HUNTINGTON’S DISEASE SOCIETY OF AMERICA, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2023 and 2022
## Contents

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INDEPENDENT AUDITORS’ REPORT

Board of Trustees
Huntington’s Disease Society of America, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Huntington’s Disease Society of America, Inc. (the “Society”), which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for each of the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Huntington’s Disease Society of America, Inc. as of December 31, 2023 and 2022, and the changes in its net assets and its cash flows for each of the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (“GAAS”). Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Society and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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

The Society’s management is responsible for the preparation and fair presentation of these financial statements, in accordance with accounting principles generally accepted in the United States of America; this includes 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 Society’s ability to continue as a going concern for one year after the date that the financial statements are available to be issued.
Auditors' 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 auditors' 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 GAAS 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 GAAS, 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 Society'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 Society'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.

EisnerAmper LLP
EISNERAMPER LLP
New York, New York
April 30, 2024
### Statements of Financial Position

#### ASSETS

<table>
<thead>
<tr>
<th>Description</th>
<th>2023</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$ 8,552,926</td>
<td>$ 12,704,109</td>
</tr>
<tr>
<td>Pledges and contributions receivable, net</td>
<td>952,490</td>
<td>609,670</td>
</tr>
<tr>
<td>Investments</td>
<td>5,742,903</td>
<td>3,920,368</td>
</tr>
<tr>
<td>Prepaid expenses and deposits</td>
<td>377,139</td>
<td>191,683</td>
</tr>
<tr>
<td>Right-of-use asset</td>
<td>2,646,072</td>
<td>711,837</td>
</tr>
<tr>
<td>Property and equipment, net</td>
<td>191,288</td>
<td>18,129</td>
</tr>
<tr>
<td>Website and software costs, net</td>
<td>574,969</td>
<td>3,514</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>$19,037,787</td>
<td>$18,159,310</td>
</tr>
</tbody>
</table>

#### LIABILITIES AND NET ASSETS

<table>
<thead>
<tr>
<th>Liabilities:</th>
<th>2023</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>$ 206,181</td>
<td>$ 225,956</td>
</tr>
<tr>
<td>Accrued compensation</td>
<td>267,435</td>
<td>281,587</td>
</tr>
<tr>
<td>Grants payable, net</td>
<td>1,152,674</td>
<td>980,273</td>
</tr>
<tr>
<td>Event revenue received in advance</td>
<td>32,349</td>
<td>34,184</td>
</tr>
<tr>
<td>Lease liability</td>
<td>2,649,001</td>
<td>797,692</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>4,307,640</td>
<td>2,319,692</td>
</tr>
</tbody>
</table>

Lease commitments (Note L)

Net Assets:

Without donor restrictions:

- Undesignated                                     | 7,428,178     | 9,514,297     |
- Board-operating reserve                         | 3,281,277     | 2,664,467     |

**Total net assets without donor restrictions**  | 10,709,455     | 12,178,764    |

With donor restrictions:

- Purpose restriction                             | 3,710,692     | 3,170,904     |
- Time-restricted for future periods              | 60,000        | 239,950       |
- Perpetual in nature                             | 250,000       | 250,000       |

