Financial Report

Team Gleason Foundation

December 31, 2022

TEAM GLEASON

Bourgeois Bennett
CERTIFIED PUBLIC ACCOUNTANTS | CONSULTANTS
A LIMITED LIABILITY COMPANY

Financial Report

Team Gleason Foundation

December 31, 2022

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New Orleans, Louisiana

December 31, 2022 and 2021

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors,
Team Gleason Foundation,
New Orleans, Louisiana.

Opinion

We have audited the accompanying financial statements of Team Gleason Foundation (the "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 Team Gleason 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 the 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.

Emphasis of Matter

As discussed in Note 2p to the financial statements, during the year ended December 31, 2022, the Foundation adopted Accounting Standards Update (ASU) No. 2016-02, "*Leases*" (Topic 842). Our opinion is not modified with respect to this matter.

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.

P.O. BOX 60600 • NEW ORLEANS, LA 70160-0600 • 504•831•4949 • BOURGEOISBENNETT.COM
P.O. BOX 2168 • HOUMA, LA 70361-2168 • 985•868•0139
34 LOUIS PRIMA, SUITE B • COVINGTON, LA 70433-5903 • 985•246•3022

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 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, 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 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 the 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.

Report on Summarized Comparative Information

We have previously audited the Foundation's 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 16, 2022. 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.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

New Orleans, Louisiana,
August 14, 2023.

STATEMENT OF FINANCIAL POSITION

Team Gleason Foundation
New Orleans, Louisiana

December 31, 2022
(with comparative totals for 2021)

ASSETS

	2022	2021 (As Restated)
Assets		
Cash	$ 1,642,987	$ 1,860,209
Unconditional promises to give	363,286	404,236
Other receivables	-	30
Other assets	9,742	4,002
Investments	6,006,434	7,478,213
Operating lease right-of-use asset, net	139,839	218,492
Property and equipment, net	104,004	64,265
Total assets	$ 8,266,292	$ 10,029,447

LIABILITIES AND NET ASSETS

	2022	2021 (As Restated)
Liabilities		
Accounts payable	$ 230,303	$ 214,559
Accrued expenses	27,070	17,379
Pledge payable, net	295,631	437,020
Lease liability	188,184	253,685
Deferred revenue	-	125,000
Total liabilities	741,188	1,047,643
Net Assets		
Without donor restrictions	2,800,239	4,581,861
With donor restrictions	4,724,865	4,399,943
Total net assets	7,525,104	8,981,804
Total liabilities and net assets	$ 8,266,292	$ 10,029,447

See notes to financial statements.

STATEMENT OF ACTIVITIES

Team Gleason Foundation
New Orleans, Louisiana

For the year ended December 31, 2022
(with comparative totals for 2021)

	Without Donor Restrictions	With Donor Restrictions	Totals 2022	Totals 2021 (As Restated)
Revenues and Other Support				
Contributions	$ 2,575,992	$ 350,000	$ 2,925,992	$ 2,285,521
Special events (net of event expenses of $194,860 for 2022 and $64,335 for 2021)	1,338,517	-	1,338,517	695,861
Investment (loss) gain, net	(1,536,209)	-	(1,536,209)	559,651
Other income	-	-	-	21,100
Total revenues and other support	2,378,300	350,000	2,728,300	3,562,133
Net assets released from restrictions	25,078	(25,078)	-	-
Total revenues, other support, and net assets released from restrictions	2,403,378	324,922	2,728,300	3,562,133
Expenses				
Program services	3,189,950	-	3,189,950	2,576,263
General and administrative	351,031	-	351,031	272,198
Fundraising	644,019	-	644,019	472,371
Total expenses	4,185,000	-	4,185,000	3,320,832
Change in Net Assets	(1,781,622)	324,922	(1,456,700)	241,301
Net Assets				
Beginning of year	4,581,861	4,399,943	8,981,804	8,740,503
End of year	$ 2,800,239	$ 4,724,865	$ 7,525,104	$ 8,981,804

See notes to financial statements.

