

IMMUNE DEFICIENCY FOUNDATION

**YEARS ENDED
DECEMBER 31, 2023 AND 2022**



Brown Plus

ACCOUNTANTS + ADVISORS

IMMUNE DEFICIENCY FOUNDATION

YEARS ENDED DECEMBER 31, 2023 AND 2022

TABLE OF CONTENTS

	Page
Independent auditor's report	1-2
Financial statements:	
Statements of financial position	3-4
Statements of activities	5-6
Statements of functional expenses	7-8
Statements of cash flows	9-10
Notes to financial statements	11-21

Independent Auditor's Report

Board of Trustees
Immune Deficiency Foundation
Hanover, Maryland

Opinion

We have audited the financial statements of Immune Deficiency Foundation (a nonprofit organization), which comprise the statements of financial position as of December 31, 2023 and 2022 and the related statements of activities, functional expenses and cash flows 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 Immune Deficiency Foundation 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 (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Immune Deficiency Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not absolute assurance; and therefore, is not a guarantee that an audit conducted in accordance with GAAS 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 judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, 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 Immune Deficiency 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 the Immune Deficiency 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.

Brown Plus

Frederick, Maryland
June 24, 2024

IMMUNE DEFICIENCY FOUNDATION

STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2023 AND 2022

ASSETS

	<u>2023</u>	<u>2022</u>
Current assets:		
Cash and cash equivalents	\$ 1,346,127	\$ 1,250,364
Investments	7,124,852	5,513,592
Accounts receivable	18,506	8,920
Unconditional promises to give	79,899	58,271
Prepaid expenses	<u>281,164</u>	<u>188,115</u>
Total current assets	<u>8,850,548</u>	<u>7,019,262</u>
Long-term assets:		
Investments, board designated endowment	7,173,807	6,198,759
Deposits	44,630	17,130
Property and equipment, net of accumulated depreciation of \$45,236 and \$31,001, respectively	204,524	210,537
Software, net of accumulated amortization of \$375,635 and \$221,141, respectively	214,663	196,186
Operating lease right-of-use asset, net of accumulated amortization of \$73,588 and \$14,566, respectively	<u>867,045</u>	<u>926,067</u>
Total long-term assets	<u>8,504,669</u>	<u>7,548,679</u>
Total assets	<u>\$ 17,355,217</u>	<u>\$ 14,567,941</u>

See notes to financial statements.

IMMUNE DEFICIENCY FOUNDATION

STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2023 AND 2022

LIABILITIES AND NET ASSETS

	<u>2023</u>	<u>2022</u>
Current liabilities:		
Accounts payable and accrued liabilities	\$ 308,172	\$ 306,894
Refundable advance	26,695	63,962
Current portion of operating leases	65,234	51,473
	<u>400,101</u>	<u>422,329</u>
Long-term liabilities, operating leases	<u>1,038,367</u>	<u>1,103,602</u>
Total liabilities	<u>1,438,468</u>	<u>1,525,931</u>
Net assets:		
Without donor restrictions:		
Undesignated	2,525,133	1,557,409
Board designated	11,476,624	10,164,481
	<u>14,001,757</u>	<u>11,721,890</u>
Total net assets without donor restrictions	<u>14,001,757</u>	<u>11,721,890</u>
Net assets with donor restrictions	<u>1,914,992</u>	<u>1,320,120</u>
Total net assets	<u>15,916,749</u>	<u>13,042,010</u>
Total liabilities and net assets	<u>\$ 17,355,217</u>	<u>\$ 14,567,941</u>

See notes to financial statements.

IMMUNE DEFICIENCY FOUNDATION

STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023

	Without donor restrictions	With donor restrictions	Total
Support, revenue and gains:			
Contributions and grants	\$ 5,280,018	\$ 1,790,836	\$ 7,070,854
Government grants and other contract revenue	389,872		389,872
Other income	13,090		13,090
Special events	1,196,453		1,196,453
Net investment income	1,543,192		1,543,192
Net assets released from restrictions	1,195,964	(1,195,964)	-
Total support, revenue and gains	9,618,589	594,872	10,213,461
Expenses:			
Program services:			
Medical and scientific	1,066,655		1,066,655
Patients and families	3,971,854		3,971,854
Total program services	5,038,509		5,038,509
Supporting services:			
Administration and finance	1,165,747		1,165,747
Marketing and fundraising	1,134,466		1,134,466
Total supporting services	2,300,213		2,300,213
Total expenses	7,338,722		7,338,722
Changes in net assets	2,279,867	594,872	2,874,739
Net assets:			
Beginning of year	11,721,890	1,320,120	13,042,010
End of year	\$ 14,001,757	\$ 1,914,992	\$ 15,916,749

See notes to financial statements.

