

**OSTEOGENESIS IMPERFECTA FOUNDATION
(a nonprofit organization)**

FINANCIAL STATEMENTS

**Year Ended June 30, 2023
with Summarized Comparative Information
for the year ended June 30, 2022**

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Osteogenesis Imperfecta Foundation
Gaithersburg, MD

Opinion

We have audited the accompanying financial statements of Osteogenesis Imperfecta Foundation (the Foundation), which comprise the statement of financial position as of June 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.

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

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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 the Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 ability to continue as a going concern for a reasonable period of time.

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

Report on Summarized Comparative Information

We have previously audited the Foundation's 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 30, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been

Renner and Company, CPA, P.C.

Alexandria, Virginia
February 12, 2024

OSTEOGENESIS IMPERFECTA FOUNDATION**STATEMENTS OF FINANCIAL POSITION****June 30, 2023 (with Summarized Comparative Information as of June 30, 2022)**

	ASSETS	
	<u>2023</u>	<u>2022</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 163,514	\$ 529,727
Accounts receivable	12,500	5,122
Pledges receivable	196,232	105,440
Grants receivable	233,333	-
Investments	1,501,581	1,292,495
Inventory	7,602	7,795
Prepaid expenses	35,704	33,360
	<u>2,150,466</u>	<u>1,973,939</u>
TOTAL CURRENT ASSETS		
	<u>2,150,466</u>	<u>1,973,939</u>
PROPERTY AND EQUIPMENT, at cost, net	<u>5,988</u>	<u>7,360</u>
OTHER ASSETS		
Long-term pledges receivable	15,000	30,000
Deposits	11,405	11,405
Beneficial interest in assets held in perpetual trust	15,500	15,500
Intangible assets - website development	8,182	15,886
Right-of-use asset, operating	139,624	-
	<u>189,711</u>	<u>72,791</u>
TOTAL OTHER ASSETS		
	<u>189,711</u>	<u>72,791</u>
TOTAL ASSETS	<u><u>\$ 2,346,165</u></u>	<u><u>\$ 2,054,090</u></u>

See Notes to Financial Statements.

OSTEOGENESIS IMPERFECTA FOUNDATION

STATEMENTS OF FINANCIAL POSITION

June 30, 2023 (with Summarized Comparative Information as of June 30, 2022)

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 51,708	\$ 39,701
Accrued expenses	94,009	46,131
Deferred rent	-	13,893
Deferred revenue	44,094	96,491
Promise to give	304,013	321,445
Note payable	25,000	25,000
Operating lease liability, current	45,866	-

TOTAL CURRENT LIABILITIES

<u>564,690</u>	<u>542,661</u>
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LONG TERM LIABILITIES

Long-term promises to give, net of current	-	32,120
Operating lease liability, net of current	106,228	-

TOTAL LONG-TERM LIABILITIES

<u>106,228</u>	<u>32,120</u>
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TOTAL LIABILITIES

<u>670,918</u>	<u>574,781</u>
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NET ASSETS

Without donor restrictions	(586)	491,742
With donor restrictions	1,675,833	987,567

TOTAL NET ASSETS

<u>1,675,247</u>	<u>1,479,309</u>
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TOTAL LIABILITIES AND NET ASSETS

<u>\$ 2,346,165</u>	<u>\$ 2,054,090</u>
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See Notes to Financial Statements.

OSTEOGENESIS IMPERFECTA FOUNDATION

STATEMENTS OF ACTIVITIES

Year Ended June 30, 2023 (with Summarized Comparative Information for the year ended June 30, 2022)

	2023			2022
	Without Donor Restrictions	With Donor Restrictions	Total	Total
SUPPORT AND REVENUE				
Contributions and grants	\$ 263,189	\$ 1,263,385	\$ 1,526,574	\$ 1,036,377
Event revenue	301,456	114,737	416,193	455,934
Direct mailing revenue	187,840	-	187,840	283,218
Contract revenue	113,131	-	113,131	174,318
In-kind contributions	33,966	-	33,966	29,511
Other income	32,468	-	32,468	35,371
Conference revenue	4,427	-	4,427	(390)
Product sales, net of cost of goods sold	549	-	549	672
Investment income (loss)	106,873	-	106,873	(160,885)
Net assets released from restrictions	689,856	(689,856)	-	-
TOTAL SUPPORT AND REVENUE	1,733,755	688,266	2,422,021	1,854,126
EXPENSES				
Program	1,653,443	-	1,653,443	1,905,880
Management and general	362,009	-	362,009	262,270
Fundraising	210,631	-	210,631	244,765
TOTAL EXPENSES	2,226,083	-	2,226,083	2,412,915
CHANGE IN NET ASSETS	(492,328)	688,266	195,938	(558,789)
NET ASSETS, beginning of year	491,742	987,567	1,479,309	2,038,098
NET ASSETS, end of year	\$ (586)	\$ 1,675,833	\$ 1,675,247	\$ 1,479,309

See Notes to Financial Statements.

