

**FOUNDATION FOR ANGELMAN SYNDROME THERAPEUTICS AND
FOR-PROFIT ENTITY**

**CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT
AUDITORS' REPORT**

YEARS ENDED DECEMBER 31, 2023 AND 2022

**FOUNDATION FOR ANGELMAN SYNDROME THERAPEUTICS AND FOR-
PROFIT ENTITY
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INDEPENDENT AUDITOR'S REPORT

To the Officers and Directors
Foundation for Angelman Syndrome Therapeutics
Marble Falls, TX

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of the Foundation for Angelman Syndrome Therapeutics (a nonprofit organization) and a for-profit entity formed as a limited liability company which comprise the consolidated statements of financial position as of December 31, 2023 and 2022, and the related consolidated statements of activities and changes in net assets, functional expenses and cash flows for the years then ended and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material aspects, the financial position of the Foundation for Angelman Syndrome Therapeutics and its for-profit entity as of December 31, 2023 and 2022, and the changes in its net assets and its cash flows for 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 audited standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Foundation for Angelman Syndrome Therapeutics, and its for-profit entity (the Organizations) 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the ability of the Organizations 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 Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 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 are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the consolidated financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 Organizations' 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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organizations' 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 Supplementary Information

Our audit was conducted for the purposes of forming an opinion on the consolidated financial statements as a whole. The consolidating information pages 27-32 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Hegre, McMahon & Schimmel, LLC

Oak Brook, Illinois
November 13, 2024

FOUNDATION OF ANGELMAN SYNDROME THERAPEUTICS AND FOR-PROFIT ENTITY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2023 AND 2022

	2023	2022
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 48,902,545	\$ 54,552,297
Contributions receivable	312,535	600,000
Other receivables	-	237,886
Receivables for pending transactions	-	19,595
Investments at fair value	591	4,283,216
Investments at net asset value (NAV)	5,674,102	-
Derivative contracts at fair market value	-	566,567
	<u>54,889,773</u>	<u>60,259,561</u>
Property and Equipment:		
Website development	43,753	43,753
Less: Accumulated depreciation	(43,753)	(29,169)
Total property and equipment	<u>-</u>	<u>14,584</u>
Noncurrent assets:		
Contributions receivable, net of discounted rate to present value of \$93,215 for 2023 and 2022, respectively	1,906,785	1,716,785
Right-of-use asset	68,626	-
Convertible note receivable	-	686,379
Interest receivable on note	-	73,456
Patents	305,153	242,014
Licenses, net accumulated amortization of \$3,158	45,073	48,518
Total noncurrent assets	<u>2,325,637</u>	<u>2,767,152</u>
TOTAL ASSETS	<u>\$ 57,215,410</u>	<u>\$ 63,041,297</u>
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Current portion of operating lease liabilities	\$ 22,734	\$ -
Accounts payable	937,005	242,118
Due to related party	19,554	652,269
Grants payable, net of discounted rate to present value of \$275,661 and \$136,114 for 2023 and 2022, respectively	8,753,898	4,510,650
Total current liabilities	<u>9,733,191</u>	<u>5,405,037</u>
Long-Term Liabilities:		
Operating lease liabilities	43,097	-
Grants payable, net of discounted rate to present value of \$1,311,209 and \$1,059,393 for 2023 and 2022, respectively	9,461,755	2,522,557
Total long-term liabilities	<u>9,504,852</u>	<u>2,522,557</u>
TOTAL LIABILITIES	<u>19,238,043</u>	<u>7,927,594</u>
Net Assets		
Without donor restrictions	39,805,401	55,800,184
With donor restrictions	15,457	15,457
TOTAL NET ASSETS	<u>39,820,858</u>	<u>55,815,641</u>
Members' equity	(1,843,491)	(701,938)
TOTAL NET ASSETS AND MEMBERS' EQUITY	<u>37,977,367</u>	<u>55,113,703</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 57,215,410</u>	<u>\$ 63,041,297</u>

The accompanying notes are an integral part of these consolidated financial statements.

FOUNDATION OF ANGELMAN SYNDROME THERAPEUTICS AND FOR-PROFIT ENTITY
CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
SUPPORT AND REVENUE			
General contributions	\$ 3,097,676	\$ -	\$ 3,097,676
Special event revenues	218,275	-	218,275
Community fundraisers	768,600	-	768,600
Miscellaneous	16,232	-	16,232
Dividends and interest, net of investment investment advisory fees of \$37,037	1,932,276	-	1,932,276
Realized losses on derivative contracts	(350,522)	-	(350,522)
Realized gains on investments	2,696	-	2,696
Unrealized gains on investments	534,458	-	534,458
Unrealized gains on level II investment	174,102	-	174,102
Net assets released from restrictions	-	-	-
Total support and revenue	<u>6,393,793</u>	<u>-</u>	<u>6,393,793</u>
EXPENSES			
Program expenses	23,190,417	-	23,190,417
Supporting Services			
Management and general	936,478	-	936,478
Fundraising	516,457	-	516,457
Total supporting services	<u>1,452,935</u>	<u>-</u>	<u>1,452,935</u>
Total expenses	<u>24,643,352</u>	<u>-</u>	<u>24,643,352</u>
Change in net assets from operations	(18,249,559)	-	(18,249,559)
Nonoperating activities			
Royalty payments - Genetx	<u>1,113,223</u>	<u>-</u>	<u>1,113,223</u>
Change in net assets	<u>(17,136,336)</u>	<u>-</u>	<u>(17,136,336)</u>
NET ASSETS, beginning of year	<u>55,098,246</u>	<u>15,457</u>	<u>55,113,703</u>
NET ASSETS AND MEMBERS' EQUITY, end of year	<u>\$ 37,961,910</u>	<u>\$ 15,457</u>	<u>\$ 37,977,367</u>

The accompanying notes are an integral part of these consolidated financial statements.

FOUNDATION OF ANGELMAN SYNDROME THERAPEUTICS AND FOR-PROFIT ENTITY
CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
General contributions	\$ 4,140,454	\$ -	\$ 4,140,454
Special event revenues	361,783	-	361,783
Community fundraisers	707,040	-	707,040
Licensing revenue	355,507	-	355,507
Miscellaneous	257	-	257
Dividends and interest, net of investment investment advisory fees of \$38,460	470,532	-	470,532
Realized gains on derivative contracts	401,263	-	401,263
Realized gains on investments	621,613	-	621,613
Unrealized losses on investments	(1,807,100)	-	(1,807,100)
Unrealized gains on derivative contracts	50,589	-	50,589
Stock donations in-kind at fair market value	100,755	-	100,755
Net assets released from restrictions	-	-	-
Total support and revenue	5,402,693	-	5,402,693
EXPENSES			
Program expenses	8,630,211	-	8,630,211
Supporting Services			
Management and general	541,333	-	541,333
Fundraising	1,323,868	-	1,323,868
Total supporting services	1,865,201	-	1,865,201
Total expenses	10,495,412	-	10,495,412
Change in net assets from operations	(5,092,719)	-	(5,092,719)
Nonoperating activities			
Gain on sale of member interest in Genetx	46,248,282	-	46,248,282
Change in net assets	41,155,563	-	41,155,563
NET ASSETS AND MEMBERS' EQUITY, beginning of year	13,942,683	15,457	13,958,140
NET ASSETS AND MEMBERS' EQUITY, end of year	\$ 55,098,246	\$ 15,457	\$ 55,113,703

The accompanying notes are an integral part of these financial statements.

