

**MALIGNANT HYPERTHERMIA ASSOCIATION
OF THE UNITED STATES, INC.**

FINANCIAL STATEMENTS

SEPTEMBER 30, 2023, 2022 and 2021

**MALIGNANT HYPERTHERMIA ASSOCIATION
OF THE UNITED STATES, INC.**

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Independent Auditor's Report

Board of Directors
Malignant Hyperthermia Association of the United States, Inc
Sherburne, New York State

Report on the Financial Statements

We have audited the accompanying financial statements of Malignant Hyperthermia Association of the United States, Inc, which comprise the statement of financial position as of September 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control.³ Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Malignant Hyperthermia Association of the United States, Inc as of September 30, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited Malignant Hyperthermia Association of the United States, Inc's September 30, 2022 and 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2022 and 2021 is consistent, in all material respects, with the audited financial statements from which it has been derived.



Norwich, New York
August 8, 2024

MALIGNANT HYPERTHERMIA ASSOCIATION OF THE UNITED STATES, INC.

STATEMENTS OF FINANCIAL POSITION

At September 30,	2023	2022	2021
ASSETS			
Cash and equivalents.....	\$ 113,788	\$ 62,995	\$ 79,778
Accounts receivable.....	4,815	19,697	12,757
Inventories.....	26,131	19,984	35,173
Prepaid expenses.....	14,689	4,808	9,605
Investments, at fair value.....	1,949,613	1,752,531	2,020,028
Land, buildings and equipment, net.....	141,062	151,922	160,951
Total assets	2,250,098	\$ 2,011,937	\$ 2,318,292
LIABILITIES			
Accounts payable.....	27,296	\$ 28,504	\$ 25,140
Deferred revenue.....	1,375	675	1,300
Accrued liabilities.....	5,781	9,002	6,030
Total liabilities	34,452	38,181	32,470
NET ASSETS			
Without donor restrictions:			
Unrestricted undesignated.....	1,779,047	1,577,204	1,837,665
Unrestricted board designated.....	113,631	100,369	105,460
With donor restrictions:			
Donor-restricted endowment funds.....	322,968	296,183	342,697
Total net assets	2,215,646	1,973,756	2,285,822
Total liabilities and net assets	\$ 2,250,098	\$ 2,011,937	\$ 2,318,292

See independent auditors' report

See accompanying notes to the financial statements

MALIGNANT HYPERTHERMIA ASSOCIATION OF THE UNITED STATES, INC.

STATEMENTS OF ACTIVITIES

For the year ended September 30,	Without Donor Restrictions	With Donor Restrictions	2023	2022	2021
REVENUE, GAINS AND OTHER SUPPORT					
Contributions.....	\$ 178,456	\$ 4,350	\$ 182,806	\$ 89,832	\$ 114,790
Contributions from business community.....	34,580	-	34,580	32,151	32,500
Grants from government agencies.....	-	-	-	-	51,647
Program service fees.....	100,655	-	100,655	110,375	124,245
Interest and dividend income.....	46,262	16,437	62,699	47,945	38,117
Net realized gains(losses) on investments....	17,206	2,931	20,137	26,370	14,726
Net unrealized gains(losses) on investments	95,471	16,328	111,799	(339,644)	342,510
Gross profit on inventory sales.....	185,833	-	185,833	197,293	209,573
Rental income, net.....	15,100	-	15,100	14,350	14,390
Other income.....	2,920	-	2,920	706	1,790
	676,483	40,046	716,529	179,378	944,288
Expiration of restrictions.....	13,261	(13,261)	-	-	-
Total revenue, gains, and other support.....	689,744	26,785	716,529	179,378	944,288
EXPENSES					
Program services:					
Education.....	240,758	-	240,758	242,926	301,267
Patient.....	78,820	-	78,820	98,311	79,431
Neuroleptic Malignant Syndrome.....	46,839	-	46,839	27,915	40,827
	366,417	-	366,417	369,152	421,525
Supporting services:					
General & Administrative.....	87,760	-	87,760	88,570	99,732
Fundraising.....	20,462	-	20,462	33,722	17,942
	108,222	-	108,222	122,292	117,674
Total expenses.....	474,639	-	474,639	491,444	539,199
Change in net assets.....	215,105	26,785	241,890	(312,066)	405,089
Net Assets - Beginning of the year.....	1,677,573	296,183	1,973,756	2,285,822	1,880,733
Net Assets - End of the year.....	\$ 1,892,678	\$ 322,968	\$ 2,215,646	\$ 1,973,756	\$ 2,285,822

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See accompanying notes to the financial statements

MALIGNANT HYPERTHERMIA ASSOCIATION OF THE UNITED STATES, INC.

