

**Prader-Willi Syndrome
Association (USA)**

Financial Statements

December 31, 2023

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CAVANAUGH & CO, LLP
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
of Prader-Willi Syndrome Association (USA)

Opinion

We have audited the accompanying financial statements of Prader-Willi Syndrome Association (USA) (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities and changes in net assets 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 Prader-Willi Syndrome Association (USA) as of December 31, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Prader-Willi Syndrome Association (USA) 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 Prader-Willi Syndrome Association (USA)'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

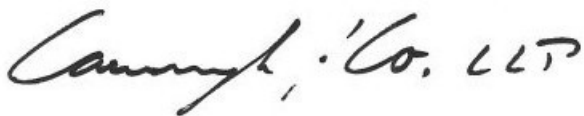
In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Prader-Willi Syndrome Association (USA)'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 Prader-Willi Syndrome Association (USA)'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 Prader-Willi Syndrome Association (USA)'s 2022 financial statements, and our report dated June 13, 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 audited financial statements from which it has been derived.

A handwritten signature in black ink that reads "Cammy, Co. LLP". The signature is written in a cursive, flowing style.

Sarasota, Florida
November 14, 2024

Prader-Willi Syndrome Association (USA)

Statement of Financial Position

December 31, 2023

(with comparative totals for 2022)

ASSETS

	<u>2023</u>	<u>2022</u>
Current assets:		
Cash and cash equivalents	\$ 198,045	365,651
Investments	1,677,850	1,599,153
Receivables	7,108	37,624
Inventory	-	2,221
Prepaid expenses	<u>88,416</u>	<u>83,291</u>
Total current assets	1,971,419	2,087,940
Property and equipment, net	14,321	20,460
Beneficial interest in trust	767,279	767,042
Security deposits	<u>-</u>	<u>4,750</u>
Total assets	<u>\$ 2,753,019</u>	<u>2,880,192</u>

LIABILITIES AND NET ASSETS

Liabilities:		
Accounts payable	\$ 14,633	19,899
Accrued liabilities	39,763	49,982
Deferred income	<u>-</u>	<u>42,320</u>
Total liabilities	<u>54,396</u>	<u>112,201</u>
Net assets:		
Net assets without donor restrictions	1,088,865	1,169,711
Net assets with donor restrictions	<u>1,609,758</u>	<u>1,598,280</u>
Total net assets	<u>2,698,623</u>	<u>2,767,991</u>
Total liabilities and net assets	<u>\$ 2,753,019</u>	<u>2,880,192</u>

See accompanying notes to financial statements.

Prader-Willi Syndrome Association (USA)

Statement of Activities and Changes in Net Assets

Year Ended December 31, 2023

(with comparative totals for 2022)

	2023			
	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total	2022
Revenues, gains and support:				
Support:				
Contributions	\$ 779,775	178,942	958,717	1,599,002
Fundraising contributions	537,810	46,819	584,629	572,166
Direct benefit to donors	(200,735)	-	(200,735)	(53,749)
Conference registration	159,487		159,487	-
Donated services	10,666	-	10,666	107,025
Revenues:				
Educational material sales	2,946	-	2,946	1,662
Other	43,427	-	43,427	22,628
Change in value of trust	-	81,778	81,778	(71,388)
Investment income (loss), net	182,957	-	182,957	(141,116)
Gain on sale of assets	200	-	200	1,667
Net assets released from restrictions	<u>296,061</u>	<u>(296,061)</u>	<u>-</u>	<u>-</u>
 Total revenues, gains and support	 <u>1,812,594</u>	 <u>11,478</u>	 <u>1,824,072</u>	 <u>2,037,897</u>
Expenses:				
Program services:				
Family support	306,336	-	306,336	552,997
National conference	446,798	-	446,798	-
Advocacy and awareness	292,217	-	292,217	257,056
Research	49,460	-	49,460	174,975
Total program services	<u>1,094,811</u>	<u>-</u>	<u>1,094,811</u>	<u>985,028</u>
Supporting services:				
Administration	456,429	-	456,429	319,563
Fund development	253,089	-	253,089	351,871
Marketing and communications	89,111	-	89,111	-
Total supporting services	<u>798,629</u>	<u>-</u>	<u>798,629</u>	<u>671,434</u>
 Total expenses	 <u>1,893,440</u>	 <u>-</u>	 <u>1,893,440</u>	 <u>1,656,462</u>
 Change in net assets	 (80,846)	 11,478	 (69,368)	 381,435
 Net assets - beginning of year	 <u>1,169,711</u>	 <u>1,598,280</u>	 <u>2,767,991</u>	 <u>2,386,556</u>
 Net assets - end of year	 <u>\$ 1,088,865</u>	 <u>1,609,758</u>	 <u>2,698,623</u>	 <u>2,767,991</u>

See accompanying notes to financial statements.

