

**UNITED LEUKODYSTROPHY
FOUNDATION, INC.**

**FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2021 AND 2020**

TOGETHER WITH AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

To the Board of Governors of
United Leukodystrophy Foundation, Inc.

Opinion

We have audited the accompanying financial statements of United Leukodystrophy Foundation, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021 and 2020, 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 United Leukodystrophy Foundation, Inc. as of December 31, 2021 and 2020, 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.

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 United Leukodystrophy Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibility 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.

Independent Auditor's Report
To the Board of Governors of
United Leukodystrophy Foundation, Inc.
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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 United Leukodystrophy Foundation'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 United Leukodystrophy Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of public support is presented for purposes of additional analysis and is 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 to the 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 financial statements as a whole.



DUGAN & LOPATKA

Warrenville, Illinois
March 21, 2022

UNITED LEUKODYSTROPHY FOUNDATION, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2021 AND 2020

<u>A S S E T S</u>	<u>2021</u>	<u>2020</u>
CURRENT ASSETS:		
Cash and cash equivalents	\$ 241,727	\$ 439,980
Accounts receivable,	-	750
Prepaid expenses	7,240	7,221
Total current assets	<u>248,967</u>	<u>447,951</u>
OTHER ASSETS:		
Investments	<u>1,392,526</u>	<u>931,328</u>
PROPERTY AND EQUIPMENT:		
Office equipment	21,003	21,003
(Less) - accumulated depreciation	<u>(21,003)</u>	<u>(20,873)</u>
Net property and equipment	<u>-</u>	<u>130</u>
Total assets	<u><u>\$ 1,641,493</u></u>	<u><u>\$ 1,379,409</u></u>
 <u>LIABILITIES AND NET ASSETS</u> 		
CURRENT LIABILITIES:		
Accounts payable	\$ 6,864	\$ 2,251
Accrued expenses	6,715	1,804
Deferred revenue	<u>3,192</u>	<u>-</u>
Total current liabilities	<u>16,771</u>	<u>4,055</u>
NET ASSETS:		
Without donor restrictions	719,537	583,070
With donor restrictions	<u>905,185</u>	<u>792,284</u>
Total net assets	<u>1,624,722</u>	<u>1,375,354</u>
Total liabilities and net assets	<u><u>\$ 1,641,493</u></u>	<u><u>\$ 1,379,409</u></u>

The accompanying notes are an integral part of this statement.

UNITED LEUKODYSTROPHY FOUNDATION, INC.
STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restriction	With Donor Restriction	Total
REVENUE AND PUBLIC SUPPORT:						
Contributions	\$ 290,773	\$ -	\$ 290,773	\$ 464,979	\$ -	\$ 464,979
Conference fees	145,215	-	145,215	142,652	-	142,652
Research contributions	-	131,129	131,129	-	41,975	41,975
Subscription fees	3,625	-	3,625	886	-	886
Fundraising, net direct benefit to donor	1,649	-	1,649	9,273	-	9,273
Interest and dividend income, net	19,015	24,115	43,130	5,571	13,815	19,386
Debt forgiveness	-	-	-	10,300	-	10,300
Net assets released from restrictions	84,011	(84,011)	-	41,863	(41,863)	-
Total revenue	544,288	71,233	615,521	675,524	13,927	689,451
FUNCTIONAL EXPENSES:						
Program and services	284,697	-	284,697	235,019	-	235,019
Management and general	75,904	-	75,904	70,138	-	70,138
Fundraising	76,589	-	76,589	16,521	-	16,521
Total functional expenses	437,190	-	437,190	321,678	-	321,678
Change in net assets before investment activity	107,098	71,233	178,331	353,846	13,927	367,773
Net appreciation on investments	29,369	41,668	71,037	22,059	55,359	77,418
CHANGE IN NET ASSETS	136,467	112,901	249,368	375,905	69,286	445,191
NET ASSETS, Beginning of year	583,070	792,284	1,375,354	207,165	722,998	930,163
NET ASSETS, End of year	\$ 719,537	\$ 905,185	\$ 1,624,722	\$ 583,070	\$ 792,284	\$ 1,375,354

The accompanying notes are an integral part of this statement.