FOUNDATION FOR ANGELMAN SYNDROME THERAPEUTICS AND FOR-PROFIT ENTITY
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Supporting Services</u>			Total Expenses
	Program Services	Management and General	Fundraising	
EXPENSES				
Salaries and payroll taxes	\$ 917,883	\$ 326,428	\$ 148,335	\$ 1,392,646
Payroll processing fees	10,920	4,100	1,779	16,799
Direct benefits to donors	929,033	-	309,678	1,238,711
Professional fees	1,340,585	337,856	-	1,678,441
Video and production	24,960	-	-	24,960
Advertising and marketing	19,730	-	-	19,730
Travel scholarships	18,995	-	-	18,995
Education and awareness	428,418	-	-	428,418
Research funding	18,691,164	-	-	18,691,164
Research and development costs	706,503	-	-	706,503
Travel	20,683	32,288	-	52,971
Computer and software	2,245	140,829	-	143,074
Office supplies	1,497	21,620	-	23,117
Insurance	-	17,312	-	17,312
Interest	339	-	-	339
Licenses and permits	300	4,247	-	4,547
Bank and merchant account fees	-	41,768	-	41,768
Printing and postage	-	3,349	-	3,349
Telephone	-	5,435	-	5,435
CAN expenses	31,907	-	31,907	63,814
Local fundraising expenses	24,758	-	24,758	49,516
Depreciation	14,584	-	-	14,584
Amortization of licenses	3,445	-	-	3,445
Other	2,468	1,246	-	3,714
TOTAL EXPENSES	\$ 23,190,417	\$ 936,478	\$ 516,457	\$ 24,643,352

The accompanying notes are an integral part of these consolidated financial statements.

FOUNDATION FOR ANGELMAN SYNDROME THERAPEUTICS AND FOR-PROFIT ENTITY
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Supporting Services</u>			<u>Total Expenses</u>
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	
EXPENSES				
Salaries and payroll taxes	\$ 582,031	\$ 310,622	\$ 121,096	\$ 1,013,749
Direct benefits to donors	-	-	967,870	967,870
Professional fees	617,806	75,191	-	692,997
Licensing fees	5,000	-	-	5,000
Video and production	53,700	-	44,288	97,988
Advertising and marketing	290,455	-	38,384	328,839
Travel scholarships	11,751	-	-	11,751
Education and awareness	131,520	-	-	131,520
Research funding	6,744,524	-	-	6,744,524
Research and development costs	124,594	-	-	124,594
Travel	10,413	71,954	47,857	130,224
Computer and software	3,526	65,523	10,075	79,124
Office supplies	8,594	3,949	-	12,543
Insurance	-	2,844	-	2,844
Interest	994	-	-	994
Licenses and permits	300	3,005	-	3,305
Bank and merchant account fees	226	1,480	14,934	16,640
Printing and postage	-	2,460	8,025	10,485
Telephone	-	4,305	-	4,305
CAN expenses	22,362	-	34,201	56,563
Local fundraising expenses	-	-	37,138	37,138
Depreciation	14,584	-	-	14,584
Amortization of licenses	3,158	-	-	3,158
Other	4,673	-	-	4,673
TOTAL EXPENSES	<u>\$ 8,630,211</u>	<u>\$ 541,333</u>	<u>\$ 1,323,868</u>	<u>\$ 10,495,412</u>

The accompanying notes are an integral part of these consolidated financial statements.

FOUNDATION OF ANGELMAN SYNDROME THERAPEUTICS AND FOR-PROFIT ENTITY
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 and 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (17,136,336)	\$ 41,155,563
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation and amortization	18,029	17,742
Amortization expenses - right to use assets	17,930	-
Discount on contributions receivable	-	93,215
Realized losses on derivative contracts	350,522	(401,263)
Unrealized gains on derivative contracts	-	(50,589)
Net realized and unrealized gains on investments	(537,154)	1,185,487
Unrealized gains on investment in Level II asset	(174,102)	
Gain on sale of member's interest in Genetx	-	(46,248,282)
In-kind stock donations	-	(100,755)
Increase in assets:		
Contributions receivable	97,565	(745,000)
Other receivables	237,886	(237,886)
Increase (decrease) in liabilities		
Accounts payable	694,887	101,970
Payroll liabilities	-	(13,070)
Due to related party	(632,715)	583,055
Grants payable	11,182,446	3,839,533
Payments for operating lease liabilities	(20,727)	-
	(5,901,769)	(820,280)
CASH FLOWS FROM INVESTING ACTIVITIES		
Receivables for pending investment transactions	19,595	5,092
Proceeds from sale of member's interest in Genetx	-	52,460,463
Proceeds from sale of derivative contracts	6,475,557	12,713,128
Purchases of derivative contracts	(1,515,983)	(13,667,351)
Purchases of level II investments	(5,500,000)	-
Proceeds from sale of investments	2,696	2,805,298
Derivative contracts sold short at fair market value	-	(8,000)
Cash advanced on convertible note receivable	-	(746,108)
Reduction of note receivable for services provided	759,835	797,753
Legal costs associated with patents pending	(63,139)	(242,014)
Acquisition of licenses	-	(51,676)

The accompanying notes are an integral part of these consolidated financial statements.

**FOUNDATION OF ANGELMAN SYNDROME THERAPEUTICS AND FOR-PROFIT ENTITY
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 and 2022**

CASH FLOWS FROM INVESTING ACTIVITIES (Continued)

Interest receivable on convertible note	<u>73,456</u>	<u>(63,496)</u>
Net cash provided by (used in) investing activities	<u>252,017</u>	<u>54,003,089</u>
CHANGE IN CASH AND CASH EQUIVALENTS	(5,649,752)	53,182,809
Cash and cash equivalents, beginning of year	<u>54,552,297</u>	<u>1,369,488</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 48,902,545</u>	<u>\$ 54,552,297</u>

SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING ACTIVITIES

Reduction of convertible note receivable for services provided	<u>\$ 833,291</u>	<u>\$ 797,753</u>
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SUPPLEMENTAL DISCLOSURE OF NON-CASH OPERATING ACTIVITIES

Right-of-use assets obtained in exchange for operating lease obligations	<u>\$ 86,556</u>	<u>\$ -</u>
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The accompanying notes are an integral part of these consolidated financial statements.

**FOUNDATION FOR ANGELMAN SYNDROME THERAPEUTICS AND FOR-PROFIT
ENTITY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

1. NATURE OF ACTIVITIES

The Foundation for Angelman Syndrome Therapeutics (“FAST”) was incorporated under the laws of the state of California on August 19, 2008, as a not-for-profit corporation for educational and other purposes and is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. Over the years, the Foundation has endowed several medical grants and research programs targeted at finding treatments and a cure for the neurological disorder of Angelman Syndrome. Their main sources of revenue come from contributions from individuals, foundations, and corporations as well as from ticket sales and sponsorships for FAST’s annual gala.

FAST formed a Delaware Limited Liability Company in November 2021. The biotechnology company is singularly focused on developing and commercializing a safe and effective therapy for the treatment of Angelman Syndrome. The Company is currently conducting research and development activities related to their focus area. The Company was launched as a for-profit entity of the Foundation for Angelman Syndrome Therapeutics, a patient non-profit advocacy organization and the largest non-governmental funder of Angelman Syndrome research.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation and Presentation

The consolidated financial statements include accounts of FAST as well as a for-profit entity. All significant intercompany accounts and transactions have been eliminated in the consolidated financial statements. For the year-ended December 31, 2023, FAST provided a \$1,676,131 investment in the for-profit entity.

For the year ended December 31, 2022, FAST provided a \$500,000 investment in the for-profit entity and paid directly for \$68,188 of expenses for their entity which is being treated as a contribution by FAST.