IMMUNE DEFICIENCY FOUNDATION

STATEMENT OF ACTIVITIES YEAR ENDED DECEMBER 31, 2022

	Without donor restrictions	With donor restrictions	Total
Support and revenue:			
Contributions and grants	\$ 5,784,072	\$ 1,196,127	\$ 6,980,199
Government grants and other contract revenue	993,825		993,825
Other income	68,746		68,746
Special events	680,121		680,121
Net assets released from restrictions	369,053	(369,053)	-
Total support and revenue	7,895,817	827,074	8,722,891
Expenses and losses:			
Program services:			
Medical and scientific	990,379		990,379
Patients and families	4,475,038		4,475,038
Total program services	5,465,417		5,465,417
Supporting services:			
Administration and finance	1,250,232		1,250,232
Marketing and fundraising	1,156,100		1,156,100
Total supporting services	2,406,332		2,406,332
Losses:			
Net investment loss	1,610,899		1,610,899
Loss on asset disposal	40,684		40,684
Total losses	1,651,583		1,651,583
Total expenses and losses	9,523,332		9,523,332
Changes in net assets	(1,627,515)	827,074	(800,441)
Net assets:			
Beginning of year	13,349,405	493,046	13,842,451
End of year	\$ 11,721,890	\$ 1,320,120	\$ 13,042,010

See notes to financial statements.

IMMUNE DEFICIENCY FOUNDATION

STATEMENT OF FUNCTIONAL EXPENSES YEAR ENDED DECEMBER 31, 2023

	Program services			Supporting services			Total program and supporting services
	Medical and scientific	Patients and families	Total program services	Administrative and finance	Marketing and fundraising	Total supporting services	
Salaries and related expenses:							
Salaries	\$ 362,080	\$ 1,931,360	\$ 2,293,440	\$ 798,810	\$ 521,951	\$ 1,320,761	\$ 3,614,201
Employee benefits	48,446	278,403	326,849	132,519	70,333	202,852	529,701
Payroll taxes	26,964	146,937	173,901	59,537	40,591	100,128	274,029
Total salaries and related expenses	437,490	2,356,700	2,794,190	990,866	632,875	1,623,741	4,417,931
Expenses before depreciation:							
Advertising	44	9,850	9,894		17,504	17,504	27,398
Awards and grants	217,500	250	217,750				217,750
Bank fees	2,976	5,763	8,739	8,821	97,279	106,100	114,839
Consulting fees	177,656	838,723	1,016,379	22,511	55,742	78,253	1,094,632
Dues and subscriptions	17,038	115,409	132,447	21,723	32,811	54,534	186,981
Insurance	11,732	14,697	26,429	6,264	4,987	11,251	37,680
Interest				64		64	64
Occupancy	15,128	51,080	66,208	21,461	15,314	36,775	102,983
Other expenses	2,982	26,156	29,138	6,411	19,668	26,079	55,217
Office expenses	12,363	65,421	77,784	24,934	16,099	41,033	118,817
Postage and shipping	22,935	32,455	55,390		35,406	35,406	90,796
Printing and copying	19,369	54,362	73,731	447	41,592	42,039	115,770
Training, conference, conventions and meetings	88,248	253,204	341,452	20,506	117,517	138,023	479,475
Transportation/travel	17,036	61,940	78,976	7,467	23,218	30,685	109,661
Total salaries and expenses before depreciation	1,042,497	3,886,010	4,928,507	1,131,475	1,110,012	2,241,487	7,169,994
Depreciation and amortization	24,158	85,844	110,002	34,272	24,454	58,726	168,728
Total expenses	\$ 1,066,655	\$ 3,971,854	\$ 5,038,509	\$ 1,165,747	\$ 1,134,466	\$ 2,300,213	\$ 7,338,722

See notes to financial statements.

