

Financial Report

Team Gleason Foundation
New Orleans, Louisiana

December 31, 2023



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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying financial statements of the Team Gleason Foundation (the "Foundation") (a non-profit organization), which comprise the statement of financial position as of December 31, 2023, 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 the Foundation as of December 31, 2023, and its 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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.

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 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 and *Government 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 and *Government 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 2022 financial statements, and our report dated August 14, 2023, expressed an unmodified opinion, on those audited financial statements. In our opinion, the summarized comparative information presented herein, as of and for the year ended December 31, 2022 is consistent, in all material respects, with the 2022 audited financial statements from which it has been derived.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the basic financial statements as a whole. The supplementary information in Schedule 1 is presented for the purpose of additional analysis, as required by Louisiana Revised statute 24:513(A)(3) and is not a required part of the financial statement. Such information in Schedule 1 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information in Schedule 1 has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information in Schedule 1 is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required of *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2024 on our consideration of the Foundation's internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Bourgeois Bennett, L.L.C." in a cursive script.

Certified Public Accountants.

New Orleans, Louisiana,
June 20, 2024.

STATEMENT OF FINANCIAL POSITION**Team Gleason Foundation**
New Orleans, LouisianaDecember 31, 2023
(with comparative totals for 2022)**ASSETS**

	<u>2023</u>	<u>2022</u>
Assets		
Cash	\$ 392,425	\$ 1,642,987
Unconditional promises to give	458,251	363,286
Grant receivable	326,241	-
Other assets	9,742	9,742
Investments	7,124,591	6,006,434
Operating lease right-of-use asset, net	57,451	139,839
Property and equipment, net	72,408	104,004
Prepaid expenses	1,977	-
	<u>\$ 8,443,086</u>	<u>\$ 8,266,292</u>
Total assets		

LIABILITIES AND NET ASSETS

Liabilities		
Accounts payable	\$ 117,928	\$ 230,303
Accrued expenses	38,471	27,070
Pledge payable, net	150,000	295,631
Lease liability	76,780	188,184
	<u>383,179</u>	<u>741,188</u>
Total liabilities		
Net Assets		
Without donor restrictions	7,959,907	2,800,239
With donor restrictions	100,000	4,724,865
	<u>8,059,907</u>	<u>7,525,104</u>
Total net assets		
Total liabilities and net assets	<u>\$ 8,443,086</u>	<u>\$ 8,266,292</u>

See notes to financial statements.

STATEMENT OF ACTIVITIES**Team Gleason Foundation**
New Orleans, LouisianaFor the year ended December 31, 2023
(with comparative totals for 2022)

	Without Donor Restrictions	With Donor Restrictions	Totals	
			2023	2022
Revenues and Other Support				
Contributions	\$ 3,777,810	\$ -	\$ 3,777,810	\$ 2,925,992
Special events (net of event expenses of \$196,511 for 2023 and \$194,860 for 2022)	1,296,154	-	1,296,154	1,338,517
Investment (loss) gain, net	847,634	-	847,634	(1,536,209)
Other income	195,323	-	195,323	-
Total revenues and other support	6,116,921	-	6,116,921	2,728,300
Net assets released from restrictions	4,624,865	(4,624,865)	-	-
Total revenues, other support, and net assets released from restrictions	10,741,786	(4,624,865)	6,116,921	2,728,300
Expenses				
Program services	4,513,317	-	4,513,317	3,189,950
General and administrative	377,784	-	377,784	351,031
Fundraising	691,017	-	691,017	644,019
Total expenses	5,582,118	-	5,582,118	4,185,000
Change in Net Assets	5,159,668	(4,624,865)	534,803	(1,456,700)
Net Assets				
Beginning of year	2,800,239	4,724,865	7,525,104	8,981,804
End of year	\$ 7,959,907	\$ 100,000	\$ 8,059,907	\$ 7,525,104

See notes to financial statements.