FAST owns approximately 92% of the for-profit entity and has common control with all three members of the subsidiaries’ board being board members of FAST.

Financial Statement Presentation

The consolidated financial statements of FAST and the for-profit entity have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”).

GAAP requires FAST to report information regarding its financial position and activities according to the following net asset classifications:

**FOUNDATION FOR ANGELMAN SYNDROME THERAPEUTICS AND FOR-PROFIT
ENTITY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Statement Presentation (Continued)

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. These net assets may be used at the discretion of FAST's management and the board of directors.

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 FAST or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities. Contributions that are donor-restricted for which the restriction is satisfied in the same reporting period are classified as without donor restrictions.

The Foundation has no net assets with donor restrictions that are perpetual in nature.

Cash and Cash Equivalents

FAST's cash consists of cash on deposit with banks. Cash equivalents represent money market funds, US Treasuries or short-term investments with original maturities of three months or less from the date of purchase.

Concentrations of Credit Risk

Financial instruments that potentially subject FAST to concentrations of credit risk consist principally of cash and cash equivalents and investments. FAST maintains its cash and cash equivalents in various bank accounts that, at times, may exceed federally insured limits. The Foundation's cash and cash equivalent accounts have been placed with high credit quality financial institutions. FAST has not experienced, nor does it anticipate, any losses with respect to such accounts.

Contributions Receivable

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Discount amortization, if any, is included in contribution revenue. For the years ended December 31, 2023 and 2022, the discounted rate to present

**FOUNDATION FOR ANGELMAN SYNDROME THERAPEUTICS AND FOR-PROFIT
ENTITY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions Receivable (Continued)

value of long-term contributions receivable was \$93,215, respectively. All outstanding contributions receivable as of December 31, 2023 and 2022 were expected to be collected, as such, no allowance was established.

Convertible Notes Receivable

On October 5, 2021, the Foundation entered into a convertible promissory note with a for-profit biotechnology company that is singularly focused on developing and commercializing a safe and effective therapy for the treatment of Angelman Syndrome. The convertible note receivable was recorded at the principal face amount of \$1,100,000 plus accrued interest of \$15,732 at December 31, 2021. The note bears interest at 6% per annum and matures December 31, 2023 in which all unpaid interest and principal shall be due and payable upon request. The note is issued in part of a series of notes with an aggregate principal amount not to exceed \$4,000,000. In the event the Company issues and sells its equity securities to investors while the note remains outstanding with equity financing with total proceeds to the Company of not less than \$1,000,000 then the outstanding principal amount of the notes and any unpaid accrued interest shall automatically convert in whole at a conversion price equal to the cash price paid per share for equity securities by the investors in the qualified financing. FAST expects the note will be repaid.

On January 21, 2022, the Foundation provided an additional \$500,000 in the form of a second convertible promissory note under the same terms. Research services provided by the for-profit company on behalf of FAST for 2022 totaled \$551,645. The total balance of the convertible notes receivable totaled \$686,379 as of December 31, 2022. Interest accrued on the convertible notes for 2022 was \$63,496. Total interest receivable on the note as of December 31, 2022 was \$73,456.

In 2023, this loan was fully repaid through services provided by the for-profit biotechnology company which reduced the convertible note balance. There is not outstanding balance on the note for the year ended December 31, 2023.

Investments

Investments are reported at cost, if purchased, or at fair value, if donated. Thereafter, investments are reported at their fair value in the consolidated statements of financial position, and changes in fair value are reported as investment return in the consolidated statements of activities.

Purchases and sales of securities are reflected on a trade-date basis. Gains and losses on sales of securities are based on average cost and are recorded in the statements of activities in the period in which the securities are sold. Interest is recorded when earned. Dividends are accrued as of the ex-dividend date.

**FOUNDATION FOR ANGELMAN SYNDROME THERAPEUTICS AND FOR-PROFIT
ENTITY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Option Writing

When an option is written, an amount equal to the premium received by FAST is recorded as a liability and is subsequently adjusted to the current fair value of the option written. Premiums received from writing options that expire unexercised are treated by FAST on the expiration date as realized gains from investments. The difference between the premium and the amount paid on effecting a closing purchase transaction, including brokerage commissions, is also treated as a realized gain, or, if the premium is less than the amount paid for the closing purchase transaction, as a realized loss. If a call option is exercised, the premium is added to the proceeds from the sale of the underlying security or currency in determining whether FAST has realized a gain or loss. If a put option is exercised, the premium reduces the cost basis of the securities purchased by FAST. FAST, as writer of an option, bears the market risk of an unfavorable change in the price of the security underlying the written option.

Included on the consolidated statement of financial position are call options written with a fair value of \$ - 0 - and \$566,567 for the years ended December 31, 2023 and 2022, respectively. FAST had no option positions outstanding at December 31, 2023. Call options give the buyer the right to purchase and put options give the buyer the right to sell to FAST the equity securities underlying the options at a stated price. Should the market price of the underlying security for any of the put options sold significantly decrease in market value the holder of the option may exercise their right and the Foundation will be required to purchase the underlying security at the stated price. Of the options written, the issuers of the underlying securities are based in the United States of America.

Short Sales

FAST may sell a security it does not own in anticipation of a decline in the fair value of that security. When FAST sells a security short, its custodial broker/dealer must borrow the security sold short and deliver it to the broker/dealer through which it made the short sale. A gain, limited to the price at which FAST sold the security short, or a loss, unlimited in size, will be recognized upon the termination of a short sale. FAST is also subject to the risk that it may be unable to reacquire the security to terminate the short position except at a price substantially in excess of the last quoted price. FAST is liable to pay any dividends declared during the period the short sale is open. These dividends are recorded as dividend expenses in the consolidated statement of activities. During 2023 and 2022, FAST has not incurred any dividend expenses.

Fair Value of Financial Instruments

The carrying amount of cash and cash equivalents, contributions receivable, and accounts payable approximate fair value due to the short maturity of these instruments.

Fair value is defined as the price that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. Fair value should be based on the assumptions market participants would

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

use when pricing an asset. GAAP establishes a fair value hierarchy that prioritizes investments based on those assumptions. The fair value hierarchy gives the highest priority to quoted prices in active markets (observable inputs) and the lowest priority to an entity's assumptions (unobservable inputs). FAST groups assets at fair value in three levels, based on the markets in which the assets and liabilities are traded, and the reliability of the assumptions used to determine fair value. These levels are:

- Level 1 - Unadjusted quoted market prices for identical assets or liabilities in active markets as of the measurement date.
- Level 2 - Other observable inputs, either directly or indirectly, including:
 - Quoted prices for similar assets / liabilities in active markets;
 - Quoted prices for identical or similar assets in non-active markets;
 - Inputs other than quoted prices that are observable for the asset / liability; and,
 - Inputs that are derived principally from or corroborated by other observable market data. The Foundation does not have any investments valued with level 2 inputs.
- Level 3 - Unobservable inputs that cannot be corroborated by observable market data. The Foundation does not have any investments valued with level 3 inputs.

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using pricing models, quoted prices of securities with similar characteristics or discounted cash flows and such investments are classified as Level 2. Level 2 investment valuations are based on quoted net asset value (NAV) of shares held at year-end.

Website Development Costs

It is FAST's policy to capitalize costs incurred in developing a new website over \$2,500. These costs are amortized over three years from the date the website was operational. The website was operational in 2021. All costs incurred in providing maintenance to the website are expensed as incurred. Depreciation expense was \$14,584 for the years ended December 31, 2023 and 2022.

