....	<u>\$ 0</u>	<u>\$ 0</u>

(Continued)

**UNITED MITOCHONDRIAL DISEASE FOUNDATION, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

**7. PAYROLL PROTECTION PROGRAM LOAN**

On May 11, 2020, the Foundation was granted a loan of \$247,800 from First Commonwealth Bank pursuant to Paycheck Protection Program (“PPP”) under the CARES Act enacted in March 2020. The loan is forgivable as long as the proceeds are used for eligible purposes, including payroll, benefits, rent, and utilities and the Foundation maintains payroll levels. On February 11, 2021, the Foundation received formal notice that it has used the proceeds for purposes consistent with the PPP and the loan has been forgiven. It has been included as other income on the accompanying statements of activities and changes in net assets.

On February 19, 2021, the Foundation was granted a second loan of \$275,680 from First Commonwealth Bank pursuant to Paycheck Protection Program (“PPP”) under the Economic Aid Act enacted in December 2020. The loan is forgivable as long as the proceeds are used for eligible purposes, including payroll, benefits, rent, and utilities and the Foundation maintains payroll levels. On February 26, 2022, the Foundation received formal notice that it has used the proceeds for purposes consistent with the PPP and the loan has been forgiven. It has been included as other income on the accompanying statements of activities and changes in net assets.

**8. GRANTS PAYABLE**

The Board of Trustees approves future research grants each year. Grants authorized but unpaid at year end are reported as liabilities in accordance with FASB ASC 958-605. A summary of the outstanding grants is as follows:

Grant Date	Grant Amount	Grant Payable June 30, 2022
May 2015	\$ 693,658	\$ 21,940
May 2017	450,450	53,273
May 2019	656,156	156,046
May 2020	866,357	328,940
May 2021	563,558	280,990
May 2022	641,072	<u>582,064</u>
Total grants payable .....		<u>\$ 1,423,253</u>

**9. RETIREMENT PLANS**

403(b) Tax Deferred Annuity Plan

The Foundation has a 403(b) Tax Deferred Annuity Plan covering substantially all of its employees. Employees may make voluntary pre-tax contributions to the plan subject to maximums allowed by the Internal Revenue Code. The Company does not match any of the contributions.

SEP-IRA Plan

The Foundation also has established a SEP-IRA retirement plan for substantially all employees. Contributions are determined by management and are totally discretionary. Contributions amounted to approximately \$89,400 and \$87,400 for the years ended June 30, 2022 and 2021, respectively.

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**UNITED MITOCHONDRIAL DISEASE FOUNDATION, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

**10. NET ASSETS**

Net assets with donor restrictions at June 30, 2022 and 2021 are available for the following purposes:

	<u>2022</u>	<u>2021</u>
Research .....	\$ 1,703,209	\$ 1,646,690

**11. OPERATING LEASE**

The Foundation leases office space under an operating lease agreement that expires October 2022. The Foundation leases a copier under an operating lease agreement that expires December 2022. The future minimum rental payments required under these lease agreements at June 30, 2022 are:

<u>Year Ended</u> <u>June 30,</u>	<u>Amount</u>
2023 .....	\$ 10,918
Thereafter .....	<u>0</u>
Total .....	<u>\$ 10,918</u>

Rental expense amounted to \$42,976 and \$53,771 for the years ended June 30, 2022 and 2021, respectively.

**12. LIQUIDITY AND AVAILABILITY OF RESOURCES**

The Foundation's financial assets available within one year of the statements of financial position date for general expenditures as of June 30, 2022 and 2021 are as follows:

	<u>2022</u>	<u>2021</u>
Cash .....	\$ 1,367,802	\$ 1,510,484
Investments .....	3,050,300	3,427,976
Accounts receivable .....	208,211	34,570
Grants receivable .....	<u>235,568</u>	<u>185,568</u>
Total financial assets available within one year .....	4,861,881	5,158,598
Less:		
Amounts unavailable for general expenditures within one year, due to time or purpose restrictions .....	<u>(1,703,209)</u>	<u>(1,646,690)</u>
Total financial assets available for general expenditures within one year .....	<u>\$ 3,158,672</u>	<u>\$ 3,511,908</u>

The Foundation has a goal to maintain financial assets, which consist of cash without donor restrictions and accounts receivable, investments, and grants receivable within one year of the statement of financial position to be available as its general expenditures, liabilities, and other obligations come due.