IMMUNE DEFICIENCY FOUNDATION

**STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2022**

	Program services			Supporting services			Total program and supporting services
	Medical and scientific	Services to patients and families	Total program services	Administrative and finance	Marketing and fundraising	Total supporting services	
Salaries and related expenses:							
Salaries	\$ 361,141	\$ 1,774,561	\$ 2,135,702	\$ 800,763	\$ 581,125	\$ 1,381,888	\$ 3,517,590
Employee benefits	46,318	239,220	285,538	124,246	74,526	198,772	484,310
Payroll taxes	27,196	137,878	165,074	56,846	47,126	103,972	269,046
Total salaries and related expenses	434,655	2,151,659	2,586,314	981,855	702,777	1,684,632	4,270,946
Expenses before depreciation:							
Advertising		55,227	55,227		8,125	8,125	63,352
Awards and grants	133,020		133,020				133,020
Bank fees	4,499	19,796	24,295	6,456	32,346	38,802	63,097
Consulting fees	220,512	1,409,201	1,629,713	68,486	73,768	142,254	1,771,967
Dues and subscriptions	17,867	126,657	144,524	26,039	13,374	39,413	183,937
Insurance	10,513	16,942	27,455	6,228	4,537	10,765	38,220
Interest				1,604		1,604	1,604
Occupancy	35,140	137,201	172,341	52,218	31,680	83,898	256,239
Other expenses	9,042	55,134	64,176	28,070	15,568	43,638	107,814
Office expenses	11,002	58,186	69,188	25,356	18,190	43,546	112,734
Postage and shipping	4,321	39,546	43,867	3,352	50,320	53,672	97,539
Printing and copying	12,721	55,076	67,797	1,952	43,215	45,167	112,964
Training, conference, conventions and meetings	62,707	211,125	273,832	13,449	119,617	133,066	406,898
Transportation/travel	13,302	56,992	70,294	4,916	23,581	28,497	98,791
Total salaries and expenses before depreciation	969,301	4,392,742	5,362,043	1,219,981	1,137,098	2,357,079	7,719,122
Depreciation and amortization	21,078	82,296	103,374	30,251	19,002	49,253	152,627
Total expenses	\$ 990,379	\$ 4,475,038	\$ 5,465,417	\$ 1,250,232	\$ 1,156,100	\$ 2,406,332	\$ 7,871,749

See notes to financial statements.

IMMUNE DEFICIENCY FOUNDATION

STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
Cash flows from operating activities:		
Change in net assets	\$ 2,874,739	\$ (800,441)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Amortization expense	154,494	119,301
Depreciation expense	14,234	33,326
Tenant improvement allowances		(203,567)
Donated securities	(43,157)	
Realized loss on investments	83,149	129,622
Unrealized (gain) loss on investments	(1,291,136)	1,716,418
Loss on sale of property and equipment		40,684
Investment income, net	(335,205)	(235,141)
Changes in operating accounts:		
(Increase) decrease in:		
Accounts receivable	(9,586)	(216)
Unconditional promise to give	(21,628)	363,496
Prepaid expenses	(93,049)	(20,887)
Deposits	(27,500)	(17,130)
Operating lease right-of-use asset	59,022	(926,067)
Increase (decrease) in:		
Accounts payable and accrued liabilities	1,278	(96,388)
Deferred rent		(19,864)
Refundable advance	(37,267)	63,162
Operating leases	(51,474)	1,155,075
Net cash provided by operating activities	1,276,914	1,301,383

(continued)

IMMUNE DEFICIENCY FOUNDATION

STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
Cash flows from investing activities:		
Purchases of:		
Property and equipment	\$ (8,222)	\$ (10,390)
Software	(172,971)	(37,252)
Proceeds from sales of investments	1,565,590	1,040,000
Purchases of investments	<u>(2,565,548)</u>	<u>(1,711,919)</u>
Net cash used in investing activities	<u>(1,181,151)</u>	<u>(719,561)</u>
Cash flows used in financing activities, principal payments on finance leases		<u>(20,830)</u>
Net change in cash and cash equivalents	95,763	560,992
Cash and cash equivalents:		
Beginning of year	<u>1,250,364</u>	<u>689,372</u>
End of year	<u>\$ 1,346,127</u>	<u>\$ 1,250,364</u>
Supplemental schedule of noncash financing activities:		
Reinvested investment income, net	\$ 335,205	\$ 235,141
Leasehold improvements paid by the landlord		203,567
Supplemental cash flow information:		
Interest expense paid	64	1,604

See notes to financial statements.