STATEMENTS OF CASH FLOWS

For the years ended September 30,	2023	2022	2021
OPERATING ACTIVITIES			
Change in net assets.....	\$ 241,890	\$ (312,066)	\$ 405,089
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:			
Depreciation and amortization.....	10,860	9,029	8,621
Unrealized (Gain) Loss on marketable securities.....	(111,799)	339,644	(346,259)
Realized (Gain) Loss on marketable securities.....	(20,137)	(26,369)	(14,726)
Changes in operating assets and liabilities:			
Accounts receivable.....	14,882	4,726	(8,438)
Inventories.....	(6,147)	3,523	(2,562)
Prepaid expenses.....	(9,881)	4,797	4,449
Accounts payable.....	(1,208)	3,364	2,307
Deferred revenue.....	700	(625)	-
Accrued liabilities.....	(3,221)	2,972	(7,928)
NET CASH FROM (USED IN) OPERATING ACTIVITIES	115,939	28,995	40,553
INVESTING ACTIVITIES			
Net change in investments.....	(65,146)	(45,778)	(37,569)
CASH FROM (USED IN) INVESTING ACTIVITIES	(65,146)	(45,778)	(37,569)
INCREASE (DECREASE) IN CASH DURING YEAR.....	50,793	(16,783)	2,984
Cash at the beginning of the year.....	62,995	79,778	76,794
Cash at the end of the year.....	\$ 113,788	\$ 62,995	\$ 79,778
SUPPLEMENTAL CASH FLOW DISCLOSURES			
Bank charges.....	\$ -	\$ -	\$ -
See independent auditors' report			
See accompanying notes to the financial statements			

MALIGNANT HYPERTHERMIA ASSOCIATION OF THE UNITED STATES, INC.

STATEMENT OF FUNCTIONAL EXPENSE

PROGRAM SERVICES

	Education	Patient	Neuroleptic Malignant Syndrome	Total
Salaries & Wages.....	\$ 132,629	\$ 3,899	\$ 7,834	\$ 144,362
Employee benefits.....	32,558	1,058	1,949	35,565
Payroll taxes.....	10,622	382	668	11,672
Materials.....	11,441	205	15,925	27,571
Telephone and Internet.....	762	762	1,378	2,902
Office.....	2,112	2,112	2,112	6,336
Insurance.....	668	668	559	1,895
Occupancy.....	1,921	1,921	1,491	5,333
Financial charges.....	1,271	1,271	1,271	3,813
Professional fees.....	7,003	7,003	7,003	21,009
Contracted services.....	1,323	4,116	1,323	6,762
Printing & Publications.....	8,222	1,586	1,586	11,394
Conferences & Meetings.....	21,461	212	708	22,381
Research grants.....	-	50,000	-	50,000
Travel.....	-	-	-	-
Other.....	6,483	1,843	1,556	9,882
Depreciation & amortization.....	1,782	1,782	1,476	5,040
Total natural expenses	\$ 240,758	\$ 78,820	\$ 46,839	\$ 366,417

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See accompanying notes to the financial statements

MALIGNANT HYPERTHERMIA ASSOCIATION OF THE UNITED STATES, INC.

STATEMENT OF FUNCTIONAL EXPENSE

SUPPORTING SERVICES				TOTAL
	General &	Fundraising	Total	2023
Salaries & Wages.....	\$ 8,026	\$ 8,401	\$ 16,427	\$ 160,789
Employee benefits.....	2,001	2,238	4,239	39,804
Payroll taxes.....	669	555	1,224	12,896
Materials.....	740	396	1,136	28,707
Telephone and Internet.....	2,512	285	2,797	5,699
Office.....	8,332	771	9,103	15,439
Insurance.....	1,881	314	2,195	4,091
Occupancy.....	5,041	999	6,040	11,374
Financial charges.....	8,766	424	9,190	13,002
Professional fees.....	29,707	2,669	32,376	53,385
Contracted services.....	4,796	461	5,257	12,019
Printing & Publications.....	5,173	544	5,717	17,111
Conferences & Meetings.....	779	425	1,204	23,586
Research grants.....	-	-	-	50,000
Travel.....	-	-	-	-
Other.....	4,365	1,131	5,496	15,377
Depreciation & amortization.....	4,972	849	5,821	10,860
Total natural expenses	\$ 87,760	\$ 20,462	\$ 108,222	\$ 474,639

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See accompanying notes to the financial statements

MALIGNANT HYPERTHERMIA ASSOCIATION OF THE UNITED STATES, INC.