OSTEOGENESIS IMPERFECTA FOUNDATION

STATEMENTS OF FUNCTIONAL EXPENSES

Year Ended June 30, 2023 (with Summarized Comparative Information for the year ended June 30, 2022)

	2023					2022			
	Program Services				Total	Support Services			
	Conferences	Education and Support	Research	Public Awareness		Management and General	Fundraising	Total	
Salaries and Fringe Benefits	\$ 97,116	\$ 427,505	\$ 174,494	\$ 116,791	\$ 815,906	\$ 244,110	\$ 71,724	\$ 1,131,740	\$ 1,083,803
Grants and fellowship	172	117,479	281,386	-	399,037	-	-	399,037	695,763
Meetings and conferences	59,133	63,390	114,134	-	236,657	7,525	-	244,182	200,146
Event expenses	-	-	-	-	-	-	117,517	117,517	119,543
Occupancy	4,914	22,838	8,890	6,133	42,775	10,045	3,702	56,522	56,784
Travel	4,116	19,128	7,446	5,137	35,827	8,413	3,101	47,341	11,286
In-kind expense	2,953	13,724	5,342	3,685	25,704	6,037	2,225	33,966	29,511
Information technology and web support	835	3,882	1,511	1,042	7,270	25,030	629	32,929	29,410
Professional fees	560	2,603	1,013	729	4,905	17,950	422	23,277	28,634
Printing and duplicating	1,922	8,933	3,477	2,399	16,731	3,929	1,448	22,108	17,617
Bank fees	-	-	-	-	-	18,779	1,417	20,196	22,268
Office supplies	1,636	7,602	2,959	2,041	14,238	3,591	1,232	19,061	17,222
Postage and delivery	1,295	6,016	2,341	1,616	11,268	2,649	975	14,892	15,161
Licenses and permits	1,125	5,229	2,035	1,404	9,793	2,300	848	12,941	21,051
Dues and subscriptions	1,035	3,757	1,872	1,291	7,955	4,089	780	12,824	9,019
Depreciation and amortization	921	4,279	1,666	1,149	8,015	1,881	694	10,590	11,002
Insurance	453	3,270	820	566	5,109	927	2,857	8,893	9,579
Telephone	744	3,457	1,346	928	6,475	1,521	560	8,556	9,035
Equipment rental and maintenance	664	3,085	1,201	828	5,778	1,357	500	7,635	7,309
Interest expense	-	-	-	-	-	1,714	-	1,714	722
Tax fees	-	-	-	-	-	144	-	144	-
Consulting fees	-	-	-	-	-	18	-	18	18,050
TOTAL EXPENSES	\$ 179,594	\$ 716,177	\$ 611,933	\$ 145,739	\$ 1,653,443	\$ 362,009	\$ 210,631	\$ 2,226,083	\$ 2,412,915

See Notes to Financial Statements.

OSTEOGENESIS IMPERFECTA FOUNDATION**STATEMENTS OF CASH FLOWS****Year Ended June 30, 2023 (with Comparative Information for the year ended June 30, 2022)**

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from operations		
Support and revenue	\$ 1,910,568	\$ 2,232,636
Investment income	27,705	21,601
	<u>1,938,273</u>	<u>2,254,237</u>
Cash used in operations		
Payment to suppliers and employees	2,174,768	2,023,579
Interest paid	-	722
	<u>2,174,768</u>	<u>2,024,301</u>
NET CASH (USED) PROVIDED BY OPERATING ACTIVITIES	<u>(236,495)</u>	<u>229,936</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of equipment and property	(1,514)	(3,654)
Purchase of intangible assets - website development	-	(1,000)
Sale of investments	70,697	389,712
Purchase of investments	(198,901)	(384,843)
	<u>(129,718)</u>	<u>215</u>
NET CASH (USED) PROVIDED BY INVESTING ACTIVITIES	<u>(129,718)</u>	<u>215</u>
NET (DECREASE) INCREASE IN CASH	(366,213)	230,151
CASH AND RESTRICTED CASH, beginning of year	<u>529,727</u>	<u>299,576</u>
CASH AND RESTRICTED CASH, end of year	<u>\$ 163,514</u>	<u>\$ 529,727</u>
NON-CASH INVESTING AND FINANCING ACTIVITIES		
Unrealized (gain) loss in market value of investments	\$ (66,724)	\$ 382,902
Increase (decrease) in investment value	66,724	(382,902)
Non-cash contributions received - securities	(1,714)	-
Loss on sale of donated securities	1,714	-
	<u>\$ -</u>	<u>\$ -</u>