**Total net assets with donor restrictions**     | 4,020,692      | 3,660,854     |

**Total net assets**                             | 14,730,147     | 15,839,618    |

**$19,037,787**                                   | **$18,159,310**|

See notes to financial statements.
## Statements of Activities

### Year Ended December 31,

<table>
<thead>
<tr>
<th></th>
<th>Without Donor Restrictions</th>
<th>With Donor Restrictions</th>
<th>Total</th>
<th>Without Donor Restrictions</th>
<th>With Donor Restrictions</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Support and revenue:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public donations</td>
<td>$3,001,284</td>
<td>$575,907</td>
<td>$3,577,191</td>
<td>$3,443,934</td>
<td>$485,061</td>
<td>$3,928,995</td>
</tr>
<tr>
<td>Foundation grants and corporate contributions</td>
<td>891,250</td>
<td>1,705,281</td>
<td>2,596,531</td>
<td>1,541,195</td>
<td>1,020,082</td>
<td>2,561,277</td>
</tr>
<tr>
<td>Federal campaign</td>
<td>238,917</td>
<td></td>
<td>238,917</td>
<td>205,863</td>
<td></td>
<td>205,863</td>
</tr>
<tr>
<td>Special events (net of direct benefits to donors $514,170 and $553,989 in 2023 and 2022, respectively)</td>
<td>3,676,186</td>
<td></td>
<td>3,676,186</td>
<td>4,030,332</td>
<td></td>
<td>4,030,332</td>
</tr>
<tr>
<td>Investment earnings, net</td>
<td>151,303</td>
<td>11,676</td>
<td>162,979</td>
<td>17,326</td>
<td>2,992</td>
<td>20,318</td>
</tr>
<tr>
<td>Donated services and materials</td>
<td>183,645</td>
<td></td>
<td>183,645</td>
<td>339,992</td>
<td></td>
<td>339,992</td>
</tr>
<tr>
<td>Other income</td>
<td>123,721</td>
<td></td>
<td>123,721</td>
<td>88,623</td>
<td></td>
<td>88,623</td>
</tr>
<tr>
<td><strong>Total support and revenue before net assets released from restrictions</strong></td>
<td>8,266,306</td>
<td>2,292,864</td>
<td>10,559,170</td>
<td>9,667,265</td>
<td>(1,933,026)</td>
<td>11,175,400</td>
</tr>
<tr>
<td><strong>Net assets released from restrictions</strong></td>
<td>1,933,026</td>
<td></td>
<td></td>
<td>1,687,946</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total support and revenue</strong></td>
<td>10,199,332</td>
<td>359,838</td>
<td>10,559,170</td>
<td>11,355,211</td>
<td>(179,811)</td>
<td>11,175,400</td>
</tr>
<tr>
<td><strong>Expenses:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Program services:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Research</td>
<td>2,707,522</td>
<td></td>
<td>2,707,522</td>
<td>1,518,391</td>
<td></td>
<td>1,518,391</td>
</tr>
<tr>
<td>Family services</td>
<td>3,639,573</td>
<td></td>
<td>3,639,573</td>
<td>3,300,739</td>
<td></td>
<td>3,300,739</td>
</tr>
<tr>
<td>Education</td>
<td>2,011,739</td>
<td></td>
<td>2,011,739</td>
<td>1,648,297</td>
<td></td>
<td>1,648,297</td>
</tr>
<tr>
<td>Community outreach</td>
<td>966,340</td>
<td></td>
<td>966,340</td>
<td>901,210</td>
<td></td>
<td>901,210</td>
</tr>
<tr>
<td><strong>Total program services</strong></td>
<td>9,325,174</td>
<td></td>
<td>9,325,174</td>
<td>7,368,637</td>
<td></td>
<td>7,368,637</td>
</tr>
<tr>
<td>Supporting services:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Management and general</td>
<td>691,758</td>
<td></td>
<td>691,758</td>
<td>820,000</td>
<td></td>
<td>820,000</td>
</tr>
<tr>
<td>Fundraising</td>
<td>1,901,574</td>
<td></td>
<td>1,901,574</td>
<td>1,928,395</td>
<td></td>
<td>1,928,395</td>
</tr>
<tr>
<td><strong>Total supporting services</strong></td>
<td>2,593,332</td>
<td></td>
<td>2,593,332</td>
<td>2,748,395</td>
<td></td>
<td>2,748,395</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td>11,918,506</td>
<td></td>
<td>11,918,506</td>
<td>10,117,032</td>
<td></td>
<td>10,117,032</td>
</tr>
<tr>
<td><strong>Change in net assets before previous year rescinded grant, returned grant funds, and gain on lease modification</strong></td>
<td>(1,719,174)</td>
<td>359,838</td>
<td>(1,359,336)</td>
<td>1,238,179</td>
<td>(179,811)</td>
<td>1,058,368</td>
</tr>
<tr>
<td>Previous year rescinded grant</td>
<td>140,000</td>
<td></td>
<td>140,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Returned grant funds</td>
<td>48,944</td>
<td></td>
<td>48,944</td>
<td>121,808</td>
<td></td>
<td>121,808</td>
</tr>
<tr>
<td>Gain on lease modification</td>
<td>60,921</td>
<td></td>
<td>60,921</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Change in net assets</strong></td>
<td>(1,469,309)</td>
<td>359,838</td>
<td>(1,109,471)</td>
<td>1,359,987</td>
<td>(179,811)</td>
<td>1,180,176</td>
</tr>
<tr>
<td><strong>Net assets, end of year</strong></td>
<td>$10,709,455</td>
<td>$4,020,692</td>
<td>$14,730,147</td>
<td>$12,178,764</td>
<td>$3,660,854</td>
<td>$15,839,618</td>
</tr>
</tbody>
</table>

See notes to financial statements.
## Statement of Functional Expenses

**Year Ended December 31, 2023**
(with summarized financial information for 2022)

<table>
<thead>
<tr>
<th></th>
<th>Program Services</th>
<th>Supporting Services</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Research</td>
<td>Family Services</td>
<td>Community Outreach</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and related expenses:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries</td>
<td>$ 315,033</td>
<td>$ 554,841</td>
<td>$ 576,114</td>
</tr>
<tr>
<td>Payroll taxes and employee benefits</td>
<td>85,199</td>
<td>159,727</td>
<td>155,807</td>
</tr>
<tr>
<td>Total salaries and related expenses</td>
<td>400,232</td>
<td>714,568</td>
<td>731,921</td>
</tr>
<tr>
<td>Other expenses:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Research grants and other awards</td>
<td>1,503,371</td>
<td>2,025,516</td>
<td>155,393</td>
</tr>
<tr>
<td>Office supplies</td>
<td>328,253</td>
<td>66,306</td>
<td>39,012</td>
</tr>
<tr>
<td>Telephone</td>
<td>14,129</td>
<td>21,276</td>
<td>10,519</td>
</tr>
<tr>
<td>Postage and shipping</td>
<td>657</td>
<td>2,132</td>
<td>22,007</td>
</tr>
<tr>
<td>Rent and occupancy charges</td>
<td>62,647</td>
<td>80,362</td>
<td>44,419</td>
</tr>
<tr>
<td>Printing and publications</td>
<td>13,401</td>
<td>22,224</td>
<td>80,263</td>
</tr>
<tr>
<td>Conferences, meetings and travel</td>
<td>125,643</td>
<td>172,272</td>
<td>542,199</td>
</tr>
<tr>
<td>Insurance</td>
<td>12,129</td>
<td>16,521</td>
<td>9,001</td>
</tr>
<tr>
<td>Prizes and gifts</td>
<td>-</td>
<td>3,394</td>
<td>3,997</td>
</tr>
<tr>
<td>Professional services</td>
<td>58,137</td>
<td>495,613</td>
<td>156,211</td>
</tr>
<tr>
<td>Equipment rental</td>
<td>6,805</td>
<td>11,256</td>
<td>168,836</td>
</tr>
<tr>
<td>Donated legal, space and auction items</td>
<td>-</td>
<td>698</td>
<td>4,788</td>
</tr>
<tr>
<td>Bank and credit card fees</td>
<td>-</td>
<td>484</td>
<td>3,983</td>
</tr>
<tr>
<td>Catering and venue costs</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>180,239</td>
<td>3,738</td>
<td>2,066</td>
</tr>
<tr>
<td>Other</td>
<td>1,879</td>
<td>3,213</td>
<td>37,124</td>
</tr>
<tr>
<td>Total expenses</td>
<td>2,707,522</td>
<td>3,639,573</td>
<td>2,011,739</td>
</tr>
<tr>
<td>Less: direct benefits to donors</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total expenses per the statements of activities</td>
<td>$ 2,707,522</td>
<td>$ 3,639,573</td>
<td>$ 2,011,739</td>
</tr>
</tbody>
</table>

See notes to financial statements.