STATEMENT OF FUNCTIONAL EXPENSES

Team Gleason Foundation
New Orleans, Louisiana

For the year ended December 31, 2022
(with comparative totals for 2021)

	Program Services	General and Administrative	Fundraising	Totals 2022	Totals 2021 (As Restated)
Mission expenses	$ 2,212,838	$ -	$ -	$ 2,212,838	$ 1,900,336
Salaries, payroll taxes, and benefits	769,480	202,852	390,592	1,362,924	901,479
Special events	-	-	194,860	194,860	64,335
Consulting fees	43,400	38,713	81,940	164,053	128,545
Direct fundraising expenses	-	-	113,984	113,984	88,926
Rent	68,953	9,194	13,790	91,937	88,393
Office expense	21,004	36,421	12,418	69,843	53,261
Insurance	16,537	2,983	6,420	25,940	11,034
Professional fees	-	25,723	-	25,723	22,683
Team Gleason House	25,078	-	-	25,078	27,300
Depreciation	-	23,233	-	23,233	15,450
Advertising and promotion	1,502	1,250	20,307	23,059	33,188
Travel and meetings	13,380	3,893	2,476	19,749	18,040
Contributions	17,276	-	-	17,276	16,939
Gifts	-	1,750	2,092	3,842	3,858
Service fees	392	2,849	-	3,241	3,334
Payroll processing	-	1,856	-	1,856	1,572
Information technology	11	159	-	170	4,687
Training	99	155	-	254	1,807
Total expenses	3,189,950	351,031	838,879	4,379,860	3,385,167
Less special events netted with revenues	-	-	(194,860)	(194,860)	(64,335)
Total expenses on Statement of Activities	$ 3,189,950	$ 351,031	$ 644,019	$ 4,185,000	$ 3,320,832

See notes to financial statements.

STATEMENT OF CASH FLOWS

Team Gleason Foundation
New Orleans, Louisiana

For the year ended December 31, 2022
(with comparative totals for 2021)

	2022	2021 (As Restated)
Cash Flows From Operating Activities		
Change in net assets	$ (1,456,700)	$ 241,301
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	23,233	15,450
Accrued operating lease obligations	13,152	35,193
Unrealized loss (gain) on investments	1,504,527	(148,384)
Realized loss (gain) on investments	73,083	(352,595)
(Increase) decrease in:		
Unconditional promises to give	40,950	(38,586)
Other receivables	30	1,185
Other assets	(5,740)	254
Increase (decrease) in:		
Accounts payable and accrued expenses	25,435	17,680
Pledge payable	(141,389)	(137,271)
Deferred revenue	(125,000)	125,000
Net cash (used in) operating activities	(48,419)	(240,773)
Cash Flows From Investing Activities		
Purchases of investments	(15,534,895) [1]	(2,735,206)
Proceeds from sales of investments	15,429,064 [1]	2,480,190
Purchase of property	(62,972)	(23,007)
Net cash used in investing activities	(168,803)	(278,023)
Decrease in Cash	(217,222)	(518,796)
Cash		
Beginning of year	1,860,209	2,379,005
End of year	$ 1,642,987	$ 1,860,209

See notes to financial statements.

[1] Incudes approximately $6,100,000 of transfers to/from investment accounts.

NOTES TO FINANCIAL STATEMENTS

Team Gleason Foundation
New Orleans, Louisiana

December 31, 2022 and 2021

Note 1 - NATURE OF ACTIVITIES

Team Gleason Foundation (the "Foundation") began operations on October 26, 2011 and has had a significant impact on the lives of countless people living with Amyotrophic Lateral Sclerosis (ALS).

The Foundation has a mission to:

- Help provide individuals with neuromuscular diseases or injuries with leading edge technology, equipment, and services,
- Create a global conversation about ALS to ultimately find continued solutions and an end to the disease, and
- Raise public awareness toward ALS by providing and documenting extraordinary life adventures for individuals with muscular diseases or injuries.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Accounting

The financial statements of the Foundation are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America as promulgated by the Financial Accounting Standards Board. Under this method, revenues are recognized when earned, and expenses are recorded when incurred.

b. Basis of Presentation

The Foundation reports information regarding financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions, based on donor stipulations and restrictions placed on contributions, if any. Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Basis of Presentation (Continued)

Net Assets Without Donor Restrictions - Net assets that are not subject to donor imposed stipulations.