STATEMENTS OF NATURAL EXPENSES

For the years ended September 30,	2023	2022	2021
Salaries & Wages.....	\$ 160,789	\$ 169,777	\$ 231,180
Employee benefits.....	39,804	58,433	64,813
Payroll taxes.....	12,896	14,328	20,494
Materials.....	28,707	4,309	3,683
Telephone and Internet.....	5,699	5,721	6,386
Office.....	15,439	10,497	17,119
Insurance.....	4,091	3,906	4,940
Occupancy.....	11,374	11,209	9,711
Financial charges.....	13,002	13,682	14,168
Professional fees.....	53,385	56,341	51,341
Contracted services.....	12,019	30,997	29,250
Printing & Publications.....	17,111	18,852	12,910
Conferences & Meetings.....	23,586	16,914	5,095
Research grants.....	50,000	50,000	50,000
Travel.....	-	-	286
Other.....	15,377	17,275	9,202
Depreciation & amortization.....	10,860	9,203	8,621
Total natural expenses	\$ 474,639	\$ 491,444	\$ 539,199

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See accompanying notes to the financial statements

MALIGNANT HYPERTHERMIA ASSOCIATION OF THE UNITED STATES, INC.

NOTES TO THE FINANCIAL STATEMENTS

Note 1. **Nature of Activities and Significant Accounting Policies**

The Malignant Hyperthermia Association of the United States, Inc. (MHAUS or the Organization) is a not-for-profit corporation that was formed for the purpose of increasing the medical profession's and the general public's awareness and understanding of the syndrome, malignant hyperthermia (MH). MHAUS is dedicated to reducing the morbidity and mortality of MH by improving medical care related to MH, providing support information for patients, and improving the scientific understanding and research related to MH. It performs these objectives by publishing newsletters and articles, hosting educational seminars, attending appropriate professional and public seminars to disseminate information about the syndrome and performing such other functions as required to increase the knowledge of the syndrome. The Organization's major support comes from contributions and grants from the business community and sales of educational materials.

Basis of Presentation

The organization prepares its financial statements in accordance with generally accepted accounting principles promulgated in the United States of America (U.S. GAAP) for not-for-profit entities. The significant accounting and reporting policies used by the organization are described subsequently to enhance the usefulness and understandability of the financial statements. The organization prepares its financial statements using the accrual basis of accounting and accounting principles generally accepted in the United States of America.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Net Assets

The financial statements report net assets and changes in net assets in two classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

Net Assets Without Donor Restrictions

Net assets without donor restrictions are resources available to support operations. The only limits on the use of these net assets are the broad limits resulting for the nature of the organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net Assets With Donor Restrictions

Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature; the organization must continue to use the resources in accordance with the donor's instructions.

The organization's unspent contributions are included in this class if the donor limited their use. When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions. Net assets restricted for acquisition of buildings or equipment (or less commonly, the contribution of those assets directly) are reported as net assets with donor restrictions until the

MALIGNANT HYPERTHERMIA ASSOCIATION OF THE UNITED STATES, INC.

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specified asset is placed in service by the organization, unless the donor provides more specific directions about the period of its use.

Classification of Transactions

All revenues and net gains are reported as increases in net assets without donor restrictions in the statement of activities unless the donor specified the use of the related resources for a particular purpose or in a future period. All expenses and net losses other than losses on endowment investments are reported as decreases in net assets without donor restrictions.

Cash and Cash Equivalents

Cash equivalents are short term, interest bearing, highly liquid investments with original maturities of three months or less, unless the investments are held for meeting restrictions of a capital or endowment nature.

Accounts Receivable

The Organization considers accounts to be fully collectible; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to operations when the determination is made.