See Notes to Financial Statements.

OSTEOGENESIS IMPERFECTA FOUNDATION**STATEMENTS OF CASH FLOWS****Year Ended June 30, 2023 (with Comparative Information for the year ended June 30, 2022)**

	<u>2023</u>	<u>2022</u>
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH (USED) PROVIDED BY OPERATING ACTIVITIES		
CHANGE IN NET ASSETS	<u>\$ 195,938</u>	<u>\$ (558,789)</u>
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH (USED) PROVIDED BY OPERATING ACTIVITIES		
Realized and unrealized (gains) losses on investments	(80,882)	183,396
Depreciation and amortization expense	10,590	11,002
Non-cash occupancy costs	<u>(1,423)</u>	<u>(397)</u>
NET ADJUSTMENTS	<u>(71,715)</u>	<u>194,001</u>
CHANGES IN ASSETS AND LIABILITIES AFFECTING OPERATIONS (USING) PROVIDING CASH ASSETS		
Accounts and pledges receivable	(316,503)	168,295
Inventory	193	255
Prepaid expenses	<u>(2,344)</u>	<u>43,425</u>
	<u>(318,654)</u>	<u>211,975</u>
LIABILITIES		
Accounts payable	12,007	(67,146)
Promises to give	(49,552)	353,565
Accrued expenses	47,878	18,399
Deferred revenue	<u>(52,397)</u>	<u>77,931</u>
	<u>(42,064)</u>	<u>382,749</u>
NET CHANGES IN ASSETS AND LIABILITIES	<u>(360,718)</u>	<u>594,724</u>
NET CASH (USED) PROVIDED BY OPERATING ACTIVITIES	<u><u>\$ (236,495)</u></u>	<u><u>\$ 229,936</u></u>

See Notes to Financial Statements.

OSTEOGENESIS IMPERFECTA FOUNDATION

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 (with Summarized Comparative Information as of and for the year ended June 30, 2022)

1. ORGANIZATION AND PURPOSE, SIGNIFICANT ACCOUNTING POLICIES

Organization and Purpose

Osteogenesis Imperfecta Foundation, Inc. (the Foundation or OIF) is a Georgia non-stock corporation incorporated in 1970 with the primary purpose of improving the quality of life for people affected by the bone disorder osteogenesis imperfecta (OI) through research into treatments and a cure, education, awareness, and mutual support. The Foundation's headquarters are located in Gaithersburg, Maryland.

The underlying categories represent the major program areas of the Foundation:

Research

Michael Geisman Fellowship Program - The Foundation funds grants to support research relevant to understanding and treating OI. Through the Michael Geisman Fellowship program, OIF's young investigator grant program named for the son of OIF Founder, Gemma Geisman, fellowships are awarded to post-doctoral trainees working on projects with clear relevance to OI. This past year, OIF awarded second year funding to Dr. Giulia Montagna.

NIH Brittle Bone Disorders Consortium (BBDC) - The BBDC has been funded for an additional five years as part of the National Institutes of Health's Rare Diseases Clinical Research Network. The goal of the initiative is to better understand all genetic forms of OI, expand treatment options and train the next generation of physicians and scientists to study OI. As the lead patient advocacy organization partner, the OIF will expand on the outreach to medical professionals and constituents through the various online learning portals housed on the OIF's website as well as continue to provide opportunities for scientists and OI researchers to connect and collaborate.