STATEMENT OF FUNCTIONAL EXPENSES**Team Gleason Foundation**
New Orleans, LouisianaFor the year ended December 31, 2023
(with comparative totals for 2022)

	Program Services	General and Administrative	Fundraising	Totals	
				2023	2022
Mission expenses	\$ 3,177,178	\$ -	\$ -	\$ 3,177,178	\$ 2,212,838
Salaries, payroll taxes, and benefits	957,939	194,780	446,481	1,599,200	1,362,924
Consulting fees	236,133	56,654	80,917	373,704	164,053
Special events	-	-	196,511	196,511	194,860
Direct fundraising expenses	-	-	113,858	113,858	113,984
Rent	60,631	12,466	17,986	91,083	91,937
Office expense	9,517	36,022	11,285	56,824	69,843
Depreciation	-	35,335	-	35,335	23,233
Insurance	22,028	2,763	5,909	30,700	25,940
Information technology	20,066	7,244	-	27,310	170
Professional fees	-	19,738	-	19,738	25,723
Travel and meetings	12,021	2,053	2,456	16,530	19,749
Advertising and promotion	12	300	12,087	12,399	23,059
Service fees	195	8,079	38	8,312	3,241
Team Gleason House	7,835	-	-	7,835	25,078
Contributions	7,197	-	-	7,197	17,276
Payroll processing	-	2,121	-	2,121	1,856
Gifts	1,468	50	-	1,518	3,842
Training	1,097	179	-	1,276	254
Total expenses	4,513,317	377,784	887,528	5,778,629	4,379,860
Less special events expenses netted with revenues	-	-	(196,511)	(196,511)	(194,860)
Total expenses on Statement of Activities	<u>\$ 4,513,317</u>	<u>\$ 377,784</u>	<u>\$ 691,017</u>	<u>\$ 5,582,118</u>	<u>\$ 4,185,000</u>

See notes to financial statements.

STATEMENT OF CASH FLOWS**Team Gleason Foundation**
New Orleans, LouisianaFor the year ended December 31, 2023
(with comparative totals for 2022)

	<u>2023</u>	<u>2022</u>
Cash Flows From Operating Activities		
Change in net assets	\$ 534,803	\$ (1,456,700)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	35,335	23,233
Accrued operating lease obligations	(29,016)	13,152
Unrealized loss (gain) on investments	(572,765)	1,504,527
Realized loss (gain) on investments	(117,320)	73,083
(Increase) decrease in:		
Unconditional promises to give	(94,965)	40,950
Grants receivable	(326,241)	-
Other receivables	-	30
Other assets	(1,977)	(5,740)
Increase (decrease) in:		
Accounts payable and accrued expenses	(100,974)	25,435
Pledge payable	(145,631)	(141,389)
Deferred revenue	-	(125,000)
Net cash used in operating activities	<u>(818,751)</u>	<u>(48,419)</u>
Cash Flows From Investing Activities		
Purchases of investments	(3,444,586)	(15,534,895) ¹
Proceeds from sales of investments	3,016,514	15,429,064 ¹
Purchase of property	(3,739)	(62,972)
Net cash used in investing activities	<u>(431,811)</u>	<u>(168,803)</u>
Decrease in Cash	(1,250,562)	(217,222)
Cash		
Beginning of year	<u>1,642,987</u>	<u>1,860,209</u>
End of year	<u><u>\$ 392,425</u></u>	<u><u>\$ 1,642,987</u></u>

See notes to financial statements.

¹ Includes approximately \$6,100,000 of transfers to/from investment accounts.

NOTES TO FINANCIAL STATEMENTS**Team Gleason Foundation**

New Orleans, Louisiana

December 31, 2023 and 2022

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, 2023 and 2022.

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, 2023 and 2022, the Foundation did not have any conditional promises to give.

f. Investment

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.

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 adjustments for 2023 and 2022.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g. Right-of-Use Asset and Lease Liabilities (Continued)

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 2023 and 2022 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 2023 and 2022.

The Foundation has elected the option to use its implicit borrowing rate of 4.00%.

Right-of-use assets and liabilities as of December 31, 2023 and 2022 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.

i. 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, 2023 and 2022:

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i. Revenue Recognition (Continued)

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 11 the exchange and contribution components of the gross proceeds from special events.

j. 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.

k. 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.

l. Advertising and Promotion

Advertising and promotion costs are expensed as they are incurred. Advertising and promotion costs totaled \$12,399 and \$23,059 for the years ended December 31, 2023 and 2022, respectively.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

m. 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.

n. 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, 2023, 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, 2020 and later remain subject to examination by the taxing authorities.

o. Recently Issued Accounting Standards

Measurement of Credit Losses

In June 2016, the FASB issued ASU No. 2016-13, "*Financial Instruments - Credit Losses*" (Topic 326). The ASU introduces a new credit loss methodology, Current Expected Credit Losses (CECL), which requires earlier recognition of credit losses, while also providing additional transparency about credit risk. Since its original issuance in 2016, the FASB has issued several updates to the original ASU.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

o. Recently Issued Accounting Standards (Continued)

Measurement of Credit Losses (Continued)

The CECL methodology utilizes a lifetime “expected credit loss” measurement objective for the recognition of credit losses for loans, held-to-maturity securities and other receivables at the time the financial asset is originated or acquired. The expected credit losses are adjusted each period for changes in expected lifetime credit losses. The methodology replaces the multiple existing impairment methods in current GAAP, which generally require that a loss be incurred before it is recognized. For available-for-sale securities where fair value is less than cost, credit-related impairment, if any, is recognized through an allowance for credit losses and adjusted each period for changes in credit risk. The ASU was adopted for the year ended December 31, 2023.

p. 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 June 20, 2024, 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, 2023, cash in excess of the insured limit was approximately \$162,000.