Short Term Investments

The organization invests cash in excess of its immediate needs in money market funds and U.S Government and Government Agency issues. Short term investments are reported at fair value.

Contributions Receivable

Contributions receivable are unconditional promises to give that are recognized as contributions when the promise is received. Contributions receivable that are expected to be collected in less than one year are reported at net realizable value. Contributions receivable that are expected to be collected in more than one year are recorded at fair value at the date of promise. That fair value is computed using a present value technique applied to anticipated cash flows. Amortization of the resulting discount is recognized as additional contribution revenue. The allowance for uncollectible contributions receivable is determined based on management's evaluation of the collectability of individual promises. Promises that remain uncollected more than one year after their due dates are written off unless the donors indicate that payment is merely postponed.

Inventory

Inventory consists of educational materials. Videotapes, audio tapes, brochures, pamphlets, etc. in inventory are stated at the lower of cost or market, cost being determined using average cost.

Sale of Educational Materials

These revenues are shown on the accompanying Statement of Activities net of cost of sales. Shipping and handling costs are included in the cost of sales. The amount was calculated as follows:

For the years ended September 30,	2023	2022	2021
Sales revenue	\$ 359,040	329,448	491,188
Cost of sales	173,207	128,861	281,429
Gross profit on sales	<u>\$ 185,833</u>	<u>\$ 200,587</u>	<u>\$ 209,759</u>

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Prepaid Expenses

Prepaid expenses include expenditures for future conferences and meetings, travel, contracted services and the portion of paid insurance relating to the future accounting period.

Investments

Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the financial statements.

Long-term investing is governed by the Organization's investment policy. The Investment Committee of the Board is responsible for oversight of all investments and compliance with the investment policies, which are approved by the Investment Committee and the Board. The investment policies attempt to provide a predictable stream of funding to Organization programs, while seeking to maintain the purchasing power of the assets. The investments are invested in a widely diversified portfolio in a manner to promote both growth and current income to achieve the policy's objectives. Diversification of portfolio assets is an integral part of the Organization's investment philosophy to provide reasonable assurance that no single security or class of security will have a disproportionate impact on the total investment pool. As such, funds are placed with managers who have distinct investment philosophies.

The Organization has various controls and policies in place related to the purchase, sale, and valuation of its investment securities. Purchases and sales of investments are recorded on trade dates and realized and unrealized gains and losses are determined on the basis of average cost of securities. Realized and unrealized appreciation or depreciation in the carrying value of investments is classified as part of either unrestricted, temporarily restricted, or permanently restricted net assets in accordance with applicable donor and legal requirements.

Property and Equipment

The Organization capitalizes all expenditures for land and land improvements, buildings, and equipment costing \$1,000 or more. Donations of property and equipment are recorded as support at their estimated fair value on the date of the donation. Depreciation is provided using the straight-line method over the estimated useful lives of the assets as follows:

Equipment and furniture	2 – 10 years
Buildings and improvements	15 – 40 years

Intangibles

Intangibles, if any, consist of website and inventory development costs, which are amortized using the straight-line method over the estimated life of the asset.

Endowment Investments

Endowment investments consist of investments purchased with the following resources:

- Donor-restricted permanent endowments, which are contributions restricted by donors to investment in perpetuity with only investment income and appreciation being used to support the organization's activities.
- Donor-restricted term endowments, which are contributions restricted by donors to investment for the term specified by the donor. During that term, the donor may either require investment

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income and appreciation to be reinvested in the fund, or may permit the organization to spend those amounts in accordance with the donor's restrictions on use.

- Board-designated endowments, which are resources set aside by the Board of Directors for an indeterminate period to operate in manner similar to a donor-restricted permanent endowment. Because a board-designated endowment results from an internal designation, it can be spent upon action of the Board of Directors.

Endowment investments also include investments purchased with unspent investment income and net gains on these resources. Endowment investments are reported at fair value. The investment and spending policies for the Endowment Fund are discussed in another note.

Deferred Revenues

Educational conference registrations received are recognized as revenue when the event occurs.