Patents

The for-profit entity paid legal fees to apply for numerous patents during 2023 and 2022. For the years ended December 31, 2023 and 2022, the amount of legal fees amortized as related to the patents totaled \$305,153 and \$242,014, respectively. The patents are amortized on the date the patents are issued and approved until the date the patents expire. In 2023 and 2022, all patents were pending approval.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Licenses

The for-profit entity acquired licenses in 2022 as related to their research. The amount of the license fees paid are \$51,676 and are amortized straight-line over a fifteen-year period. Amortization was \$3,445 and \$3,158 for 2023 and 2022 respectively.

Research and Development Costs

Research and development costs are expensed as incurred.

Contributions

Contributions received are 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. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Special Event Revenues

Special event revenues consist of the fair market value of ticket sales for FAST's one gala in November as well as sponsorships related to the event. Special event revenues also consist of any income derived from the event such as silent auction funds and raffles.

The following revenue stream is included in the new revenue standard, Accounting Standards Update (ASU) No. 2014-09, Revenue from Contracts with Customers (Topic 606): Special event benefits (non-donation portion of ticket sales).

FAST records special event ticket sales at the time of admission. Tickets sold in advance are recorded as deferred revenue until performance obligations are met. All sales are nonrefundable. Ticket sales are comprised of an exchange element based on the value of benefits provided, and a contribution element for the difference between the fair market value of the ticket and the total price paid. All performance obligations were met as of December 31, 2022 and 2021; thus, no deferred revenue is recorded.

Payment terms and rights are identifiable on each purchase order. Performance obligations are satisfied when access is given to the annual gala which requires access with a ticket. There are no significant financing components. There are no multiple performance obligations.

For all special events, the transaction price is the fair market value of the tickets. The excess of the fair market value of the tickets purchased and the actual price paid for the ticket is treated as a contribution and recognized as revenue at the date of ticket purchase.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Community Fundraisers

FAST and associated individuals raise money through special fundraising events. Contributions from these events are recorded as income upon receipt.

Contributions of Goods and Services

Contributions of services are recognized at fair value when received if the services required specialized skills, are provided by individuals or entities possessing those skills, and would have typically needed to be purchased if not donated. Contributions of goods are recorded at fair value upon receipt when there is an objective and reasonable basis upon which to value the in-kind contributions. There were no contributions of goods or services for the year ended December 31, 2023 or 2022, respectively.

FAST has a global Cure Angelman Now online fundraising campaign initiative to raise funds to support FAST's mission to cure Angelman syndrome. In 2023, FAST had 38 active CAN campaigns in the United States as well as their signature fundraiser, the Global Summit and Gala. These events involve an estimated 291 volunteers to support the local fundraisers such as golf tournaments, private activity events, dinners, and other activities. These volunteers help our host families with registration, silent auctions, event turnout, and event execution. The estimated total hours for these efforts is 4,552.

Donated marketable securities are recorded as stock donations in-kind at fair market value on the consolidated statements of activities and changes in net assets at their estimated fair value on the date of donation. For the year ended December 31, 2022, in-kind donations of stock totaled \$100,755. There were no stock donations in 2023. None of the stock donations have donor restrictions.

Functional Expenses

The costs of providing programs and other activities have been summarized on a functional basis in the consolidated statements of activities and on a detailed basis on the consolidated statement of functional expenses. Accordingly, certain costs have been allocated among program and supporting services benefited based on estimates made by management. Costs associated with a specific program or supporting service have been charged directly to that program or supporting service. Costs that benefit more than one program or supporting service have been allocated among the programs and supporting services benefited based on an equitable basis. Payroll and payroll taxes have been allocated based on time and effort. All other costs have been directly charged.

Grants Payable

Grants authorized but unpaid at year end are reported as liabilities in accordance with SFAS No. 116, *Accounting for Contributions Received and Contributions Made*. Grants to be paid in more than one year are discounted using the long-term federal rate applicable at December 31, 2023 and 2022, respectively.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Income Taxes

FAST is exempt from income tax under IRC section 501(c)(3), though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. FAST has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. FAST has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements as of December 31, 2023 and 2022.

The for-profit entity has elected to report as a partnership for federal and state income tax purposes, and accordingly, there is no provision for income taxes in the accompanying consolidated financial statements. The members of a partnership are taxed on their proportionate share of the Company's taxable income or receive the benefit of the Company's taxable losses based on allocations provided in the partnership agreement.

Leases

FAST has a software services agreement with a third party to utilize software over a 5-year period which qualifies as a right-of-use asset and classified as an operating lease. Operating leases are included in operating lease right-of-use (ROU) assets, current portion of operating lease liabilities, and operating lease liabilities on the statements of financial position.

ROU assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As the Organization's lease does not provide an implicit rate, the Organization uses a risk-free rate based on U.S Treasury note or bond rates for a similar term available at commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The lease term includes an option to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expenses for lease payments are recognized on a straight-line basis over the lease term. The lease agreement does not contain any material residual value guarantees or material restrictive covenants.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases (continued)

Right-of-use assets are assessed for impairment in accordance with the Organization's long-lived asset policy. The Organization reassesses lease classification and remeasures right-of-use assets and lease liabilities when a lease is modified, and that modification is not accounted for as a separate new lease or upon certain other events that require reassessment in accordance with Topic 842.

The Company made significant assumptions and judgments in applying the requirements of Topic 842. In particular, the Company:

- a) Evaluated whether a contract contains a lease, by considering factors such as whether the Company obtained substantially all rights to control an identifiable underlying asset and whether the lessor has substantive substitution rights;
- b) Determined whether contracts contain embedded leases;
- c) Determined for leases that contain a residual value guarantee, whether a payment at the end of the lease term was probable and, accordingly, whether to consider the amount of a residual value guarantee in future lease payments; and
- d) Allocated consideration in the contract between lease and nonlease components

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4. LIQUIDITY AND AVAILABILITY OF RESOURCES

The following represents FAST's financial assets at December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Financial assets at year-end:		
Cash and cash equivalents	\$48,902,545	\$54,552,297
Contributions receivable	2,219,320	2,316,785
Other receivables	-	237,886
Receivables for pending investment transactions	-	19,595
Investments, at fair value	591	4,283,216
Investments at net asset value (NAV)	5,674,102	-
Derivative contracts at fair value	-	566,567
	<u>56,796,558</u>	<u>61,976,346</u>
Less amounts not available to be used within one year		
Board approved grants payable	8,753,898	4,510,650
Net assets with donor restrictions	15,457	15,457
	<u>8,769,355</u>	<u>4,526,107</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$48,027,203</u>	<u>\$57,450,239</u>

FAST's goal is generally to maintain financial assets to meet 90 days of operating expenses (approximately \$4 million). FAST has a goal to give out grants for research funding each year of \$1 million and invest \$10-\$15 million in the AS therapeutic pipeline annually. As part of its liquidity plan, excess cash is invested in money market accounts and mutual funds. FAST keeps around \$200,000 in their operating account.

5. CONTRIBUTIONS RECEIVABLE

Contributions receivable are expected to be received as follows at December 31:

	<u>2023</u>	<u>2022</u>
Less than one year	\$ 312,535	\$ 600,000
Noncurrent contributions:		
2024	2,000,000	1,810,000
	<u>2,312,535</u>	<u>2,410,000</u>
Net of discounted rate	93,215	93,215
Total contributions receivable	<u>\$ 2,219,320</u>	<u>\$ 2,316,785</u>

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6. INVESTMENTS AT FAIR VALUE

In 2023, FAST's investment portfolio consists of common stock and an investment in a hedge fund. The hedge fund as an alternative investment is considered a Level 2 asset and is measured at net asset value (NAV) per share. Total shares in this investment were 2,730.6149 with a NAV per share of 2,077.958 totaling \$5,674,102. The redemption timing is semi-annually with ninety-five days notice. The fair market value of investments is below.

