



Barth Syndrome
Foundation

***FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITORS' REPORT***

YEARS ENDED DECEMBER 31, 2023 AND 2022

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INDEPENDENT AUDITORS' REPORT

To The Board of Directors
The Barth Syndrome Foundation, Inc.
Larchmont, New York

Opinion

We have audited the accompanying financial statements of The Barth Syndrome Foundation, Inc., which comprise the balance sheets as of December 31, 2023 and 2022, and the related statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Barth Syndrome Foundation, Inc. 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 auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Barth Syndrome Foundation, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The Barth Syndrome Foundation, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 The Barth Syndrome Foundation, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Barth Syndrome Foundation, Inc.'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.

Dorfman Abrams Morris, LLC

Saddle Brook, New Jersey

April 18, 2024

THE BARTH SYNDROME FOUNDATION, INC.

BALANCE SHEETS

ASSETS

	December 31,	
	2023	2022
Cash	\$ 460,296	\$ 686,513
Investments	4,982,899	4,540,032
Grants receivable		103,000
Prepaid expenses	48,135	42,455
Total assets	<u>\$ 5,491,330</u>	<u>\$ 5,372,000</u>

LIABILITIES AND NET ASSETS

Liabilities:		
Accounts payable and accrued expenses	\$ 94,143	\$ 88,438
Deferred revenue	27,183	27,183
Research grants payable	84,650	243,049
Total liabilities	<u>205,976</u>	<u>358,670</u>
Net assets:		
Without donor restrictions	1,322,181	998,736
With donor restrictions	3,963,173	4,014,594
Total net assets	<u>5,285,354</u>	<u>5,013,330</u>
Total liabilities and net assets	<u>\$ 5,491,330</u>	<u>\$ 5,372,000</u>

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

THE BARTH SYNDROME FOUNDATION, INC.

STATEMENTS OF ACTIVITIES

	Year ended December 31, 2023			Year ended December 31, 2022		
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total
Operating activities:						
Support and revenue:						
Contributions of cash and other financial assets	\$ 978,307	\$ 155,089	\$ 1,133,396	\$ 987,969	\$ 339,169	\$ 1,327,138
Contributions of nonfinancial assets	95,875		95,875	77,451		77,451
Grant income	95,000		95,000	70,000		70,000
Interest and dividend income	131,350		131,350	71,589		71,589
Total support and revenue	1,300,532	155,089	1,455,621	1,207,009	339,169	1,546,178
Net assets released from restrictions	206,510	(206,510)		239,006	(239,006)	
Total support and revenue	1,507,042	(51,421)	1,455,621	1,446,015	100,163	1,546,178
Expenses:						
Program services:						
Communication and awareness	134,459		134,459	90,746		90,746
BSF Regional Meetings	16,829		16,829	65,922		65,922
Family services	128,968		128,968	111,467		111,467
Advocacy and awareness	231,852		231,852	113,967		113,967
Barth registry and repository	12,376		12,376	18,141		18,141
Research grants	283,038		283,038	302,773		302,773
Science and medicine	330,860		330,860	327,973		327,973
Total program services	1,138,382		1,138,382	1,030,989		1,030,989
Supporting services:						
Management and general expenses	208,812		208,812	252,373		252,373
Fundraising expenses	170,398		170,398	161,416		161,416
Total supporting services	379,210		379,210	413,789		413,789
Total expenses	1,517,592		1,517,592	1,444,778		1,444,778
Change in net assets from operations	(10,550)	(51,421)	(61,971)	1,237	100,163	101,400
Nonoperating activities:						
Investment return, net	333,995		333,995	(789,759)		(789,759)
Total nonoperating activities	333,995		333,995	(789,759)		(789,759)
Change in net assets	323,445	(51,421)	272,024	(788,522)	100,163	(688,359)
Net assets, beginning of year	998,736	4,014,594	5,013,330	1,787,258	3,914,431	5,701,689
Net assets, end of year	\$ 1,322,181	\$ 3,963,173	\$ 5,285,354	\$ 998,736	\$ 4,014,594	\$ 5,013,330

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

THE BARTH SYNDROME FOUNDATION, INC.