UNITED LEUKODYSTROPHY FOUNDATION, INC.
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 249,368	\$ 445,191
Adjustments to reconcile change in net assets provided by operating activities:		
Depreciation	130	189
Net (appreciation) on investments	(71,037)	(77,418)
Changes in assets and liabilities -		
(Increase) decrease in accounts receivable	750	(750)
(Increase) in prepaid expenses	(19)	(4,473)
Increase (decrease) in accounts payable	4,613	(4,887)
Increase in accrued expenses	4,911	13
Increase in deferred revenue	3,192	-
	<u>191,908</u>	<u>357,865</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments	(749,747)	(331,616)
Proceeds from sale of investments	359,586	311,232
	<u>(390,161)</u>	<u>(20,384)</u>
NET INCREASE IN CASH	(198,253)	337,481
CASH AND CASH EQUIVALENTS, Beginning of year	<u>439,980</u>	<u>102,499</u>
CASH AND CASH EQUIVALENTS, End of year	<u>\$ 241,727</u>	<u>\$ 439,980</u>

The accompanying notes are an integral part of this statement.

UNITED LEUKODYSTROPHY FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021

	Program Services		Program Total	Management and General	Fundraising	Direct Benefit to Donor	Total
	Education	Research					
SALARIES AND RELATED EXPENSES							
Salaries and wages	\$ 56,491	\$ 8,620	\$ 65,111	\$ 41,675	\$ 38,839	\$ -	\$ 145,625
Payroll taxes	5,137	781	5,918	3,787	3,535	-	13,240
Workers compensation	260	40	300	191	179	-	670
Total salaries and related expenses	61,888	9,441	71,329	45,653	42,553	-	159,535
PROGRAM EXPENSE							
Bank fees	-	-	-	194	2,076	-	2,270
Depreciation	-	-	-	130	-	-	130
Dues and subscription, and filing fees	332	300	632	300	7,843	-	8,775
Gifts	-	-	-	139	-	-	139
Insurance	1,833	279	2,112	1,351	1,261	-	4,724
Miscellaneous	167	25	192	124	115	-	431
Postage	4,360	169	4,529	817	10,236	-	15,582
Printing and educational materials	4,062	-	4,062	-	3,528	-	7,590
Professional fees	28,668	346	29,014	18,308	1,566	-	48,888
Promotion and advertising	352	-	352	-	100	-	452
Supplies	995	151	1,146	734	685	-	2,565
Telephone	880	134	1,014	648	606	-	2,268
Total program expenses	41,649	1,404	43,053	22,745	28,016	-	93,814
TECHNOLOGY	11,784	651	12,435	3,157	2,948	-	18,540
SPECIAL PROJECTS							
Benefit drawing and prizes	-	-	-	-	-	1,660	1,660
Newsletter	2,410	-	2,410	-	-	-	2,410
Reserch grant	-	68,000	68,000	-	-	-	68,000
Total special projects	2,410	68,000	70,410	-	-	1,660	72,070
OCCUPANCY							
Rent	3,890	591	4,481	3,280	2,677	-	10,438
Utilities	575	87	662	423	395	-	1,480
Total occupancy	4,465	678	5,143	3,703	3,072	-	11,918
TRAVEL AND MEETING EXPENSES							
Travel	-	-	-	435	-	-	435
Meals and entertainment	-	-	-	211	-	-	211
Other conference and meeting	82,327	-	82,327	-	-	-	82,327
Total travel and meeting expenses	82,327	-	82,327	646	-	-	82,973
TOTAL FUNCTIONAL EXPENSES	\$ 204,523	\$ 80,174	\$ 284,697	\$ 75,904	\$ 76,589	\$ 1,660	\$ 438,850

The accompanying notes are an integral part of this statement.

