

**FOUNDATION FOR ANGELMAN SYNDROME THERAPEUTICS**  
**FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2016 AND 2015**

**FOUNDATION FOR ANGELMAN SYNDROME THERAPEUTICS**  
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**DECEMBER 31, 2016**

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## INDEPENDENT AUDITOR'S REPORT

To the Officers and Directors  
Foundation for Angelman Syndrome Therapeutics  
Downers Grove, IL

### Report on the Financial Statements

We have audited the accompanying financial statements of the Foundation for Angelman Syndrome Therapeutics (a California non-profit organization), which comprises the statements of financial position as of December 31, 2016 and 2015, and the related statements of activities and cash flows for the years 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 audits. We conducted our audits 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. 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 the Foundation for Angelman Syndrome Therapeutics as of December 31, 2016 and 2015, 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.

## **Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of revenues by source (page 13), and costs and expenses by function (pages 14 - 15), and the schedule of investments (page 16) are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of the Foundation's 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 statement 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.

## **Disclaimer of Opinion on Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the information on future major repairs and replacements be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Hegre, McMahon & Schimmel, LLC*

Oak Brook, Illinois  
November 15, 2017

**FOUNDATION FOR ANGELMAN SYNDROME THERAPEUTICS**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2016**

	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Permanently Restricted</b>	<b>Total</b>
<b>ASSETS</b>				
Operating assets				
Cash and cash equivalents	\$ 1,278,233	\$ 15,590	\$ -	\$ 1,293,823
Investments	927,716	-	-	927,716
<b>TOTAL ASSETS</b>	<b>\$ 2,205,949</b>	<b>\$ 15,590</b>	<b>\$ -</b>	<b>\$ 2,221,539</b>
 <b>LIABILITIES AND NET ASSETS</b>				
Liabilities				
Grants payable	\$ 80,000	\$ -	\$ -	\$ 80,000
 Net Assets	 2,125,949	 15,590	 -	 2,141,539
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 2,205,949</b>	<b>\$ 15,590</b>	<b>\$ -</b>	<b>\$ 2,221,539</b>

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

**FOUNDATION FOR ANGELMAN SYNDROME THERAPEUTICS**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2015**

	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Permanently Restricted</b>	<b>Total</b>
<b>ASSETS</b>				
Operating assets				
Cash and cash equivalents	\$ 1,172,630	\$ 15,590	\$ -	\$ 1,188,220
Investments	6,739	-	-	6,739
<b>TOTAL ASSETS</b>	<b>\$ 1,179,369</b>	<b>\$ 15,590</b>	<b>\$ -</b>	<b>\$ 1,194,959</b>
 <b>LIABILITIES AND NET ASSETS</b>				
Liabilities				
Grants payable	\$ -	\$ -	\$ -	\$ -
 Net Assets	 1,179,369	 15,590	 -	 1,194,959
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 1,179,369</b>	<b>\$ 15,590</b>	<b>\$ -</b>	<b>\$ 1,194,959</b>

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

**FOUNDATION FOR ANGELMAN SYNDROME THERAPEUTICS**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>REVENUES</b>				
General donations	\$ 2,050,676	\$ 2,023,217	\$ -	\$ 4,073,893
Event revenues and donations	401,902	-	-	401,902
Investment income	217	-	-	217
Realized gain / (loss) on investments	(273)	-	-	(273)
	<u>2,452,522</u>	<u>2,023,217</u>	<u>-</u>	<u>4,475,739</u>
Net assets released from restriction	<u>2,023,217</u>	<u>(2,023,217)</u>	<u>-</u>	<u>-</u>
	4,475,739	-	-	4,475,739
<b>COSTS AND EXPENSES</b>				
Program expenses	3,102,568	-	-	3,102,568
Fundraising expenses	313,486	-	-	313,486
General administrative expenses	113,105	-	-	113,105
	<u>3,529,159</u>	<u>-</u>	<u>-</u>	<u>3,529,159</u>
Increase in net assets	946,580	-	-	946,580
<b>NET ASSETS</b> , beginning of year	<u>1,179,369</u>	<u>15,590</u>	<u>-</u>	<u>1,194,959</u>
<b>NET ASSETS</b> , end of year	<u><u>\$ 2,125,949</u></u>	<u><u>\$ 15,590</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,141,539</u></u>

