

**STXBP1 Foundation
Financial Statements
(Reviewed)
December 31, 2020**



STXBP1 Foundation

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Independent Accountant's Review Report

To the Board of Directors
STXBP1 Foundation
Apex, North Carolina

We have reviewed the accompanying financial statements of STXBP1 Foundation which comprise the statement of assets and net assets - modified cash basis as of December 31, 2020, and the related statement of revenue, expenses, and changes in net assets - modified cash basis for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 2 to the financial statements; this includes determining that the modified cash basis of accounting used is an acceptable basis for the preparation of financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with the modified cash basis of accounting. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with the modified cash basis of accounting.

Basis of Accounting

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our conclusion is not modified with respect to this matter.

RKL LLP

June 14, 2021
Wyomissing, Pennsylvania

STXBP1 Foundation

Statement of Assets and Net Assets - Modified Cash Basis

December 31, 2020

See Independent Accountant's Review Report

Assets

| | | |
|---------------------------|-----------|-----------------------|
| Cash and cash equivalents | \$ | 278,090 |
| Accounts receivable | | <u>40,365</u> |
| Total Assets | \$ | <u>318,455</u> |

Net Assets

| | | |
|---------------------------------------|-----------|-----------------------|
| Net assets with donor restrictions | \$ | 50,276 |
| Net assets without donor restrictions | | <u>268,179</u> |
| Total Net Assets | \$ | <u>318,455</u> |

STXBP1 Foundation

Statement of Revenue, Expenses, and Changes in Net Assets - Modified Cash Basis

Year Ended December 31, 2020

See Independent Accountant's Review Report

| | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>Total</u> |
|--|---------------------------------------|------------------------------------|-------------------|
| Revenue and Other Support | | | |
| Fundraising | \$ 150,574 | \$ - | \$ 150,574 |
| Contributions | 90,563 | 59,276 | 149,839 |
| Net assets released from restrictions | 9,000 | (9,000) | - |
| Total Revenue and Other Support | <u>250,137</u> | <u>50,276</u> | <u>300,413</u> |
| Expenses | | | |
| Program services | 974 | - | 974 |
| Fundraising | 10,499 | - | 10,499 |
| Administrative | 4,582 | - | 4,582 |
| Total Expenses | <u>16,055</u> | <u>-</u> | <u>16,055</u> |
| Change in Net Assets | 234,082 | 50,276 | 284,358 |
| Net Assets at Beginning of Year | <u>34,097</u> | <u>-</u> | <u>34,097</u> |
| Net Assets at End of Year | <u>\$ 268,179</u> | <u>\$ 50,276</u> | <u>\$ 318,455</u> |

STXBP1 Foundation

Notes to Financial Statements

December 31, 2020

See Independent Accountant's Review Report

Note 1 - Nature of Activities

STXBP1 Foundation (the Organization) is a not-for-profit corporation organized under the laws of Pennsylvania. The purpose of the Organization is to assist in improving therapies and ultimately ending epileptic encephalopathies and related neurodevelopmental disorders caused by changes in the STXBP1 gene. Through fostering partnerships with physicians, researchers, and other foundations, they share learnings and efficiencies to increase awareness of the genetic disorders and therapeutic strategies that are available.

The Organization qualifies as a tax-exempt organization under the provision of the Internal Revenue Code Section 501(c)(3); therefore, the Organization's income is not subject to federal or state income taxes.

Note 2 - Summary of Significant Accounting Policies

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

Basis of Accounting

The Organization's policy is to prepare its financial statements on the modified cash basis of accounting; consequently, certain revenue is recognized when received rather than when earned, and certain expenses and purchases of assets are recognized when cash is disbursed, rather than when the obligation is incurred.

Basis of Presentation

The Organization follows Financial Accounting Standards Board Accounting Standards Codification Topic 958, *Not-for-Profit Entities*. Under this Topic, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. Net assets are classified as follows:

Net Assets without Donor Restrictions

Net assets that are not subject to donor-imposed stipulations. Net assets without donor restrictions may be designated for particular purposes by action of the Organization, or may otherwise be limited by contractual agreements with outside parties.

