



STXBP1 disorders

STXBP1 Foundation

Financial Statements
For the Year Ended December 31, 2022

Table of Contents

Independent Auditors' Report	1 - 2
Financial Statements:	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7 – 8



**Davies, Goldstein
& Associates CPA's PLLC**
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of STXBP1 Foundation

Opinion

We have audited the accompanying financial statements of STXBP1 Foundation (a nonprofit 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, the financial position of STXBP1 Foundation as of December 31, 2022, and the changes in its 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 STXBP1 Foundation 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 STXBP1 Foundation'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 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 STXBP1 Foundation'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 STXBP1 Foundation'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.

JONES, GOLDSTEIN ASSOCIATES, CPA'S P.C.

Matthews, North Carolina
October 6, 2023

STXBP1 Foundation
Statement of Financial Position
December 31, 2022

<u>Assets</u>	
Current Assets	
Cash and Cash Equivalents	\$ 1,648,170
Accounts Receivable	44,232
Prepaid Expenses	8,990
Total Current Assets	<u>1,701,392</u>
Total Assets	<u>\$ 1,701,392</u>
 <u>Liabilities and Net Assets</u>	
Current Liabilities	
Accounts Payable	27,223
Accrued Expenses	72,739
Total Current Liabilities	<u>99,962</u>
Net Assets	
Net Assets without Donor Restrictions	1,601,430
Net Assets with Donor Restrictions	-
Total Net Assets	<u>1,601,430</u>
Total Liabilities and Net Assets	<u>\$ 1,701,392</u>

STXBP1 Foundation
Statement of Activities
For the Year Ended December 31, 2022

	Net Assets without Donor Restrictions	Net Assets with Donor Restrictions	Total
Revenues and Other Support			
Contribution Income	\$ 325,604	\$ -	\$ 325,604
Fundraising Income	1,447,786	-	1,447,786
STXBP1 Summit Sponsorships	57,500	-	57,500
In-Kind Donations	24,000	-	24,000
Release from Restrictions	500	(500)	-
Total Revenues and Other Support	1,855,390	(500)	1,854,890
Expenses			
Program Expenses	458,241	-	458,241
General and Administrative Expenses	56,756	-	56,756
Fundraising Expenses	18,219	-	18,219
Total Expenses	533,216	-	533,216
Change in Net Assets	1,322,174	(500)	1,321,674
Net Assets, Beginning of Year	279,256	500	279,756
Net Assets, End of Year	\$ 1,601,430	\$ -	\$ 1,601,430

The accompanying notes are an integral part of these financial statements

STXBP1 Foundation
Statement of Functional Expenses
For the Year Ended December 31, 2022

	Program	Management and General	Fundraising	Total
Professional Fees	\$ 174,776	\$ 33,394	\$ -	\$ 208,170
Grants	145,933	-	-	145,933
STXBP1 Summit Expenses	130,237	-	-	130,237
Processing Fees	-	14,573	-	14,573
Marketing	-	-	11,879	11,879
Operating Expenses	41	4,664	6,340	11,045
Conferences	7,254	-	-	7,254
Technology	-	4,125	-	4,125
Total Functional Expenses	<u>\$ 458,241</u>	<u>\$ 56,756</u>	<u>\$ 18,219</u>	<u>\$ 533,216</u>

STXBP1 Foundation
Statement of Cash Flows
For the Year Ended December 31, 2022

Cash Flows from Operating Activities	
Change in Net Assets	\$ 1,321,674
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Increase in Accounts Receivable	(25,335)
Increase in Prepaid Expenses	(5,552)
Increase in Accounts Payable	24,372
Decrease in Accrued Expenses	<u>(151,797)</u>
Net Cash Provided by Operating Activities	1,163,362
Net Change in Cash and Equivalents	1,163,362
Cash and Cash Equivalents, beginning of year	484,808
Cash and Cash Equivalents, end of year	<u><u>\$ 1,648,170</u></u>

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

STXBP1 Foundation
Notes to Financial Statements
For the Year Ended December 31, 2022

Note 1 - The Organization

STXBP1 Foundation (hereafter, the “Organization”), a Pennsylvania nonprofit organization, is dedicated to raising awareness and finding a cure for STXBP1 Encephalopathy, a rare neurodevelopmental condition and genetic epilepsy.

Note 2 - Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in conformity with generally accepted accounting principles in the United States of America (US GAAP).

The financial statements are presented in accordance with the provisions of ASU 2016-14: *Presentation of Financial statements of Not-for-Profit Entities*. Under the ASU, net assets are to be presented in two categories: net assets with donor restrictions and net assets without donor restrictions. The ASU also contains disclosure requirements related to net assets, liquidity and availability of resources, and functional expenses which were considered in the preparation of these financial statements.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Organization considers all highly liquid instruments with an original maturity of three months or less to be cash equivalents. During 2022, cash balances were in excess of FDIC insurance limits however, there were no losses as a result and management deems the risk of loss to be remote.

Revenue Recognition

Contribution and fundraising revenues received are recorded as with or without donor restrictions on the date received. Any donations with donor restrictions which are satisfied in the same fiscal year as they are received are recorded as contributions without donor restrictions. Accounts receivable were reviewed by management at December 31, 2022 and no allowance for doubtful accounts was deemed necessary.

Included in fundraising income are the proceeds from the Flourish art auction which consisted of artwork donated by the artists with the proceeds of the auction benefiting the Organization. The fair value of the art donated was approximately \$962,000 and the total proceeds received by the Organization for the sale of the art was approximately \$1.2 million.

Functional Allocation of Expenses

The costs of providing the various programs and supporting services have been summarized on a functional basis in the accompanying statements of functional expenses. Certain costs have been allocated to the program and supporting services benefited.

STXBP1 Foundation
Notes to Financial Statements
For the Year Ended December 31, 2022

Note 2 - Summary of Significant Accounting Policies (continued)

Net Assets

Net assets without donor restrictions are comprised of all resources without donor-imposed restrictions at the date of the contribution.

Net assets with donor restrictions carry restrictions that expire upon the passage of a prescribed period or upon the occurrence of a stated event as specified by the donor. When a donor restriction expires, the net assets are reclassified as net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions. Any funds received with restrictions which are received and spent in the same fiscal year are recorded as net assets without donor restrictions. There were no net assets with donor restrictions at December 31, 2022.

Income Taxes

The Organization is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and therefore has made no provision for income taxes in the accompanying financial statements. The Organization has analyzed tax positions taken for filing with the Internal Revenue Service and the state jurisdictions for which it has nexus. The Organization believes that income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on the Organization's financial condition, results of operations or cash flows. Accordingly, the Organization has not recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions at December 31, 2022. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

Note 3 – Liquidity and Availability of Resources

All of the Organization's financial assets are available for general expenditures as of December 31, 2022. The Organization has a multi-faceted revenue structure that includes donations and fundraising revenues. Management believes that the resources available combined with the future receipts will be sufficient to meet operating cash needs in the next year.

Note 4 - Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through October 6, 2023, the date the financial statements were available to be issued. The Organization has no knowledge of significant subsequent events as of this date that would require adjustment to or disclosure in the financial statements.

Note 5 – Commitments

The Organization makes grants to various organizations for medical research which can span more than one fiscal year. To the extent that the Organization believes these grants will be made they are included in accrued expenses. As of December 31, 2022, the Organization had \$58,989 in grant commitments outstanding.