### Statement of Functional Expenses

**Year Ended December 31, 2022**

<table>
<thead>
<tr>
<th></th>
<th>Program Services</th>
<th>Supporting Services</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Research</td>
<td>Family Services</td>
<td>Education</td>
</tr>
<tr>
<td>Salaries and related expenses:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries</td>
<td>$ 312,915</td>
<td>$ 514,697</td>
<td>$ 508,148</td>
</tr>
<tr>
<td>Payroll taxes and employee benefits</td>
<td>84,151</td>
<td>149,525</td>
<td>136,655</td>
</tr>
<tr>
<td>Total salaries and related expenses</td>
<td>397,066</td>
<td>664,222</td>
<td>644,803</td>
</tr>
<tr>
<td>Other expenses:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Research grants and other awards</td>
<td>934,664</td>
<td>1,873,349</td>
<td>128,051</td>
</tr>
<tr>
<td>Office supplies</td>
<td>24,577</td>
<td>57,091</td>
<td>31,268</td>
</tr>
<tr>
<td>Telephone</td>
<td>9,853</td>
<td>24,361</td>
<td>10,808</td>
</tr>
<tr>
<td>Postage and shipping</td>
<td>385</td>
<td>1,348</td>
<td>11,135</td>
</tr>
<tr>
<td>Rent and occupancy charges</td>
<td>39,751</td>
<td>87,567</td>
<td>43,728</td>
</tr>
<tr>
<td>Printing and publications</td>
<td>12,567</td>
<td>20,528</td>
<td>88,960</td>
</tr>
<tr>
<td>Conferences, meetings and travel</td>
<td>22,721</td>
<td>42,774</td>
<td>375,550</td>
</tr>
<tr>
<td>Insurance</td>
<td>8,513</td>
<td>19,038</td>
<td>9,419</td>
</tr>
<tr>
<td>Prizes and gifts</td>
<td>-</td>
<td>4,483</td>
<td>1,730</td>
</tr>
<tr>
<td>Professional services</td>
<td>54,237</td>
<td>486,190</td>
<td>129,025</td>
</tr>
<tr>
<td>Equipment rental</td>
<td>2,882</td>
<td>8,501</td>
<td>144,892</td>
</tr>
<tr>
<td>Donated legal, space and auction items</td>
<td>-</td>
<td>-</td>
<td>4,266</td>
</tr>
<tr>
<td>Bank and credit card fees</td>
<td>193</td>
<td>507</td>
<td>2,247</td>
</tr>
<tr>
<td>Catering and venue costs</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>3,463</td>
<td>7,629</td>
<td>3,810</td>
</tr>
<tr>
<td>Other</td>
<td>7,519</td>
<td>3,151</td>
<td>18,605</td>
</tr>
<tr>
<td>Total expenses</td>
<td>1,518,391</td>
<td>3,300,739</td>
<td>1,648,297</td>
</tr>
<tr>
<td>Less: direct benefits to donors</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total expenses per the statements of activities</td>
<td>$1,518,391</td>
<td>$3,300,739</td>
<td>$1,648,297</td>
</tr>
</tbody>
</table>

See notes to financial statements.


**HUNTINGTON’S DISEASE SOCIETY OF AMERICA, INC.**

**Statements of Cash Flows**

<table>
<thead>
<tr>
<th></th>
<th>2023</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash flows from operating activities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in net assets</td>
<td>$(1,109,471)</td>
<td>$1,180,176</td>
</tr>
<tr>
<td>Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>191,601</td>
<td>27,193</td>
</tr>
<tr>
<td>Bad debt expense</td>
<td>10,000</td>
<td>-</td>
</tr>
<tr>
<td>Noncash lease amortization</td>
<td>273,578</td>
<td>253,371</td>
</tr>
<tr>
<td>Gain on lease modification</td>
<td>(60,921)</td>
<td>-</td>
</tr>
<tr>
<td>Previous year rescinded grant</td>
<td>140,000</td>
<td>-</td>
</tr>
<tr>
<td>Net realized and unrealized (gains) losses on investments</td>
<td>(16,311)</td>
<td>8,490</td>
</tr>
<tr>
<td>Donated securities</td>
<td>(162,039)</td>
<td>(138,173)</td>
</tr>
<tr>
<td>Proceeds from sale of donated securities</td>
<td>162,039</td>
<td>138,173</td>
</tr>
<tr>
<td>Changes in:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pledges and contributions receivable, net</td>
<td>(352,820)</td>
<td>1,989,100</td>
</tr>
<tr>
<td>Prepaid expenses and deposits</td>
<td>(185,456)</td>
<td>2,286</td>
</tr>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>(19,775)</td>
<td>105,830</td>
</tr>
<tr>
<td>Accrued compensation</td>
<td>(14,152)</td>
<td>18,318</td>
</tr>
<tr>
<td>Grants payable, net</td>
<td>32,401</td>
<td>(383,901)</td>
</tr>
<tr>
<td>Event revenue received in advance</td>
<td>(1,835)</td>
<td>(26,993)</td>
</tr>
<tr>
<td>Lease liability</td>
<td>(295,583)</td>
<td>(271,247)</td>
</tr>
<tr>
<td>Net cash (used in) provided by operating activities</td>
<td>$(1,408,744)</td>
<td>2,902,623</td>
</tr>
</tbody>
</table>

| **Cash flows from investing activities:** |            |            |
| Proceeds from sales of investments | 851,908    | 726,224    |
| Purchases of investments          | (2,658,132)| (2,152,048)|
| Capitalized website and software costs | (751,500) | -          |
| Purchases of property and equipment | (184,715) | (1,500)    |
| Net cash used in investing activities | (2,742,439)| (1,427,324)|

| **Change in cash and cash equivalents** |            |            |
| Cash and cash equivalents, beginning of year | 12,704,109 | 11,228,810 |
| Cash and cash equivalents, end of year | $8,552,926 | $12,704,109 |

| **Supplemental disclosures of cash flow information** |            |            |
| Donated services and materials | $183,645   | $339,992   |
| Noncash lease liabilities arising from obtaining right-of-use assets | $2,666,372 | $1,068,939 |

