

DYSAUTONOMIA FOUNDATION, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2021

DYSAUTONOMIA FOUNDATION, INC.
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Dysautonomia Foundation, Inc.
New York, New York

We have audited the accompanying financial statements of Dysautonomia Foundation, Inc. (a nonprofit organization), which comprise the statement of assets, liabilities, and net assets - cash basis as of December 31, 2021, and the related statement of support, revenue, and expenses – cash basis, and functional expenses—cash basis for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of Dysautonomia Foundation, Inc. as of December 31, 2021, and its support, revenue, and expenses for the year then ended in accordance with the cash basis of accounting as described in Note 2.

Basis of Accounting

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

Elly Steigman & Co, CPA's P.C.

Brooklyn, New York

August 19, 2022

DYSAUTONOMIA FOUNDATION, INC.
STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS - CASH BASIS
DECEMBER 31, 2021

ASSETS

Cash and Cash Equivalents	\$	659,928
Investments		1,625,281
Fixed Assets, Net		16,343
TOTAL ASSETS	\$	2,301,552

LIABILITIES AND NET ASSETS

Liabilities:		
Credit Card	\$	8,594
Total Liabilities:		\$ 8,594
Net Assets:		
Without Donor Restrictions		2,292,958
TOTAL LIABILITIES AND NET ASSETS		2,301,552

See independent accountants' audit report and accompanying notes to the financial statements.

DYSAUTONOMIA FOUNDATION, INC.
STATEMENT OF SUPPORT, REVENUE, AND EXPENSES - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2021

<u>REVENUES</u>	<u>WITHOUT DONOR RESTRICTIONS</u>	
Contributions	\$ 666,787	
Gifts and Bequests	53,837	
Grants	690,050	
Royalties	3,468	
Event Income, Net	855,998	
Total Revenues		\$ 2,270,140
<u>EXPENSES</u>		
Program Services		1,596,460
Supporting Services		
General and Administrative	\$ 191,442	
Fundraising	62,894	
Total Supporting Services		254,336
Total Expenses		\$ 1,850,796
Changes in Net Assets from Operations		419,344
<u>OTHER INCOME AND (EXPENSES)</u>		
Interest and Dividend Income	\$ 8,963	
Unrealized Gain	2,535	
SBA PPP Forgiveness	108,490	
Total Other Income and (Expenses)		\$ 119,988
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS		539,332
NET ASSETS – BEGINNING OF YEAR (WITHOUT DONOR RESTRICTIONS)		1,753,626
NET ASSETS – END OF YEAR (WITHOUT DONOR RESTRICTIONS)		\$ 2,292,958

See independent accountants' audit report and accompanying notes to the financial statements.

DYSAUTONOMIA FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2021

	Supporting Services			Total Support Services	Total
	Program Services	General and Administrative	Fundraising		
Salaries, Related Taxes and Fringes	\$ 264,048	\$ 107,270	\$ 41,257	\$ 148,527	\$ 412,575
Grants	1,234,390	-	-	-	1,234,390
Public Education	30,240	-	-	-	30,240
Advertising and Promotion	426	533	106	639	1,065
Office Expenses	17,087	21,359	4,477	25,836	42,923
Professional Services	15,154	20,121	-	20,121	35,275
Insurance Expense	1,340	5,365	335	5,700	7,040
Storage Expense	4,339	-	-	-	4,339
Rent Expense	11,978	14,972	2,994	17,966	29,944
Phone Expense	1,005	1,256	251	1,507	2,512
Processing and Bank Charges	6,829	8,536	1,707	10,243	17,072
Licensing and Fees	5,918	7,397	1,480	8,877	14,795
Travel and Entertainment	967	1,209	2,212	3,421	4,388
Depreciation Expense	2,739	3,424	8,075	11,499	14,238
Total Expenses	\$ 1,596,460	\$ 191,442	\$ 62,894	\$ 254,336	\$ 1,850,796

See independent accountants' audit report and accompanying notes to the financial statements.

DYSAUTONOMIA FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 – NATURE OF ORGANIZATION

Organization – Dysautonomia Foundation, Inc. (the Organization), incorporated in 1954 in the state of New York, supports and operates programs focused on the medical care, research, social services, and public education for the benefit of people effected by or at risk for Familial Dysautonomia (FD).

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting – The financial statements of the Organization have been prepared on the cash basis whereby revenues are recognized when received and expenses are recognized when paid.

The financial statements are presented in accordance with Financial Accounting standards Board (FASB) Accounting Standards Codification (ASC) 958 and the provisions of the American Institute of Certified Public Accountants (AICPA) "Audit and Accounting Guide for Not-for-Profit Organizations" (the "Guide"). (ASC) 958-205.