Net Assets With Donor Restrictions - Net assets subject to donor imposed stipulations that may or will be met either by the actions of the Foundation, the passage of time, or to be perpetually maintained by the Foundation.

c. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

d. Cash and Cash Equivalents

For purposes of reporting cash flows, the Foundation considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents. The Foundation did not have any cash equivalents as of December 31, 2022 and 2021.

e. Promises to Give

Contributions are recognized when the donor makes a promise to give to the Foundation that is, in substance, unconditional. Conditional promises to give are recognized when the conditions on which they depend are substantially met. As of December 31, 2022 and 2021, the Foundation did not have any conditional promises to give.

f. Investments

Investments in marketable securities and other investments are recorded at fair value based on quoted prices in active markets and corresponding realized or unrealized gains or losses are recorded in the Statement of Activities.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g. Right-of-Use Asset and Lease Liabilities

The Foundation is a lessee in a noncancelable operating lease. Since the contract provides the Foundation the right to substantially all the economic benefits and the right to direct the use of the identified asset, it is considered to be or contain a lease. Right-of-use (ROU) assets and lease liabilities are recognized at the lease commencement date based on the present value of the future lease payments over the expected lease term. ROU assets are also adjusted for any lease prepayments made, lease incentives received, and initial direct costs incurred. There were no adjustment for 2022 and 2021.

Lease liabilities are initially and subsequently recognized based on the present value of their future lease payments. Variable payments are included in the future lease payments when those variable payments depend on an index or a rate. Increases (decreases) to variable lease payments due to subsequent changes in an index or rate are recorded as variable lease expense (income) in the future period in which they are incurred. There were no variable lease payments in 2022 and 2021 due to changes in index rates.

ROU assets for operating leases are subsequently measured throughout the lease term at the amount of the remeasured lease liability (i.e., present value of the remaining lease payments), plus unamortized initial direct costs, plus (minus) any prepaid lease payments, less the unamortized balance of lease incentives received; and any impairment recognized. There were no initial direct costs, prepaid lease payments, incentives, or impairment in 2022 and 2021.

The Foundation has elected the option to use its implicit borrowing rate of 4.00% as of December 31, 2021.

Right-of-use assets and liabilities as of December 31, 2022 and 2021 are presented as separate line items on the Foundation's statements of financial position.

h. Property and Equipment

Property and equipment are stated at cost, net of accumulated depreciation. Repairs and maintenance are charged to expenses as incurred; major renewals and replacements and betterments are capitalized. The Foundation follows a capitalization policy of capitalizing all expenditures in excess of $1,000. Property and equipment are depreciated using the straight-line method over the estimated useful lives of the related depreciable assets over five years.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i. Deferred Revenue

The Foundation records deferred revenue for event sponsorships that are received for events that will be held in the following fiscal year. As of December 31, 2022, there was no deferred revenue. As of December 31, 2021, deferred revenue totaled $125,000.

j. Revenue Recognition

Revenues from Exchange Transactions: The Foundation recognizes revenue in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2014-09, "*Revenues from Contracts with Customers*", as amended. ASU No. 2014-09 applies to exchange transactions with customers and donors that are bound by contracts or similar arrangements and establishes a performance obligation approach to revenue recognition. The Foundation records the following exchange transaction revenue in its Statements of Activities for the years ended December 31, 2022 and 2021:

Special Events

The Foundation conducts fundraisers in which a portion of the gross proceeds paid by the participant represents payment for the direct cost of the benefits received by the participant at the event, the exchange component, and a portion represents a contribution to the Foundation. The fair value of meals and entertainment provided at the event is measured at the actual cost to the Foundation. The contribution component is the excess of the gross proceeds over the fair value of the direct donor benefit. The direct costs, which ultimately benefit the donor rather than the Foundation, are recorded as fundraising expenses in the Statement of Activities. The performance obligation is the event. FASB ASU No. 2014-09 requires allocation of the transaction price to the performance obligation. Accordingly, the Foundation separately presents in Note 12 the exchange and contribution components of the gross proceeds from special events.

k. Contributions

Contributions are recorded as unrestricted or restricted, depending on the existence or nature of any donor imposed restrictions. Support that is restricted by a donor is reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), 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. Donor restricted contributions whose restrictions are met in the same reporting periods are reported as unrestricted support.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

l. Donated Services of Volunteers

A substantial number of volunteers have donated significant amounts of their time in the conduct of program services on behalf of the Foundation. However, no amounts have been included in the financial statements for donated services since no objective basis is available to measure the value of services.

m. Advertising and Promotion

Advertising and promotion costs are expensed as they are incurred. Advertising and promotion costs totaled $23,059 and $33,188 for the years ended December 31, 2022 and 2021, respectively.

n. Allocation of Functional Expenses

Most of the expenses can be directly allocated to one of the programs or supporting function. The financial statements also report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include consulting fees, office expenses, insurance, advertising and promotion, travel and meetings, gifts expense, services fees, information technology, and training, which are allocated based on staff time used for each function. Salaries, payroll taxes, and benefits are allocated on the basis of estimates of time and effort. Rent is allocated based on square footage used for each function.

o. Organization and Income Taxes

The Foundation is a nonprofit corporation organized in 2011 under the laws of the State of Louisiana. It is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code and qualifies as an organization that is a public charity.