IMMUNE DEFICIENCY FOUNDATION

NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2023 AND 2022

1. Nature of activities and significant accounting policies:

Nature of activities:

Immune Deficiency Foundation (the Foundation) is a Delaware nonprofit organization without members, headquartered in Maryland, dedicated to improving the diagnosis, treatment and quality of life of persons with primary immunodeficiency diseases through advocacy, education and research. The Foundation gathers, coordinates and disseminates information and conducts educational campaigns in order to increase family and public awareness concerning the diseases. The Foundation also engages in fundraising activities in support of its goal, primarily sources of support and revenues are from government grants and contracts, foundation grants and individual and corporate donations and contributions.

Basis of accounting:

The financial statements of the Foundation have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities. As such, revenue is recognized when earned and expenditures when incurred.

Cash and cash equivalents:

The Foundation considers all cash and highly liquid investments with a maturity of three months or less to be cash and cash equivalents. Certificates of deposits and money market funds held for investment purposes are excluded from this classification.

Investments:

Investments in marketable securities with readily determinable market values and all investments in debt and equity securities are valued at their market values, which is the market value based on quoted market prices, when available, or market prices provided by recognized broker-dealers, with gains and losses included in the statements of activities. Investment income is recorded as income with or without donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Unrealized gains and losses are included in the change in net assets in the accompanying statements of activities.

Unconditional promises to give:

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 fair value, which is measured as the present value of their future cash flows, as management believes that this is the most accurate method of reporting the receivables and related revenues. At December 31, 2023, management expects to collect all unconditional promises to give within the next year; and therefore, the entire balance is reported as current on the statements of financial position.

Prepaid expenses:

Prepaid expenses include amounts paid for employee travel and conferences, employee benefits, rent, insurance and other items which relate to the following fiscal year.

IMMUNE DEFICIENCY FOUNDATION

NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2023 AND 2022

1. Nature of activities and significant accounting policies (continued):

Property and equipment:

Property and equipment are reported at cost, if purchased, or at fair value, if donated. Donations are reported as contributions without donor restrictions unless the donor restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use, and contributions of cash that must be used to acquire fixed assets, are reported as contributions with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Foundation reports expirations of donor restrictions when the donated or acquired assets are placed in service.

Depreciation is provided on a straight-line basis over the estimated useful lives of the depreciable assets, which range from 3 to 12 years. The Foundation generally capitalizes property and equipment, which provide benefits that have a cost, if purchased, or fair value, if donated, of greater than \$5,000.

Software:

Software and website costs are amortized over the estimated useful life of the asset, which is three years. Amortization expense totaled \$154,494 and \$119,301 for years ended December 31, 2023 and 2022, respectively.

Net assets:

The Foundation reports information regarding its financial position and activities according to two classes of net assets as follows:

Net assets without donor restrictions – Net assets without donor restrictions are resources that are currently available to support the Foundation's operations and not subject to donor-imposed restrictions.

Net assets with donor restrictions – Net assets with donor restrictions are resources that may be utilized only in accordance with the restricted purpose established by the donor. The restriction may require the passage of time or the occurrence of a specific event to trigger the release of the restriction. The Foundation considers all contributions that are designated to a particular program to be transferred to net assets without donor restrictions when the terms of the restrictions have been met.

Support and revenue:

Contributions and grants, government grants and other contract revenue and special events revenue are recognized when the donor makes a promise to give to the Foundation that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. Management has determined the Foundation's contributions and grants are considered nonexchange transactions, and therefore, are recognized when a promise to give becomes unconditional.

The Foundation also receives conditional promises to give from donors. When conditional contributions and grants are received before the applicable conditions have been met, the appropriate amount is recorded as refundable advances. Conditions will typically be met within one year, at which point the contribution will be recognized. When conditions are met before receipt of funds, the appropriate amount is recorded as an unconditional promise to give. Amounts due from various donors are deemed fully collectable.