Accounting for Contributions

Contributions, including unconditional promises to give, are recognized when received. All contributions are reported as increases in unrestricted net assets unless use of the contributed assets is specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in either temporarily restricted or permanently restricted net assets, consistent with the nature of the restriction. Unconditional promises with payments due in future years have an implied restriction to be used in the year the payment is due, and therefore are reported as temporarily restricted until the payment is due unless the contribution is clearly intended to support activities of the current fiscal year or is received with permanent restrictions. Conditional promises, such as matching grants, are not recognized until they become unconditional, that is, until all conditions on which they depend are substantially met.

Contributions from bequests are recognized as contributions receivable when the probate court declares that the will is valid and the organization has an irrevocable right to the bequest.

Donated Materials and Services

Donated materials are recorded as contributions at their estimated fair values at the date of donation. Contribution of services are recognized in the financial statements if the services enhance or create non-financial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided.

Advertising

Advertising costs are generally charged to operations as incurred.

Tax Status

The organization is incorporated exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code (IRC), though it would be subject to tax on income unrelated to its exempt purposes (unless that income is otherwise excluded by the IRC). The tax years ending 2021, 2020, and 2019 are still open to audit for both federal and state purposes. Contributions to the organization are tax deductible to donors under Section 170 of the IRC. The organization is not classified as a private foundation.

Expense Allocation

Certain expenses have been allocated between program expenses, management and general expenses and fundraising expenses. These allocations were based on management's estimates.

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Functional Classification of Expenses

The cost of providing the organization's programs and other activities is summarized on a functional basis in the statement of activities and statement of functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions benefited.

General and administrative expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the organization.

Fundraising costs are expensed as incurred, even though they may result in contributions received in future years. The organization generally does not conduct its fundraising activities in conjunction with its other activities. In the few cases in which it does, such as when the annual report or donor acknowledgements contain requests for contributions, joint costs have been allocated between fundraising and management and general expenses in accordance with standards for accounting for costs of activities that include fundraising. Additionally, advertising costs are expensed as incurred.

- **Education** - The Malignant Hyperthermia Association of the United States, Inc. provides a variety of educational support services for medical professionals and patients susceptible to malignant hyperthermia. These include videos, audio tapes, literature, monographs, professional conferences, special meetings, Web site, and newsletters.
- **Research & Clinical** - This includes all activities that support the Malignant Hyperthermia Hotline, North American Malignant Hyperthermia Registry of MHAUS (located at the University of Pittsburgh Medical School, Pennsylvania) and research programs.
- **Patient** - This includes programs directed to educate and support Malignant Hyperthermia Susceptible (MHS) patients and their families. The programs include all the materials mentioned under the education section but with the expansion emphasis on a patient educational conference and seminars, a patient identification tag program, a patient news bulletin and a patient liaison committee program where MHS patients work together to provide local and national support.
- **Neuroleptic Malignant Syndrome (NMS)** - This category includes formation of a NMS hotline, educational support services and a database for medical professionals and patients' involvement in this syndrome caused by antipsychotic drugs.

Compensated Absences and Employee Benefits

Employees of the Organization are entitled to paid vacations, sick days, and personal days off, depending on job classification, length of service, and other factors. The liability for compensated absences as of September 30, 2023, 2022 and 2021 was \$-, \$-6,569, and \$- respectively.

Compensated absences are shown as accrued liabilities on the statement of financial position. There are no unfunded health care or retirement plans.

Awards and Grants

In accordance with the Organization's guidelines, it makes awards and grants for research and professional education purposes. The liability and related expense for awards and grants are recognized at the time of notification and acceptance by the recipients.

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NOTES TO THE FINANCIAL STATEMENTS

Concentrations of Credit Risk

The Organization maintains its cash in bank deposit accounts which at times may exceed federally insured limits.

Note 2. Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of September 30, 2023 are:

Note 3. Net Assets with Donor Restrictions

At September 30, 2023, net assets with donor restrictions are available for the following purposes:

September 30,	2023
Financial Assets	
Cash and Equivalents.....	\$ 113,788
Accounts Receivable.....	4,815
Investments at fair value.....	<u>1,949,613</u>
	2,068,216
Restrictions on Financial Assets	
Donor restricted endowmnt funds.....	322,968
Board designated funds.....	<u>113,631</u>
	436,599
Amount available for general expenditures.....	<u>\$ 2,504,815</u>

Note 4. Endowment Funds and Trusts

The Organization's endowment funds consist of (a) unrestricted funds functioning as endowment through designation by the Board and (b) donor-restricted endowment funds. The earnings of the Organization's endowment funds support education programs and the mission of the Organization. Net assets associated with endowment funds, including unrestricted funds functioning as endowment, are classified and reported based on the existence or absence of donor-imposed restrictions.