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

**FOUNDATION FOR ANGELMAN SYNDROME THERAPEUTICS**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>REVENUES</b>				
General donations	\$ 405,690	\$ -	\$ -	\$ 405,690
Event revenues and donations	716,279	-	-	716,279
Investment income	365	-	-	365
Realized gain / (loss) on investments	(1,161)	-	-	(1,161)
	<u>1,121,173</u>	<u>-</u>	<u>-</u>	<u>1,121,173</u>
Net assets released from restriction	271	(271)	-	-
	<u>1,121,444</u>	<u>(271)</u>	<u>-</u>	<u>1,121,173</u>
<b>COSTS AND EXPENSES</b>				
Program expenses	1,241,977	-	-	1,241,977
Fundraising expenses	82,549	-	-	82,549
General administrative expenses	23,617	-	-	23,617
	<u>1,348,143</u>	<u>-</u>	<u>-</u>	<u>1,348,143</u>
Decrease in net assets	(226,699)	(271)	-	(226,970)
<b>NET ASSETS</b> , beginning of year	<u>1,406,068</u>	<u>15,861</u>	<u>-</u>	<u>1,421,929</u>
<b>NET ASSETS</b> , end of year	<u>\$ 1,179,369</u>	<u>\$ 15,590</u>	<u>\$ -</u>	<u>\$ 1,194,959</u>

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



**FOUNDATION FOR ANGELMAN SYNDROME THERAPEUTICS**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

	<b>2016</b>	<b>2015</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 946,580	\$ (226,970)
Adjustments to reconcile change in net assets to net cash provided by / (used in) operating activities		
Net realized and unrealized losses on investments	273	1,161
Grants payable	80,000	(150,000)
Net cash provided by / (used in) operating activities	1,026,853	(375,809)
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of investments	(4,446,336)	(1,249,923)
Proceeds from sale of investments	3,525,086	1,842,017
Net cash provided by / (used in) investing activities	(921,250)	592,094
 <b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	105,603	216,285
Cash and cash equivalents, beginning of year	1,188,220	971,935
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 1,293,823</b>	<b>\$ 1,188,220</b>

See accompanying notes and independent accountant's audit report.

**FOUNDATION FOR ANGELMAN SYNDROME THERAPEUTICS**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*Nature of Activities*

The Foundation for Angelman Syndrome Therapeutics (“Foundation”) was incorporated under the laws of the state of California on August 19, 2008, as a not-for-profit corporation for educational and other purposes and is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. Over the years, the Foundation has endowed several medical grants and research programs targeted at finding treatments and a cure to the neurological disorder of Angelman Syndrome.

*Financial Statement Presentation*

The Foundation has adopted Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements for Not-for-Profit Organizations*. Under SFAS No. 117, the Foundation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. As permitted by the statement, the Foundation does not use fund accounting.

*Method 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. Expenses are recognized when they occur. The financial statements of the Foundation also reflect unrestricted, temporarily restricted, and permanently restricted classifications.

*Use of Accounting Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect certain reported amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

*Temporarily and Permanently Restricted Net Assets*

Temporarily restricted net assets are net assets whose use has been limited by donors to a specific time or purpose. Net assets released from restrictions are reported in the statements of activities as additions to unrestricted net assets. Earnings from temporarily restricted net assets are included in unrestricted revenue and support unless restricted by donor. Permanently restricted net assets consist of amounts held in perpetuity. Earnings from permanently restricted net assets are included in temporarily restricted revenue until expended.

**FOUNDATION FOR ANGELMAN SYNDROME THERAPEUTICS**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

***Temporarily and Permanently Restricted Net Assets***

Temporarily restricted net assets are net assets whose use has been limited by donors to a specific time or purpose. Net assets released from restrictions are reported in the statements of activities as additions to unrestricted net assets. Earnings from temporarily restricted net assets are included in unrestricted revenue and support unless restricted by donor. Permanently restricted net assets consist of amounts held in perpetuity. Earnings from permanently restricted net assets are included in temporarily restricted revenue until expended.