UNITED LEUKODYSTROPHY FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020

	Program Services		Program Total	Management and General	Fundraising	Direct Benefit to Donor	Total
	Education	Research					
SALARIES AND RELATED EXPENSES							
Salaries and wages	\$ 75,280	\$ -	\$ 75,280	\$ 1,619	\$ 4,047	\$ -	\$ 80,946
Payroll taxes	6,115	-	6,115	131	329	-	6,575
Workers compensation	490	-	490	-	-	-	490
Total salaries and related expenses	81,885	-	81,885	1,750	4,376	-	88,011
PROGRAM EXPENSE							
Bank fees	-	-	-	3,509	-	-	3,509
Depreciation	170	-	170	10	9	-	189
Dues, subscription, and filing fees	4,693	-	4,693	-	4,693	-	9,386
Gifts	-	-	-	139	-	-	139
Insurance	-	-	-	6,888	-	-	6,888
Miscellaneous	-	-	-	25	-	-	25
Postage	2,622	-	2,622	2,325	-	-	4,947
Printing and educational materials	2,525	-	2,525	6,183	-	-	8,708
Professional fees	2,662	-	2,662	45,255	5,324	-	53,241
Promotion and advertising	-	-	-	665	-	-	665
Supplies	2,876	-	2,876	339	169	-	3,384
Telephone	2,735	-	2,735	210	60	-	3,005
Total program expenses	18,283	-	18,283	65,548	10,255	-	94,086
TECHNOLOGY	16,918	-	16,918	940	940	-	18,798
SPECIAL PROJECTS							
Benefit drawing and prizes	-	-	-	-	-	8,986	8,986
Newsletter	4,572	-	4,572	-	-	-	4,572
Research grant	-	66,000	66,000	-	-	-	66,000
Total special projects	4,572	66,000	70,572	-	-	8,986	79,558
OCCUPANCY							
Rent	10,064	-	10,064	1,772	886	-	12,722
Utilities	1,092	-	1,092	128	64	-	1,284
Total occupancy	11,156	-	11,156	1,900	950	-	14,006
TRAVEL AND MEETING EXPENSES							
Travel	1,009	-	1,009	-	-	-	1,009
Meals and entertainment	1,413	-	1,413	-	-	-	1,413
Other conference and meeting	33,783	-	33,783	-	-	-	33,783
Total travel and meeting expenses	36,205	-	36,205	-	-	-	36,205
TOTAL FUNCTIONAL EXPENSES	\$ 169,019	\$ 66,000	\$ 235,019	\$ 70,138	\$ 16,521	\$ 8,986	\$ 330,664

The accompanying notes are an integral part of this statement.

UNITED LEUKODYSTROPHY FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

(1) NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Nature of Business -

United Leukodystrophy Foundation, Inc. (the Organization), is an Indiana not-for-profit organization founded on June 15, 1982. The Organization provides voluntary health services to the patients and their families with information about their disease and assistance in identifying sources of medical care, social services, and genetic counseling.

The Organization works to establish a communication network among families, as well as increase public awareness and act as an information source for health care providers by promoting and supporting research into causes, treatment, and prevention of leukodystrophies.

The financial statements were available to be issued on March 21, 2022, with subsequent events being evaluated through this date.

The following summarizes the significant account policies and practices reflected in the accompanying financial statements.

Basis of Accounting -

The accounting records of the Organization are maintained on the accrual basis of accounting which recognizes revenue when earned and expenses as they are incurred.

Basis of Presentation -

The financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles (GAAP). Under GAAP, the Organization is required to report information regarding its financial position and activities according to two classes of net assets which are: without donor restrictions and with donor restrictions.

Without donor restrictions - Net assets that are not subject to donor-imposed stipulations and may be expensed for any purpose in performing the primary objectives of the Foundation. These net assets may be used at the discretion of management and the board of directors.

With donor restrictions - Net assets subject to donor-imposed stipulations. Some donor restrictions are temporary in nature; those restrictions will be met either by actions of the Foundation and/or the passage of time. Other donor restrictions are perpetual in nature, where the donor has stipulated the funds be maintained in perpetuity.

Cash and Cash Equivalents -

For purposes of the statement of cash flows, cash is defined as cash on hand, amounts held at financial institutions, and short-term, highly liquid investments that are readily convertible to known amounts of cash. The Organization considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

(1) NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:
(Continued)

Accounts Receivable -

Receivables are reported at the amount management expects to collect on balances outstanding at year end. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of the individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. Changes in the valuation allowance have not been material to the financial statements.