STATEMENTS OF CASH FLOWS

	Year ended December 31,	
	2023	2022
Cash flows from operating activities:		
Change in net assets	\$ 272,024	\$ (688,359)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Contribution of stock		(22,011)
Realized and unrealized (gain) loss on investments	(333,995)	789,759
Changes in operating assets and liabilities:		
(Increase) decrease in:		
Grants receivable	103,000	(73,000)
Prepaid expenses	(5,680)	5,312
Increase (decrease) in:		
Accounts payable and accrued expenses	5,705	(431)
Research grants payable	(158,399)	73,849
Net cash provided (used) by operating activities	(117,345)	85,119
Cash flows from investing activities:		
Purchases of investments	(168,131)	(169,661)
Proceeds from sale of investments	59,259	73,234
Net cash used by investing activities	(108,872)	(96,427)
Net decrease in cash	(226,217)	(11,308)
Cash, beginning of year	686,513	697,821
Cash, end of year	\$ 460,296	\$ 686,513

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

THE BARTH SYNDROME FOUNDATION, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
Years Ended December 31, 2023 and 2022

	Program services												Total			
	Communication and awareness		BSF Regional Meetings		Family services		Advocacy and awareness		Barth registry and repository		Research grants				Science and medicine	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Salaries	\$ 62,965	\$ 60,040	\$	\$	\$ 77,513	\$ 67,714	\$ 103,263	\$ 88,918	\$	\$	\$	\$	\$ 214,796	\$ 187,332	\$ 458,537	\$ 404,004
Payroll taxes and benefits	9,878	10,489			17,277	16,369	19,504	18,153					32,730	31,772	79,389	76,783
Total salaries and related expenses	72,843	70,529			94,790	84,083	122,767	107,071					247,526	219,104	537,926	480,787
Research grant expense																
Research grants funded by affiliates																
Professional fees	39,145		6,000	1,800		17,000	10,000	6,500	11,500	18,000		333,038	63,672	60,153	333,038	352,773
Office expense	6,079	3,564	585	2,880	6,336	3,520	396	396	131	141		(50,000)	6,033	4,589	130,317	(50,000)
In-kind professional services																
Transportation			10,244	53,884	22,288	1,103	95,875	2,814					7,196	37,474	19,560	15,090
Printing and publications				6,099	2,560	939								112	95,875	37,474
Dues and fees	16,392	16,652			700	1,313			745					42,542	42,542	55,099
Insurance													6,433	17	18,952	23,707
Telephone					695	2,148								3,500	7,878	4,813
Training and education					999											2,148
Public relations																999
Audio visual				1,000	600	600								3,024	600	4,624
Event cost				259		761										1,020
Total expenses	\$ 134,459	\$ 90,745	\$ 16,829	\$ 65,922	\$ 128,968	\$ 111,467	\$ 231,852	\$ 113,967	\$ 12,376	\$ 18,141	\$ 283,038	\$ 302,773	\$ 330,860	\$ 327,973	\$ 1,138,382	\$ 1,030,988

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

THE BARTH SYNDROME FOUNDATION, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

Years Ended December 31, 2023 and 2022

	Management and general		Supporting services		Total		Total program and supporting services	
	2023	2022	2023	2022	2023	2022	2023	2022
Salaries	\$ 48,390	\$ 90,451	\$ 113,671	\$ 81,454	\$ 162,061	\$ 171,905	\$ 620,598	\$ 575,909
Payroll taxes and benefits	7,807	10,234	18,881	13,795	26,688	24,029	106,077	100,812
Total salaries and related expenses	56,197	100,685	132,552	95,249	188,749	195,934	726,675	676,721
Research grant expense							333,038	352,773
Research grants funded by affiliates							(50,000)	(50,000)
Professional fees	92,138	55,627	5,400	18,750	97,538	74,377	227,855	177,830
Office expense	50,142	45,638	21,100	23,324	71,242	68,962	90,802	84,052
In-kind professional services		39,977				39,977	95,875	77,451
Transportation	84	14	1,699	14,206	1,783	14,220	44,325	69,320
Printing and publications	289	506	7,269	1,776	7,558	2,282	26,510	25,989
Dues and fees	3,840	4,386	1,200	75	5,040	4,461	12,918	9,274
Insurance	4,379	4,067			4,379	4,067	4,979	8,691
Telephone	1,029	1,018			1,029	1,018	1,724	3,166
Training and education			646		646		646	
Public relations	714	455	212		926	455	926	1,475
Audio visual			320	320	320	320	1,319	320
Event cost				7,716		7,716		7,716
Total expenses	\$ 208,812	\$ 252,373	\$ 170,398	\$ 161,416	\$ 379,210	\$ 413,789	\$ 1,517,592	\$ 1,444,778