***Contributions***

All contributions are considered to be available for the general programs of the Foundation unless specifically restricted by the donor. Contributions are recorded at fair value at the date of the donation.

***Cash and Cash Equivalents***

Cash and cash equivalents consist of demand deposits with banks, short-term investments and other securities with original maturities not in excess of three months when purchased. Due to its short-term nature, the carrying value of cash and cash equivalents approximates fair value. The Foundation maintains domestic cash accounts, which from time to time exceed the Federal Deposit Insurance Corporation's insured limitations. The Foundation believes it is not exposed to significant credit risk on cash and cash equivalents.

***Grants Payable***

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

***Investments***

Investments consist of cash held for investment purposes, money market funds, mutual funds, equity securities, corporate bonds, U.S. government securities, mortgage-backed securities, commingled trust funds, hedge funds and private equity funds. Investments are reported at fair value. Fair value is based on quoted market prices when available. For investments in limited partnerships and other similar investments ("alternative investments"), the fair value is based on valuations provided by external investment managers, which are reviewed by management for reasonableness. The Foundation believes the carrying amount of these financial instruments is a reasonable estimate of fair value. Because alternative investments are not readily marketable, their estimated value is subject to uncertainty and may differ from the value that would have been used had a ready market for such investments existed. Gains and losses on investment assets are included in the statement of activities.

**FOUNDATION FOR ANGELMAN SYNDROME THERAPEUTICS**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

***Fair Value of Financial Instruments***

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The fair value hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

- Level 1 - Quoted prices for identical instruments in active markets, which includes listed money market funds, mutual funds and equity securities. The Foundation does not adjust the quoted price for such instruments, even in situations where the Foundation holds a large position and a sale could reasonably impact the quoted price.
- Level 2 - Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in inactive markets; or derived from inputs that are observable.
- Level 3 - Significant unobservable inputs that reflect assumptions that market participants would use in pricing an asset or liability.

In many cases, a valuation technique used to measure fair value includes inputs from multiple levels of the fair value hierarchy. The lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy. Investments using Net Asset Value (NAV) per share (or its equivalent) as a fair value expedient have not been classified in the fair value hierarchy. These investments are presented as “NAV” in the following tables to permit reconciliation of the fair value hierarchy table to the total investments at fair value presented in the Statement of Financial Position.

The levels for financial instruments are evaluated on an annual basis and transfers between levels are recognized as of the end of each fiscal year.

***Recent Accounting Guidance***

In August 2016, the FASB issued (ASU) 2016-14, *Not-for-Profit Entities: Topic 958*. The amendments in this Update affect not-for-profit entities (NFP’s) and the users of their general purpose financial statements. The amendments in this Update make certain improvements to the current net asset classification requirements and the information presented in financial statements and notes about a NFP’s liquidity, financial performance, and cash flows. The amendments in the ASU are effective for annual financial statements issued for fiscal years beginning after December 15, 2017. The Foundation has not yet implemented this ASU and is in the process of assessing the effect on the Foundation’s financial statements.

**FOUNDATION FOR ANGELMAN SYNDROME THERAPEUTICS**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

*Income Taxes*

The Foundation has received a favorable determination letter from the Internal Revenue Service, stating that it is exempt from federal income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code (IRC) of 1986, as amended, except for income taxes pertaining to unrelated business income. The Financial Accounting Standards Board issued guidance that requires tax effects from uncertain tax positions to be recognized in the financial statements only if the position is more likely than not to be sustained if the position were to be challenged by a taxing authority.

Management has determined that there are no material uncertain positions that require recognition in the financial statements. Additionally, no provision for income taxes is reflected in these financial statements, as the Foundation's unrelated business taxable income is expected to be offset by net operating losses carried forward from prior years. There is no interest or penalties recognized in the financial statements.

*Reclassifications*

Certain amounts in the prior year financial statements have been reclassified to conform to the current year presentation. Such reclassifications did not have an effect on net assets or change in net assets.