IMMUNE DEFICIENCY FOUNDATION

NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2023 AND 2022

1. Nature of activities and significant accounting policies (continued):

Donated services:

The Foundation receives a significant amount of donated services from unpaid volunteers. No amounts relating to donated services have been recognized in the statements of activities as contributions because the criteria for recognition have not been satisfied. Contributed professional services are recognized if the services received: a) create or enhance long-lived assets or b) require specialized skills are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

Functional expenses:

The costs of providing the various programs have been summarized on a functional basis in the statements of functional expenses. The statements of functional expenses present natural classification of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Administrative and finance expenses include those expenses that are not directly identifiable with any other specific function but provide the overall support and direction of the Foundation.

Leases:

The Foundation combines and accounts for lease and nonlease components as a single lease component for leases of real estate. The discount rates related to the Foundation's lease liabilities are general based on a risk-free rate as the discount rates implicit in the Foundation's leases and the Foundation's incremental borrowing rate cannot be readily determined. The Foundation has elected the short-term lease exceptions to not recognize leases with a lease term of 12 months or less on the statements of financial position. Variable lease payments are also not included in the statements of financial position and are recognized as expense in the period when the changes in facts and circumstances on which the variable payment is based occurs.

Advertising costs:

The Foundation expenses advertising costs as incurred.

Tax-exempt status:

The Foundation is incorporated under the laws of the State of Delaware as a nonprofit organization. The Foundation has elected under provisions of Internal Revenue Code (IRC) Section 501(c)(3) and state income tax statutes to be excluded from taxes on exempt function income. Therefore, no provision is made for taxes on income. The Foundation is subject to an excise tax on excess lobbying expenditures under IRC section 4911.

The Foundation's tax returns for 2023, 2022, 2021 and 2020 are subject to examination by the IRS and state tax authorities generally for three years after they were filed. The Foundation believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

Estimates:

Management uses estimates and assumptions in preparing the financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported revenues and expenses. Actual results could vary from the estimates that were used.

IMMUNE DEFICIENCY FOUNDATION

NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2023 AND 2022

1. Nature of activities and significant accounting policies (continued):

Reclassifications:

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current financial statements.

2. Concentrations:

The Foundation maintains its cash deposits in several financial institutions. Cash deposits are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. As of December 31, 2023, the cash deposits exceed the limit by \$1,914,416, representing the maximum loss risk.

The institutions holding the Foundation's investments are members of the Securities Investor Protection Corporation (SIPC). SIPC insures the cash and securities in each investor's account up to \$500,000 against loss in the case of a failed brokerage firm or misappropriation of assets by the broker; however, only up to \$250,000 of the total coverage can be applied to cash. As of December 31, 2023, the investments exceeded the limit by \$10,725,872, representing the maximum loss risk.

The Foundation depends on receiving public and private donations for a significant portion of their support each year. One donor accounted for 13% and 26% of contributions for the years ended December 31, 2023 and 2022, respectively.

3. Financial assets and liquidity resources:

The following reflects the Foundation's financial assets, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of December 31:

	2023	2022
Cash and cash equivalents	\$ 1,346,127	\$ 1,250,374
Investments	14,298,659	11,712,351
Accounts receivable	18,506	8,920
Promises to give available for current use	79,899	58,271
Financial assets as of December 31	15,743,191	13,029,916
Less those unavailable for general expenditures within one year, due to:		
Contractual or donor-imposed restrictions	(1,914,992)	(1,320,120)
Board designations, endowment fund, primarily for long-term investing	(7,173,807)	(6,198,759)
Financial assets available to meet cash needs for general expenditures within one year	\$ 6,654,392	\$ 5,511,037

As part of the Foundation's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

IMMUNE DEFICIENCY FOUNDATION

NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2023 AND 2022

4. Quasi-endowment funds:

The Foundation's endowments consist of three individual funds established through net assets without donor restrictions designated by the Board of Directors to function as a general endowment for the purpose of providing support for the programs and overall operations of the Foundation. Since the funds are not donor restricted, they are classified and reported as net assets without donor restrictions.