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

THE BARTH SYNDROME FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2023 and 2022

1. Nature of the Organization

The Barth Syndrome Foundation, Inc. (the Organization) is a not-for-profit organization incorporated under the laws of the State of Delaware on September 8, 2000 to be operated for the following purposes: a) to support and educate families with children suffering from Barth syndrome; b) to fund and facilitate research addressing the causes, diagnosis, treatments, and cure of Barth syndrome; and c) to raise physician awareness regarding Barth syndrome. The Organization has entered into licensing agreements with several not-for-profit entities dedicated to Barth syndrome in other countries. The agreements allow for each of these entities (the affiliates) to use The Barth Syndrome Foundation, Inc. brand in their various communications and to share in the Organization's programs including the biennial International Barth Syndrome Scientific, Medical and Family Conference, newsletters, websites and research and development initiatives, among others.

2. Summary of significant accounting policies

Basis of presentation

The financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles (U.S. GAAP), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

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

Measure of operations

The statement of activities reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to the Organization's ongoing services and interest and dividend income earned on investments. Nonoperating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and cash equivalents

Cash and cash equivalents consist of demand deposit accounts with maturities of three months or less. Money market funds, held as a portion of the Organization's investment portfolio, are classified as investments and are not considered to be cash equivalents for purposes of the statement of cash flows.

THE BARTH SYNDROME FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2023 and 2022

2. Summary of significant accounting policies (continued)

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the balance sheet.

Fair value measurement

U.S. GAAP establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy are as follows:

Level 1 - Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date;

Level 2 - Inputs other than quoted prices that are observable for the assets or liability either directly or indirectly, including inputs that are not considered to be active;

Level 3 - Inputs that are unobservable.

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, volatility statistics, specific and broad criteria data, liquidity statistics, and other factors. An investment's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. However, the determination of what constitutes "observable" requires significant judgment by the Organization. The Organization considers observable data to be that market data which is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, provided by multiple, independent sources that are actively involved in the relevant market. The categorization of an investment within the hierarchy is based upon the pricing transparency of the investment and does not necessarily correspond to the Organization's perceived risk of that investment.

The following is a description of the valuation methodologies used for assets measured at fair value.

Money market funds, fixed-income securities and equities - Valued at the closing price reported on the active market on which the individual securities are traded.

Convertible Promissory Note - There are no observable inputs and certain of the underlying investments are not publicly traded and there is no secondary market for such funds. These funds are valued by the managers of the underlying funds at the NAV of shares held by the Organization at year end or other pricing methodologies.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

THE BARTH SYNDROME FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2023 and 2022

2. Summary of significant accounting policies (continued)

Grants 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. Conditional promises to give are not included as support until the conditions are met.

Allowance for credit losses

The Organization uses the allowance method to account for uncollectible grants receivable. The allowance for credit losses is based on prior years' experience and management's analysis of possible bad debt. As of December 31, 2023 and 2022, the Organization determined that an allowance was not necessary.

Recent accounting pronouncements

In June 2016, the FASB issued ASU 2016-13, Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, which affects all entities that hold financial assets and net investment in leases that are not accounted for at fair value through net income. The ASU is effective for fiscal years beginning after December 15, 2022, with early adoption permitted. The Organization adopted ASU 2016-13 effective January 1, 2023 and the pronouncement did not have a material effect on the Organization's financial statements.

Revenue recognition

The Organization recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. 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. 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 statement of activities as net assets released from restrictions. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met.