Accounting standards provide detailed guidance for financial statement recognition, measurement, and disclosure of uncertain tax positions recognized in an entity's financial statements. These standards require an entity to recognize the financial statement impact of a tax position when it is more likely than not that the position will not be sustained upon examination. As of December 31, 2022, management of the Foundation believes that it has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements. Tax years ended December 31, 2019 and later remain subject to examination by the taxing authorities.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

p. Recently Issued Accounting Standards

Contributed Nonfinancial Assets

In September 2020, the FASB issued ASU No. 2020-07, "*Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*" (Topic 958), the amendments in this update apply to nonprofit organizations that receive contributed nonfinancial assets. Contribution revenue may be presented in the financial statements using different terms (for example, gifts, donations, grants, gifts-in-kind, donated services, or other terms). The amendments address presentation and disclosure of contributed nonfinancial assets. The term nonfinancial asset includes property and equipment (such as land, buildings, and equipment), use of property and equipment utilities, materials and supplies, intangible assets, services, and unconditional promises of those assets. The adoption of this accounting standard did not have a significant effect on the financial statements.

Leases

In February 2016, the FASB issued ASU No. 2016-02, "*Leases*" (Topic 842). ASU No. 2016-02 requires that a lease liability and related right-of-use asset representing the lessee's right to use or control the asset be recorded on the statement of financial position upon the commencement of all leases except for short-term leases. Leases will be classified as either finance leases or operating leases, which are substantially similar to the classification criteria for distinguishing between capital leases and operating in existing lease accounting guidance. As a result, the effect of leases in the Statement of Activities and the Statement of Cash Flows will be substantially unchanged from the existing lease accounting guidance. ASU No. 2016-02 is effective for fiscal years beginning after December 15, 2021. The ASU was adopted during the year ended December 31, 2022, and retrospectively applied.

The key change upon adoption of the standard was the recognition of operating leases on the Statement of Financial Position, given that the recognition of lease expense on the Statement of Activities is similar to the Foundation's historical accounting. The Foundation elected the practical expedients permitted under the transition guidance within the new standard, which, among other things, allowed the Foundation to carry forward the historical lease classification. Leases with original terms of one year or less were excluded.

The adoption of ASC 842 resulted in the recognition of a right-of-use asset as of December 31, 2022 and 2021 of $139,839 and $218,492, and a lease liability of $188,184 and $253,685, respectively.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

p. Recently Issued Accounting Standards (Continued)

Leases (Continued)

The impact of adopting the new guidance on the 2021 Statement of Financial Position and Statement of Activities is as follows:

	Amounts That Were Reported Under Former Guidance	Effects of Applying New Guidance	Amounts That Will Be Reported Under New Guidance
Assets			
Operating lease right-of-use asset	$ -	$ 218,492	$ 218,492
Liabilities			
Lease liability	$ -	$ 253,685	$ 253,685
Expenses			
Rent expense	$ 53,200	$ 35,193	$ 88,393
Beginning Net Assets - January 1, 2021	$ 8,740,503	$ -	$ 8,740,503
Ending Net Assets - December 31, 2021	$ 9,016,997	$ (35,193)	$ 8,981,804

Lease Discount Rate

In November 2021, the FASB issued ASU No. 2021-09, "*Lease Discount Rate for Leases That Are Not Public Business Entities*" (Topic 842) "*Discount Rate for Lessees That Are Not Public Business Entities*" (ASU-2021-09). This ASU currently provides lessees that are not public business entities with a practical expedient that allows them to elect, as an accounting policy, to use a risk-free rate as the discount rate for all leases. The amendments in this update allow those lessees to make the risk-free rate election by class of underlying asset, rather than at the entity-wide level. An entity that makes the risk-free rate election is required to disclose which asset classes it has elected to apply a risk-free rate. The amendments require that when the rate implicit in the lease is readily determinable for any individual lease, the lessee use that rate (rather than a risk-free rate or an incremental borrowing rate), regardless of whether it has made the risk-free rate election.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

q. Reclassifications

Certain amounts in the 2021 financial statements have been reclassified to conform to the 2022 financial statement presentation.

r. Subsequent Events

Management evaluates events occurring subsequent to the date of financial statements in determining the accounting for and disclosure of transactions and events that effect the financial statements. Subsequent events have been evaluated through August 14, 2023, which is the date the financial statements were available to be issued.