Composition of and changes in the quasi-endowment and quasi-endowment net assets were as follows for the years ended December 31:

	<u>2023</u>	<u>2022</u>
Investments, board designated and net assets without donor restrictions, board designated, beginning of year	\$ 6,198,759	\$ 7,297,781
Investment return, net	<u>975,048</u>	<u>(1,099,022)</u>
Investments, board designated and net assets without donor restrictions, board designated, end of year	<u>\$ 7,173,807</u>	<u>\$ 6,198,759</u>

Return objectives, risk parameters, strategies for achieving objectives and spending policy:

The Foundation has adopted investment and spending policies for quasi-endowment assets that attempt to achieve long-term capital growth while avoiding excessive risk and achieving preservation of purchasing power. To manage risk in the fund, the investment policy is to be reviewed annually by the Board of Directors for any necessary revisions. To satisfy its long-term objective, the Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments. The Foundation employs an investment management firm to manage the quasi-endowment funds. The investment strategy for all of the Foundation's investments is under the oversight of the Board of Directors.

IMMUNE DEFICIENCY FOUNDATION

NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2023 AND 2022

5. Investments:

Investments are stated at fair market value and consisted of the following at December 31:

	2023		2022	
	Cost	Fair value	Cost	Fair value
Demand deposits	\$ 859,403	\$ 859,403	\$ 1,505,255	\$ 1,505,255
Money market funds	7,976	7,976	235	235
Certificates of deposit	2,000,000	2,001,575	1,250,000	1,248,083
Equity mutual funds	5,229,829	6,671,741	5,433,733	5,791,605
Fixed income:				
Mutual funds	2,198,843	2,602,475	2,577,652	2,257,372
Debt securities	2,553,768	2,155,489	1,057,485	909,801
Totals	<u>\$ 12,849,819</u>	<u>\$ 14,298,659</u>	<u>\$ 11,824,360</u>	<u>\$ 11,712,351</u>

Investment income was as follows for the years ended December 31:

	2023	2022
Interest and dividends	\$ 398,737	\$ 299,863
Fees	(63,532)	(64,722)
Net realized losses on sales of investments	(83,149)	(129,622)
Net unrealized gains (losses) on investments held	<u>1,291,136</u>	<u>(1,716,418)</u>
Total investment income (loss)	<u>\$ 1,543,192</u>	<u>\$ (1,610,899)</u>

6. Fair value measurements:

The Foundation uses a framework for measuring fair value that prioritizes the inputs to valuation techniques used to measure fair value hierarchy. The following are the major categories of assets measured at fair value on a recurring basis those using quoted prices in active markets for identical assets (Level 1); significant other observable inputs (Level 2) and significant unobservable inputs (Level 3). The Foundation has no assets or liabilities categorized as Level 3.

The asset's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. Following is a description of the valuation methodologies used for assets measured at fair value:

Certificates of deposit and debt securities: Valued based on significant other observable inputs, a Level 2 input.

Stocks and mutual funds: Valued at the quoted price in the active market for identical securities, a Level 1 input.

IMMUNE DEFICIENCY FOUNDATION

NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2023 AND 2022

6. Fair value measurements (continued):

The preceding methods described may produce a fair value calculation that may not be indicative of the net realizable value or reflective of future fair values.

The following table sets forth by level, within the fair value hierarchy, the Foundation's assets measured at fair value as of December 31:

	2023		
	Level 1	Level 2	Total
Certificates of deposit		\$ 2,001,575	\$ 2,001,575
Stocks and EFTs	\$ 6,671,741		6,671,741
Fixed income securities:			
Mutual funds	2,602,475		2,602,475
Debt securities		2,155,489	2,155,489
Total investments at fair value	9,274,216	4,157,064	13,431,280
Cash held in investments	867,379		867,379
Total investments and cash held in investments	\$ 10,141,595	\$ 4,157,064	\$ 14,298,659
	2022		
	Level 1	Level 2	Total
Certificates of deposit		\$ 1,248,083	\$ 1,248,083
Stocks and EFTs	\$ 5,791,605		5,791,605
Fixed income securities:			
Mutual funds	2,257,372		2,257,372
Debt securities		909,801	909,801
Total investments at fair value	8,048,977	2,157,884	10,206,861
Cash held in investments	1,505,490		1,505,490
Total investments and cash held in investments	\$ 9,554,467	\$ 2,157,884	\$ 11,712,351

IMMUNE DEFICIENCY FOUNDATION

NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2023 AND 2022

7. Property and equipment:

Property and equipment, at cost, consisted of the following at December 31, 2023 and 2022.