The following table summarizes the investments as of December 31, 2023:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>NAV</u>	<u>Total</u>
Exchange Traded Products	\$ 591	\$5,674,102	\$ -	\$ -	\$ 5,674,693

FAST's investment portfolio consists of exchange-traded products and equities (derivative investments). The fair market value of the exchange-traded products is below.

The following table summarizes the investments as of December 31, 2022:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>NAV</u>	<u>Total</u>
Exchange Traded Products	\$ 4,283,216	\$ -	\$ -	\$ -	\$ 4,283,216

7. DERIVATIVES

In the normal course of business, FAST utilized derivative contracts in connection with its trading activities. Investments in derivative contracts are subject to additional risks that can result in a loss of all or part of an investment. FAST is subject to additional counterparty risk due to the potential inability of FAST's counterparties to meet the terms of their contracts.

In 2023, FAST did not utilize derivative contracts any longer and sold all contracts.

The following table presents the FAST's fair value of derivative contracts on the accompanying statements of financial position as of December 31, 2022, according to fair value hierarchy:

	<u>2022</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Equity - Options	\$ 566,567	\$ -	\$ -	\$ 566,567
Equity - Options sold short	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Derivative Contracts	<u>\$ 566,567</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 566,567</u>

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8. INVESTMENT USING THE EQUITY METHOD

In 2022, FAST sold all of their membership interests in GeneTx to an unrelated third party. As a result of the sale, FAST received approximately \$52 million for their member interests in the LLC. FAST expects to receive continued royalties as part of the purchase agreement based on certain financial metrics. Royalties received for the year ended December 31, 2023 totaled \$1,113,223 and are recorded when received since they are contingent on certain metrics.

9. RELATED PARTIES

Board members

Board members provided contributions totaling \$701,000 for the year ended December 31, 2023. Board members also totaled \$2,000,000 of contributions receivable for the year ended December 31, 2023.

Board members provided contributions totaling \$1,287,500 for the year ended December 31, 2022. \$1,000,000 of these contributions remain outstanding and are reported as contributions receivable as of December 31, 2022.

For-Profit Entity

FAST's for-profit entity has an administrative agreement with another for-profit entity to provide shared expenses in exchange for reimbursement and an administrative fee. The amount owed to this for-profit entity as of December 31, 2023 and 2022 was \$19,554 and \$652,269, respectively.

10. NET ASSETS

Net assets with donor restrictions for December 31, 2023 and 2022 totaled \$15,457 to be used for clinical trial travel.

No net assets with donor restrictions were released from restrictions during 2023.

11. BOARD DESIGNATED FUNDS

In November 2020, the Board voted to designate \$1,000,000 to invest in Angelman syndrome specific endpoints and biomarkers to support clinical trials. These amounts were earmarked to provide grants to specific third-party grantee applications. In 2021, the board approved \$610,724 of disbursements from the board designated fund. No additional funding has been committed to the fund. In 2022, the remaining amount of the board designated funds was used. At December 31, 2023 and 2022, there were no board designated funds.

**FOUNDATION FOR ANGELMAN SYNDROME THERAPEUTICS AND FOR-PROFIT
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12. GRANTS AND GRANTS PAYABLE

In 2019, FAST pledged a grant of \$1,111,112 for translation research in a pig model of Angelman Syndrome to Texas A&M University. None of this pledge was paid out as of the end of 2019. \$546,929 was paid out by the end of 2020. This remaining amount of this grant is to be paid out over a two-year period; therefore, this pledge was discounted accordingly to the present value amount using the U.S. Treasury long term adjusted rate at the time the pledge was authorized (1.59%) plus a risk-free rate of .5% totaling 2.09%. For the years ended December 31, 2023 and 2022, the amount remaining to be paid was \$37,546 and \$286,355 respectively. The amount discounted was \$2,195 and \$15,662 for those years then ended.

In 2020, FAST pledged a grant of \$886,894 for a study that involved the generation and characterization of a new AS mouse model to Yale University. \$233,299 of this grant were paid out during 2022 and 2021, respectively. For the years ended December 31, 2023 and 2022, \$8,214 and \$219,815 are remaining to be paid out on this grant, respectively and is expected to be paid in full in 2023. This pledge was discounted accordingly to the present value amount using the U.S. Treasury long term adjusted rate at the time the pledge was authorized (1.31%) plus a risk-free rate of .5% totaling 1.81%. The amount discounted was \$4,560 and \$13,073 for 2023 and 2022, respectively.

In 2021, FAST pledged a grant of \$1,071,695 for IND enabling studies requested by the FDA for HSC therapy in AS to the University of California, Davis. \$496,540 was paid out by the end of 2021. The remaining amount of this grant was to be paid out in 2022. As such, no discounting of this grant has been made to present this grant at a present value amount. For the years ended December 31, 2023 and 2022, the amount remaining to be paid was \$575,155. FAST paid this amount in full in 2024.

In 2021, FAST pledged a grant of \$378,767 for multiple projects related to AS to Research Triangle Institute. For the years ended December 31, 2023 and 2022, the amount remaining to be paid was \$377,771 and \$164,089, respectively.

In 2021, FAST pledged a grant of \$154,082 for planning for a newborn screening of AS to Research Triangle Institute. For the years ended December 31, 2023 and 2022, the amount remaining to be paid was \$359,499 and \$133,255, respectively.

In 2022, FAST pledged a grant of \$4,870,000 to establish a new center at Rush University Medical Center that will be known as the RUSH F.A.S.T Center for Translational Research and to fund research done at this newly development center. No payments on this grant were made in 2022. \$1,287,600 was paid in 2023. The grant calls for varying installment payments over a ten-year period. This pledge was discounted accordingly to the present value amount using the U.S. Treasury long term adjusted rate at the time the pledge was authorized (4.34%). No risk-free rate was used. For the years ended December 31, 2023 and 2022, the amount remaining to be paid was \$3,582,400 and \$4,870,000, respectively. The amount to be discounted over the life of the grant is \$1,188,782. In 2023, \$129,389 was discounted.

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12. GRANTS AND GRANTS PAYABLE (Continued)

In 2023, FAST pledged a grant of \$9,651,081 with the University of Pennsylvania for research to support preclinical development of AS Gene Therapy Products. \$1,853,254 was paid in 2023. The grant calls for varying installment payments over a five-year period. This pledge was discounted accordingly to the present value amount using the U.S. Treasury long term adjusted rate at the time the pledge was authorized (3.720%). No risk-free rate was used. As part of this grant, contingent milestone payments for development and sales of products related to this research may be paid once met.

As part of this grant, FAST contracted with the Center for Breakthrough Medicine for \$2,337,500 plus \$2,500,000 in pass through cost totaling \$4,837,500 along with estimated management and legal costs of \$1,033,919 totaling \$5,870,919. This will be paid in 2024 and 2025.

For the year ended December 31, 2023, the amount remaining to be paid was \$13,112,345 The amount to be discounted over the life of the grant is \$398,088.