Prader-Willi Syndrome Association (USA)

Statement of Functional Expenses

Year Ended December 31, 2023

	Program Services				Total Program Services	Supporting Services			Total Supporting Services	Total Expenses
	Family Support	National Conference	Advocacy and Awareness	Research		Administration	Fund Development	Marketing and Communications		
Appreciation gifts	\$ -	13,810	591	-	14,401	576	-	-	576	14,977
Bank fees	1,564	-	-	-	1,564	4,610	8,979	-	13,589	15,153
Catering	-	292,726	16,650	-	309,376	-	30,986	-	30,986	340,362
Depreciation	-	-	-	-	-	9,262	-	-	9,262	9,262
Family assistance	12,361	-	-	-	12,361	-	-	-	-	12,361
Insurance	-	-	-	-	-	5,126	-	-	5,126	5,126
Lodging and travel	2,155	52,190	38,933	-	93,278	10,533	9,458	-	19,991	113,269
Marketing and promotion	263	-	11,190	-	11,453	-	2,919	-	2,919	14,372
Meetings and conferences	-	11,100	-	-	11,100	31,220	1,500	-	32,720	43,820
Memberships and dues	-	-	-	-	-	19,393	-	-	19,393	19,393
Other	-	-	-	-	-	50	40	-	90	90
Personnel	286,505	-	101,286	-	387,791	226,968	173,328	89,046	489,342	877,133
Postage and printing	-	3,019	-	-	3,019	5,109	16,410	-	21,519	24,538
Professional development	339	-	-	-	339	14,850	-	-	14,850	15,189
Professional fees	-	1,500	-	-	1,500	34,535	-	-	34,535	36,035
Publication expenses	2,734	-	-	-	2,734	-	-	-	-	2,734
Rent and utilities	-	-	-	-	-	10,097	-	-	10,097	10,097
Research grants	-	-	-	44,460	44,460	-	-	-	-	44,460
Service providers	-	37,065	78,114	5,000	120,179	5,398	36,494	-	41,892	162,071
Software	-	7,826	11,000	-	18,826	48,823	-	-	48,823	67,649
Supplies	415	83,204	4,185	-	87,804	2,549	18,326	65	20,940	108,744
Technology and website	-	69,499	30,268	-	99,767	27,330	-	-	27,330	127,097
Venue	-	-	-	-	-	-	30,243	-	30,243	30,243
Subtotal	<u>306,336</u>	<u>571,939</u>	<u>292,217</u>	<u>49,460</u>	<u>1,219,952</u>	<u>456,429</u>	<u>328,683</u>	<u>89,111</u>	<u>874,223</u>	<u>2,094,175</u>
Costs of direct benefits to dono	-	(125,141)	-	-	(125,141)	-	(75,594)	-	(75,594)	(200,735)
Total	<u>\$ 306,336</u>	<u>446,798</u>	<u>292,217</u>	<u>49,460</u>	<u>1,094,811</u>	<u>456,429</u>	<u>253,089</u>	<u>89,111</u>	<u>798,629</u>	<u>1,893,440</u>

See accompanying notes to financial statements.

Prader-Willi Syndrome Association (USA)

Statement of Cash Flows Year Ended December 31, 2023 (with comparative totals for 2022)

	2023	2022
Cash flows from operating activities:		
Change in net assets	\$ (69,368)	381,435
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	9,262	9,290
Realized and unrealized losses (gains) on investments	(131,899)	229,000
Decrease (increase) in:		
Beneficial interest in trust	(81,778)	(767,042)
Receivables	30,516	27,969
Inventory	2,221	2,779
Prepaid expenses	(5,125)	(67,969)
Deposits	4,750	5,000
Increase (decrease) in:		
Accounts payable	(5,266)	16,576
Accrued liabilities	(10,219)	1,724
Deferred income	(42,320)	40,320
	(299,226)	(120,918)
 Cash flows from investing activities:		
Purchase of property and equipment	(3,123)	(1,633)
Distributions from trust	81,541	
Proceeds from sale of investments	121,493	23,963
Purchases of investments	(68,291)	-
	131,620	22,330
 Net decrease in cash and cash equivalents	(167,606)	(98,588)
 Beginning cash and cash equivalents	365,651	464,239
 Ending cash and cash equivalents	\$ 198,045	365,651

See accompanying notes to financial statements.