Investments -

The Organization carries investments in marketable securities (including corporate bonds and notes, corporate stock, and mutual funds), with readily determinable fair values at their fair values in the statement of financial position. Money market funds included in the investment portfolio are reported at cost, which approximates fair value, and are included as investments in the statement of financial position. Unrealized gains and losses are included in revenue in the accompanying statement of activities. Investment income is reported net of external investment expenses.

Property and Equipment -

Property and equipment are stated at cost or fair value if contributed. The Organization capitalizes all acquisitions of property and equipment, in excess of \$1,000 or more, and a useful life when acquired for more than one year. Depreciation is provided on the straight-line method over the estimated useful lives of the assets. Depreciation expense is \$130 and \$189 for the years ended December 31, 2021 and 2020, respectively.

Revenue Recognition for Contributions -

The Organization recognizes contributions when cash, securities, or other assets, an unconditional promise to give, or a notification of a beneficial interest are received. 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 reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the assets, or if they are designated as support for future periods. When a donor 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. Donor-restricted contributions, whose restrictions are met in the same period as received, are shown as contributions without donor restrictions on the statement of activities.

(1) NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:
(Continued)

Conferences Fees -

The Organization hosts an annual conference with medical professionals for families to participate in educational seminars about leukodystrophy. The performance obligation is the delivery of the event, and the price event fee is set by the Organization. Revenues from conferences are recognized at the time of the associated event.

Subscription Fees -

The Organization started offering subscriptions for a quarterly printed newsletter in 2021. The organization offers varying levels of subscriptions; one year, five years or lifetime subscriptions. Revenues from subscription fees are recognized at the time of publication of the newsletters. The Organization records deferred revenue when deposits for the newsletter's subscriptions are received and recognizes the revenue as the newsletters are published. Deferred revenue related to subscription revenues was \$3,192 as of December 31, 2021.

Income Taxes -

The Organization qualifies for exemption from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and is classified as other than a private foundation.

Use of Estimates -

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

Functional Allocation of Expenses -

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and wages, payroll taxes, marketing, occupancy, meetings and seminars, and other expenses which are allocated on the basis of estimates of time and effort.

(2) FAIR VALUE MEASUREMENTS:

The Organization's investments are reported at fair value in the statements of financial position. The methods used to measure fair value may produce an amount that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although The Organization believes its valuation methods are appropriate and consistent with methods used by 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.

(2) FAIR VALUE MEASUREMENTS: (Continued)

The fair value measurement accounting literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels:

Level 1: Inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority.

Level 2: Inputs consist primarily of quoted prices for similar assets.

Level 3: Inputs are unobservable and have the lowest priority. The Organization uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments.

Following is a description of the valuation methodologies used for assets measured at fair value:

Mutual Funds - Valued at the daily closing price as reported by the fund. Mutual funds held by The Organization are open-ended mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value and to transact at that price. The mutual funds held by The Organization are deemed to be actively traded.

On December 31, 2021 and 2020, investments are stated at fair value and consist primarily of mutual funds as follows:

	<u>2021</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual Funds				
Fixed income	\$ 496,331	\$ -	\$ -	\$ 496,331
Equities	627,535	-	-	627,535
Alternative	<u>153,256</u>	<u>-</u>	<u>-</u>	<u>153,256</u>
Total assets at fair value	<u>\$ 1,277,122</u>	<u>\$ -</u>	<u>\$ -</u>	1,227,122
Cash equivalents at cost				<u>115,404</u>
Total investments				<u>\$ 1,392,526</u>
	<u>2020</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual Funds				
Fixed income	\$ 352,741	\$ -	\$ -	\$ 352,741
Equities	456,571	-	-	456,571
Alternative	<u>87,319</u>	<u>-</u>	<u>-</u>	<u>87,319</u>
Total assets at fair value	<u>\$ 896,631</u>	<u>\$ -</u>	<u>\$ -</u>	896,631
Cash equivalents at cost				<u>34,697</u>
Total investments				<u>\$ 931,328</u>

