

**UNITED MITOCHONDRIAL
DISEASE FOUNDATION, INC.**

**FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022
AND
INDEPENDENT AUDITOR'S REPORT**

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**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, 2023 and 2022, 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, 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 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

STELMACK DOBRANSKY & EANNACE, LLC
McMurray, Pennsylvania

May 9, 2024

**UNITED MITOCHONDRIAL
DISEASE FOUNDATION, INC.**

**STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2023 AND 2022**

	2023	2022
<u>ASSETS</u>		
Cash and cash equivalents	\$ 2,338,935	\$ 1,367,802
Accounts receivable	136,494	208,211
Grants receivable (Note 3)	190,206	394,455
Pledges receivable (Note 4)	1,250,000	0
Investments (Note 5)	3,203,848	3,050,300
Prepaid expenses	85,106	54,854
Fixed assets - net (Note 6)	<u>0</u>	<u>0</u>
TOTAL ASSETS	<u>\$ 7,204,589</u>	<u>\$ 5,075,622</u>
<u>LIABILITIES AND NET ASSETS</u>		
LIABILITIES		
Accounts payable	\$ 651,932	\$ 509,340
Accrued liabilities	136,644	76,495
Grants payable (Note 8)	<u>1,557,580</u>	<u>1,423,253</u>
Total liabilities	<u>2,346,156</u>	<u>2,009,088</u>
NET ASSETS		
Without donor restrictions	2,111,135	1,363,325
With donor restrictions (Note 10)	<u>2,747,298</u>	<u>1,703,209</u>
Total net assets	<u>4,858,433</u>	<u>3,066,534</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 7,204,589</u>	<u>\$ 5,075,622</u>

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, 2023 AND 2022**

	-----2023-----			-----2022-----		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND REVENUE						
Support:						
Fundraising	\$ 563,552	\$ 555,087	\$ 1,118,639	\$ 884,264	\$ 274,262	\$ 1,158,526
Contributions	1,806,198	1,250,000	3,056,198	960,366	0	960,366
Tribute giving	95,610	0	95,610	136,312	0	136,312
Grants	200,000	332,900	532,900	200,000	229,699	429,699
Cancellation of grants payable	0	0	0	2,425	0	2,425
Total support	2,665,360	2,137,987	4,803,347	2,183,367	503,961	2,687,328
Revenue:						
Symposium and seminars	483,027	0	483,027	401,193	0	401,193
Sales	558	0	558	727	0	727
Total revenue	483,585	0	483,585	401,920	0	401,920
Investment income, (loss) net of fees (Note 5)	306,283	0	306,283	(474,971)	0	(474,971)
PPP loan forgiveness (Note 7)	0	0	0	275,680	0	275,680
Net assets released from program restrictions	1,093,898	(1,093,898)	0	447,442	(447,442)	0
Total support and revenue	4,549,126	1,044,089	5,593,215	2,833,438	56,519	2,889,957
FUNCTIONAL EXPENSES						
Program services:						
Research	1,613,003	0	1,613,003	1,276,461	0	1,276,461
Public awareness	524,613	0	524,613	462,782	0	462,782
Education/member support	1,060,850	0	1,060,850	976,947	0	976,947
Total program services	3,198,466	0	3,198,466	2,716,190	0	2,716,190
Supporting services:						
Administrative and general	218,849	0	218,849	199,909	0	199,909
Fundraising	384,001	0	384,001	326,760	0	326,760
Total supporting services	602,850	0	602,850	526,669	0	526,669
Total expenses	3,801,316	0	3,801,316	3,242,859	0	3,242,859
CHANGES IN NET ASSETS	747,810	1,044,089	1,791,899	(409,421)	56,519	(352,902)
NET ASSETS - Beginning of year	1,363,325	1,703,209	3,066,534	1,772,746	1,646,690	3,419,436
NET ASSETS - End of year	\$ 2,111,135	\$ 2,747,298	\$ 4,858,433	\$ 1,363,325	\$ 1,703,209	\$ 3,066,534