Note 4 - UNCONDITIONAL PROMISES TO GIVE

The balance of unconditional promises to give, which are all deemed collectible by management, totaled \$458,251 and \$363,286, as of December 31, 2023 and 2022, respectively. The details of unconditional promises to give as of December 31, 2023 and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Neon One	\$ 173,643	\$ 193,242
Other promises to give	<u>284,608</u>	<u>170,044</u>
Totals	<u>\$458,251</u>	<u>\$363,286</u>
Amounts due in less than one year	<u>\$458,251</u>	<u>\$363,286</u>

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 July 31, 2024. The lease calls for monthly payments of \$9,742. Subsequent to year-end, the Foundation entered into a lease agreement for new office space at a new location.

Operating lease reported under FASB ASC 842 for the years ended December 31, 2023 and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Lease Cost		
Operating lease costs	<u>\$ 91,083</u>	<u>\$ 91,937</u>
Cash Flow Items		
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating lease	<u>\$ 116,904</u>	<u>\$ 74,736</u>
Operating lease right-of-use asset	<u>\$ 57,451</u>	<u>\$ 139,839</u>
Lease liability	<u>\$ 76,780</u>	<u>\$ 188,184</u>
Weighted-average remaining lease term, years	0.58	1.58
Weighted-average discount rate:	4.00%	4.00%

Future minimum lease payments under this non-cancellable operating lease as of December 31, 2023 is as follows:

	<u>Year Ending December 31,</u>
	<u>2024</u>
	<u>\$77,936</u>
Total minimum lease payments	77,936
Less amount representing interest	<u>(1,156)</u>
Lease liability	<u>\$76,780</u>

Note 6 - PROPERTY AND EQUIPMENT

As of December 31, 2023 and 2022, property and equipment consists of the following:

	<u>2023</u>	<u>2022</u>
Furniture and equipment	\$ 122,767	\$ 119,028
Leasehold improvements	<u>35,214</u>	<u>35,214</u>
	157,981	154,242
Less: accumulated depreciation	<u>(85,573)</u>	<u>(50,238)</u>
Net property and equipment	<u>\$ 72,408</u>	<u>\$ 104,004</u>

Depreciation expense for the years ended December 31, 2023 and 2022 was \$35,335 and \$23,233, respectively.

Note 7 - INVESTMENTS

Investments as of December 31, 2023 and 2022 consist of the following:

<u>2023</u>			
<u>Description</u>	<u>Cost</u>	<u>Fair Market Value</u>	<u>Excess of Market Over Cost (Cost Over Market)</u>
Mutual funds:			
Equity funds	\$ 2,631,728	\$ 3,097,546	\$ 465,818
Other	2,480,209	2,652,815	172,606
Alternative investments - private			
equity funds	545,000	599,231	54,231
Corporate bonds	180,908	185,658	4,750
Real estate investment trust	290,000	288,626	(1,374)
Government agency obligations	<u>303,872</u>	<u>300,715</u>	<u>(3,157)</u>
Total securities	<u>\$ 6,431,717</u>	<u>\$ 7,124,591</u>	<u>\$ 692,874</u>

Note 7 - INVESTMENTS (Continued)

2022			
Description	Cost	Fair Market Value	Excess of Market Over Cost (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 - private equity funds	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	<u>\$ 5,886,325</u>	<u>\$ 6,006,434</u>	<u>\$ 120,109</u>
	Cost	Fair Market Value	Excess of Market Over Cost
Balance, December 31, 2023	<u>\$ 6,431,717</u>	<u>\$ 7,124,591</u>	\$ 692,874
Balance, December 31, 2022	<u>\$ 5,886,325</u>	<u>\$ 6,006,434</u>	120,109
Unrealized appreciation			572,765
Net realized gain			117,320
Interest and dividend income			284,644
Investment fees			<u>(127,095)</u>
Investment income, net			<u>\$ 847,634</u>

Note 7 - INVESTMENTS (Continued)

	Cost	Fair Market Value	Excess of Market Over Cost
Balance, December 31, 2022	<u>\$ 5,886,325</u>	<u>\$ 6,006,434</u>	\$ 120,109
Balance, December 31, 2021	<u>\$ 5,853,577</u>	<u>\$ 7,478,213</u>	1,624,636
Unrealized depreciation			(1,504,527)
Net realized loss			(73,083)
Interest and dividend income			94,259
Investment fees			<u>(52,858)</u>
Investment loss, net			<u>\$ (1,536,209)</u>

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.