Effective September 17, 2010, the State of New York adopted the Uniform Prudent Management of Institutional Funds Act (UPMIFA), which governs the management and use of donor-restricted endowment funds held by charitable institutions in the state of New York. Accounting principles generally accepted in the United States provide guidance on the net asset classification of donor-restricted endowment funds for a not-for-profit organization that is subject to an enacted version of UPMIFA and also improve disclosures about an organization's endowment funds (both donor-restricted and funds functioning as endowment).

Consistent with UPMIFA and Board policy, the Organization classifies as permanently restricted net assets the original value of gifts (including subsequent gifts) of donor-restricted endowments and, if applicable, accumulations of donor-restricted endowments as required by the donor. Accumulated earnings of donor-restricted endowments are classified as temporarily restricted net assets until distributed in accordance with UPMIFA and Board policy.

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LILA & JERRY LEWIS MEMORIAL FUND (Lewis)

During fiscal 1987, the Organization became the recipient of this memorial fund. Use of monies contributed to this fund and any earnings are restricted for use in special programs, as designated and approved by the Board of Directors. The programs increase the general understanding of malignant hyperthermia. The fund is further restricted in that the Board may not use more than 20% of the corpus in any one fiscal year for such programs. It may, however, use any and all of the earnings from the fund for these programs.

ROSENBERG RESEARCH FUND (Rosenberg)

During fiscal 1995, the Organization became the recipient of this research fund. Use of monies contributed to this fund and any earnings are restricted for use in support of any type of research related to malignant hyperthermia or allied syndromes. The Board of Directors has ultimate authority on the use of the funds. However, the fund is further restricted in that the Board may not use more than 20% of the corpus at any one time. It may, however, use any and all of the earnings from the fund for these purposes.

SHAH EDUCATIONAL AWARENESS FUND (Shah)

During fiscal 2000, the Organization established this fund. The purpose of the fund is to alert and educate medical professionals, assist patients, and disseminate new knowledge about Neuroleptic Malignant Syndrome. NMSIS will use publications, educational brochures, conferences and other methods for increasing awareness and ensuring that patients with NMS are recognized and treated efficiently and effectively. The Board of Directors has ultimate authority on the use of the funds.

WALKER MEMORIAL FUND (Walker)

This fund was established by the MHAUS Board of Directors to accept donations. The purpose of the Fund is for special projects for diagnosis, treatment of malignant hyperthermia and furthering the cause of controlling malignant hyperthermia as deemed appropriate by the Board of Directors.

As of September 30, 2023, the Organization's endowment net asset composition by type of fund was as follows:

For the year ended September 30, 2023	Walker	Shah	Lewis	Rosenburg	Total
Balance at the beginning of year.....	\$ 54,842	\$ 28,285	\$ 168,073	\$ 44,984	\$ 296,184
Investment returns.....	4,309	3,127	6,603	9,182	23,221
Donor contributions.....	-	-	2,100	2,050	4,150
Expenditures.....	(62)	(102)	(356)	(67)	(587)
Balance at the end of the year.....	\$ 59,089	\$ 31,310	\$ 176,420	\$ 56,149	\$ 322,968

Investment returns and related fees on the funds were as follows:

For the year ended September 30, 2023	Walker	Shah	Lewis	Rosenburg	Total
Capital Gains					
Long-term realized gains (losses)...	\$ 1,503	\$ -	\$ 1,428	\$ -	\$ 2,931
Unrealized gains (losses).....	(413)	1,888	(2,235)	7,606	6,846
Dividends					-
Equities.....	3,219	1,239	7,410	1,576	13,444
Taxes, fees and expense					-
Account fees.....	(62)	(102)	(356)	(67)	(587)
	\$ 4,247	\$ 3,025	\$ 6,247	\$ 9,115	\$ 22,634

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MHAUS ENDOWMENT FUND (Endowment)

This fund was also established by the MHAUS Board of Directors. The principal may not be expended by MHAUS without majority vote of the Board. The income and gains earned by the fund may be used for the benefit of MHAUS in such a manner as the Board may from time to time determine. However, the amount of earnings available for operations shall not exceed five percent of the previous year's principal as valued December 31 unless the Board determines otherwise via majority vote.