**2. DATE OF MANAGEMENT'S REVIEW**

In preparing the financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through November 15, 2017, the date that the financial statements were available to be issued.

**3. TEMPORARILY AND PERMANENTLY RESTRICTED NET ASSETS**

Temporarily restricted net assets include gifts of cash and other assets for which donor-imposed restrictions have not yet been met, and for which the ultimate purpose of the proceeds is not permanently restricted. At December 31, 2016 and 2015, temporarily restricted net assets consisted of the following:

	<u>2016</u>	<u>2015</u>
Travel	\$ 15,590	\$ 15,590
Total	<u>\$ 15,590</u>	<u>\$ 15,590</u>

At December 31, 2016 and 2015, there are no permanently restricted net assets.

**FOUNDATION FOR ANGELMAN SYNDROME THERAPEUTICS**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

**4. NET ASSETS RELEASED FROM RESTRICTIONS**

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors as follows for the years ended December 31:

	<u>2016</u>	<u>2015</u>
Research	\$ 2,023,217	\$ 0
Travel	<u>0</u>	<u>271</u>
Total	<u>\$ 2,023,217</u>	<u>\$ 271</u>

**5. GRANTS AND GRANTS PAYABLE**

In 2013, the Foundation pledged a Post Doctorate RFA Grant of \$56,000 for a stipend, travel expenses and research costs payable over one year to Texas A&M. All amounts for the pledge have been paid out as of the end of 2013. In 2014, the Foundation pledged an additional \$56,000 toward this grant. All amounts for the additional pledge have been paid out as of the end of 2014. During 2015, Texas A&M refunded to the Foundation the unused portion of this Grant in the amount of \$12,704.

In 2016, the Foundation pledged a Post Doctorate RFA Grant of \$30,000 for a stipend, travel expenses and research costs payable over one year to Terry Jo Bichell at the University of Vanderbilt. None of the pledged amount has been paid out as of the end of 2016. This grant is expected to be fully funded previous to the end of 2017. As such, no discounting of this grant has been done to present this grant at a present value amount.

The Post Doctorate RFA Grants for Texas A&M and the University of Vanderbilt are combined for presentation purposes in the chart below as "RFA".

In 2013, the Foundation pledged a Grant of \$635,979 for research costs payable over one year to the University of South Florida for the identification and characterization of novel therapeutics for Angelman Syndrome. All amounts for the pledge have been paid out as of the end of 2013. In 2014, the Foundation pledged an additional \$797,468 toward this grant. All amounts for the additional pledge have been paid out as of the end of 2014. In 2015, the Foundation pledged an additional \$971,284 toward this grant. All amounts for the additional pledge have been paid out as of the end of 2015. In 2016, the Foundation pledged an additional \$2,209,231 toward this grant. All amounts for the additional pledge have been paid out as of the end of 2016.

In 2014, the Foundation pledged a Grant of \$150,000 for the production of a pig model and research items to Texas A&M. As of December 31, 2014, the balance remained outstanding. All amounts for the pledge were paid out as of the end of 2015. In 2016, the Foundation pledged an additional \$220,704 toward this grant. All amounts for the additional pledge have been paid out as of the end of 2016.

In 2015, the Foundation pledged a Grant of \$157,487 for a gene therapy approach to the therapeutic treatment of Angelman Syndrome to the University of South Florida. All amounts for the pledge have been paid out as of the end of 2015.

**FOUNDATION FOR ANGELMAN SYNDROME THERAPEUTICS  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

**6. GRANTS PAYABLE (continued)**

In 2016, the Foundation pledged a Grant of \$479,252 for an imaging equipment upgrade and for the analysis of therapeutic proteins to the University of California Davis. All amounts for the pledge were paid out as of the end of 2016.

In 2016, the Foundation pledged a Grant of \$100,000 for a humanized mouse model to the Baylor College of Medicine. \$50,000 of this pledge was paid out as of the end of 2016. This grant is expected to be fully funded previous to the end of 2017. As such, no discounting of this grant has been done to present this grant at a present value amount.