Prader-Willi Syndrome Association (USA)

Notes to Financial Statements

December 31, 2023

Note 1 – Organization and Summary of Significant Accounting Policies:

Nature of Organization

Prader-Willi Syndrome Association (USA) (the “Organization” or “PWSA | USA”) is a not-for-profit organization which has as its mission statement: To enhance the quality of life of and empower those affected by Prader-Willi Syndrome (“PWS”).

The Organization has further defined its business activities into the focus areas outlined below:

Family Support

PWSA | USA's Family Support team provides individuals diagnosed with Prader-Willi syndrome, their families, and care providers with critical information and resources on PWS. We also provide education to medical providers, schools, and professional care givers through ongoing training, toolkits and other valuable resources. We support the family from the NICU through all stages of the PWS journey. Bi-annually PWSA | USA hosts a national conference for families, providers, and the medical/scientific community.

National Conference

Provide forums on a biennial basis for PWS families and/or professionals to collaborate through the exchange of information and education and provide support to families.

Advocacy and Awareness

Increasing awareness and effectively advocating for Prader-Willi syndrome at the state and federal level are critical components of our mission. We seek to involve all members of our community and work to keep you informed on the best ways to affect change for our loved ones.

Research

PWSA | USA seeks to support research projects with the potential for immediate and high impact for the PWS community. The goal is to fast-track better treatment for the syndrome, and we proudly collaborate with partners representing pharmaceutical companies, research universities, and more to achieve that goal.

Administration

PWSA | USA seeks to provide effective management of the Organization by developing a well-balanced, team oriented, well-trained workforce that is diverse, agile, committed to the Organization's mission, and continuously expanding their capabilities to shape the Organization's future. PWSA | USA also seeks to build effective, efficient, strategically aligned business processes that integrate and capitalize on the organization's human capital and technology resources to provide accurate and timely information for the optimum management of the Organization.

Fund Development

PWSA | USA develops and maintains programs to ensure long-term sustainable financial support for the Organization and its activities and short-term funding for specific projects. Such support is developed through various programs of charitable giving and community programs.

Marketing and Communication

PWSA | USA is dedicated to educating the public about Prader-Willi syndrome and the Organization's critical mission, connecting with the PWS community by offering resources, personal stories, and event materials, and supporting communication and marketing needs across all departments. We also work to foster community engagement, increase involvement, and coordinate with staff, volunteers, and stakeholders to ensure our goals are achieved.

Prader-Willi Syndrome Association (USA)
Notes to Financial Statements
December 31, 2023

Note 1 – Organization and Summary of Significant Accounting Policies - continued:

Basis of Accounting

The Organization's financial statements have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. If donor-imposed restrictions are met in the same period as the gift or investment income is received, the amount is reported as without donor restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates those resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Cash and Cash Equivalents

For the purpose of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an original maturity of three months or less to be cash equivalents.

Investments

Investments are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the statement of activities and changes in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met in the reporting period in which the income and gains are recognized.

Promises to Give

Unconditional promises to give are recognized in the period received and as assets, decreases of liabilities, or expense depending on the form of benefits received. Promises to give are recorded at net realizable value if they are expected to be collected in one year and at fair value if they are expected to be collected in more than one year. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Prader-Willi Syndrome Association (USA)

Notes to Financial Statements

December 31, 2023

Note 1 – Organization and Summary of Significant Accounting Policies – continued

Property and Equipment

It is the Organization's policy to capitalize property and equipment with a cost over \$500. Property and equipment are capitalized at cost, except for donated assets, which are recorded at their fair market value at the time of the gift. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset for a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time. Property and equipment are depreciated on the straight-line method over their estimated useful lives of three to five years.

Beneficial Interest in Trust Held by Others

The Organization has been named as an irrevocable beneficiary of a trust held and administered by an independent trustee. The Organization has neither possession nor control over the assets of the trust. At the date we receive notice of a beneficial interest, a contribution with donor restrictions is recorded in the statements of activities, and a beneficial interest in trust is recorded in the statement of financial position at fair value using present value techniques and risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the expected distributions to be received under the agreement. Thereafter, beneficial interests in the trusts are reported at fair value in the statements of financial position, with changes in fair value recognized in the statements of activities.

Upon receipt of trust distributions or expenditures, or both, in satisfaction of the donor-restricted purpose, if any, net assets with donor-imposed time or purpose restrictions are released to net assets without donor restrictions. Trust distributions with donor-imposed restrictions that are perpetual in nature are transferred to the endowment, in which case, net assets with donor-restrictions are not released.