The Organization receives grants from its affiliate organizations to fund a portion of the grants the Organization pays to the grantees. This revenue is recognized when the grants are committed to being paid by the affiliate organizations.

The Organization recognizes revenue from conferences when the event takes place. Conferences are generally held every other year. Amounts received prior to the commencement of the conference, including deposits, are deferred to the applicable period.

THE BARTH SYNDROME FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2023 and 2022

2. Summary of significant accounting policies (continued)

Revenue recognition (continued)

Contribution of nonfinancial assets

The Organization receives donated services from specialized providers and other volunteers that create or enhance non-financial assets and allow the Organization to fulfill its mission. Donated specialized services have been recognized on the accompanying financial statements at their fair value at the date of donation and are reported as support without donor restrictions unless explicit donor stipulations specify how donated assets must be used. These donated services require professional skills, and would typically need to be purchased if not provided by donation. Such specialized donated services amounted to \$95,875 and \$77,451 as of December 31, 2023 and 2022, respectively. (See Note 9).

Functional allocation of expenses

The costs of providing various programs and support services have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, natural expenses attributable to more than one functional expense category are allocated using a variety of cost allocation techniques such as time and effort, and square footage.

Income taxes

The Organization is a tax-exempt organization as defined by Section 501(c)(3) of the Internal Revenue Code, though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. The Organization is also exempt from New York State income taxes. The Organization has procedures 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. The Organization has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

Reclassifications

Certain amounts in the 2022 financial statements have been reclassified to conform to the 2023 presentation.

3. Risks and uncertainties

Concentrations of credit risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash, accounts receivable, grants receivable and investments. The Organization maintains its cash in bank deposit accounts, the balances of which, at times, may exceed federally insured limits. Investments are exposed to various risks. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the value of investments will occur in the near term and that such changes could materially affect the amount reported on the financial statements.

Concentrations of credit risk with respect to grants receivable are limited due to the fact that they are mainly from established foundations and the short payment terms the Organization has with its creditors. The Organization has not experienced, nor does it anticipate, any losses with respect to such accounts.

THE BARTH SYNDROME FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2023 and 2022

4. Availability and liquidity

The following represents the Organization's financial assets at December 31, 2023:

Financial assets at year-end:

Cash	\$ 460,296
Investments	<u>4,982,899</u>
Total financial assets	<u>5,433,195</u>

Less amounts not available to be used within one year:

Net assets with donor restrictions	3,963,173
Less net assets with purpose restrictions to be met in less than a year	<u>(250,000)</u>
	<u>3,723,173</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,710,022</u>

The Organization's goal is generally to maintain financial assets to meet 90 days of operating expenses, net of in-kind (approximately \$380,000). As part of its liquidity plan, excess cash is invested in short-term investments, including money market accounts. In addition to their available financial assets, a significant portion of the Organization's annual expenditures will be funded by current year operating revenues including grants and contributions.

THE BARTH SYNDROME FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2023 and 2022

5. Investments

Investment securities are stated at fair value and summarized as follows at December 31:

	2023	2022
Cash and money market	\$ 810,405	\$ 574,785
Equities	1,660,527	1,341,130
Fixed income	2,486,967	2,599,117
Convertible Promissory Note	25,000	25,000
	<u>\$ 4,982,899</u>	<u>\$ 4,540,032</u>

The following schedule summarizes the investment return and its classification in the statement of activities for the years ended December 31:

	2023	2022
Investments:		
Interest and dividend income	\$ 131,351	\$ 71,589
Realized and unrealized gain (loss)	333,995	(789,759)
	<u>\$ 465,346</u>	<u>\$ (718,170)</u>

6. Fair value measurement

The classifications of the Organization's investment securities at fair value are as follows at December 31, 2023:

	Level 1	Level 2	Level 3	Total
Money market funds	\$ 810,405	\$	\$	\$ 810,405
Equities	1,660,527			1,660,527
Fixed income	2,496,967			2,496,967
Convertible promissory note			25,000	25,000
	<u>\$ 4,957,899</u>	<u>\$</u>	<u>\$ 25,000</u>	<u>\$ 4,982,899</u>