	2023	2022
Total grants payable	\$ 19,802,523	\$ 8,228,744
Less: Discount rate to present value	1,586,870	1,195,537
	18,215,653	7,033,207
Less: Grants payable within one year, net of discount rate	8,753,898	4,510,650
Net Long-Term Grants Payable	\$ 9,461,755	\$ 2,522,557

Aggregate maturities of grants payable are as follows:

Year ending December 31:	
2024	\$ 9,029,559
2025	5,962,911
2026	1,801,113
2027	462,791
2028	1,400,749
Thereafter	1,145,400
	19,802,523
Less: discount rate to present value	(1,586,870)
Total	\$ 18,215,653

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13. CONCENTRATIONS

During the year ended December 31, 2023, contributions receivable from one donor totaled 86% of the total contributions receivable as of December 31, 2023.

During the year ended December 31, 2022, one individual accounted for 24% of the total general contributions provided to FAST. Contributions receivable from this donor totaled 86% of the total contributions receivable as of December 31, 2022.

14. OPERATING LEASES

FAST has a software services agreement with a third party to utilize software over a 5-year period which qualifies as a right-of-use asset and is classified as an operating lease through February 2027. The agreement provides an annual payment of \$22,900 for annual fees and usage.

FAST's services agreement has lease and non-lease components which is accounted for as a single lease component. For arrangements accounted for as single lease components, there may be variability in future lease payments as the amount of the non-lease component is typically revised from one period to the next. These are recognized in functional expenses in the period in which the obligation for those payments is incurred.

The operating lease right-of-use assets and operating leases liabilities as of December 31, 2023 are presented on their own lines on the statement of financial position. FAST does not have any finance leases. During the year ended December 31, 2023, lease expense of \$19,664 was incurred.

The right-of-use assets and lease liabilities were calculated using a weighted average discount rate of 3.84%. As of December 31, 2023, the weighted average remaining lease term was 4.2 years.

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

Year ending December 31:	
2024	\$ 22,900
2025	22,900
2026	<u>22,900</u>
Total lease payments	68,700
Less: present value discount	<u>(2,869)</u>
Total lease liabilities	65,831
Less: current portion	<u>(22,734)</u>
Long-term lease liabilities	<u>\$ 43,097</u>

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The following table includes supplement cash flow information related to operating leases for the year ended December 31, 2023:

Cash paid for amounts included in the measurement of lease liabilities:

Net operating cash flows from operating leases \$20,727

14. RETIREMENT PLAN

FAST implemented a 401(k)-retirement plan in September 2022. Employees are eligible to participate in the plan upon hiring. The plan has an automatic deferral percentage of 3% that increases each plan year by 1% not to exceed 6%. The employee can elect to opt-out or revise deferral percentages at any time. FAST will match 100% of the employees' deferrals up to the first four percent of plan compensation not exceeding 6% percent of compensation. Total match paid for years ended December 31, 2023 and 2022 was \$40,922 and \$7,101, respectively.

14. SUBSEQUENT EVENTS

FAST evaluated subsequent events through November 13, 2024; the date these financial statements were available to be issued. Management has determined that no events or transactions have occurred subsequent to the statement of financial position date that require additional disclosure in the financial statements.

SUPPLEMENTARY INFORMATION

FOUNDATION OF ANGELMAN SYNDROME THERAPEUTICS AND FOR-PROFIT ENTITY
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2023

	<u>FAST</u>	<u>FOR-PROFIT ENTITY</u>	<u>ELIMINATIONS</u>	<u>Total</u>
CURRENT ASSETS				
Cash and cash equivalents	\$ 48,223,283	\$ 679,262	\$ -	\$ 48,902,545
Contributions receivable	312,535	-	-	312,535
Investments at fair value	591	-	-	591
Investments at net asset value	5,674,102	-	-	5,674,102
Total current assets	<u>54,210,511</u>	<u>679,262</u>	<u>-</u>	<u>54,889,773</u>
Property and Equipment:				
Website development	43,753	-	-	43,753
Less: Accumulated depreciation	(43,753)	-	-	(43,753)
Total property and equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Noncurrent Assets:				
Contributions receivable, net of discounted rate to present value of \$93,215	1,906,785	-	-	1,906,785
Right-of use asset	68,626	-	-	68,626
Patents	-	305,153	-	305,153
Licenses, net accumulated amortization of \$6,603	-	45,073	-	45,073
Investment in For-Profit Subsidiary (Equity Method)	2,244,319	-	(2,244,319)	-
Total noncurrent assets	<u>4,219,730</u>	<u>350,226</u>	<u>(2,244,319)</u>	<u>2,325,637</u>
TOTAL ASSETS	<u>\$ 58,430,241</u>	<u>\$ 1,029,488</u>	<u>\$ (2,244,319)</u>	<u>\$ 57,215,410</u>
LIABILITIES AND NET ASSETS				
Current Liabilities:				
Current portion of operating lease liabilities	\$ 22,734	\$ -	\$ -	\$ 22,734
Accounts payable	327,900	609,105	-	937,005
Due to related party	-	19,554	-	19,554
Grants payable, net of discounted rate to present value of \$275,661	8,753,898	-	-	8,753,898
Total current liabilities	<u>9,104,532</u>	<u>628,659</u>	<u>-</u>	<u>9,733,191</u>
Long-Term Liabilities:				
Operating lease liabilities	43,097	-	-	43,097
Grants payable, net of discounted rate to present value of \$1,311,209	9,461,755	-	-	9,461,755
Total long-term liabilities	<u>9,504,852</u>	<u>-</u>	<u>-</u>	<u>9,504,852</u>
TOTAL LIABILITIES	<u>18,609,384</u>	<u>628,659</u>	<u>-</u>	<u>19,238,043</u>
Net Assets				
Without donor restrictions	39,805,401	-	-	39,805,401
With donor restrictions	15,457	-	-	15,457
TOTAL NET ASSETS	<u>39,820,858</u>	<u>-</u>	<u>-</u>	<u>39,820,858</u>
Members' equity				
Member contributions	-	1,676,131	(1,676,131)	-
Members' equity	-	(1,275,303)	(568,188)	(1,843,491)
TOTAL MEMBERS' EQUITY	<u>-</u>	<u>400,828</u>	<u>(2,244,319)</u>	<u>(1,843,491)</u>
TOTAL NET ASSETS AND MEMBERS' EQUITY	<u>39,820,858</u>	<u>400,829</u>	<u>(2,244,319)</u>	<u>37,977,367</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 58,430,241</u>	<u>\$ 1,029,488</u>	<u>\$ (2,244,319)</u>	<u>\$ 57,215,410</u>

The accompanying notes are an integral part of these consolidated financial statements.

FOUNDATION OF ANGELMAN SYNDROME THERAPEUTICS AND FOR-PROFIT ENTITY
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2022