Note 3 - CONCENTRATION OF CREDIT RISK

The Foundation maintains its cash with a financial institution where the accounts are not insured by Federal Deposit Insurance Corporation. As of December 31, 2022, cash in excess of the insured limit was approximately $990,000.

Note 4 - UNCONDITIONAL PROMISES TO GIVE

The balance of unconditional promises to give, which are all deemed collectible by management, totaled $363,286 and $404,236, as of December 31, 2022 and 2021, respectively. The details of unconditional promises to give as of December 31, 2022 and 2021 are as follows:

	2022	2021
Neon One	$ 193,242	$ 211,237
Other promises to give	170,044	192,999
Totals	$ 363,286	$ 404,236
Amounts due in		
Less than one year	$ 363,286	$ 404,236

Note 5 - LEASES

The Foundation entered into a lease agreement for office space on March 11, 2020 which expired on May 31, 2022. The lease called for one payment of $2,128 for March 2020 and four payments of $2,997 for April through July 2020. The lease was amended in 2020 and called for monthly payments of $4,256 through May 2021. The lease was amended effective June 1, 2021 and called for monthly payments of $4,367. A new lease was entered into effective June 1, 2022 and matures May 31, 2024. The lease calls for monthly payments of $9,742.

Operating lease reported under FASB ASC 842 for the years ended December 31, 2022 and 2021 are as follows:

	2022	2021
Lease Cost		
Operating lease costs	$ 91,937	$ 88,393
Cash Flow Items		
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating lease	$ 74,736	$ 52,695
Operating lease right-of-use asset	$ 139,839	$ 218,492
Lease liability	$ 188,184	$ 253,685
Weighted-average remaining lease term, years	1.42	2.42
Weighted-average discount rate:	4.00%	4.00%

Note 5 - LEASES (Continued)

Future minimum lease payments under this non-cancellable operating lease as of December 31, 2022 is as follows:

Year Ending December 31,	
2023	$ 116,904
2024	77,936
Total minimum lease payments	194,840
Less amount representing interest	(6,656)
Lease liability	$ 188,184

Note 6 - PROPERTY AND EQUIPMENT

As of December 31, 2022 and 2021, property and equipment consists of the following:

	2022	2021
Furniture and equipment	$ 119,028	$ 82,375
Leasehold improvements	35,214	8,895
	154,242	91,270
Less: accumulated depreciation	(50,238)	(27,005)
Net property and equipment	$ 104,004	$ 64,265

Depreciation expense for the years ended December 31, 2022 and 2021 was $23,233 and $15,450, respectively.

Note 7 - INVESTMENTS

Investments as of December 31, 2022 and 2021 consist of the following:

2022			
Description	Cost	Fair Market Value	Excess of Market Over Cost (Excess of Cost Over Market)
Corporate stocks	$ 2,880,294	$ 3,012,144	$ 131,850
Mutual funds:			
Equity funds	925,790	937,151	11,361
Other	375,000	364,927	(10,073)
Alternative investments	545,000	545,000	-
Corporate bonds	480,821	478,264	(2,557)
Real estate investment trust	290,000	286,425	(3,575)
Government agency obligations	244,673	241,748	(2,925)
Government obligations	144,747	140,775	(3,972)
Total securities	$ 5,886,325	$ 6,006,434	$ 120,109

2021			
Description	Cost	Fair Market Value	Excess of Market Over Cost (Cost Over Market)
Mutual funds:			
Equity funds	$ 1,387,673	$ 2,196,906	$ 809,233
Bond funds	2,195,726	2,173,185	(22,541)
Corporate stocks	2,270,178	3,108,122	837,944
Total securities	$ 5,853,577	$ 7,478,213	$ 1,624,636

Note 7 - INVESTMENTS (Continued)