The classifications of the Organization's investment securities at fair value are as follows at December 31, 2022:

	Level 1	Level 2	Level 3	Total
Money market funds	\$ 574,785	\$	\$	\$ 574,785
Equities	1,341,130			1,341,130
Fixed income	2,599,117			2,599,117
Convertible promissory note			25,000	25,000
	<u>\$ 4,515,032</u>	<u>\$</u>	<u>\$ 25,000</u>	<u>\$ 4,540,032</u>

THE BARTH SYNDROME FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2023 and 2022

7. Commitments

Research grants payable as of December 31, 2023 and 2022 consists of amounts awarded but not paid, of \$84,650 and \$243,049, respectively. All are due to be paid within the next 12 to 24 months.

The Organization is committed to research grants awarded subsequent to year-end, up to the amount of \$289,519 and \$249,854, of which \$70,000 is committed to be funded by affiliates (see Note 11).

8. Net assets

Net assets were as follows for the years ended December 31, 2023 and 2022:

	2023			2022		
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total
Undesignated	\$ 1,322,181	\$	\$ 1,322,181	\$ 998,736	\$	\$ 998,736
Specific purpose:						
Restricted for Arrhythmia		10,150	10,150		43,394	43,394
Science and Medicine		157,192	157,192		136,592	136,592
Family Services Fund		30,684	30,684			
Therapy Fund		3,765,147	3,765,147		3,834,608	3,834,608
Total net assets	<u>\$ 1,322,181</u>	<u>\$ 3,963,173</u>	<u>\$ 5,285,354</u>	<u>\$ 998,736</u>	<u>\$ 4,014,594</u>	<u>\$ 5,013,330</u>

Releases from net assets with donor restrictions are as follows at December 31:

	2023	2022
Satisfaction of purpose restrictions:		
Therapy Fund	\$ 173,266	\$ 182,400
Restricted for Arrhythmia	33,244	56,606
	<u>\$ 206,510</u>	<u>\$ 239,006</u>

THE BARTH SYNDROME FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2023 and 2022

9. Contributed nonfinancial assets

Donated legal services have been recognized as support and revenue; and, related expense on the accompanying financial statements. Donated services require professional skills, and would typically be purchased if not provided by donation, and are valued based on current rates for similar services. The Organization received contributed legal services from an attorney as well as other professional services which were valued based on current rates for similar legal and other professional services during the years ended December 31, 2023 and 2022, respectively. These are reported as part of in-kind professional services in the statement of functional expenses.

	2023			
	Program services	Management and general	Fundraising	Total
In-kind professional services - advocacy and awareness	\$ 95,875	\$	\$	\$ 95,875
	<u>\$ 95,875</u>	<u>\$</u>	<u>\$</u>	<u>\$ 95,875</u>
	2022			
	Program services	Management and general	Fundraising	Total
In-kind professional services - Legal services	\$ 37,474	\$ 39,977	\$	\$ 77,451
	<u>\$ 37,474</u>	<u>\$ 39,977</u>	<u>\$</u>	<u>\$ 77,451</u>

10. Major sources of support

For the year ended December 31, 2023, two donors accounted for approximately 16% of total support and revenues. For the year ended December 31, 2022, two donors accounted for approximately 23% of total support and revenues.

11. Research grant expenses

The Organization, as part of its mission to fund and facilitate research addressing the causes, diagnosis, treatment, and cure of Barth syndrome, commits to certain research grants which it records as research grants payable on the balance sheet, upon approval of the award. The related research grant award is reported on the statement of functional expenses to reflect the full grant expenditure amount of \$333,038 and \$352,773 for the years ended December 31, 2023 and 2022, respectively. From time to time, the Organization subsequently receives assistance from affiliated entities to cover portions of the research grant awards. These amounts have been recorded on the statement of functional expenses as research grants funded by affiliates, which are presented as a contra expense in the amount of \$50,000 for each of the years ended December 31, 2023 and 2022.

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12. Subsequent events

The Organization has evaluated subsequent events through April 18, 2024 which is the date the financial statements were available to be issued. The Organization is not aware of any material subsequent events.