Deferred Revenue

Revenues received in advance of providing required services or conferences are deferred until the service or conference has been provided.

Compensated Absences

Employees of the Organization are entitled to paid personal days off, depending on job classification, length of service, and other factors. The Organization has accrued \$38,304 for time off earned, but not taken, by its employees as of December 31, 2023.

Income Taxes

The Organization is generally exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. There was no income tax liability for the year ended December 31, 2023.

Prader-Willi Syndrome Association (USA)
Notes to Financial Statements
December 31, 2023

Note 1 – Organization and Summary of Significant Accounting Policies – continued:

Management has evaluated the effect of an accounting standard relating to accounting for uncertainty in income taxes. Management has determined that the Organization had no uncertain income tax positions that could have a significant effect on the financial statements for the year ended December 31, 2023. The Organization’s federal income tax returns are subject to examination by the Internal Revenue Service, generally for three years after the federal income tax returns were filed.

Contributed Nonfinancial Goods and Services

The Organization’s policy is to recognize contributed professional services if the services received create or enhance nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets and materials are recognized at fair value when received. The organization does not sell donated in-kind gifts.

Professional services are valued at estimated fair value based on current rates for similar professional services. Tangible assets are valued using estimated U.S. wholesale prices (principal market) of identical or similar products using pricing data under a “like-kind” methodology considering the goods’ condition and utility for use at the time of contribution.

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. Accordingly, actual results could differ from those estimates.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Due to the cyclical nature of hosting a bi-annual national conference, PWSA | USA’s program expenses tend to be higher in conference years versus non-conference years. Additionally, PWSA | USA has made it a priority to invest into the administrative and development functions of its operations to strengthen the organization and grow its programs in future years.

Comparative Financial Information

The financial information shown for 2022 in the accompanying financial statements is included to provide a basis for comparison with 2023 and presents summarized totals only.

Note 2 – Investments:

Investments at fair value as of December 31, 2023, consists of the following:

Cash and money market funds	\$ 103,289
Mutual bond funds	1,574,022
Total investments	\$ <u>1,677,850</u>

Prader-Willi Syndrome Association (USA)
Notes to Financial Statements
December 31, 2023

Note 2 – Investments - continued:

Investment income for the year ended December 31, 2023 is comprised of the following:

Interest and dividends	\$ 62,166
Realized and unrealized gains	127,694
Fees	<u>(6,903)</u>
Net return	<u>\$ 182,957</u>

Note 3 – Property and Equipment:

Property and equipment as of December 31, 2023 consists of the following:

Computer equipment	\$ 31,917
Website design	<u>18,469</u>
Total property and equipment	50,386
Less: accumulated depreciation	<u>(36,065)</u>
Total	<u>\$ 14,321</u>

Note 4 – Net Assets with Donor Restrictions:

At December 31, 2023, the Organization's net assets with donor restrictions are available for the following purposes:

Subject to expenditure for specified purpose:

Research	\$ 457,070
Legal counsel and education	160,905
Conference	<u>15,308</u>
Total	<u>633,283</u>

Subject to passage of time:

Beneficial interest in trust	<u>767,279</u>
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Subject to spending policy or appropriation:

Endowment	<u>209,196</u>
Total	<u>\$ 1,609,758</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors during 2023 as follows:

Satisfaction of purpose restrictions:

Research	\$ 37,594
Convention	153,915
Trust	81,541
Legal counsel and education	6,866
Development	<u>16,145</u>
Total	<u>\$ 296,061</u>

Prader-Willi Syndrome Association (USA)
Notes to Financial Statements
December 31, 2023

Note 5 – Net Assets Without Donor Restrictions:

The Board of Directors has designated \$10,000 of unrestricted net assets for the purpose of additional funding of the endowment.

Note 6 – Concentrations:

Financial instruments that potentially subject the Organization to concentrations of credit risk are primarily cash and cash equivalents and contributions receivable. The Organization's financial instruments that are exposed to concentrations of credit risk consist primarily of cash deposits. The Organization places its cash and cash equivalents with local financial institutions. Although the Organization manages its credit risk through diversification, at times, cash balances may be in excess of the Federal Deposit Insurance Corporation ("FDIC") insurance limits. The Organization has not experienced any losses in such accounts and does not believe it is exposed to significant credit risk on cash and cash equivalents.