See notes to financial statements.
NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

[1] The Society:

Huntington’s Disease Society of America, Inc. (the “Society”) was incorporated in New York in 1986. The Society is a national, voluntary health and welfare organization dedicated to improving the lives of people with Huntington’s Disease (“HD”) and their families. Currently, the Society has 35 chapters throughout the United States. Each chapter, staffed entirely by volunteers: (i) holds educational events, coordinates social workers, and runs support groups for local families with HD; (ii) raises funds through events (walk-a-thons, dinners, golf tournaments, and other activities) that are used to support the Society’s programs of research, care and education; and (iii) strives to build greater awareness of HD in the general public through outreach to local press and civic groups.

The Society is exempt from federal income taxes pursuant to Section 501(c)(3) of the U.S. Internal Revenue Code (the “Code”) and from state and local taxes under comparable laws.

[2] Basis of accounting:

The financial statements of the Society have been prepared using the accrual basis of accounting and conform to accounting principles generally accepted in the United States of America (“U.S. GAAP”), as applicable to not-for-profit organizations.

[3] Use of estimates:

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, support and revenues and expenses, as well as the disclosure of contingent assets and liabilities. Actual results may differ from those estimates.

[4] Cash and cash equivalents:

The Society considers all highly liquid investments, with maturities of three months or less when purchased, to be cash equivalents. Cash and cash equivalents are considered to be part of the Society’s investment portfolio and are reported as investments in the statements of financial position.

[5] Investments:

The Society’s investments in common stock, and equity and fixed-income mutual funds are reported at their fair values in the statements of financial position based on quoted market prices. Cash and cash equivalents held as part of the Society’s investment portfolio are also included in the balances reported as investments.

The Society’s investments, in general, are subject to various risks, such as interest-rate, market, and credit risks. Due to the level of risk associated with certain investment vehicles, it is at least reasonably possible that changes in the values of those securities could occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

Investment transactions are recorded on a trade-date basis. Realized gains and losses on investments sold, and unrealized appreciation and depreciation on investments held, are reported in the statements of activities as increases or decreases in net assets without donor restriction unless their use is restricted through donor stipulation. Realized gains and losses on investments are determined by comparison of the cost of acquisition to proceeds at the time of disposition. Unrealized gains and losses on investments are determined by comparing the investment’s cost to the fair value at the end of each year. The earnings from dividends and interest are recognized when earned.
NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[5] Investments: (continued)

Donated securities are recorded at their estimated fair values, or by their net asset values as determined by the Society’s management, on the dates of donation. The Society’s policy is to sell the donated securities immediately, and, accordingly, for purposes of the statement of cash flows, donated securities and the proceeds generated from their sale are included within operating activities.

Investment expenses include the service fees and costs of bank trustees, investment managers and custodians. The balances of investment management fees disclosed in Note C are those specific fees charged by the Society’s various investment managers in each year; however, they do not include those fees that are embedded in various other investment accounts and transactions.

[6] Property and equipment:

Property and equipment are stated at their original costs, at the dates of acquisition, or, if contributed, at their estimated fair values at the dates of donation, less accumulated depreciation and amortization. The Society capitalizes items of property and equipment that have a cost of $1,000 or more and a useful life greater than one year, whereas minor costs of repairs and maintenance are expensed as incurred. Depreciation is provided using the straight-line method over five to ten years, the estimated useful lives of computers and equipment and furniture and fixtures. Leasehold improvements are amortized over the remaining lease term, or the useful lives of the improvements, whichever is shorter.

Management evaluates the recoverability of the investment in long-lived assets on an on-going basis and when triggering events indicate that the fair value of the long-lived assets may be less than the carrying value, recognizes any impairment in the year of determination. There were no triggering events during 2023 and 2022 requiring management to test for impairment that would require any adjustments to property and equipment. It is reasonably possible that relevant conditions could change in the near term and necessitate a change in management’s estimate of the recoverability of these assets.

[7] Website and software costs:

Website and software costs related to data consulting services, site configuration and infrastructure, and conceptual design are capitalized. Costs relating to operating and content are expensed as incurred. The Society capitalizes website and software costs that have a cost of $1,500 or more and useful life greater than one year. Capitalized costs are amortized over a three-year expected life using the straight-line method. At December 31, 2023 and 2022, capitalized website and software costs were presented net of accumulated amortization of $245,288 and $73,305, respectively. During 2023 and 2022, the Society retired fully amortized website costs no longer utilized of $8,062 and $11,650, respectively.

[8] Accrued vacation:

Accrued vacation represents the Society’s obligation for the cost of unused employee vacation time that would be payable in the event that all employees left the Society. As of December 31, 2023 and 2022, the accrued vacation obligation was approximately $200,000 and $217,000, respectively, and was reported as part of accrued compensation in the accompanying statements of financial position.

[9] Grants payable:

Unconditional grants are recognized as an obligation to the Society at the time they are approved. Grants are generally paid within one year of approval, or in the case of multi-year grants, payments are made based on the progress from the grantee that coincides with the satisfactory progression of the project. Multi-year grants payable are reported at their present values, using an appropriate interest rate.
**Leases:**

The Society determines if an arrangement is a lease at inception. For the Society’s operating leases, a right-of-use (“ROU”) asset represents the Society’s right to use an underlying assets for the lease terms and an operating lease liability represents an obligation to make lease payments arising from the leases. The ROU asset and lease liability are recognized at the lease commencement date based on the present value of lease payments over the lease term. Since the Society’s lease agreement does not provide an implicit interest rate, the Society uses a risk-free rate based on the information available at the commencement date in determining the present value of the lease payments. Operating lease expense is recognized on a straight-line basis over the lease term, subject to any changes in the lease or expectations regarding the terms. Variable lease costs, such as operating costs, are expensed as incurred.