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.

Note 8 - FAIR VALUE MEASUREMENTS (Continued)

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 maximize the use of relevant 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.

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.

Note 8 - FAIR VALUE MEASUREMENTS (Continued)

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 - Private equity funds: This category includes investments in growth equity investments in a limited partnership. The nature of the investments in this category is that distributions are received through the liquidation of the underlying assets of the limited partnership. The fair value of this investment is calculated from the net asset value of the ownership interest in the limited partnership.

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, 2023 and 2022 are comprised of and determined as follows:

Description	2023			
	Based on			
	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	\$ 3,097,546	\$ 3,097,546	\$ -	\$ -
Other	2,652,815	2,652,815	-	-
Alternative investments	599,231	-	-	599,231
Corporate bonds	185,658	-	185,658	-
Real estate investment trust	288,626	288,626	-	-
Government agency obligations	300,715	-	300,715	-
Totals	<u>\$ 7,124,591</u>	<u>\$ 6,038,987</u>	<u>\$ 486,373</u>	<u>\$ 599,231</u>

Note 8 - FAIR VALUE MEASUREMENTS (Continued)

Description	2022			
	Based on			
	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	-	-
Total investments at fair value	<u>\$ 6,006,434</u>	<u>\$ 4,741,422</u>	<u>\$ 720,012</u>	<u>\$ 545,000</u>

As of December 31, 2023 and 2022, 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, 2023:

	Unobservable Inputs
Level 3 assets:	
January 1, 2022	\$ -
Additions:	
Purchases	<u>545,000</u>
December 31, 2022	545,000
Additions:	
Change in unrealized gains	<u>54,231</u>
December 31, 2023	<u>\$599,231</u>

Note 8 - FAIR VALUE MEASUREMENTS (Continued)

The following sets forth significant terms of the agreements with certain investment companies as of December 31, 2023 and 2022:

2023				
Asset Class	Fair Value	Remaining Life	Redemption Terms	Redemption Restrictions
Private equity funds	\$599,231	N/A	Limited, as defined under specific agreement.	Limited, as defined under specific agreement.

2022				
Asset Class	Fair Value	Remaining Life	Redemption Terms	Redemption Restrictions
Private equity funds	\$545,000	N/A	Limited, as defined under specific agreement.	Limited, as defined under specific agreement.

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 \$150,000 and \$295,631 as of December 31, 2023 and 2022, respectively. The Foundation has discounted the value of the pledge payable by using an estimated effective interest rate of 3%.

The details of pledge payable as of December 31, 2023 and 2022 are as follows:

	2023	2022
Team Gleason ALS-ACP Fund	\$ 150,000	\$ 300,000
Less discount	-	(4,369)
	<u>\$ 150,000</u>	<u>\$ 295,631</u>
Amounts due in:		
Less than one year	\$ 150,000	\$ 150,000
One to five years	-	150,000
	<u>\$ 150,000</u>	<u>\$ 300,000</u>

Note 10 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of December 31, 2023 and 2022 are restricted by donors for specific purposes.

	<u>2023</u>	<u>2022</u>
Subject to expenditure for specified purpose:		
Team Gleason House	\$ -	\$ 4,374,865
Microsoft transition	-	250,000
Other program activities	<u>100,000</u>	<u>100,000</u>
Total purpose restrictions	<u>\$ 100,000</u>	<u>\$ 4,724,865</u>

Net assets released from restrictions for the years ended December 31, 2023 and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Purpose restrictions satisfied:		
Team Gleason House - Donor Approval	\$ 4,367,030 ¹	\$ -
Team Gleason House	7,835	25,078
Microsoft transition	<u>250,000</u>	<u>-</u>
	<u>\$ 4,624,865</u>	<u>\$ 25,078</u>

¹ The donor formally communicated to the Foundation that the funds could now be used for operations and are no longer restricted.

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. 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, 2023 and 2022.