(3) NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions are restricted for the following purpose on December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Program endowment	\$ 131,109	\$ 129,517
Research and grants endowment	721,158	662,767
Family Assistance endowment	<u>52,918</u>	<u>-</u>
Total net assets with donor restrictions	<u>\$ 905,185</u>	<u>\$ 792,284</u>

(4) LEASE COMMITMENT:

The Organization leases its office space under an operating lease, with monthly rent of \$667 that expires July 8, 2022. The Organization also rents event space for conferences under short-term rental agreements. Rent expense is \$10,438 and \$12,772, for the years ended December 31, 2021 and 2020, respectively. Future minimum lease payment are as follows:

2022	<u>\$ 4,002</u>
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(5) CONCENTRATION OF CONTRIBUTION REVENUE:

For the year ended December 31, 2021, approximately 16% of total contributions came from one donor as a bequest.

(6) ENDOWMENT:

The Organization's endowment consists of three endowment funds established to support education, family assistance and research programs. The endowment includes both donor-restricted endowment fund and funds designated by the Board of Directors to function as endowments (board-designated endowment funds). As required by U.S. GAAP, net assets associated with endowment funds, including board-designated endowment funds, are classified, and reported based on the existence or absence of donor-imposed restrictions. The Organization's Board of Directors has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds unless there are explicit donor stipulations to the contrary.

As a result of this interpretation, the Organization classifies as with donor-restricted net assets: (a) the original value of gifts donated to the donor-restricted endowment, (b) the original value of subsequent gifts to the donor-restricted endowment, and (c) accumulations to the donor-restricted endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund is classified as with donor-restricted net assets for time or the purpose, until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

(6) ENDOWMENT:

In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Foundation, and (7) the Foundation's investment policies.

The composition of net assets by type of endowment funds on December 31, 2021 and 2020, is as follows:

	<u>2021</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Board-designated endowment funds	\$ 487,341	\$ -	\$ 487,341
Donor-restricted endowment funds:			
Donor-restricted gifts	-	405,185	405,185
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	<u>-</u>	<u>500,000</u>	<u>500,000</u>
	<u>\$ 487,341</u>	<u>\$ 905,185</u>	<u>\$ 1,392,526</u>
	<u>2020</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Board-designated endowment funds	\$ 139,044	\$ -	\$ 139,044
Donor-restricted endowment funds:			
Donor-restricted gifts	-	292,284	292,284
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	<u>-</u>	<u>500,000</u>	<u>500,000</u>
	<u>\$ 139,044</u>	<u>\$ 792,284</u>	<u>\$ 931,328</u>

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Organization has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. There were no underwater endowments as of December 31, 2021 and 2020.

(6) ENDOWMENT: (Continued)

Changes in endowment net assets for the years ended December 31, 2021 and 2020, are as follows:

	<u>2021</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 139,044	\$ 792,284	\$ 931,328
Investment return			
Net interest and dividend income	19,015	24,115	59,141
Net depreciation, realized and unrealized	29,369	41,668	71,037
Contributions	-	131,129	115,118
Board designation to move			
Contribution to endowment	299,913	-	299,913
Appropriation of endowment assets for expenditure	<u>-</u>	<u>(84,011)</u>	<u>(84,011)</u>
Endowment net assets, end of year	<u>\$ 487,341</u>	<u>\$ 905,185</u>	<u>\$ 1,392,526</u>
	<u>2020</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 110,528	\$ 722,998	\$ 833,526
Investment return			
Net interest and dividend income	5,571	13,815	19,386
Net depreciation, realized and unrealized	22,059	55,359	77,418
Contributions	-	41,975	41,975
Board designation to move			
Contribution to endowment	886	-	886
Appropriation of endowment assets for expenditure	<u>-</u>	<u>(41,863)</u>	<u>(41,863)</u>
Endowment net assets, end of year	<u>\$ 139,044</u>	<u>\$ 792,284</u>	<u>\$ 931,328</u>

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs and other items supported by its endowment while seeking to maintain the purchasing power of the endowment.