Note 7 – Fair Value of Financial Assets and Liabilities:

The Organization adopted the Fair Value Measurements and Disclosures Topic of the FASB Accounting Standards Codification. The Fair Value Measurements and Disclosures Topic provides enhanced guidance for using fair value to measure assets and liabilities and clarifies the principle that fair value should be based on the assumptions market participants would use when pricing the assets or liabilities and establishes a hierarchy that prioritizes the information used to develop those assumptions.

The following table presents information about the Organization's assets that are measured at fair value on a recurring basis as of December 31, 2023, and indicate that fair value hierarchy of the valuation techniques used to determine such fair value. The three levels for measuring fair value are based on the reliability of inputs and are as follows:

Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities, such as publicly traded equity securities.

Level 2 – inputs other than quoted prices included in Level 1 that are observable, either directly or indirectly. Such inputs may include quoted prices for similar assets, observable inputs other than quoted prices (interest rates, yield curves, etc.) or inputs derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – inputs are unobservable data points for the asset or liability, and include situations where there is little, if any, market activity for the asset or liability (for example, hedge funds, private equity and other). The inputs reflect the Association's assumptions based on the best information available in the circumstance.

Prader-Willi Syndrome Association (USA)
Notes to Financial Statements
December 31, 2023

Note 7 – Fair Value of Financial Assets and Liabilities - continued:

Assets at fair value on a recurring basis at December 31, 2023:

Description	December 31, 2023	Assets and Liabilities at Fair Value on a Recurring Basis at Reporting Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual funds	\$ 1,574,022	1,574,022	-	-
Beneficial interest in trust	767,279	-	-	767,279
Total assets at fair value	<u>\$ 2,341,301</u>	<u>1,574,022</u>	<u>-</u>	<u>767,279</u>

The following is a reconciliation of the beginning and ending balances for assets measured at fair value on a recurring and non-recurring basis using significant unobservable inputs (Level 3) during the period ending December 31, 2023:

<u>Beneficial interest in trust</u>	
Balance – December 31, 2022	\$ 767,042
Change in value of trust	81,778
Distributions	<u>(81,541)</u>
Balance – December 31, 2023	<u>\$ 767,279</u>

Note 8 – Functionalized Expenses:

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy, depreciation, salaries and wages, benefits, payroll taxes, professional development, office expenses, information technology, insurance, and other which are allocated based on staff time spent on each activity.

Note 9 – Liquidity:

Financial assets available to meet cash needs for general expenditures within one year, without contractual or donor restrictions, as of December 31, 2023 consist of the following:

Cash and cash equivalents	\$ 198,045
Operating investments	1,677,850
Receivables	<u>7,108</u>
Total assets available	1,883,003
Less: Donor-imposed restrictions	<u>(842,479)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,040,524</u>

Prader-Willi Syndrome Association (USA)

Notes to Financial Statements

December 31, 2023

Note 9 – Liquidity - continued:

The Organization is typically able to manage liquidity through donations. The Organization regularly monitors the availability of resources required to meet its operating needs and other contractual commitments.

Note 10 – Endowment:

The Organization's endowment currently consists of two separate funds established to supplement its operating income over a long period of time. The endowment includes donor-restricted endowment funds. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of the Organization has interpreted the Florida Uniform Prudent Management of Institutional Funds Act (FUPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary.

As a result of this interpretation, the Organization retains in perpetuity (a) the original value of initial and subsequent gift amounts (including promises to give net of discount and allowance for doubtful accounts) donated to the endowment and (b) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure in a manner consistent with the standard of prudence prescribed by FUPMIFA.

In accordance with FUPMIFA, the Organization considers the following factors in deciding to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purposes of the Organization and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the Organization
7. The investment policies of the Organization.

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor intended. There were no deficiencies as of December 31, 2023.

The Organization's Board of Directors has adopted investment and spending policies for the endowment assets which are reviewed annually and updated periodically.

As of December 31, 2023, endowment funds had original gifts values of \$209,196, fair values of \$209,196 and no funds with deficiencies.

Prader-Willi Syndrome Association (USA)
Notes to Financial Statements
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Note 10 – Endowment - continued:

Changes in endowment net assets for the year ended December 31, 2023 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, December 31, 2022	\$ 304,653	207,004	511,657
Investment income	80,483	-	80,483
Contributions	-	2,192	2,192
Appropriated for expenditure	(15,625)	-	(15,625)
Endowment net assets, December 31, 2023	\$ <u>369,511</u>	<u>209,196</u>	<u>578,707</u>

Note 11 – Subsequent Events:

Subsequent events have been evaluated through November 14, 2024, which is the date the financial statements were available to be issued.