**Net assets:**

(i) **Net assets without donor restrictions:**

Net assets without donor restrictions represent those resources for which there are no restrictions by donors as to their use and are, therefore, available for current operations.

The Society has designated a portion of net assets to function as a reserve to be spent at the discretion of the Board.

(ii) **Net assets with donor restrictions:**

Net assets with donor restrictions represent those resources that are subject to donor imposed restrictions, such as specific purposes and/or a specific period of time. Also included within net assets with donor restrictions are donor restrictions that are perpetual in nature and subject to the requirements of the New York Prudent Management of Institutional Funds Act ("NYPMIFA"). These donors have stipulated that those resources be maintained in perpetuity with the resultant income and net capital appreciation arising from the underlying assets to be used in satisfaction of the wishes of those donors. When a donor restriction expires, that is, when a stipulated time restriction ends, or a purpose restriction is accomplished, or funds are appropriated through an action of the Board of Trustees, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statements of activities as "net assets released from restrictions."

**Revenue recognition:**

(i) **Contributions, grants and bequests:**

Contributions and grants made to the Society are recognized as revenue upon the receipt of cash or other assets, or of unconditional pledges. Contributions and grants are reported as “with donor restrictions” if they are received with donor stipulations or time considerations as to their use. Conditional contributions and grants are recognized when the donor’s conditions have been met by requisite actions of the Society’s management or necessary events have taken place. The Society records bequest income at the time it has an established right to a bequest and the proceeds are measurable. Contributions to be received over periods longer than a single year are discounted at an interest rate commensurate with the risk involved. The Society assesses the collectability of its receivables and provides for an allowance for anticipated losses, if any, when necessary.
NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[12] Revenue recognition: (continued)

(ii) Special events:

Gross proceeds paid by attendees at special events held as fundraising activities represents contribution revenue, as well as the payment of the direct costs of the benefits received by the attendee at the event. Special event income is reported net of the direct benefits to donors. Special event revenues, other than contributions, applicable to a current year are recognized as revenue in the year a special event takes place. Special event revenue received for a future year's event is deferred and recognized when the event takes place.

(iii) Donated services and materials:

The Society, from time-to-time, receives various forms of gifts-in-kind, which are contributions of nonfinancial assets, including, pro-bono legal services, auctions items and donated space. These types of contributions are reported at their estimated fair value on the date of receipt and reported as expenses when utilized. Gifts-in-kind are valued based upon estimates of fair value or wholesale values that would be received for selling the goods in their principal marketplace considering their condition and utility for use at the time the goods are contributed by the donor. Contributions of nonfinancial assets, other than auction items are not sold, and goods are only distributed for program and fundraising purposes. Auction items are monetized as part of fundraising events. For recognition of donated services, such services must (i) create or enhance non-financial assets, (ii) typically need to be acquired, if not provided by donation, (iii) require a specialized skill, and (iv) be provided by individuals possessing these skills.

[13] Functional allocation of expenses:

The costs of providing the Society’s various programs and supporting services have been summarized on a functional basis in the statements of activities. The statements of functional expenses present expenses by natural classification and function. Accordingly, direct costs have been functionalized within the program and supporting services, based on the nature of each expense. Indirect costs have been allocated on the basis of time allocation with the exception of rent, insurance, depreciation, which are allocated based on utilization.

[14] Income tax uncertainties:

The Society follows the provisions of the Financial Accounting Standards Board (“FASB”) Accounting Standard Codification (“ASC”) Topic 740, Income Taxes, as it relates to accounting and reporting for uncertainty in income taxes. Because of the Society’s general tax-exempt status, management believes ASC Topic 740 has not had, and is not anticipated to have, a material impact on the Society’s financial statements.

[15] Measure of operations:

The Society includes in its definition of operations all revenues and expenses that are an integral part of its programs and supporting activities. Non-operating activities include: (i) previous year rescinded grant; (ii) returned grant funds; and (iii) gain on lease modification.

[16] Reclassification:

Certain information in the prior year’s financial statements was reclassified to conform to the current year’s presentation.

[17] Subsequent events:

The Society evaluated subsequent events through April 30, 2024, the date on which the financial statements were available to be issued.
NOTE B - PLEDGES AND CONTRIBUTIONS RECEIVABLES

At each year-end, pledges and contributions receivable were estimated to be due as follows:

<table>
<thead>
<tr>
<th></th>
<th>December 31,</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2023</td>
<td>2022</td>
<td></td>
</tr>
<tr>
<td>Less than one year</td>
<td>$ 823,807</td>
<td>$ 609,670</td>
<td></td>
</tr>
<tr>
<td>One to five years</td>
<td>150,000</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$ 973,807</td>
<td>609,670</td>
<td></td>
</tr>
<tr>
<td>Reduction of pledges due in excess of one year to present value, using discount rate of 4%</td>
<td>(11,317)</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Less: allowance for doubtful collections</td>
<td>(10,000)</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$ 952,490</td>
<td>$ 609,670</td>
<td></td>
</tr>
</tbody>
</table>

NOTE C - INVESTMENTS

At each year-end, investments consisted of the following:

