

**GBS I CIDP FOUNDATION
INTERNATIONAL**

FINANCIAL STATEMENTS

(AND INDEPENDENT AUDITOR'S REPORT)

YEAR ENDED DECEMBER 31, 2022





Independent Auditor's Report

To the Board of Directors of
GBS I CIDP Foundation International
Conshohocken, Pennsylvania

We have audited the accompanying financial statements of GBS I CIDP Foundation International (a Pennsylvania nonprofit corporation), (the "Organization"), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses and cash flows for the year 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, its financial position of GBS I CIDP Foundation International as of December 31, 2022, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit 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 Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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.

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 Organization'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 Organization'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 Organization'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.

Report on Summarized Comparative Information

We have previously audited the GBS I CIDP Foundation International's **2021** financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 11, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, **2021**, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Adoption of New Accounting Standard

As discussed in Note 1 to the consolidated financial statements, GBS I CIDP Foundation International adopted Accounting Standards Update ("ASU") 2016-02, *Leases* (Topic 842), and all subsequent amendments that modified Topic 842 using the effective date transition method. Our opinion is not modified with respect to this matter.

May 11, 2023
Bala Cynwyd, Pennsylvania

GBS | CIDP FOUNDATION INTERNATIONAL
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2022
(WITH COMPARATIVE TOTALS FOR 2021)

| | 2022 | 2021 |
|--|----------------------|----------------------|
| ASSETS | | |
| Current assets: | | |
| Cash | \$ 893,808 | \$ 725,151 |
| Operating investments, at fair value | 6,777,313 | 7,750,078 |
| Accounts receivable, net | 188,329 | 16,500 |
| Prepaid expenses | 127,575 | 142,200 |
| Total current assets | 7,987,025 | 8,633,929 |
| Cash, board designated | 252 | 252 |
| Investments, at fair value | 3,490,125 | 4,717,220 |
| Furniture and equipment, net of accumulated depreciation of \$54,103 and \$40,552 in 2022 and 2021, respectively | 34,944 | 46,793 |
| Deposits | 14,226 | 14,226 |
| Right-of-use assets, net - operating lease | 182,354 | - |
| | \$ 11,708,926 | \$ 13,412,420 |
| LIABILITIES AND NET ASSETS | | |
| Liabilities: | | |
| Current liabilities: | | |
| Accounts payable and accrued expenses | \$ 67,143 | \$ 104,078 |
| Deferred revenue | 175,000 | 169,350 |
| Grants payable, current portion | 633,173 | 681,846 |
| Lease liability, current portion | 111,673 | - |
| Total current liabilities | 986,989 | 955,274 |
| Long-term liabilities: | | |
| Grants payable, net of current portion | 132,550 | 265,100 |
| Lease liability, net of current portion | 86,920 | - |
| Total liabilities | 1,206,459 | 1,220,374 |
| Net assets: | | |
| Without donor restrictions: | | |
| Undesignated | 7,012,341 | 7,474,826 |
| Board designated - research | 1,744,438 | 2,416,214 |
| Board designated - fellowship | 1,745,688 | 2,301,006 |
| Total net assets | 10,502,467 | 12,192,046 |
| | \$ 11,708,926 | \$ 13,412,420 |

The accompanying notes are an integral part of these financial statements.

GBS | CIDP FOUNDATION INTERNATIONAL

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2022

(WITH COMPARATIVE TOTALS FOR 2021)

| | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>Totals</u> | |
|--|---------------------------------------|------------------------------------|---------------------------------|---------------------------------|
| | | | <u>2022</u> | <u>2021</u> |
| Support and revenue: | | | | |
| Grants and contributions | \$ 3,215,533 | \$ 181,730 | \$ 3,397,263 | \$ 2,608,749 |
| Special events | 600,056 | - | 600,056 | 460,104 |
| Less direct costs of special events | (49,940) | - | (49,940) | (27,811) |
| Dividends and interest | 204,168 | - | 204,168 | 145,652 |
| | <u>3,969,817</u> | <u>181,730</u> | <u>4,151,547</u> | <u>3,186,694</u> |
| Net assets released from restrictions | <u>181,730</u> | <u>(181,730)</u> | <u>-</u> | <u>-</u> |
| Total support and revenue | <u>4,151,547</u> | <u>-</u> | <u>4,151,547</u> | <u>3,186,694</u> |
| Expenses: | | | | |
| Program | 3,442,160 | - | 3,442,160 | 2,317,885 |
| Management and general | 226,277 | - | 226,277 | 188,756 |
| Fundraising | 165,328 | - | 165,328 | 161,629 |
| | <u>3,833,765</u> | <u>-</u> | <u>3,833,765</u> | <u>2,668,270</u> |
| Net realized and unrealized gain on investments | <u>(2,007,361)</u> | <u>-</u> | <u>(2,007,361)</u> | <u>1,509,479</u> |
| Change in net assets | <u>(1,689,579)</u> | <u>-</u> | <u>(1,689,579)</u> | <u>2,027,903</u> |
| Net assets at beginning of year | <u>12,192,046</u> | <u>-</u> | <u>12,192,046</u> | <u>10,164,143</u> |
| Net assets at end of year | <u><u>\$ 10,502,467</u></u> | <u><u>\$ -</u></u> | <u><u>\$ 10,502,467</u></u> | <u><u>\$ 12,192,046</u></u> |