Note 11 - SPECIAL EVENT REVENUE (Continued)

	<u>2023</u>	<u>2022</u>
Sponsorships and contributions	\$ 1,388,765	\$ 1,413,477
Special event revenue	<u>103,900</u>	<u>119,900</u>
Special events - gross	1,492,665	1,533,377
Less: cost of direct donor benefit	<u>(196,511)</u>	<u>(194,860)</u>
Special events - net	<u>\$ 1,296,154</u>	<u>\$ 1,338,517</u>

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.

The following table represents financial assets available for general expenditures within one year as of December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Financial assets:		
Cash	\$ 392,425	\$ 1,642,987
Unconditional promises to give	458,251	363,286
Grants receivable	326,241	-
Investments	<u>7,124,591</u>	<u>6,006,434</u>
Total financial assets	8,301,508	8,012,707
Less amounts unavailable for general expenditures within one year, due to donor imposed restrictions:		
Restricted by donors with purpose restriction	<u>(100,000)</u>	<u>(4,724,865)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 8,201,508</u>	<u>\$ 3,287,842</u>

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, 2023 and 2022, the Foundation contributed \$56,317 and \$18,928, 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.

Note 16 - SUBSEQUENT EVENTS

On April 2, 2024, the Foundation secured \$6,000,000 in Federal funding from the Administration for Community Living (ACL), an operating division of the U.S. Department of Health and Human Services to better serve Americans living with ALS.

SUPPLEMENTAL INFORMATION

**SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER
PAYMENTS TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER**

Team Gleason Foundation
New Orleans, Louisiana

For the year ended December 31, 2023

Agency Head Name: David Darragh, Managing Director

Purpose

Salary	\$ 0
Benefits - insurance	0
Benefits - retirement	0
Benefits - other	0
Car allowance	0
Vehicle provided by government	0
Per diem	0
Reimbursements	0
Travel	0
Registration fees	0
Conference travel	0
Continuing professional education fees	0
Housing	0
Unvouchered expenses	0
Special meals	0
	\$ 0

Note:

No public funds were used to pay Mr. Darragh's salary, benefits, or any other compensation during the year ended December 31, 2023.

SPECIAL REPORTS BY CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR’S REPORT ON INTERNAL
CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Team Gleason Foundation (Foundation), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, which collectively comprise Foundation’s basic financial statements, and have issued our report thereon dated June 20, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Foundation’s internal control over financial reporting (“internal control”) as a basis for determining audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Foundation’s internal control. Accordingly, we do not express an opinion on the effectiveness of Foundation’s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of Foundation’s financial statements will not be prevented, or detected, and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be a material weakness or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Foundation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Foundation's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Bourgeois Bennett, L.L.C." in a cursive script.

Certified Public Accountants.

New Orleans, Louisiana,
June 20, 2024.

SCHEDULE OF FINDINGS AND RESPONSES

Team Gleason Foundation New Orleans, Louisiana

For the year ended December 31, 2023

Section I - Summary of Auditor's Results

a) Financial Statements

Type of report issued on the financial statements: unmodified

Internal control over financial reporting:

- Material weakness(as) identified? ☐ Yes ☒ No
- Significant deficiency(is) identified that are
not considered to be a material weakness? ☐ Yes ☒ None reported

Noncompliance material to financial statements noted? ☐ Yes ☒ No

b) Federal Awards

The Foundation did not expend more than \$750,000 in federal awards during the year ended December 31, 2023; therefore, is exempt from the audit requirements under the Uniform Guidance.

Section II - Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Basic Financial Statements

Internal Control Over Financial Reporting

No material weaknesses were reported during the audit of the financial statements for the year ended December 31, 2023.

No significant deficiencies were reported during the audit of the financial statements for the year ended December 31, 2023.

Compliance and Other Matters

There were no compliance findings material to the financial statements reported during the audit for the year ended December 31, 2023.

REPORTS BY MANAGEMENT

MANAGEMENT'S CORRECTIVE ACTION PLAN

Team Gleason Foundation
New Orleans, Louisiana

For the year ended December 31, 2023

Section I - Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Basic Financial Statements

Internal Control Over Financial Reporting

No material weaknesses were reported during the audit of the financial statements for the year ended December 31, 2023.

No significant deficiencies were reported during the audit of the financial statements for the year ended December 31, 2023.

Compliance and Other Matters

There were no compliance findings material to the financial statements reported during the audit for the year ended December 31, 2023.

Section II - Internal Control and Compliance Material to Federal Awards

The Foundation did not expend federal awards in excess of \$750,000 during the year ended December 31, 2023 and therefore is exempt from the audit requirements under the *Uniform Guidance*.

Section III - Management Letter

A management letter was not issued in connection with the audit for the year ended December 31, 2023.