<table>
<thead>
<tr>
<th></th>
<th>December 31,</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2023</td>
<td>2022</td>
<td></td>
</tr>
<tr>
<td>Money market funds</td>
<td>$ 5,562,942</td>
<td>$ 5,560,909</td>
<td>$ 3,853,858</td>
</tr>
<tr>
<td>Common stock</td>
<td>52,545</td>
<td>44,306</td>
<td>32,660</td>
</tr>
<tr>
<td>Mutual funds</td>
<td>127,416</td>
<td>121,737</td>
<td>33,850</td>
</tr>
<tr>
<td></td>
<td>$ 5,742,903</td>
<td>$ 5,726,952</td>
<td>$ 3,920,368</td>
</tr>
</tbody>
</table>

During each year, investment income consisted of the following:

<table>
<thead>
<tr>
<th></th>
<th>December 31,</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2023</td>
<td>2022</td>
<td></td>
</tr>
<tr>
<td>Interest and dividends</td>
<td>$ 148,462</td>
<td>$ 29,804</td>
<td></td>
</tr>
<tr>
<td>Investment management fees</td>
<td>(1,794)</td>
<td>(996)</td>
<td></td>
</tr>
<tr>
<td>Realized losses</td>
<td>(131)</td>
<td>(277)</td>
<td></td>
</tr>
<tr>
<td>Unrealized gains (losses)</td>
<td>16,442</td>
<td>(8,213)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$ 162,979</td>
<td>$ 20,318</td>
<td></td>
</tr>
</tbody>
</table>

ASC Topic 820, *Fair Value Measurements*, establishes a three-level valuation hierarchy of fair-value measurements. These valuation techniques are based upon observable and unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect market assumptions. These two types of inputs create the following fair-value hierarchy:

**Level 1:** Valuations are based on observable inputs that reflect quoted market prices in active markets for identical investments, at the reporting date.
Level 2: Valuations are based on: (i) quoted prices for similar investments in active markets; or (ii) quoted prices for identical or similar investments, in markets that are not active; or (iii) pricing inputs other than quoted prices that are directly or indirectly observable at the reporting date.

Level 3: Valuations are based on pricing inputs that are unobservable and include situations where: (i) there is little, if any, market activity for the investments; or (ii) the investments cannot be independently valued.

The availability of market data is monitored to assess the appropriate classification of financial instruments within the fair-value hierarchy. Changes in economic conditions or valuation techniques may require the transfer of financial instruments from one level to another. In such instances, the transfer is reported at the beginning of the reporting period.

The following tables summarize the fair values of the Society’s investments at each year-end, in accordance with the ASC Topic 820 fair-value levels:

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2023</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Level 1</td>
<td>Total</td>
</tr>
<tr>
<td>Money market funds</td>
<td>$5,562,942</td>
<td>$5,562,942</td>
</tr>
<tr>
<td>Common stock</td>
<td>52,545</td>
<td>52,545</td>
</tr>
<tr>
<td>Mutual funds</td>
<td>127,416</td>
<td>127,416</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$5,742,903</strong></td>
<td><strong>$5,742,903</strong></td>
</tr>
</tbody>
</table>

**NOTE D - PROPERTY AND EQUIPMENT**

At each year-end, property and equipment consisted of the following:

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2023</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Computer and equipment</td>
<td>$88,502</td>
<td>$88,502</td>
</tr>
<tr>
<td>Furniture and fixtures</td>
<td>120,527</td>
<td>17,085</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>147,129</td>
<td>65,856</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>356,158</strong></td>
<td><strong>171,443</strong></td>
</tr>
<tr>
<td>Less: accumulated depreciation and amortization</td>
<td>(164,870)</td>
<td>(153,314)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$191,288</strong></td>
<td><strong>$18,129</strong></td>
</tr>
</tbody>
</table>
NOTE E - GRANTS PAYABLE

At each year-end, grants payable are due to be paid as follows:

<table>
<thead>
<tr>
<th></th>
<th>December 31,</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2023</td>
<td>2022</td>
</tr>
<tr>
<td>One year or less</td>
<td>$386,218</td>
<td>$536,383</td>
</tr>
<tr>
<td>One to five years</td>
<td>778,716</td>
<td>464,997</td>
</tr>
<tr>
<td></td>
<td>1,164,934</td>
<td>1,001,380</td>
</tr>
</tbody>
</table>

Reduction of grants due in excess of one year to present value, at a discount rate of 2.4%-4%

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(12,260)</td>
<td>(21,107)</td>
</tr>
<tr>
<td></td>
<td>1,152,674</td>
<td>980,273</td>
</tr>
</tbody>
</table>

During 2023 and 2022, the Society had returned grant funds of $48,944 and $121,808, respectively. In addition, the Society had a previous year rescinded grant of $140,000 during 2023.

NOTE F - EVENT REVENUE RECEIVED IN ADVANCE

The following table provides information about event revenue received in advance as follows:

<table>
<thead>
<tr>
<th></th>
<th>Year Ended December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2023</td>
</tr>
<tr>
<td>Event revenue received in advance, beginning of year</td>
<td>$34,184</td>
</tr>
<tr>
<td>Revenue recognized that was included in event received in advance at beginning of year</td>
<td>(34,184)</td>
</tr>
<tr>
<td>Increase in event revenue received in advance due to cash received during the period</td>
<td>32,349</td>
</tr>
<tr>
<td>Event revenue received in advance, end of year</td>
<td>$32,349</td>
</tr>
</tbody>
</table>

There were no other significant contract liabilities or assets at December 31, 2023, or as of December 31, 2022.

NOTE G - EMPLOYEE-BENEFIT PLAN

The Society maintains a defined-contribution employee-benefit plan, established under Section 403(b) of the Code. The plan covers all eligible employees. The Society contributes a portion of an eligible employee’s salary to the plan. The Society’s contributions for 2023 and 2022 were approximately $133,000 and $118,000, respectively.

NOTE H - BANK LINE OF CREDIT

The Society has a bank line of credit in the amount of $500,000, which is collateralized by the general assets of the Society. The interest rate is based on SOFR, with a variable rate of 8.56%. There were no draw downs on this line of credit during 2023 or 2022. The line of credit renews annually.
HUNTINGTON’S DISEASE SOCIETY OF AMERICA, INC.