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, 2023 AND 2022**

	-----2023-----						-----2022-----					
	-----Program Services-----			---Supporting Services---			-----Program Services-----			---Supporting Services---		
	Research	Public Awareness	Education Member Support	Admin & General	Fundraising	2023 Total	Research	Public Awareness	Education Member Support	Admin & General	Fundraising	2022 Total
Bank fees	\$465	\$0	\$0	\$3,548	\$15,164	\$19,177	\$0	\$0	\$0	\$3,029	\$19,398	\$22,427
Fundraising	0	0	0	0	115,955	115,955	0	8,811	0	0	56,332	65,143
Research grants awarded	944,289	0	0	0	0	944,289	641,072	0	0	0	0	641,072
Insurance	5,197	2,583	3,604	1,025	4,158	16,567	3,559	1,509	2,819	919	1,473	10,279
Licenses and fees	0	0	0	5,297	0	5,297	0	0	0	5,395	0	5,395
Meetings	40,934	50,913	569,078	0	15,618	676,543	20,118	44,224	498,155	0	9,730	572,227
Miscellaneous	1,297	153	1,982	1,693	189	5,314	1,203	181	771	51	0	2,206
Payroll taxes	31,668	20,274	25,811	10,883	13,325	101,961	33,426	14,237	24,799	8,653	14,288	95,403
Postage and shipping	66	0	963	1,220	1,973	4,222	1,231	87	1,236	881	2,037	5,472
Printing	206	14	1,761	0	343	2,324	252	17	763	21	419	1,472
Professional fees	2,058	1,378	5,465	6,844	1,661	17,406	1,812	705	1,453	11,386	1,482	16,838
Promotion and marketing	37,772	108,721	11,037	1,126	9,462	168,118	21,133	108,900	11,340	1,115	12,413	154,901
Rent	4,539	309	2,032	12,574	2,329	21,783	19,039	9,008	11,963	14,557	8,052	62,619
Recruiting and relocation	521	156	312	0	152	1,141	297	89	178	0	30	594
Salaries and benefits	520,304	327,403	406,384	166,086	189,908	1,610,085	522,086	238,524	400,215	132,701	192,305	1,485,831
Repairs and maintenance	2,260	5,072	5,505	2,379	2,417	17,633	846	30,303	4,114	14,874	938	51,075
Supplies	1,138	2,492	5,793	3,193	537	13,153	1,510	2,731	5,937	3,931	897	15,006
Telephone	7,251	3,112	12,909	2,563	4,064	29,899	6,084	2,986	11,050	2,368	3,642	26,130
Travel	13,038	2,033	8,214	418	6,746	30,449	2,793	470	2,154	28	3,324	8,769
Total functional expenses	\$1,613,003	\$524,613	\$1,060,850	\$218,849	\$384,001	\$3,801,316	\$1,276,461	\$462,782	\$976,947	\$199,909	\$326,760	\$3,242,859

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, 2023 AND 2022**

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 1,791,899	\$ (352,902)
Adjustments to reconcile change in net assets provided by (used in) operating activities:		
Realized (gain) on sale of investments	(12,350)	(162,628)
Unrealized (gain) loss on investment	(196,557)	727,188
(Gain) on PPP loan forgiveness	0	(275,680)
Changes in assets (increase)/decrease:		
Accounts and pledges receivable	(974,034)	(117,485)
Note receivable	0	100,000
Inventories	0	8,811
Prepaid expenses	(30,252)	1,461
Changes in liabilities (decrease)/increase:		
Accounts payable	142,592	466,643
Accrued expenses	60,149	28,599
Grants payable	134,327	(226,138)
Deferred revenue	0	(53,666)
Net cash provided by (used in) operating activities	<u>915,774</u>	<u>144,203</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds on sale of investments	632,701	596,091
Purchase of investments	<u>(577,342)</u>	<u>(882,976)</u>
Net cash provided by (used in) investing activities	<u>55,359</u>	<u>(286,885)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	971,133	(142,682)
CASH AND CASH EQUIVALENTS – Beginning of year	<u>1,367,802</u>	<u>1,510,484</u>
CASH AND CASH EQUIVALENTS – End of year	<u>\$ 2,338,935</u>	<u>\$ 1,367,802</u>
SUPPLEMENTAL INFORMATION		
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, 2023 AND 2022**

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, 2023 and 2022, 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.

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UNITED MITOCHONDRIAL DISEASE FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

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 totaled \$0 for both the years ended June 30, 2023 and 2022.

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.

Leases

The Foundation calculates operating lease liabilities with a risk-free discount rate, using a comparable period with the lease term. All lease and non-lease components are combined for all leases. Lease payments for leases with a term of twelve months or less are expensed on straight-line basis over the term of the lease with no lease asset or liability recognized.

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, 2023 and 2022, 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.

(Continued)

UNITED MITOCHONDRIAL DISEASE FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

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 9, 2024, 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 maintained 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 sustained a genetic testing program to improve diagnosis of suspected mitochondrial disease and has also supported a web based Clinical Trial Finder tool. The Foundation also advances its research mission through the funding of a robust research ecosystem which includes a genomic repository and support for a clinical research registry.

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 curriculum program, 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.