	Cost	Fair Market Value	Excess of Market Over Cost
Balance, December 31, 2022	$ 5,886,325	$ 6,006,434	$ 120,109
Balance, December 31, 2021	$ 5,853,577	$ 7,478,213	1,624,636
Unrealized depreciation			(1,504,527)
Net realized loss			(73,083)
Interest and dividend income, net of investment fees of $52,858			41,401
Investment loss, net			$ (1,536,209)

	Cost	Fair Market Value	Excess of Market Over Cost
Balance, December 31, 2021	$ 5,853,577	$ 7,478,213	$ 1,624,636
Balance, December 31, 2020	$ 5,245,966	$ 6,722,218	1,476,252
Unrealized appreciation			148,384
Net realized gain			352,595
Interest and dividend income, net of investment fees of $65,470			58,672
Investment income, net			$ 559,651

During the year ended December 31, 2022, approximately $6,100,000 of funds were transferred from the J. P. Morgan Chase and Charles Schwab and Company investment accounts into the Merrill Lynch investment account.

Note 8 - FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under FASB ASC 820, "*Fair Value Measurements*", are described as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.

Note 8 - FAIR VALUE MEASUREMENTS (Continued)

Level 2 Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value.

The Foundation uses the market approach for valuing equity securities which are within the Level 1 fair value hierarchy.

Mutual funds: Valued at the daily closing price as reported by the fund. Mutual funds held are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held are deemed to be actively traded. These are included in Level 1 of the fair value hierarchy.

Corporate stocks: Valued at the closing price reported on the active market on which the individual securities are traded. These are included in Level 1 of the fair value hierarchy.

Corporate bonds: Valued using pricing models maximizing the use of observable inputs from similar securities. This includes basing value of yields currently available on comparable securities of issuers with similar credit ratings. These are included in Level 2 of the fair value hierarchy.

Real estate investment trust: Valued at NAV. The funds held by the Foundation are deemed to be actively traded. These are included in Level 1 of the fair value hierarchy.

Note 8 - FAIR VALUE MEASUREMENTS (Continued)

Government agency obligations: Valued by independent pricing vendors used by the custodians of the investments. The pricing vendor uses various pricing models for each asset class that are consistent with what other market participants would use. The inputs and assumptions to the models used by the pricing vendors are derived from market-observable sources, including benchmark yields, reported trades, broker/dealer quotes, and other market-related data. Since many of these fixed income securities do not trade on a daily basis, the methodology of the pricing vendor uses available information, including benchmark curves, benchmarking of like securities, and matrix pricing. These investments are included in Level 2 of the fair value hierarchy.

Government obligations: Valued at the closing price reported on the active market on which the individual securities are traded. These are included in Level 1 of the fair value hierarchy.

Alternative investments: Valued by the investment advisor based on private company valuations that are not publicly available. These private companies are valued on an ongoing basis, which then is reflected in investor units.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Foundation believes its valuation method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Assets measured at fair value on a recurring basis as of December 31, 2022 and 2021 are comprised of and determined as follows:

	2022			
		Based on		
Description	Total Assets Measured At Fair Value	Quoted Prices In Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Corporate stocks	$ 3,012,144	$ 3,012,144	$ -	$ -
Mutual funds:				
Equity funds	937,151	937,151	-	-
Other	364,927	364,927	-	-
Alternative investments	545,000	-	-	545,000
Corporate bonds	478,264	-	478,264	-
Real estate investment trust	286,425	286,425	-	-
Government agency obligations	241,748	-	241,748	-
Government obligations	140,775	140,775	-	-
Totals	$ 6,006,434	$ 4,741,422	$ 720,012	$ 545,000

Note 8 - FAIR VALUE MEASUREMENTS (Continued)

	2021			
	Based on			
Description	Total Assets Measured At Fair Value	Quoted Prices In Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Mutual funds:				
Equity funds	$ 2,196,906	$ 2,196,906	$ -	$ -
Bond funds	2,173,185	2,173,185	-	-
Corporate stocks	3,108,122	3,108,122	-	-
Total investments at fair value	$ 7,478,213	$ 7,478,213	$ -	$ -

As of December 31, 2022 and 2021, there were no investment assets measured at fair value on a non-recurring basis.