The accompanying notes are an integral part of these financial statements.

GBS | CIDP FOUNDATION INTERNATIONAL
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2022
(WITH COMPARATIVE TOTALS FOR 2021)

| | 2022 | | | 2021 | |
|--|---------------------|-----------------------------------|--------------------|---------------------|---------------------|
| | Program | Management and General | Fundraising | Total | Total |
| Salaries | \$ 883,685 | \$ 138,836 | \$ 91,058 | \$ 1,113,579 | \$ 904,676 |
| Payroll taxes and employee benefits | 177,555 | 25,321 | 12,958 | 215,834 | 154,014 |
| Total salaries and related expenses | 1,061,240 | 164,157 | 104,016 | 1,329,413 | 1,058,690 |
| Research grants | 723,084 | - | - | 723,084 | 812,056 |
| Patient assistance funding | 400,000 | - | - | 400,000 | - |
| Board expenses | 53,434 | - | - | 53,434 | 1,952 |
| Chapter expenses | 20,444 | - | - | 20,444 | 25,851 |
| Contracted service | 172,062 | 5,389 | 22,338 | 199,789 | 184,327 |
| Depreciation | 11,280 | 1,041 | 1,229 | 13,550 | 14,626 |
| Dues and subscriptions | 5,362 | - | - | 5,362 | 3,160 |
| Equipment rental and supplies | 11,052 | 1,027 | 1,211 | 13,290 | 17,325 |
| Insurance | 19,577 | 1,848 | 2,180 | 23,605 | 20,029 |
| Postage and delivery | 60,622 | 644 | 1,025 | 62,291 | 64,798 |
| Printing | 84,148 | - | 11,617 | 95,765 | 113,137 |
| Professional expenses | 16,225 | 25,495 | 289 | 42,009 | 64,814 |
| On-demand education program | 17,102 | - | - | 17,102 | 26,000 |
| Public relations | 109,159 | 337 | 387 | 109,883 | 23,069 |
| Rent and utilities | 102,996 | 9,721 | 11,471 | 124,188 | 122,822 |
| Supplies and other | 22,522 | 15,922 | 840 | 39,284 | 22,610 |
| Telephone | 6,990 | 660 | 779 | 8,429 | 7,419 |
| Travel and meetings | 544,861 | 36 | 7,946 | 552,843 | 85,585 |
| Total functional expenses reported in statement of activities | <u>3,442,160</u> | <u>226,277</u> | <u>165,328</u> | <u>3,833,765</u> | <u>2,668,270</u> |
| Special event production, facility and other direct costs | <u>-</u> | <u>-</u> | <u>-</u> | <u>49,940</u> | <u>27,811</u> |
| Total functional expenses and direct costs of special events | <u>\$ 3,442,160</u> | <u>\$ 226,277</u> | <u>\$ 165,328</u> | <u>\$ 3,883,705</u> | <u>\$ 2,696,081</u> |

The accompanying notes are an integral part of these financial statements.

GBS | CIDP FOUNDATION INTERNATIONAL

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2022

(WITH COMPARATIVE TOTALS FOR 2021)