Net Assets with Donor Restrictions

Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. As of December 31, 2020, \$50,276 of net assets were subject to donor-imposed restrictions.

STXBP1 Foundation

Notes to Financial Statements

December 31, 2020

See Independent Accountant's Review Report

Note 2 - Summary of Significant Accounting Policies (continued)

Cash and Cash Equivalents

The Organization considers all highly-liquid investments available for current use with an initial maturity of three months or less to be cash and cash equivalents.

Use of Estimates

The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Contributions

Gifts of cash and other assets are presented as net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified net assets without donor restrictions and reported in the statement of revenue, expenses, and changes in net assets - modified cash basis as net assets released from restrictions.

All contributions, legacies, and bequests are considered to be available for unrestricted use, unless specifically restricted by the donor.

Accounts Receivable

Accounts receivable are carried at the original donation amount. The Organization considers accounts receivable to be fully collectible. If collection becomes doubtful, an allowance for doubtful accounts will be established. Accounts receivable are written off when deemed uncollectible. Recoveries of accounts receivable previously written off are recorded when received.

Donated Services

A substantial number of volunteers have donated significant hours to the Organization's program services and fundraising campaigns during the year; however, these donated services are not reflected in the financial statements since the services do not require specialized skills.

STXBP1 Foundation

Notes to Financial Statements

December 31, 2020

See Independent Accountant's Review Report

Note 3 - Liquidity and Availability of Resources

Financial assets available for general expenditures, that is, without donor or other designations limiting their use, within one year of the statement of assets and net assets - modified cash basis, comprise the following as of December 31, 2020:

| | |
|--|-------------------|
| Financial Assets | |
| Cash and cash equivalents | \$ 278,090 |
| Amounts that are Internally or Externally Restricted | |
| Research funds | <u>(50,276)</u> |
| Financial Assets Available to Meet other Expenditures within One Year | <u>\$ 227,814</u> |

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures and other obligations become due.

Note 4 - Income Taxes

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Organization, including whether the entity is exempt from income taxes. Management evaluated the tax positions taken and concluded that the Organization had taken no uncertain tax positions that require recognition or disclosure in the financial statements. Therefore, no provision or liability for income taxes has been included in the financial statements. With few exceptions, the Organization is no longer subject to income tax examinations by the U.S. Federal, state, or local tax authorities for years before December 31, 2017.

Note 5 - Net Assets with Donor Restrictions

Net assets with donor restrictions are available for the following purposes at December 31, 2020:

| | |
|----------------|------------------|
| Research funds | <u>\$ 50,276</u> |
|----------------|------------------|

A reclassification was made between opening net assets with donor restrictions and opening net assets without donor restrictions for \$24,856 to reclassify prior period research funds granted.

Note 6 - Concentration of Credit Risk

Cash and Cash Equivalents

The Organization has bank deposit accounts, which may exceed federally insured limits. The Organization has not experienced any losses in such accounts. The Organization believes it is not exposed to any significant credit risk on cash and cash equivalents.

STXBP1 Foundation

Notes to Financial Statements

December 31, 2020

See Independent Accountant's Review Report

Note 7 - Risks and Uncertainties

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 10, 2020, declared it to be a pandemic. The actions taken to mitigate it have had, and are expected to continue to have, an adverse impact on the economy, financial markets, and the geographical area in which the Organization operates. It is unknown how long these conditions will last and what the complete financial effect will be to the Organization.

Additionally, it is reasonably possible that estimates made in the financial statements have been, or will be, materially and adversely impacted in the near term as a result of these conditions.

Note 8 - Subsequent Events

The Organization has evaluated subsequent events through June 14, 2021. This date is the date the financial statements were available to be issued. No material events subsequent to December 31, 2020 were noted.