Notes to Financial Statements
December 31, 2023 and 2022

NOTE I - IN-KIND CONTRIBUTIONS

In-kind contributions (contributions of nonfinancial assets) consisted of the following:

<table>
<thead>
<tr>
<th>Category</th>
<th>Type</th>
<th>Valuation</th>
<th>December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>2023</td>
</tr>
<tr>
<td>Rent</td>
<td>Space</td>
<td>Standard industry pricing for similar</td>
<td>$ 3,840</td>
</tr>
<tr>
<td></td>
<td></td>
<td>services/actual costs incurred by</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>contributor</td>
<td></td>
</tr>
<tr>
<td>Legal</td>
<td>Pro-bono</td>
<td>Standard industry pricing for similar</td>
<td>6,564</td>
</tr>
<tr>
<td></td>
<td></td>
<td>services/actual costs incurred by</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>contributor</td>
<td></td>
</tr>
<tr>
<td>Special events</td>
<td>Auction items</td>
<td>U.S wholesale priced of identical or</td>
<td>173,241</td>
</tr>
<tr>
<td></td>
<td></td>
<td>similar products</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>$ 183,645</td>
</tr>
</tbody>
</table>

There were no restrictions on these donated good and services during 2023 or 2022.

NOTE J - NET ASSETS WITH DONOR RESTRICTIONS

At each year-end, net assets with donor restrictions consisted of the following:

<p>|                                | December 31, |</p>
<table>
<thead>
<tr>
<th></th>
<th>2023</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time-restricted for future</td>
<td></td>
<td></td>
</tr>
<tr>
<td>periods:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>HD Cope</td>
<td>$ 60,000</td>
<td>99,950</td>
</tr>
<tr>
<td>Topper - fellowship</td>
<td></td>
<td>140,000</td>
</tr>
<tr>
<td>Total time-restricted for future periods</td>
<td>60,000</td>
<td>239,950</td>
</tr>
<tr>
<td>Purpose restrictions:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Research</td>
<td>3,424,067</td>
<td>2,827,080</td>
</tr>
<tr>
<td>Family services</td>
<td>78,258</td>
<td>56,383</td>
</tr>
<tr>
<td>Education</td>
<td>69,941</td>
<td>160,689</td>
</tr>
<tr>
<td>Chapter development</td>
<td>105,013</td>
<td>105,015</td>
</tr>
<tr>
<td>Total purpose restrictions</td>
<td>3,677,279</td>
<td>3,149,167</td>
</tr>
<tr>
<td>Accumulated endowment income</td>
<td>33,413</td>
<td>21,737</td>
</tr>
<tr>
<td>subject to appropriation by the Board of Trustees</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Perpetual in nature</td>
<td>250,000</td>
<td>250,000</td>
</tr>
<tr>
<td></td>
<td>$ 4,020,692</td>
<td>$ 3,660,854</td>
</tr>
</tbody>
</table>
NOTE J - NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

During each year, net assets released from restrictions resulted from satisfying the following donor restrictions:

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2023</th>
<th>December 31, 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Time-restricted:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>HD Cope</td>
<td>$ 99,950</td>
<td>-</td>
</tr>
<tr>
<td>Topper - fellowship</td>
<td>247,097</td>
<td>236,000</td>
</tr>
<tr>
<td><strong>Purpose restricted:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Research</td>
<td>1,062,395</td>
<td>1,048,611</td>
</tr>
<tr>
<td>Family services</td>
<td>267,835</td>
<td>304,312</td>
</tr>
<tr>
<td>Education</td>
<td>255,749</td>
<td>83,015</td>
</tr>
<tr>
<td>Chapter development</td>
<td>-</td>
<td>16,008</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$ 1,933,026</td>
<td>$ 1,687,946</td>
</tr>
</tbody>
</table>

NOTE K - ACCOUNTING AND REPORTING FOR ENDOWMENT

[1] The endowment:

The Society’s endowment consists of one donor-restricted fund, established by the donor for the purpose of funding medical research in the field of Huntington’s Disease. As required by generally accepted accounting principles, net assets associated with the endowment fund are classified and reported based on the existence or absence of donor-imposed restrictions.

[2] Interpretation of relevant law:

NYPMIFA is applicable to all of the Society’s institutional funds, including its donor-restricted fund. The Board of Trustees adheres to NYPMIFA’s requirements.

[3] Changes in endowment net assets with donor restrictions, during each year:

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2023</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Amounts</td>
<td>Amounts</td>
<td>Total</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Subject to</td>
<td>Held in Perpetuity</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Appropriation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Endowment net assets, beginning of year</td>
<td>$ 21,737</td>
<td>$ 250,000</td>
<td>$ 271,737</td>
<td></td>
</tr>
<tr>
<td>Investment gains, net</td>
<td>11,676</td>
<td></td>
<td>11,676</td>
<td></td>
</tr>
<tr>
<td><strong>Endowment net assets, end of year</strong></td>
<td>$ 33,413</td>
<td>$ 250,000</td>
<td>$ 283,413</td>
<td></td>
</tr>
</tbody>
</table>

|                               | December 31, 2022 |                  |                  |                  |
|                               | Amounts           | Amounts           | Total            |
|                               | Subject to        | Held in Perpetuity |                  |
|                               | Appropriation     |                  |                  |                  |
| Endowment net assets, beginning of year | $ 18,745 | $ 250,000 | $ 268,745 |
| Investment gains, net         | 2,992             |                  | 2,992            |
| **Endowment net assets, end of year** | $ 21,737 | $ 250,000 | $ 271,737 |
NOTE K - ACCOUNTING AND REPORTING FOR ENDOWMENT (CONTINUED)

[4] Funds with deficiencies:

Due to unfavorable market fluctuations, from time to time, the fair value of assets associated with individual donor-restricted endowment funds may decline below the historical dollar value of the donor’s original gift, or the amount required to be maintained under state law, referred to as underwater endowment. Under the terms of NYPMIFA, the Society has no responsibility to restore such decreases in value. At December 31, 2023 and 2022, there were no deficiencies of this nature.