Under the provisions of the Guide, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified as follows:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. The Organization's board may designate assets without restrictions for specific operational purposes from time to time.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

As of December 31, 2021, all Net assets of the Organization were without donor restrictions.

Cash and Cash Equivalents – Cash and cash equivalents consist of cash on deposit and term deposits in money market instruments with maturity dates of three months or less from the date they are acquired.

Investments - Net appreciation (depreciation) in the fair value of investments, which consists of the realized gains or losses and the unrealized appreciation (depreciation) on those investments, is presented in the statement of activities in accordance with donor restrictions as investment return. Investment return is presented net of investment fees. The average cost method is primarily used to determine the basis for computing realized gains or losses.

DYSAUTONOMIA FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Property & Equipment – Property and equipment are valued at cost. Improvements and replacements of property and equipment are capitalized. Maintenance and repairs that do not improve or extend the lives of property and equipment are charged to expense as incurred. Depreciation is computed using straight line and accelerated methods of depreciation over the estimated useful lives of the assets as follows:

Equipment	5 years
Improvements	5 years

Measure of Operations - The statements of support, revenue, and expenses report all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to the Organization’s ongoing activities. Non-operating activities are limited to resources that generate return from investments, endowment contributions, financing costs, and other activities considered to be of a more unusual or nonrecurring nature.

Income Tax Status – The Organization is exempt from income tax under Section 501 (c) (3) of the Internal Revenue Code.

Tax Uncertainties – The Organization accounts for income taxes in accordance with the income tax accounting guidance, as set forth in FASB ASC Topic 740, Income Taxes, which requires that tax positions initially need to be recognized in the financial statements when it is more likely than not that the positions will be sustained upon examination by the tax authorities. It also provides guidance for derecognition, classification, interest, and penalties, accounting in interim periods, disclosure, and transition. As of December 31, 2021, the Organization had no uncertain tax positions that qualify for either recognition or disclosure in the financial statements. The Organization’s policy is to record interest expense and penalties related to income taxes as operating expenses. The Organization’s income tax returns are subject to examinations by taxing authorities for a period of three years from the date they are filed. As of December 31, 2021, the tax years from December 31, 2018 to December 31, 2020 are subject to examination.

Contributions – Unconditional contributions are recognized when pledged and recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Gifts of cash and other assets are reported with donor restricted support if they are received with donor stipulations that limit the use of the donated assets.

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.

DYSAUTONOMIA FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Donor-restricted contributions those restrictions are met in the same reporting period are reported as net assets without donor restriction support. Donations of property and equipment are recorded as support at their estimated fair value at the date of donation.

Contributions restricted for the acquisition of land, buildings, and equipment are reported as net assets without donor restriction upon acquisition of the assets and the assets are placed in service. For the year ended December 31, 2021, all contributions were without donor restrictions. Stock Contributions are recorded at Fair Market Value at the time of the donation.

Recent Pronouncement - The Financial Accounting Standards Board issued ASU 2014-09 *Revenue from Contracts with Customers (topic 606)* which is based on the principle that revenue is recognized to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The ASU also requires additional disclosure about the nature, amount, timing, and uncertainty of revenue and cash flows arising from customer contracts, including significant judgements and changes in judgements and assets recognized from costs incurred to obtain or fulfill a contract. The guidance, after multiple deferments, was effective for the year ending December 31, 2020. Management has determined that this ASU does not have a significant impact on the financial statements.

Fair Value of Financial Instruments – The carrying value of the Organization’s financial instruments, including cash and short-term investments approximate fair value due to their short-term nature.

Functional Expenses – The costs of providing program and other activities have been summarized on a functional basis in the statements of support, revenue, and expenses. Accordingly, certain costs have been allocated among program services and supporting services benefited. Such allocations are determined by management on an equitable basis.

The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Salaries and benefits	Time and Effort
Office Expenses	Time and Effort
Professional Fees	Time and Effort
Rent Expense	Time and Effort
Depreciation	Time and Effort

Concentration of Credit Risk – Financial instruments that potentially subject the Organization to a concentration of credit risk principally consist of cash and Investments. The Organization places its cash and investments with high credit qualified financial institutions, which at times exceed federally insured limits. The Organization has not experienced any losses on such accounts.

DYSAUTONOMIA FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Advertising – Advertising costs are expensed as incurred and amounted to \$1,065 for the year ended December 31, 2021.