Eugene Washington PCORI Engagement Award - In the summer and fall of 2023, the OIF was approved for a funding award through the Eugene Washington PCORI Engagement Awards program, an initiative of the Patient-Centered Outcomes Research Institute (PCORI). PCORI is an independent, nonprofit organization authorized by Congress in 2010 to fund comparative effectiveness research that will provide patients, their caregivers, and clinicians with the evidence needed to make better-informed health and healthcare decisions. The goal of patient-centered outcomes research (PCOR) for OI is to provide doctors and care providers with information that is relevant to the needs of the OI community. This allows clinicians to provide better care and empowers the OI community to advocate for themselves. Until recently, OI research has been focused on fractures, but the characteristics of OI go beyond bone and includes ear, lungs, eye, and heart problems. PCOR filled this gap in, addressing the needs of the OI community that have previously gone unheard. This project was completed on October 31, 2023.

OSTEOGENESIS IMPERFECTA FOUNDATION

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 (with Summarized Comparative Information as of and for the year ended June 30, 2022)

1. ORGANIZATION AND PURPOSE, SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Research (Continued)

The OIF and the Rare Bone Disease Alliance have continued to expand on the Rare Bone Disease TeleECHO Clinic Series (<https://rbdalliance.org/echo/>) and OI TeleECHO series (<https://oif.org/research/echo/>). The goal of this educational program, a partnership with Project ECHO™ (Extension for Community Healthcare Outcomes), is to build capacity to diagnose and treat rare bone diseases and disorders safely and effectively. Both the Rare Bone Disease TeleECHO Clinic Series and OI TeleECHO Series use Zoom videoconferencing. The Rare Bone Disease TeleECHO Series is presented on the first Thursday of every month and is in its 5th year while the OI TeleECHO Series is beginning its second series of programming with sessions on the 2nd Wednesday or every other month. In each session, faculty members or guest speakers present a brief didactic presentation, followed by participant-led case presentations and group discussion of the presented cases. The main presentations are recorded and posted online through the OIF website and YouTube. AMA PRE Category 1 CME credits are available for participants free of charge. For the Rare Bone Disease TeleECHO Clinic Series, four presentations have been completed in its fifth-year curriculum, with presentations scheduled monthly through July. The program faculty will meet in the summer of 2024 to begin planning next year's schedule, which will begin in August 2024. All sessions from the current and past years are available for review online and on the OIF's YouTube channel. The program has attracted 3,993 attendees overall, with an average of 95 per session over the program's existence. The recorded talks on YouTube have more than 36,000 views. The Faculty Chair for this series is Dr. Laura Tosi, BBDC PI at the Children's National Hospital site in Washington, D.C. The OI TeleECHO Clinic Series completed its first year between September 2021 and August 2022, and will begin the 2nd series of programming on December 13, 2023. The first year had 693 attendees in total, an average of 58 attendees per session, and reached 257 unique medical professionals. The total views on YouTube for the OI TeleECHO series are now over 4,500. The organizing faculty for this series includes Dr. Frank Rauch, Dr. Sandesh Nagamani, both lead investigators of the BBDC, as well as Dr. Jeanne Franzone from the BBDC site at Nemours/Alfred I. duPont Hospital for Children in Delaware. The 12 future topics aim to highlight research initiatives of the BBDC and the OI community, including adult health treatments, pain management, and more.

OI Registry - The OIF encourages OI community members (18 and older) and parents of children with OI to join the OI Registry. The OI Registry is a database of individuals with OI who are interested in participating in OI research.

Patient-Centered Outcomes Research - The OI Foundation was approved for a funding award through the Eugene Washington PCORI Engagement Awards (Engagement Awards) program, an initiative of the Patient-Centered Outcomes Research Institute (PCORI). Funding from the Patient-Centered Outcomes Research Institute (PCORI) will be used to enhance and expand the ongoing work of the OI Foundation (OIF).

OSTEOGENESIS IMPERFECTA FOUNDATION

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 (with Summarized Comparative Information as of and for the year ended June 30, 2022)

1. ORGANIZATION AND PURPOSE, SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Research (Continued)

The OIF Information Center is a web-based resource for medical professionals and patients that houses extensive OI-related educational material from factsheets, virtual learning video library, publications, and clinic and provider directories. The OIF Information Center receives about 15,000 visits each year. Additionally, the OIF responds to more than 11,000 phone and email requests for information each. More than 1,800 medical professionals have signed up to receive the OIF's monthly Professional Education Newsletter. Since 2014, one of the most successful initiatives, the New Diagnosis Toolkit, has received 15,000 views. This initiative has not only met a tremendous need for the OI community but has been very helpful to physicians with limited experience treating OI. The toolkit provides medically verified information for families and providers on topics related to the care of OI newborns from pregnancy through life at home and has been exceedingly popular with patients and medical professionals. The OIF has also produced a video companion piece available in Spanish and French. In 2023, the OIF developed the Adult Health Toolkit, to help adults and their providers understand and treat the health needs of adults living with OI, including navigating the transition from pediatric to adult care.