As of September 30, 2023, the Organization's endowment net asset composition by type of fund was as follows:

For the year ended September 30, 2023	Endowment
Balance at the beginning of year.....	\$ 100,369
Investment returns.....	13,062
Donor contributions.....	-
Expenditures.....	200
Balance at the end of the year.....	<u>\$ 113,631</u>

Investment returns and related fees on the funds were as follows:

For the year ended September 30, 2023	Endowment
Capital Gains	
Unrealized gains (losses).....	\$ 10,080
Dividends	
Equities.....	2,992
Taxes, fees and expense	
Account fees.....	(10)
	<u>\$ 13,062</u>

Note 5. Investments in Marketable Securities

A Board of Directors governs the Organization's investment policies. The Organization has entered into an investment management agreements with local financial institutions in order to maximize return on their idle cash.

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets.

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NOTES TO THE FINANCIAL STATEMENTS

Non-endowment related investments in marketable securities are summarized as follows:

September 30, 2023	Cost	Market	Unrealized
Money Market	\$ 13,714	\$ 13,714	\$ -
Domestic Equity Securities.....	490,042	739,511	249,469
Mutual Fund Growth & Income.....	186,306	301,928	115,622
Mutual Fund Fixed Income.....	433,253	439,879	6,626
Exchange traded.....	20,381	17,982	(2,399)
	<u>\$ 1,143,696</u>	<u>\$ 1,513,014</u>	<u>\$ 369,318</u>
Comparative totals			
September 30, 2022.....	\$ 1,023,116	\$ 1,355,978	\$ 332,862
September 30, 2021.....	<u>\$ 973,002</u>	<u>\$ 1,571,871</u>	<u>\$ 598,869</u>

The investments are sold when cash needs develop or when good investment management dictates a change in the securities held. The difference between the net proceeds from sale and cost represents the realized gain or loss on the sale of securities. The unrealized gain or loss for a year is the relative change in the market values from the beginning to the end of the year for securities that were not sold.

Investment return on non-endowment related investments are summarized as follows:

For the years ended September 30,	2023
Capital Gains	
Long-term realized gains (losses).....	\$ 16,455
Short-term realized gains (losses).....	752
Unrealized gains (losses).....	94,871
Interest earned	
Fixed income securities.....	1,100
Dividends	
Equities.....	45,366
Taxes, fees and expense	
Account fees.....	(1,304)
Foreign tax paid.....	(204)
	<u>\$ 157,036</u>

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NOTES TO THE FINANCIAL STATEMENTS

Note 6. Fair Value Measurements

The Organization has adopted Financial Accounting Standards Board Accounting Standards Codification (ASC) 820, which clarifies that fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. As a basis for considering such assumptions, ASC 820 establishes a three-tier value hierarchy, which prioritizes the inputs used in the valuation methodologies in measuring fair value:

- Level 1—Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2—Other inputs that are directly or indirectly observable in the marketplace.
- Level 3—Unobservable inputs that are supported by little or no market activity.

The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability developed from sources independent of the reporting entity, and unobservable inputs reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

The following is a description of the valuation methodology used for assets measured at fair value. There have been no changes in the valuation methods.

- Short-term cash equivalent investments are recorded based on their carrying value, which approximates fair value.
- Common stock and mutual funds are principally valued at the regular trading session closing price on the exchange or market in which such funds are principally traded, using the market approach.
- Equity (stock) funds listed or traded on any national market or exchange are valued at the last sales price as of the close of the principal securities exchange on which such securities are traded.
- Fixed income (bond) funds, other than money market instruments, are generally valued at the most recent bid price of the equivalent quoted yield for such securities (or those of comparable maturity, quality, and type).