| | <u>2022</u> | <u>2021</u> |
|--|-------------------|-------------------|
| Cash flows from operating activities: | | |
| Change in net assets | \$ (1,689,579) | \$ 2,027,903 |
| Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities: | | |
| Depreciation | 13,550 | 14,626 |
| Net realized and unrealized loss (gain) on investments | 2,007,361 | (1,509,479) |
| Changes in operating assets and liabilities: | | |
| Prepaid expenses | 14,625 | (48,683) |
| Accounts receivable, net | (171,829) | - |
| Accounts payable and accrued expenses | (36,935) | 13,094 |
| Deferred revenue | 5,650 | (29,725) |
| Grants payable | (181,223) | 146,254 |
| | <u>(38,380)</u> | <u>613,990</u> |
| Cash flows from investing activities: | | |
| Purchase of furniture and equipment | (1,699) | (5,132) |
| Purchase of investments | (3,602,204) | (2,992,269) |
| Proceeds from sale of investments | 3,810,940 | 2,538,378 |
| | <u>207,037</u> | <u>(459,023)</u> |
| Net increase in cash | 168,657 | 154,967 |
| Cash and cash, board designated, beginning of year | <u>725,403</u> | <u>570,436</u> |
| Cash and cash, board designated, end of year | <u>\$ 894,060</u> | <u>\$ 725,403</u> |
| Supplemental schedule of non-cash investing and financing activity: | | |
| Right-of-use asset recognition | <u>\$ 182,354</u> | <u>\$ -</u> |
| Lease liability recognition | <u>\$ 198,593</u> | <u>\$ -</u> |

The accompanying notes are an integral part of these financial statements.

GBS I CIDP FOUNDATION INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

(1) NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

GBS I CIDP Foundation International (the “Organization”) was incorporated under the laws of the Commonwealth of Pennsylvania as a nonprofit corporation. The Organization improves the quality of life for individuals and families affected by Guillain-Barre Syndrome (“GBS”), Chronic Inflammatory Demyelinating Polyneuropathy (“CIDP”), and variants. It provides patient support, research sponsorship, and lay and professional educational programs worldwide. The Organization receives the majority of its support from individual, corporate, and foundation contributions.

Basis of Presentation

The financial statements of the Organization are prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”) as described in Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 958, *Not-for-Profit Entities*.

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Organization’s financial statements for the year ended December 31, **2021**, from which the summarized information was derived.

Resources in the financial statements are classified for accounting and reporting purposes into classes of net assets according to the existence or absence of donor-imposed restrictions, as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor-imposed restrictions. The governing board has designated, from net assets without donor restrictions, net assets for research and fellowship grants.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed restrictions that will be satisfied by actions of the Organization and/or the passage of time. When a restriction is satisfied, 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. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The Organization did not have any net assets to be held in perpetuity as of December 31, 2022 or **2021**.

Grants and Contributions

During the year ended December 31, 2021, the Organization adopted ASU 2018-08, Not-for-Profit Entities, ASC Topic 958, Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. ASU 2018-08 amends ASC Topic 958, to assist entities in (i) evaluating whether reciprocal transactions are subject to other guidance (i.e. ASC Topic 606) and (ii) determining whether a contribution(s) is conditional. The Organization has determined that there is no impact to the financial statements as a result of the adoption of ASU 2018-08.

Grants and contributions revenue is recognized when cash, unconditional promises to give, or notifications of a beneficial interest is received. Conditional promises to give are not recognized until conditions on which they depend have been substantially met.

GBS | CIDP FOUNDATION INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

Special Events and Deferred Revenue

Revenue from special events is recognized in the period the event takes place.

As a result, \$175,000 and \$169,350 is included in deferred revenue on the statements of financial position as of December 31, 2022 and 2021, respectively.

Cash and Cash, Board Designated

Cash is primarily held in operating accounts at major financial institutions that are insured by the Federal Deposit Insurance Corporation (“FDIC”) up to \$250,000 per institution. At times, the balances of these accounts may be in excess of federally insured limits. No losses have been incurred to date.

The following table provides a reconciliation of cash and cash, board designated reported in the statement of financial position to the total shown in the statement of cash flows:

| | 2022 | 2021 |
|--|------------|------------|
| Cash | \$ 893,808 | \$ 725,151 |
| Cash, board designated | 252 | 252 |
| Total cash and cash, board designated shown in the statements of cash flows | \$ 894,060 | \$ 725,403 |

Cash amounts that are designated by the board are to be used for fellowships and research.

Investments

Investments consist of domestic corporate bonds, mutual funds, and money market funds that are carried at fair value (See Note 3). Net appreciation (depreciation) in the fair value of investments, which consists of realized and unrealized gains or losses on those investments, is shown in the statement of activities.

Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position.

Furniture and Equipment

Furniture and equipment is recorded at cost. Expenditures with a cost in excess of \$1,000 and a useful life in excess of one year are capitalized. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets ranging from five to fifteen years.

GBS | CIDP FOUNDATION INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

Adoption of New Accounting Pronouncement

Effective in 2022, the Organization adopted Accounting Standards Update (“ASU”) 2016-02, Leases, and all subsequent ASUs that modified ASC Topic 842 (“ASC Topic 842”) using the effective date transition method. The ASU requires assets and liabilities to be recognized for all material leases with terms in excess of twelve months. The Organization elected the practical expedient to apply the short-term lease exemption for lease terms less than twelve months to all of its classes of underlying assets.