	<u>FAST</u>	<u>FOR-PROFIT ENTITY</u>	<u>ELIMINATIONS</u>	<u>Total</u>
CURRENT ASSETS				
Cash and cash equivalents	\$ 54,308,955	\$ 243,342	\$ -	\$ 54,552,297
Contributions receivable	600,000	-	-	600,000
Other receivables	237,629	257	-	237,886
Receivables for pending investment transactions	19,595	-	-	19,595
Investments at fair value	4,283,216	-	-	4,283,216
Derivative contracts at fair market value	566,567	-	-	566,567
	<u>60,015,962</u>	<u>243,599</u>	<u>-</u>	<u>60,259,561</u>
Property and Equipment:				
Website development	43,753	-	-	43,753
Less: Accumulated depreciation	(29,169)	-	-	(29,169)
Total property and equipment	<u>14,584</u>	<u>-</u>	<u>-</u>	<u>14,584</u>
Noncurrent Assets:				
Contributions receivable, net of discounted rate to present value of \$93,215	1,716,785	-	-	1,716,785
Convertible note receivable	686,379	-	-	686,379
Interest receivable on note	73,456	-	-	73,456
Patents	-	242,014	-	242,014
Licenses, net accumulated amortization of \$3,158	-	48,518	-	48,518
Investment in For-Profit Subsidiary (Equity Method)	568,188	-	(568,188)	-
Total noncurrent assets	<u>3,044,808</u>	<u>290,532</u>	<u>(568,188)</u>	<u>2,767,152</u>
TOTAL ASSETS	<u>\$ 63,075,354</u>	<u>\$ 534,131</u>	<u>\$ (568,188)</u>	<u>\$ 63,041,297</u>
LIABILITIES AND NET ASSETS				
Current Liabilities:				
Accounts payable	226,506	15,612	-	242,118
Due to related party	-	652,269	-	652,269
Grants payable, net of discounted rate to present value of \$136,144	4,510,650	-	-	4,510,650
Total current liabilities	<u>4,737,156</u>	<u>667,881</u>	<u>-</u>	<u>5,405,037</u>
Long-Term Liabilities:				
Grants payable, net of discounted rate to present value of \$1,059,393	2,522,557	-	-	2,522,557
TOTAL LIABILITIES	<u>7,259,713</u>	<u>667,881</u>	<u>-</u>	<u>7,927,594</u>
Net Assets				
Without donor restrictions	55,800,184	-	-	55,800,184
With donor restrictions	15,457	-	-	15,457
TOTAL NET ASSETS	<u>55,815,641</u>	<u>-</u>	<u>-</u>	<u>55,815,641</u>
Members' equity				
Member contributions	-	568,188	(568,188)	-
Members' equity	-	(701,938)	-	(701,938)
TOTAL MEMBERS' EQUITY	<u>-</u>	<u>(133,750)</u>	<u>(568,188)</u>	<u>(701,938)</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 63,075,354</u>	<u>\$ 534,131</u>	<u>\$ (568,188)</u>	<u>\$ 63,041,297</u>

The accompanying notes are an integral part of these consolidated financial statements.

FOUNDATION OF ANGELMAN SYNDROME THERAPEUTICS AND FOR-PROFIT ENTITY
CONSOLIDATING STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2023

	FAST			FOR-PROFIT ENTITY			CONSOLIDATED		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE									
General contributions	\$ 3,097,676	\$ -	\$ 3,097,676	\$ -	\$ -	\$ -	\$ 3,097,676	\$ -	\$ 3,097,676
Special event revenues	218,275	-	218,275	-	-	-	218,275	-	218,275
Community fundraisers	768,600	-	768,600	-	-	-	768,600	-	768,600
Miscellaneous	16,232	-	16,232	-	-	-	16,232	-	16,232
Dividends and interest, net of investment									
investment advisory fees of \$37,037	1,932,276	-	1,932,276	-	-	-	1,932,276	-	1,932,276
Realized losses on derivative contracts	(350,522)	-	(350,522)	-	-	-	(350,522)	-	(350,522)
Realized gains on investments	2,696	-	2,696	-	-	-	2,696	-	2,696
Unrealized gains on investments	534,458	-	534,458	-	-	-	534,458	-	534,458
Unrealized gains on level II investment	174,102	-	174,102	-	-	-	174,102	-	174,102
Net assets released from restrictions	-	-	-	-	-	-	-	-	-
Total support and revenue	<u>6,393,793</u>	<u>-</u>	<u>6,393,793</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,393,793</u>	<u>-</u>	<u>6,393,793</u>
EXPENSES									
Program expenses	22,048,864	-	22,048,864	1,141,553	-	1,141,553	23,190,417	-	23,190,417
Management and general	936,478	-	936,478	-	-	-	936,478	-	936,478
Fundraising	516,457	-	516,457	-	-	-	516,457	-	516,457
Total expenses	<u>23,501,799</u>	<u>-</u>	<u>23,501,799</u>	<u>1,141,553</u>	<u>-</u>	<u>1,141,553</u>	<u>24,643,352</u>	<u>-</u>	<u>24,643,352</u>
Change in net assets from operations	(17,108,006)	-	(17,108,006)	(1,141,553)	-	(1,141,553)	(18,249,559)	-	(18,249,559)
Nonoperating activities									
Royalty payments - Genetx	1,113,223	-	1,113,223	-	-	-	1,113,223	-	1,113,223
Change in net assets	<u>(15,994,783)</u>	<u>-</u>	<u>(15,994,783)</u>	<u>(1,141,553)</u>	<u>-</u>	<u>(1,141,553)</u>	<u>(17,136,336)</u>	<u>-</u>	<u>(17,136,336)</u>
NET ASSETS, beginning of year	55,800,184	15,457	55,815,641	(133,750)	-	(133,750)	55,666,434	15,457	55,681,891
Member contributions	-	-	-	1,676,131	-	1,676,131	1,676,131	-	1,676,131
NET ASSETS, end of year	<u>\$ 39,805,401</u>	<u>\$ 15,457</u>	<u>\$ 39,820,858</u>	<u>\$ 400,828</u>	<u>\$ -</u>	<u>\$ 400,828</u>	<u>\$ 40,206,229</u>	<u>\$ 15,457</u>	<u>\$ 40,221,686</u>

The accompanying notes are an integral part of these consolidated financial statements.

FOUNDATION OF ANGELMAN SYNDROME THERAPEUTICS AND FOR-PROFIT ENTITY
CONSOLIDATING STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2022

	FAST			FOR-PROFIT ENTITY			CONSOLIDATED		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE									
General contributions	\$ 4,140,454	\$ -	\$ 4,140,454	\$ -	\$ -	\$ -	\$ 4,140,454	\$ -	\$ 4,140,454
Special event revenues	361,783	-	361,783	-	-	-	361,783	-	361,783
Community fundraisers	707,040	-	707,040	-	-	-	707,040	-	707,040
Licensing revenue	355,507	-	355,507	-	-	-	355,507	-	355,507
Miscellaneous	-	-	-	257	-	257	257	-	257
Dividends and interest, net of investment investment advisory fees of \$38,460	470,532	-	470,532	-	-	-	470,532	-	470,532
Realized gains on derivative contracts	401,263	-	401,263	-	-	-	401,263	-	401,263
Realized gains on investments	621,613	-	621,613	-	-	-	621,613	-	621,613
Unrealized losses on investments	(1,807,100)	-	(1,807,100)	-	-	-	(1,807,100)	-	(1,807,100)
Unrealized gains on derivative contracts	50,589	-	50,589	-	-	-	50,589	-	50,589
Stock donations in-kind at fair market value	100,755	-	100,755	-	-	-	100,755	-	100,755
Net assets released from restrictions	-	-	-	-	-	-	-	-	-
Total support and revenue	<u>5,402,436</u>	<u>-</u>	<u>5,402,436</u>	<u>257</u>	<u>-</u>	<u>257</u>	<u>5,402,693</u>	<u>-</u>	<u>5,402,693</u>
EXPENSES									
Program expenses	7,997,230	-	7,997,230	632,981	-	632,981	8,630,211	-	8,630,211
Management and general	541,333	-	541,333	-	-	-	541,333	-	541,333
Fundraising	1,323,868	-	1,323,868	-	-	-	1,323,868	-	1,323,868
Total expenses	<u>9,862,431</u>	<u>-</u>	<u>9,862,431</u>	<u>632,981</u>	<u>-</u>	<u>632,981</u>	<u>10,495,412</u>	<u>-</u>	<u>10,495,412</u>
Change in net assets from operations	(4,459,995)	-	(4,459,995)	(632,724)	-	(632,724)	(5,092,719)	-	(5,092,719)
Nonoperating activities									
Net change in value of Genetx investment	46,248,282	-	46,248,282	-	-	-	46,248,282	-	46,248,282
Change in net assets	<u>41,788,287</u>	<u>-</u>	<u>41,788,287</u>	<u>(632,724)</u>	<u>-</u>	<u>(632,724)</u>	<u>41,155,563</u>	<u>-</u>	<u>41,155,563</u>
NET ASSETS, beginning of year	14,011,897	15,457	14,027,354	(69,214)	-	(69,214)	13,942,683	15,457	13,958,140
Member contributions	-	-	-	568,188	-	568,188	568,188	-	568,188
NET ASSETS, end of year	<u>\$ 55,800,184</u>	<u>\$ 15,457</u>	<u>\$ 55,815,641</u>	<u>\$ (133,750)</u>	<u>\$ -</u>	<u>\$ (133,750)</u>	<u>\$ 55,666,434</u>	<u>\$ 15,457</u>	<u>\$ 55,681,891</u>

The accompanying notes are an integral part of these consolidated financial statements.