[5] Return objectives and risk parameters:

The Society has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding for programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets and assuming a moderate level of investment risk.

[6] Strategies employed for achieving objectives:

To satisfy its long-term, rate-of-return objectives, the Society relies on a total-return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Society targets a diversified asset allocation to achieve its long-term return objectives within prudent risk constraints.

[7] Spending policy and relationship to investment objectives:

The Board of Trustees of the Society evaluates its funding requirements on an annual basis and, accordingly, draws from its endowment appreciation on an as-needed and prudent basis. This is consistent with the Society’s objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term, as well as to provide additional real growth through new gifts and investment returns. In accordance with its policy, the Board of Trustees elected to suspend appropriation from its endowment earnings for both 2023 and 2022.

NOTE L - LEASE COMMITMENTS

The Society leases office space under an operating lease agreement that expires on September 30, 2025. During 2023, the operating lease was contract was amended significantly whereby the Society relocated their previous space to new space in the same building as well as a change in the lease term through February 2034. The Society recognized the change in lease terms as a change in lease liability from lease modification and recognized a gain on lease modification in the amount of $60,921 in the statements of activities as of December 31, 2023.

The Society is also obligated for certain equipment under an operating lease that expires in August 2028.

Total lease costs under these agreements were $282,533 and $287,528 for 2023 and 2022, respectively. There were no variable costs included in the total lease costs for 2023 or 2022.
The table below summarizes the Society’s future minimum lease payments under operating leases, including a reconciliation to the discounted amount recorded on the statements of financial position as of December 31, 2023 and 2022 as follows:

<table>
<thead>
<tr>
<th>Year Ending December 31,</th>
<th>2023</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>2023</td>
<td>$</td>
<td>$ 289,392</td>
</tr>
<tr>
<td>2024</td>
<td>294,091</td>
<td>296,627</td>
</tr>
<tr>
<td>2025</td>
<td>301,177</td>
<td>227,094</td>
</tr>
<tr>
<td>2026</td>
<td>308,440</td>
<td>-</td>
</tr>
<tr>
<td>2027</td>
<td>315,884</td>
<td>-</td>
</tr>
<tr>
<td>2028</td>
<td>319,958</td>
<td>-</td>
</tr>
<tr>
<td>Thereafter</td>
<td>1,745,874</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total minimum lease payments</strong></td>
<td>3,285,424</td>
<td>813,113</td>
</tr>
<tr>
<td><strong>Less: amount representing interest</strong></td>
<td><em>(636,423)</em></td>
<td><em>(15,421)</em></td>
</tr>
<tr>
<td><strong>Lease liability reported on statements of financial position</strong></td>
<td>$ 2,649,001</td>
<td>$ 797,692</td>
</tr>
</tbody>
</table>

**Weighted average remaining lease term:**
- Operating lease: 10 years and 2 months
- 3 years

**Weighted average discount rate:**
- Operating lease: 2.12%
- 1.04%

**NOTE M - CREDIT RISK**

Financial instruments that potentially subject the Society to concentrations of credit risk consist principally of cash and cash-equivalent accounts deposited in high-credit-quality financial institutions, the balances of which, from time to time, may exceed federally insured limits. However, based on the current Federal Deposit Insurance Coverage, management monitors the risk associated with concentrations on an ongoing basis and believes that the Society is not exposed to any significant risk of loss due to the failure of these financial institutions.
NOTE N - LIQUIDITY AND AVAILABILITY OF RESOURCES

The following reflects the Society’s financial assets available for general expenditure (including scheduled grant payments) within one year of the statements of financial position dates, reduced by amounts not available for general use within one year due to donor-imposed restrictions or internal designations:

<table>
<thead>
<tr>
<th></th>
<th>December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2023</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$8,552,926</td>
</tr>
<tr>
<td>Pledges and contributions receivable, net</td>
<td>952,490</td>
</tr>
<tr>
<td>Investments</td>
<td>5,742,903</td>
</tr>
<tr>
<td>Total financial assets available within one year</td>
<td><strong>15,248,319</strong></td>
</tr>
</tbody>
</table>

Less: amounts unavailable for general expenditures within one year due to:

|                                | 2023          | 2022          |
|--------------------------------|---------------|
| Time-restricted for future periods | (60,000)     | (239,950)     |
| Purpose restrictions            | (3,677,279)   | (3,149,167)   |
| Perpetual in nature             | (250,000)     | (250,000)     |
| Total amounts unavailable for general expenditure within one year | **(3,987,279)** | **(3,639,117)** |

Subject to appropriation:

|                                | 2023          | 2022          |
|--------------------------------|---------------|
| Accumulated endowment income subject to appropriation by the Board of Trustees | (33,413)      | (21,737)      |

Amounts unavailable to management without Board approval:

|                                | 2023          | 2022          |
|--------------------------------|---------------|
| Board-operating reserve        | (3,281,277)   | (2,664,467)   |
| Total amounts unavailable for general expenditure within one year | **(7,301,969)** | **(6,325,321)** |

Total financial assets available to meet cash needs for general expenditures within one year

|                                | 2023          | 2022          |
|--------------------------------|---------------|
|                                | **$7,946,350**| **$10,908,826**|

Liquidity policy:

The Society’s policy is to structure its financial assets to be available for its general expenditures, liabilities and other obligations as they come due. The Society also has a committed line of credit to help manage unanticipated liquidity needs, if needed. Additionally, the Society has Board designated net assets without donor restrictions that could be accessed in case of additional unanticipated liquidity needs; however, the Society does not intend to use those funds for purposes other than those identified by the Board of Trustees.