Subsequent Events – On January 30, 2020, the World Health Organization declared the coronavirus outbreak a “Public Health Emergency of International Concern” and on March 11, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus included restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions to mitigate its effect have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries. While it is still unknown for how long these conditions will last and what the complete financial effect will be to the Organization, it is possible that the Organization may see declining revenue which can result in difficulty paying vendors. The Organization’s primary source of revenue is derived from donors who may experience financial difficulties in the future.

In connection with the preparation of the financial statements for the year ended December 31, 2021, the Organization has evaluated subsequent events and transactions for potential recognition and disclosures through August 19, 2022, the date the financial statements were available to be issued.

NOTE 3 – FIXED ASSETS

Equipment consists of the following:

Video	\$36,950
Computers	32,585
Improvements	4,300
Less: Accumulated depreciation	<u>(57,492)</u>
Fixed Assets, Net	<u>\$16,343</u>

Depreciation for the year ended December 31, 2021 amounted to 14,237.

NOTE 4 – LOAN PAYABLE – PAYCHECK PROTECTION PROGRAM (PPP)

On April 29, 2020, the Organization received an SBA Paycheck Protection Program (PPP) loan in the amount of \$54,491. On February 3, 2021, The Organization received a second SBA Paycheck Protection Program (PPP) loan in the amount of \$53,999. The Organization followed the SBA guidelines and used the proceeds of both loans for its intended purposes. Therefore, on March 16, 2021 and August 31, 2021 respectively, both loans were fully forgiven and included in Other Income on the Statement of Support, Revenue, and Expenses.

DYSAUTONOMIA FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
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NOTE 5 – COMMITMENTS AND CONTINGENCIES

The Organization has a real property lease for its program and administrative use. This lease which commenced April 01, 2016 calls for monthly rental payments excluding utilities of \$2,600 from April 1, 2020 through March 31, 2023. Rent expense for this lease was \$29,944 for the year ended December 31, 2021.

Annual future minimum rental payments as of December 31, 2021 for this lease is as follows:

<u>For the Year ending December 31,</u>	
2022	\$ 31,200
2023 (three months)	<u>7,800</u>
	\$ 39,000

NOTE 6 – GRANT INCOME

In 2020, the Organization amended its agreement with NYU Langone, allowing the Organization to direct funds out of the endowment that supports the Organization's chairs at NYU Langone towards payment of expenses that had historically been paid by the Organizations' annual contributions to NYU Langone. Amounts utilized in 2021 were \$655,050 and are reflected on the statement of support, revenue, and expenses on a gross basis as revenue and costs.

NOTE 7 – EVENTS INCOME

Special events generate revenue for the Organization as well as raise awareness about the organization's mission. Some events are annual, and some are incidental to the Organization's central activities and do not happen regularly. Incidental events are recorded net in the accompanying Statement of Activities.

The Organization held multiple events during the year ended December 31, 2021 as follows:

Changes in net assets without donor restrictions:	<u>2021</u>
Revenues:	\$ 965,768
Expenses:	(109,770)
Increase in net assets without donor restrictions	\$ <u>855,998</u>

DYSAUTONOMIA FOUNDATION, INC.
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NOTE 8 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization regularly monitors liquidity required to meet its operating needs over the next 12 months, while also striving to maximize the investments of its portfolio. The Organization has various sources of liquidity at its disposal, including cash and cash equivalents and mutual fund investments that can be used in the event that its revenues are not able to cover its costs.

The following reflects the Organization’s financial assets of the financial position date:

	<u>December 31, 2021</u>
Cash	\$ 658,928
Investments	<u>1,625,281</u>
Financial assets at year-end	2,285,209
Financial assets available to meet cash needs for general expenditures within one year	\$ <u><u>2,285,209</u></u>

NOTE 9 – FAIR VALUE MEASUREMENT

FASB ASC 820, *Fair Value Measurements and Disclosures* provides the framework for measuring fair value. That framework 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 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the value hierarchy under FASB ASC 820 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 Organization has ability to access.
- Level 2 – Inputs to the valuation methodologies include (1) quoted prices for similar assets or liabilities in assistive market; (2) quoted prices for identical or similar assets or liabilities in inactive markets; (3) inputs other than quoted prices that are observable for the assets or liability; (4) inputs that are derived principally from or corroborated by observable market data by correlation or other means. If 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 assets or liability’s fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2021.

DYSAUTONOMIA FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 9 – FAIR VALUE MEASUREMENT - CONTINUED

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future values. Furthermore, although the Organization believes its valuation methods are 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.

The following table sets forth by level, with the fair value hierarchy, the Organization’s assets at fair value as of December 31, 2021:

<u>Description</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
UBS Investment Portfolio	\$1,625,281	-	-	\$1,625,281