FOUNDATION OF ANGELMAN SYNDROME THERAPEUTICS AND FOR-PROFIT ENTITY
CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023

	FAST				FOR-PROFIT ENTITY				CONSOLIDATED			
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total	Total Program Services	Total Management and General	Total Fundraising	Total Total
Salaries and payroll taxes	\$ 899,876	\$ 326,428	\$ 148,335	\$ 1,374,639	\$ 18,007	\$ -	\$ -	\$ 18,007	\$ 917,883	\$ 326,428	\$ 148,335	\$ 1,392,646
Payroll processing fees	10,920	4,100	1,779	16,799	-	-	-	-	10,920	4,100	1,779	16,799
Direct benefits to donors	929,033	-	309,678	1,238,711	-	-	-	-	929,033	-	309,678	1,238,711
Professional fees	932,312	337,856	-	1,270,168	408,273	-	-	408,273	1,340,585	337,856	-	1,678,441
Video and production	24,960	-	-	24,960	-	-	-	-	24,960	-	-	24,960
Advertising and marketing	19,730	-	-	19,730	-	-	-	-	19,730	-	-	19,730
Travel scholarships	18,995	-	-	18,995	-	-	-	-	18,995	-	-	18,995
Education and awareness	428,418	-	-	428,418	-	-	-	-	428,418	-	-	428,418
Research funding	18,691,164	-	-	18,691,164	-	-	-	-	18,691,164	-	-	18,691,164
Research and development costs	-	-	-	-	706,503	-	-	706,503	706,503	-	-	706,503
Travel	19,739	32,288	-	52,027	944	-	-	944	20,683	32,288	-	52,971
Computer and software	-	140,829	-	140,829	2,245	-	-	2,245	2,245	140,829	-	143,074
Office supplies	-	21,620	-	21,620	1,497	-	-	1,497	1,497	21,620	-	23,117
Insurance	-	17,312	-	17,312	-	-	-	-	-	17,312	-	17,312
Interest	-	-	-	-	339	-	-	339	339	-	-	339
Licenses and permits	-	4,247	-	4,247	300	-	-	300	300	4,247	-	4,547
Bank and merchant account fees	-	41,768	-	41,768	-	-	-	-	-	41,768	-	41,768
Printing and postage	-	3,349	-	3,349	-	-	-	-	-	3,349	-	3,349
Telephone	-	5,435	-	5,435	-	-	-	-	-	5,435	-	5,435
CAN expenses	31,907	-	31,907	63,814	-	-	-	-	31,907	-	31,907	63,814
Local fundraising expenses	24,758	-	24,758	49,516	-	-	-	-	24,758	-	24,758	49,516
Depreciation	14,584	-	-	14,584	-	-	-	-	14,584	-	-	14,584
Amortization of licenses	-	-	-	-	3,445	-	-	3,445	3,445	-	-	3,445
Other	2,468	1,246	-	3,714	-	-	-	-	2,468	1,246	-	3,714
TOTAL EXPENSES	\$22,048,864	\$ 936,478	\$ 516,457	\$23,501,799	\$ 1,141,553	\$ -	\$ -	\$ 1,141,553	\$23,190,417	\$ 936,478	\$ 516,457	\$24,643,352

The accompanying notes are an integral part of these consolidated financial statements.

FOUNDATION OF ANGELMAN SYNDROME THERAPEUTICS AND FOR-PROFIT ENTITY
CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022

	FAST				FOR-PROFIT ENTITY				CONSOLIDATED			
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total	Total Program Services	Total Management and General	Total Fundraising	Total Total
Salaries and payroll taxes	\$ 497,922	\$ 310,622	\$ 121,096	\$ 929,640	\$ 84,109	\$ -	\$ -	\$ 84,109	\$ 582,031	\$ 310,622	\$ 121,096	\$ 1,013,749
Direct benefits to donors	-	-	967,870	967,870	-	-	-	-	-	-	967,870	967,870
Professional fees	218,635	75,191	-	293,826	399,171	-	-	399,171	617,806	75,191	-	692,997
Licensing fees	-	-	-	-	5,000	-	-	5,000	5,000	-	-	5,000
Video and production	53,700	-	44,288	97,988	-	-	-	-	53,700	-	44,288	97,988
Advertising and marketing	290,455	-	38,384	328,839	-	-	-	-	290,455	-	38,384	328,839
Travel scholarships	11,751	-	-	11,751	-	-	-	-	11,751	-	-	11,751
Education and awareness	131,520	-	-	131,520	-	-	-	-	131,520	-	-	131,520
Research funding	6,744,524	-	-	6,744,524	-	-	-	-	6,744,524	-	-	6,744,524
Research and development costs	-	-	-	-	124,594	-	-	124,594	124,594	-	-	124,594
Travel	-	71,954	47,857	119,811	10,413	-	-	10,413	10,413	71,954	47,857	130,224
Computer and software	-	65,523	10,075	75,598	3,526	-	-	3,526	3,526	65,523	10,075	79,124
Office supplies	7,930	3,949	-	11,879	664	-	-	664	8,594	3,949	-	12,543
Insurance	-	2,844	-	2,844	-	-	-	-	-	2,844	-	2,844
Interest	-	-	-	-	994	-	-	994	994	-	-	994
Licenses and permits	-	3,005	-	3,005	300	-	-	300	300	3,005	-	3,305
Bank and merchant account fees	-	1,480	14,934	16,414	226	-	-	226	226	1,480	14,934	16,640
Printing and postage	-	2,460	8,025	10,485	-	-	-	-	-	2,460	8,025	10,485
Telephone	-	4,305	-	4,305	-	-	-	-	-	4,305	-	4,305
CAN expenses	22,362	-	34,201	56,563	-	-	-	-	22,362	-	34,201	56,563
Local fundraising expenses	-	-	37,138	37,138	-	-	-	-	-	-	37,138	37,138
Depreciation	14,584	-	-	14,584	-	-	-	-	14,584	-	-	14,584
Amortization of licenses	-	-	-	-	3,158	-	-	3,158	3,158	-	-	3,158
Other	3,847	-	-	3,847	826	-	-	826	4,673	-	-	4,673
TOTAL EXPENSES	\$ 7,997,230	\$ 541,333	\$ 1,323,868	\$ 9,862,431	\$ 632,981	\$ -	\$ -	\$ 632,981	\$ 8,630,211	\$ 541,333	\$ 1,323,868	\$10,495,412

The accompanying notes are an integral part of these consolidated financial statements.