The Organization determines if an arrangement is a lease at inception. Effective January 1, 2022, operating leases are included in right-of-use (“ROU”) assets, net – operating lease and lease liability, current and noncurrent, on the statement of financial position. The Organization does not have any finance leases.

The adoption of ASU 2016-02 had a material impact on the Organization’s statement of financial position in 2022, but did not have a material impact on the statement of activities. The most significant impact was the recognition of ROU assets and lease liabilities for an office space lease.

ROU assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent the Organization's obligation to make lease payments arising from the lease. ROU assets, net – operating lease and lease liabilities are recognized at the commencement date based on the present value of variable lease payments over the remaining lease term. The ROU assets were adjusted at the lease commencement date for certain lease incentives granted by the lessor per the lease agreement. For the office space lease (See Note 6), the Organization used an estimated incremental borrowing rate of 4.25% based on prime rate information available at the commencement date in determining the present value of lease payments, as the lease did not provide an implicit rate. Lease expense for operating lease payments is recognized on a straight-line basis over the remaining 21-month lease term.

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. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The allocation to program, general and administrative, and fundraising is based on the activities of personnel and the usage of materials and services.

Tax Status

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC). Pursuant to ASC Topic 740, *Income Taxes*, clarifies the accounting for uncertainty in income taxes recognized in an entity’s financial statements and prescribes a recognition threshold of *more-likely-than-not* to be sustained upon examination by the appropriate taxing authority. Measurement of the tax uncertainty occurs if the recognition threshold has been met. ASC Topic 740 also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, and disclosure. No liability for uncertain tax positions was recorded as of December 31, 2022 or 2021.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires the use of estimates and assumptions that effect amounts and disclosures based on management’s knowledge and experience. Actual results could differ from those estimates.

GBS | CIDP FOUNDATION INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

Subsequent Events

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

As of May 11, 2023, the Organization received a bequest of \$1,000,000.

(2) MAJOR DONORS

Three donors accounted for 59% of total support in 2022 while two donors accounted for 56% of total support in 2021. Contributions receivable for the years ended December 31, 2022 and 2021 was \$188,329 and \$16,500, respectively.

(3) FAIR VALUE MEASUREMENTS

ASC Topic 820, *Fair Value Measurements and Disclosures*, defines fair value, establishes a framework for measuring fair value in accordance with U.S. GAAP, and expands disclosures about fair value measurements. The Organization applies the provisions to all its assets and liabilities that are being measured and reported on a fair value basis. The standard requires that each asset and liability carried at fair value be classified into one of the following categories:

Level 1: Quoted market prices in active markets for identical assets or liabilities.

Level 2: Observable market based inputs or unobservable inputs that are corroborated by market data.

Level 3: Unobservable inputs that are not corroborated by market data.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2022.

Domestic corporate bonds: Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issues with similar credit ratings. When quoted are prices are not available for identical or similar bonds, the bond is valued under a discounted cash flows approach that maximizes observable inputs, such as current yields of similar instruments, but includes adjustments for certain risks that may not be observable, such as credit and liquidity risks or a broker quote if available.

Mutual funds: Valued at the daily published closing price. Mutual funds held by the Organization are open-end mutual funds that are registered with the U.S. Securities and Exchange Commission. These funds are required to publish their daily net asset value and to transact at that price. The mutual funds held by the Organization are deemed to be actively traded.

Money market funds: Comprised of accounts which seek to maintain a stable price of \$1.00 per share. The money market funds held by the Organization are deemed to be actively traded.

The following table sets forth the Organization's financial assets and liabilities carried at fair value measured on a recurring basis as of December 31, 2022 and 2021:

GBS | CIDP FOUNDATION INTERNATIONAL

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

| | Assets at Fair Value as of December 31, 2022 | | | |
|-----------------------------------|--|--------------|---------|---------------|
| | Level 1 | Level 2 | Level 3 | Total |
| Domestic corporate bonds | \$ - | \$ 2,683,441 | \$ - | \$ 2,683,441 |
| Mutual funds | | | | |
| Domestic large cap | 4,477,040 | - | - | 4,477,040 |
| Domestic mid cap | 1,035,355 | - | - | 1,035,355 |
| Domestic small cap | 948,902 | - | - | 948,902 |
| Domestic fixed income | - | - | - | - |
| International developed countries | 559,670 | - | - | 559,670 |
| Total mutual funds | 7,020,967 | - | - | 7,020,967 |
| Money market funds | 563,030 | - | - | 563,030 |
| Total assets at fair value | \$ 7,583,997 | \$ 2,683,441 | \$ - | \$ 10,267,438 |