The following provides a summary of changes in fair value of the Foundation's Level 3 assets for the year ended December 31, 2022:

	Unobservable Inputs
Level 3 assets, December 31, 2021	$ -
Additions	545,000
Investment income	-
Level 3 assets, December 31, 2022	$ 545,000

Note 9 - PLEDGE PAYABLE

In October 2019, the Foundation pledged $750,000 to a third party to establish the Team Gleason ALS-ACP Fund. Proceeds from the fund will be designated to support clinical activities and purchase of materials for augmentative communication and assistive technology. The balance of the pledge payable totaled $295,631 and $437,020 as of December 31, 2022 and 2021, respectively. The Foundation has discounted the value of the pledge payable by using an estimated effective interest rate of 3%.

Note 9 - PLEDGE PAYABLE (Continued)

The details of pledge payable as of December 31, 2022 and 2021 are as follows:

	2022	2021
Team Gleason ALS-ACP Fund	$ 300,000	$ 450,000
Less discount	(4,369)	(12,980)
	$ 295,631	$ 437,020
Amounts due in:		
Less than one year	$ 150,000	$ 150,000
One to five years	150,000	300,000
	$ 300,000	$ 450,000

Note 10 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of December 31, 2022 and 2021 are restricted by donors for specific purposes.

	2022	2021
Subject to expenditure for specified purpose:		
Team Gleason House	$ 4,374,865	$ 4,399,943
Microsoft transition	250,000	-
Other program activities	100,000	-
Total purpose restrictions	$ 4,724,865	$ 4,399,943

Net assets released from restrictions for the years ended December 31, 2022 and 2021 are as follows:

	2022	2021
Purpose restrictions satisfied:		
Team Gleason House	$ 25,078	$ 50,307

Note 11 - SPECIAL EVENT REVENUE

Gross receipts from special fundraising events recorded by the Foundation consist of exchange transaction revenue and contribution revenue. Special events include Gleason Gras, Golf tournament, and other events. The Gleason Gras event was not held during the year ended December 31, 2021. As a result of adopting ASU 2014-09 during 2020, the Foundation is required to separately present the components of this revenue for the years ended December 31, 2022 and 2021.

	2022	2021
Sponsorships and contributions	$ 1,413,477	$ 627,196
Special event revenue	119,900	133,000
Special events - gross	1,533,377	760,196
Less: cost of direct donor benefit	(194,860)	(64,335)
Special events - net	$ 1,338,517	$ 695,861

Note 12 - AVAILABILITY OF FINANCIAL ASSETS

The Foundation is supported by donations and restricted contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Foundation must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of the Foundation's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Foundation invests cash in excess of daily requirements in investments. Although the Foundation does not intend to spend from investment funds, other than amounts appropriated for general expenditure, certain amounts from its investment fund could be made available, as necessary. General expenditures include program, administrative, and fundraising expenses. Annual operations are defined as activities occurring during, and included in the budget for, a fiscal year.

Note 12 - AVAILABILITY OF FINANCIAL ASSETS (Continued)

The following table represents financial assets available for general expenditures within one year as of December 31, 2022 and 2021:

	2022	2021
Financial assets:		
Cash	$ 1,642,987	$ 1,860,209
Unconditional promises to give	363,286	404,236
Other receivables	-	30
Investments	6,006,434	7,478,213
Total financial assets	8,012,707	9,742,688
Less amounts unavailable for general expenditures within one year, due to donor imposed restrictions:		
Restricted by donors with purpose restriction	(4,724,865)	(4,399,943)
Financial assets available to meet cash needs for general expenditures within one year	$ 3,287,842	$ 5,342,745

Note 13 - RETIREMENT PLAN

The Foundation maintains a 401(k) retirement plan, which allows participants to contribute by salary reduction pursuant to Section 401(k) of the Internal Revenue Code. Employees who are at least 21 years of age become eligible to participate in the plan after completing six months of service. The Foundation matches 100% of participant deferrals up to 3% of employee's compensation and 50% of participant deferrals over 3% and up to 5% of employee compensation. For the years ended December 31, 2022 and 2021, the Foundation contributed $18,928 and $12,265, respectively, to the plan.

Note 14 - RISKS AND UNCERTAINTIES

In general, investment securities are exposed to various risks, such as interest rate, currency, credit, and market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in values of investments will occur in the near term and would materially affect the market value of investments held by the Foundation.

Note 15 - ST. MARGARET'S DAUGHTERS NURSING HOME

The Foundation and St. Margaret's are in discussions to clarify the methodology of payment for the Team Gleason House (a residence for people living with ALS). The outcome of these negotiations and any amount due to or from St. Margaret's cannot be determined at this time and is not expected to have a material impact on the financial statements of the Foundation.