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UNITED MITOCHONDRIAL DISEASE FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

3. GRANTS RECEIVABLE

Grants receivable consist of the following:	<u>2023</u>	<u>2022</u>
Amounts due from Mitocon	\$ 51,963	\$ 96,209
Amounts due from AMDF	68,768	184,682
Amounts due from PALS	34,727	53,725
Amounts due from Lily	<u>34,748</u>	<u>59,839</u>
Total grants receivable	<u>\$ 190,206</u>	<u>\$ 394,455</u>

Aging of grants receivable is as follows:	<u>2023</u>	<u>2022</u>
Amounts due in one year	\$ 190,206	\$ 235,568
Amounts due in one to five years	<u>0</u>	<u>158,887</u>
Total grants receivable	<u>\$ 190,206</u>	<u>\$ 394,455</u>

4. PLEDGES RECEIVABLE (PROMISES TO GIVE)

Pledges of contributions (or promises to give) have been classified as unconditional or conditional. Unconditional promises to give at June 30 are as follows:

	<u>2023</u>	<u>2022</u>
Receivable in less than one year	\$ 750,000	\$ 0
Receivable in one to five years	<u>500,000</u>	<u>0</u>
Total unconditional promises to give	1,250,000	0
Less discounts to net present value	<u>0</u>	<u>0</u>
Net unconditional promises to give	<u>\$ 1,250,000</u>	<u>\$ 0</u>

Management decided the discount calculation for the years ended June 30, 2023 and 2022 to be clearly inconsequential.

Management has deemed these promises to give to be fully collectible, and thus, no allowance for uncollectible pledges receivable has been recorded.

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.

(Continued)

UNITED MITOCHONDRIAL DISEASE FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

5. INVESTMENTS, continued

The following tables summarize fair value measurements by level at June 30, 2023 and 2022 for investments measured at fair value on a recurring basis:

<u>June 30, 2023</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Total Fair Value</u>
Fixed income	\$ 1,135,323	\$ 0	\$ 1,135,323
Equities	1,961,407	0	1,961,407
Preferred stock	0	107,118	107,118
Total	<u>\$ 3,096,730</u>	<u>\$ 107,118</u>	<u>\$ 3,203,848</u>

<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	0	107,118	107,118
Total	<u>\$ 2,943,182</u>	<u>\$ 107,118</u>	<u>\$ 3,050,300</u>

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, 2023 and 2022:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<u>2023</u>			
Interest and dividend income	\$ 113,466	\$ 0	\$ 113,466
Realized gains	12,350	0	12,350
Unrealized gains (losses)	196,557	0	196,557
Subtotal investment return	322,373	0	322,373
Less investment fees	(16,090)	0	(16,090)
Total investment return	<u>\$ 306,283</u>	<u>\$ 0</u>	<u>\$ 306,283</u>

(Continued)

UNITED MITOCHONDRIAL DISEASE FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

5. INVESTMENTS, continued

<u>2022</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Interest and dividend income	\$ 101,179	\$ 0	\$ 101,179
Realized gains	162,628	0	162,628
Unrealized gains (losses)	<u>(727,188)</u>	0	<u>(727,188)</u>
Subtotal investment return	(463,381)	0	(463,381)
Less investment fees	<u>(11,590)</u>	0	<u>(11,590)</u>
Total investment return	<u>\$ (474,971)</u>	<u>\$ 0</u>	<u>\$ (474,971)</u>

6. FIXED ASSETS

Fixed assets are summarized as follows at June 30:

	<u>2023</u>	<u>2022</u>
Furniture and fixtures	\$ 22,513	\$ 22,513
Computer equipment	136,832	140,564
Leasehold improvements	<u>5,225</u>	<u>5,225</u>
Total fixed assets	164,570	168,302
Less accumulated depreciation	<u>164,570</u>	<u>168,302</u>
Fixed assets – net	<u>\$ 0</u>	<u>\$ 0</u>

7. PAYROLL PROTECTION PROGRAM LOAN

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:

<u>Grant Date</u>	<u>Grant Amount</u>	<u>Grant Payable June 30, 2023</u>
May 2017	\$ 450,450	\$ 18,959
May 2019	656,156	88,721
May 2020	866,357	247,486
May 2021	563,558	172,188
May 2022	641,072	209,000
May 2023	994,148	<u>821,226</u>
Total grants payable		<u>\$ 1,557,580</u>

UNITED MITOCHONDRIAL DISEASE FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
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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 \$89,800 and \$89,400 for the years ended June 30, 2023 and 2022, respectively.

10. NET ASSETS

Net assets with donor restrictions at June 30, 2023 and 2022 are available for the following purposes:

	<u>2023</u>	<u>2022</u>
Research	\$ 1,497,298	\$ 1,703,209
Subsequent year's activities	<u>1,250,000</u>	<u>0</u>
Total	<u>\$ 2,747,298</u>	<u>\$ 1,703,209</u>

11. 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, 2023 and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Cash	\$ 2,338,935	\$ 1,367,802
Investments	3,203,848	3,050,300
Accounts receivable	136,494	208,211
Grants receivable	190,206	235,568
Pledges receivable	<u>750,000</u>	<u>0</u>
Total financial assets available within one year	6,619,483	4,861,881
Less:		
Amounts unavailable for general expenditures within one year, due to time or purpose restrictions	<u>(1,497,298)</u>	<u>(1,703,209)</u>
Total financial assets available for general expenditures within one year	<u>\$ 5,122,185</u>	<u>\$ 3,158,672</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.