| | Assets at Fair Value as of December 31, 2021 | | | |
|-----------------------------------|--|------------|---------|---------------|
| | Level 1 | Level 2 | Level 3 | Total |
| Domestic corporate bonds | \$ - | \$ 584,324 | \$ - | \$ 584,324 |
| Mutual funds | | | | |
| Domestic large cap | 5,389,160 | - | - | 5,389,160 |
| Domestic mid cap | 1,350,281 | - | - | 1,350,281 |
| Domestic small cap | 1,223,844 | - | - | 1,223,844 |
| Domestic fixed income | 2,424,472 | - | - | 2,424,472 |
| International developed countries | 559,618 | - | - | 559,618 |
| Total mutual funds | 10,947,375 | - | - | 10,947,375 |
| Money market funds | 935,599 | - | - | 935,599 |
| Total assets at fair value | \$ 11,882,974 | \$ 584,324 | \$ - | \$ 12,467,298 |

Investment management fees of \$66,116 and \$67,728 for the years ended December 31, 2022 and 2021, respectively, have been deducted from investment income.

(4) GRANTS PAYABLE

Grants payable represents all unconditional grants that have been authorized prior to year-end, but remain unpaid as of the statement of financial position. Grants are due as follows for the fiscal years ending December 31:

| | |
|------|-------------------|
| 2023 | \$ 633,173 |
| 2024 | 132,550 |
| | <u>\$ 765,723</u> |

(5) ENDOWMENT FUNDS

The Organization's endowment includes funds without donor restriction that are designated by the board for future fellowships to fund professional training and for future research.

GBS | CIDP FOUNDATION INTERNATIONAL

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

The Organization has adopted investment and spending policies for endowment assets that focus on total return to achieve growth through asset appreciation and income generation. The Organization targets a diversified asset allocation of equities, mutual funds, and fixed income securities and cash.

The Organization's spending policy provides for the disbursement of funds related to fellowships and research projects upon board authorization.

| | Board- Designated, Fellowship | Board- Designated, Research | Total Endowment Assets |
|---|-------------------------------------|-----------------------------------|------------------------------|
| Endowment net assets, December 31, 2021 | \$ 2,301,006 | \$ 2,416,214 | \$ 4,717,220 |
| Investment fees | (11,210) | (12,657) | (23,867) |
| Net appreciation | (302,835) | (354,672) | (657,507) |
| Contributions and transfers | 500 | 221,163 | 221,663 |
| Expenditures | <u>(241,773)</u> | <u>(525,610)</u> | <u>(767,383)</u> |
| Endowment net assets, December 31, 2022 | <u>\$ 1,745,688</u> | <u>\$ 1,744,438</u> | <u>\$ 3,490,126</u> |

(6) LEASES

The Organization leases its facility under an operating lease expiring October 25, 2024 with renewal options allowing the Organization to extend the term for two additional five year periods. Rent expense (including utilities) for the years ended December 31, 2022 and 2021 was \$124,188 and \$122,822, respectively.

Future minimum rentals under all material leases having an initial remaining term in excess of one year at December 31, 2022 as follows:

| | | |
|-------------------------------------|------|------------------|
| | 2023 | \$ 126,424 |
| | 2024 | 96,236 |
| Total future minimum lease payments | | <u>222,660</u> |
| Less imputed interest | | 7,828 |
| Less deferred rent | | <u>16,239</u> |
| Total lease liabilities | | 198,593 |
| Less current portion | | <u>(111,673)</u> |
| Lease liability, noncurrent | | <u>\$ 86,920</u> |

GBS | CIDP FOUNDATION INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

(7) LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or board restrictions limiting their use, within one year of the statement of financial position date, are comprised of the following:

| | |
|-----------------------|----------------------------|
| Cash | \$ 893,808 |
| Operating investments | <u>6,777,313</u> |
| | <u><u>\$ 7,671,121</u></u> |

As part of its liquidity management plan, the Organization has a goal to maintain financial assets, which consist of cash and investments, on hand to meet normal operating expenses.

(8) EMPLOYEE BENEFIT PLAN

The Company has a 401(k) profit-sharing plan covering eligible employees. Contributions to the Plan are voluntary and at the discretion of the Board of Directors and amounted to \$42,058 for the year ended December 31, 2022.