	<u>2023</u>	<u>2022</u>
Equipment	\$ 18,536	\$ 10,314
Furniture and fixtures	17,267	17,267
Leasehold improvements	<u>213,957</u>	<u>213,957</u>
	249,760	241,538
Less accumulated depreciation	<u>(45,236)</u>	<u>(31,001)</u>
Total	<u><u>\$ 204,524</u></u>	<u><u>\$ 210,537</u></u>

8. Lease commitments:

In 2022, the Foundation signed a lease for office space. The lease commenced in October 2022 and is for a term of seven years and four months, set to expire in January 2030, with a five-year renewal option to January 2035. The renewal option periods have been included within the lease term as management has determined the Foundation is reasonably certain to exercise that right. The base rent for the office space is \$8,565 per month with an escalated rent payment of 3.00% beginning the first day of each subsequent lease year.

The Foundation recognizes lease expense on a straight-line basis over the term of the lease, considering lessor incentives for tenant improvements, periods where no rent payment is required and escalations in rent payments over the term of the lease. The Foundation's lease agreement does not contain any material residual value guarantees or material restrictive covenants.

The discount rate used in determining the liability was 3.79%, which was the treasury bill rate at the commencement of the lease. The remaining lease term is 11 years and 1 month.

Rent expense was \$102,983 and \$256,239 for the years ended December 31, 2023 and 2022, respectively.

IMMUNE DEFICIENCY FOUNDATION

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

8. Lease commitments (continued):

Future minimum payments for the operating lease are as follows:

Year ending December 31,		
2024	\$	105,606
2025		108,775
2026		112,038
2027		115,399
2028		118,861
Thereafter		803,763
Total future undiscounted lease payments		1,364,442
Less imputed interest		260,841
Lease liability		\$ 1,103,601

9. Conditional promises to give:

Conditional promises to give are not included as revenue or unconditional promises to give until such time as the conditions are substantially met. The following conditional promises to give exist where the condition has not yet been achieved at December 31, 2023:

Purpose	Condition	Amount
Maternal and Child Health Federal Consolidated Programs	Incur qualifying costs	\$ 112,489
Allergy and Infectious Diseases Research	Incur qualifying costs	71,568
Educational Series	Incur qualifying costs and complete contracted services	58,640
		\$ 242,697

IMMUNE DEFICIENCY FOUNDATION

NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2023 AND 2022

10. Net assets, restrictions and designations:

The Board of Directors has designated net assets without donor restrictions for the following purposes at December 31:

	2023	2022
Endowment (see Note 4)	\$ 7,173,807	\$ 6,198,759
Program	3,619,691	3,380,172
Research investment	601,151	503,575
Primary Immunodeficiency Research Consortium (PIRC)	81,975	81,975
 Total board-designated net assets	 \$ 11,476,624	 \$ 10,164,481

Net assets with donor restrictions were available for the following purposes as of December 31:

	2023	2022
2024 Initiatives	\$ 5,000	
Accumulators		\$ 22,500
Advocacy	90,000	215,000
Awareness fund		755
CGD initiative	337	5,080
Core services	525,000	581,000
CVID initiative	37,370	46,606
David Salamone Fund	8,704	9,775
Education and mentoring		5,000
Gene therapy	1,811	1,811
IDF Friends		25,000
Immunocompromised collaborative	49,000	
Life stages initiative	50,000	103,197
Patient survey		78,322
PI Conference	974,073	15,000
Research project	109,158	110,000
SCID initiative		32
Transition guide	6,825	14,725
Undiagnosed and underserved	50,000	50,000
USIDNET	7,714	20,612
Walks (2022)		15,000
XLA initiative		705
 Total net assets with donor restrictions	 \$ 1,914,992	 \$ 1,320,120

IMMUNE DEFICIENCY FOUNDATION

NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2023 AND 2022

11. Retirement plan:

The Foundation is the sponsor of a 401(k) plan for all full-time employees older than age 21 having completed more than one year of service, consisting of at least 1,000 hours of service. The Foundation will match the first 3% and 50% of the next 2% of employees' elective deferral contributions. The Foundation contributed \$130,722 and \$108,261 for the years ended December 31, 2023 and 2022, respectively.

12. Subsequent events:

Management has evaluated subsequent events through June 24, 2024, the date the financial statements were available to be issued.