The Grant for the identification and characterization of novel therapeutics (University of South Florida), the Grant for the production of a pig model (Texas A&M), the Grant for the gene therapy approach to the therapeutic treatment of Angelman Syndrome (University of South Florida), the grant for the equipment upgrade and analysis of therapeutic proteins (University of California Davis), and the grant for the humanized mouse model (Baylor College of Medicine) are combined for presentation purposes in the chart below as "Research".

The grants payable are accounted for as follows:

	<u>RFA</u>	<u>Research</u>
Grants payable as of 12.31.2014	\$ 0	\$ 150,000
Grants authorized in 2015	\$ 0	\$ 1,128,771
Less: Grants paid in 2015	<u>0</u>	<u>(1,278,771)</u>
Remaining grants as of 12.31.2015	0	0
Less: Discount to present value	<u>0</u>	<u>0</u>
Grants payable as of 12.31.2015	<u>\$ 0</u>	<u>\$ 0</u>
Grants authorized in 2016	\$ 30,000	\$ 3,009,187
Less: Grants paid in 2016	<u>(0)</u>	<u>(2,959,187)</u>
Remaining grants as of 12.31.2016	30,000	50,000
Less: Discount to present value	<u>0</u>	<u>0</u>
Grants payable as of 12.31.2016	<u>\$ 30,000</u>	<u>\$ 50,000</u>

**FOUNDATION FOR ANGELMAN SYNDROME THERAPEUTICS**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

**7. INVESTMENTS AND FAIR VALUE**

The following table summarizes the fair value measurements of investments as of December 31, 2016:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>NAV</u>	<u>Total</u>
Cash and cash equivalents	\$ 723,833	\$	\$	\$	\$ 723,833
Mutual funds	198,731				198,731
Common stocks	<u>5,152</u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>5,152</u>
Total	<u>\$ 927,716</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 927,716</u>

The following table summarizes the fair value measurements of investments as of December 31, 2015:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>NAV</u>	<u>Total</u>
Cash and cash equivalents	\$ 596,329	\$	\$	\$	\$ 596,329
Mutual funds	0				0
Common stocks	<u>6,739</u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>6,739</u>
Total	<u>\$ 603,068</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 603,068</u>

Management believes the investment portfolio is diversified to minimize the concentration of risk of any single security, class of security, or asset class.

Level 1 financial instruments consist primarily of common stocks, mutual funds, and other securities whose fair values are determined by obtaining quoted prices on nationally recognized security exchanges. The mutual funds have a daily redemption frequency with no redemption notice required.

**8. PROPERTY AND EQUIPMENT**

The Foundation capitalizes all expenditures for property and equipment in excess of \$1,000. As of the December 31, 2016, the Foundation has not capitalized any property and equipment. Any future capitalizations will be depreciated using the straight-line method over five years.

**9. SUBSEQUENT EVENTS**

The Foundation evaluated its June 30, 2017, financial statements for subsequent events through November 15, 2017, the date the financial statements were available to be issued, and is not aware of any subsequent events that would require recognition or disclosure in the financial statements.



## **SUPPLEMENTAL INFORMATION**

**FOUNDATION FOR ANGELMAN SYNDROME THERAPEUTICS**  
**SCHEDULE A - SCHEDULE OF REVENUES BY SOURCE**  
**FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

**2016**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
General Donations				
Individuals	\$ 1,392,501	\$ -	\$ -	\$ 1,392,501
Corporate	333,356	-	-	333,356
Foundation	324,819	2,023,217	-	2,348,036
Events and Programs				
Annual Gala	264,024	-	-	264,024
Lite the Night on Fire for FAST	68,015	-	-	68,015
Other Fundraising Events	69,863	-	-	69,863
	<u>\$ 2,452,578</u>	<u>\$ 2,023,217</u>	<u>\$ -</u>	<u>\$ 4,475,795</u>

**2015**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
General Donations				
Individuals	\$ 371,009	\$ -	\$ -	\$ 371,009
Corporate	34,681	-	-	34,681
Foundation	-	-	-	-
Events and Programs				
Annual Gala	363,511	-	-	363,511
Lite the Night on Fire for FAST	77,863	-	-	77,863
Other Fundraising Events	274,905	-	-	274,905
	<u>\$ 1,121,969</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,121,969</u>

See accompanying notes and independent accountant's audit report.