Endowment assets include those assets of the donor-restricted endowment funds the Organization must hold in perpetuity or for donor-specified periods, as well as those of board-designated endowment funds. Under the Organization's policies, endowment assets are invested in a manner that is intended to produce the highest level of return while assuming a moderate level of investment risk. The Organization expects its endowment funds to provide an average rate of return of approximately 8% annually over time. Actual returns in any given year may vary from this amount.

(6) ENDOWMENT: (Continued)

To satisfy its long-term rate of return objective, the Organization relies on a total return strategy in which investment returns are achieved through both current yield (investment income such as dividends and interest) and capital appreciation (both realized and unrealized). The Organization targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objective within prudent risk constraints.

The Organization has a policy (the spending policy) of appropriating for expenditure each year 10% of its endowment fund's average fair value over the prior 12 quarters through the year end preceding the year in which expenditure is planned. This distribution is intended to support operations as well as cover investment-related fees and expenses. In establishing this policy, the Organization considered the long-term expected return on its endowment. This is consistent with the Organization's objective to maintain the purchasing power of the endowment assets held in perpetuity, or for a specified term, as well as to provide additional real growth through new gifts and investment return.

(7) LIQUIDITY AND AVAILABILITY:

	<u>2021</u>	<u>2020</u>
Financial assets -		
Cash and cash equivalents	\$ 241,727	\$ 439,980
Investments	1,392,526	931,328
Accounts receivable	<u>-</u>	<u>750</u>
Total financial assets	<u>1,634,253</u>	<u>1,372,058</u>
Less amounts not available to be used within one year:		
Net assets with donor restriction	(905,185)	(792,284)
Net assets with board designations	<u>(487,341)</u>	<u>(139,044)</u>
	(1,392,526)	(931,328)
Financial assets available to meet cash needs for general expenditures; that is, without donor or other restrictions limiting their use within one year	<u>\$ 241,727</u>	<u>\$ 440,730</u>

The Organization manages its liquidity and reserves the following three guiding principles:

- operating within a prudent range of financial soundness and stability.
- maintaining adequate liquid assets to fund near-term operating needs.
- maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged.

UNITED LEUKODYSTROPHY FOUNDATION, INC.
SCHEDULE OF PUBLIC SUPPORT
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
GENERAL CONTRIBUTIONS						
Contributions	258,525	\$ -	\$ 258,525	215,925	\$ -	\$ 215,925
Memorials	26,774	-	26,774	241,106	-	241,106
Outside fundraiser	5,474	-	5,474	7,948	-	7,948
Total general contribution	290,773	-	290,773	464,979	-	464,979
CONFERENCES						
National conference fees	2,280	-	2,280	-	-	-
Sponsorships and exhibitors	142,935	-	142,935	142,652	-	142,652
Total conferences	145,215	-	145,215	142,652	-	142,652
RESEARCH CONTRIBUTIONS						
ALD/AMN programs	-	31,350	31,350	-	8,200	8,200
MLD programs	-	200	200	-	3,623	3,623
CTX research programs	-	156	156	-	540	540
Globoid cell krabbes program	-	3,800	3,800	-	900	900
Research endowment	-	40,495	40,495	-	27,573	27,573
General research	-	38,050	38,050	-	-	-
Family Assistance endowment	-	15,486	15,486	-	-	-
Program services endowment	-	1,592	1,592	-	1,139	1,139
Total research contributions	-	131,129	131,129	-	41,975	41,975
MEMERHIPS						
Family	-	-	-	660	-	660
Professional	-	-	-	100	-	100
Newsletter subscription	3,625	-	3,625	126	-	126
Total memberships	3,625	-	3,625	886	-	886
FUNDRAISING						
Miscellaneous	1,649	-	1,649	7,109	-	7,109
Benefit drawing	-	-	-	2,164	-	2,164
Total fundraising	1,649	-	1,649	9,273	-	9,273
INTEREST AND DIVIDEND INCOME						
	-	43,130	43,130	-	19,386	19,386
OTHER INCOME, debt forgiveness						
	-	-	-	10,300	-	10,300
TOTAL PUBLIC SUPPORT	\$ 441,262	\$ 174,259	\$ 615,521	\$ 628,090	\$ 61,361	\$ 689,451