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Fair Value of Financial Instruments - The Organization's financial instruments consist of cash and cash equivalents, investments, receivables, accounts payable and accrued expenses. Cash and cash equivalents, receivables, accounts payable and accrued expenses are stated at cost, which approximates fair value. Investments are recorded at their fair values. In accordance with the fair value hierarchy described above, the following table show the fair value of the Organization's financial assets:

September 30, 2023	Fair Value	Level 1	Level 2	Level 3
Non-Endowment Investments				
Money Market	\$ 13,714	\$ 13,714	\$ -	\$ -
Domestic Equity Securities.....	739,511	739,511	-	-
Mutual Fund Growth & Income.....	301,928	301,928	-	-
Mutual Fund Fixed Income.....	404,989	404,989	-	-
US Treasury.....	-	-	-	-
Exchange traded.....	17,982	17,982	-	-
Endowment Investments				
Money Market	46,868	46,868	-	-
Domestic Equity Securities.....	247,197	247,197	-	-
Mutual Fund Growth & Income.....	-	-	-	-
Mutual Fund Fixed Income.....	142,534	142,534	-	-
Exchange traded.....	-	-	-	-
	\$ 1,914,723	\$ 1,914,723	\$ -	\$ -
Comparative totals				
September 30, 2022.....	\$ 1,752,531	\$ 1,752,531	\$ -	\$ -
September 30, 2021.....	\$ 1,571,871	\$ 1,571,871	\$ -	\$ -

Note 7. Land, Buildings, and Equipment

Land, building, and equipment as of September 30, 2023 and 2022 consisted of the following:

The Organization owns a building at its headquarters facility in Sherburne, New York, which the top floor is occupied by residential tenants.

The cost of property and equipment purchased in excess of \$1,000 is capitalized. Depreciation and amortization are provided in amounts sufficient to amortize the cost of the property and equipment over the estimated useful lives of the assets (ranging from 3–40 years) on a straight-line basis.

Land, buildings, and equipment are stated at cost. Expenditures for maintenance and repairs that do not improve or extend the lives of the respective assets are expensed as incurred. When assets are retired or sold, the related cost and accumulated depreciation are removed from the accounts, and any gain or loss on retirement or disposal of the individual assets is recorded as revenue or expense.

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September 30,	2022	Additions	Disposals	2023
Buildings.....	\$ 82,366	-	-	\$ 82,366
Building Improvements.....	123,071	-	-	123,071
Equipment.....	17,691	-	-	17,691
Furniture and Fixtures.....	10,751	-	-	10,751
	233,879	-	-	233,879
Accumulated Depreciation.....	81,957	10,860	-	92,817
	<u>\$ 151,922</u>			<u>\$ 141,062</u>

Note 8. Leasing Arrangements

Facilities - The Organization leases a portion of its building to unrelated individuals as residential rental space. Rents collected in 2023 was \$15,100, 2022 was \$14,350, and for 2021 was \$14,390. All tenant rental agreements are month to month leases.

Note 9. Post-Employment Employee Benefits

The Organization currently has no retirement plan or post-employment benefit package.

Note 10. Concentrations and Credit Risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of bank and brokerage deposits. The Organization places its temporary cash investments with financial institutions and brokerages. At times, the Organization's cash exceeds the current insured amount under the Federal Deposit Insurance Corporation and Securities Investor Protection Corporation. However, management believes the risk of loss to be minimal. In addition, the Organization's investments are exposed to various risks, such as interest rate fluctuations and market valuations. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term could materially affect the Organization's consolidated statements of financial position and activities.

A major part of the Organization's contributions come from Eagle Pharmaceuticals. Eagle Pharmaceuticals produces the drug Ryanodex which is found to be an effective treatment of malignant hyperthermia. A loss of the contributions from this donor could have a materially adverse effect on the Organization. The Organization believes that the concentration of credit risk is limited due to the reputation, reliability, and the Organization's history with the donors. Revenues from Eagle Pharmaceuticals consisted of approximately 12% of the total revenue, gains and support

Note 11. Related Party Transactions

The Organization received nominal contributions and receipts for sales of educational materials to board members and key employees.

The Organization will reimburse board members and key employees for documented travel related expenses.

Note 12. Comparative Financial Statements

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the organization's financial statements for the year

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NOTES TO THE FINANCIAL STATEMENTS

ended September 30, 2022 and 2021, from which the summarized information was derived. Certain prior period amounts have been reclassified to conform to current period presentation

Note 13. Subsequent Events

The Organization has evaluated events and transactions that occurred between October 1, 2023 and August 8, 2024 , which is the date the financial statements were available to be issued, for matters that would require disclosure and/or recognition in the financial statements. No significant matters were noted during that time period that would require such disclosure or recognition.