**FOUNDATION FOR ANGELMAN SYNDROME THERAPEUTICS**  
**SCHEDULE B - SCHEDULE OF COSTS AND EXPENSES BY FUNCTION**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Event and Fundraising Costs				
Program expenses				
Community outreach	\$ 43,859	\$ -	\$ -	\$ 43,859
Education and awareness	6,257	-	-	6,257
Research funding	3,039,187	-	-	3,039,187
Professional fees (program related)	13,265	-	-	13,265
Fundraising expense	313,486	-	-	313,486
Total costs and expenses before general and administrative expenses				
	\$ 3,416,054	\$ -	\$ -	\$ 3,416,054
General Operating Expenses				
Bank and merchant account fees	\$ 32,100	\$ -	\$ -	\$ 32,100
Filing fees and registrations	1,284	-	-	1,284
Insurance	3,086	-	-	3,086
Marketing	7,938	-	-	7,938
Office supplies	6,746	-	-	6,746
Payroll and payroll taxes	46,130	-	-	46,130
Postage and delivery	925	-	-	925
Professional fees	8,117	-	-	8,117
Telephone and telecommunications	4,328	-	-	4,328
Travel	2,451	-	-	2,451
Total general and administrative				
	\$ 113,105	\$ -	\$ -	\$ 113,105
Total costs and expenses				
	<u>\$ 3,529,159</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,529,159</u>

See accompanying notes and independent accountant's audit report.

**FOUNDATION FOR ANGELMAN SYNDROME THERAPEUTICS**  
**SCHEDULE B - SCHEDULE OF COSTS AND EXPENSES BY FUNCTION**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Event and Fundraising Costs				
Program expenses				
Community outreach	\$ 76,666	\$ -	\$ -	\$ 76,666
Education and awareness	49,244	-	-	49,244
Research funding	1,116,067	-	-	1,116,067
Professional fees (program related)	-	-	-	-
Fundraising expense	<u>82,549</u>	<u>-</u>	<u>-</u>	<u>82,549</u>
Total costs and expenses before general and administrative expenses	\$ 1,324,526	\$ -	\$ -	\$ 1,324,526
General Operating Expenses				
Bank and merchant account fees	\$ 74	\$ -	\$ -	\$ 74
Filing fees and registrations	885	-	-	885
Insurance	-	-	-	-
Marketing	2,552	-	-	2,552
Office supplies	2,953	-	-	2,953
Payroll and payroll taxes	-	-	-	-
Postage and delivery	702	-	-	702
Professional fees	8,000	-	-	8,000
Telephone and telecommunications	3,437	-	-	3,437
Travel	<u>5,014</u>	<u>-</u>	<u>-</u>	<u>5,014</u>
Total general and administrative	<u>\$ 23,617</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,617</u>
Total costs and expenses	<u><u>\$ 1,348,143</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,348,143</u></u>

See accompanying notes and independent accountant's audit report.

**FOUNDATION FOR ANGELMAN SYNDROME THERAPEUTICS**  
**SCHEDULE C - SCHEDULE OF INVESTMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

**2016**

	<u>Cost</u>	<u>Market Value</u>
Cash and cash equivalents		
United States Treasury Bills, 0.0%, 04.20.2017, DTD 10.20.2016	\$ 723,833	\$ 723,833
Mutual funds		
New Perspective Fund, Class A	198,731	198,731
Common stocks		
Stryker Corp.	5,152	5,152
<b>TOTAL INVESTMENTS</b>	<b><u>\$ 927,716</u></b>	<b><u>\$ 927,716</u></b>

**2015**

	<u>Cost</u>	<u>Market Value</u>
Common Stocks		
Exxon Mobil Corp.	\$ 1,192	\$ 1,169
Intl Business Machines Corp	557	551
Stryker Corp.	5,184	5,019
<b>TOTAL INVESTMENTS</b>	<b><u>\$ 6,933</u></b>	<b><u>\$ 6,739</u></b>

See accompanying notes and independent accountant's audit report.