Scientific Meetings – OIF hosts an annual Scientific Meeting to bring together leaders in clinical and basic research on a single topic related to OI. In addition, the Foundation participates in numerous research meetings sponsored by other organizations, including the National Institute of Health (NIH). Every third year, OIF joins other OI associations at the International Scientific Congress on OI.

Since 2020, the OIF has successfully hosted biannual virtual and in-person OI Clinic and Bone Health Town Hall Meetings. The meetings gather more between 100-200 attendees and provide an opportunity for medical professionals who are treating patients with OI, and those who are interested in bone health, to come together to learn about OIF resources and connect and collaborate with each other. The OIF successfully co-chaired a rare bone disease alliance meeting in October 2023 which was held as a pre-meeting to the American Society of Bone and Mineral Research annual meeting in Vancouver, BC. Rare Bone Disease Alliance Steering Committee chair, Dr. Eric Rush, worked closely with ASBMR to gather a program steering committee including Dr. Michael Collins, Dr. Maegen Wallace, Dr. Kathryn Dahir and Dr. Leanne Ward. The meeting was attended by about 350 physicians and researchers in rare bone disease. ASBMR and the RBDA have formed a partnership to host similar Rare Bone Disease Pre-Meetings over the next three years.

OSTEOGENESIS IMPERFECTA FOUNDATION

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 (with Summarized Comparative Information as of and for the year ended June 30, 2022)

1. ORGANIZATION AND PURPOSE, SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Research (Continued)

The OIF continued to fund the cardiopulmonary grant through fiscal year 2023. This community-directed scientific committee led studies in direct response to the growing concern of pulmonary complications, especially in adults, of those in the OI community. The committee continues work to determine the inherent cause of restrictive physiology (cardiopulmonary insufficiency) in people with OI so that treatments can be recommended and appropriate measurements for an accurate assessment of the restrictive physiology in OI patients can be defined by creating a standard normative reference for each OI type. The OIF continues to take the lead in developing programs that provide opportunities for scientific collaboration, mutual support for persons living with OI, and access to the most up-to-date and medically verified information about OI. In 2024, the OIF will launch a new rare bone disease alliance 'boot camp' featuring presentations on each of the disorders represented by the rare bone disease alliance.

The OIF continues to take the lead in developing programs that provide opportunities for scientific collaboration, mutual support for persons living with OI, and access to the most up-to-date and medically verified information about OI.

Education and Support

The Foundation offers medically verified information related to OI. Topics include medical issues such as genetics, diagnosis and treatments. Additional topics focus on daily living strategies, school and employment. The Foundation's staff replies to requests for information via phone, internet, social media and mail. Educational materials are available in print and electronically through the OIF website. Print materials include books, brochures, fact sheets and a printed newsletter. Electronic materials include a monthly email newsletter, and via the website, fact sheets, booklets and brochures. Information on OI is written for a variety of audiences including medical professionals, parents and other family members, children, adults who have OI, and school professionals. The OI Foundation responds to more than 11,000 direct inquiries a year. The OIF Support Group program will be divided into five Regional Support Groups and Affinity Support Groups. The Regional Support Groups will be the first to launch, followed later by the Affinity Support Groups. The OIF has selected Regional Support Group Leaders. Working with an adult education professional, we are developing a training program for support group leaders to provide them with information about OI, OIF programs and resources, and support in hosting virtual events. The OIF will host two virtual orientations and an in-person meeting for Support Group leaders/contacts at OIF National Conferences.

OSTEOGENESIS IMPERFECTA FOUNDATION

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 (with Summarized Comparative Information as of and for the year ended June 30, 2022)

1. ORGANIZATION AND PURPOSE, SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Education and Support (Continued)

Jeanie Coleman Impact Grant Program – In partnership with Children’s Brittle Bone Foundation (CBBF), this annual competitive grant program was designed and established to provide funding for items that will significantly improve the quality of life for a person who has OI and who has limited financial resources. This past year, the Foundation was able to finance 10 applicants for funding for a total of \$57,265. Items and services funded this year include physical therapy, glasses, desks, a swim spa, med sled, wheelchairs, an accessible van, adjustable mattress, and computers.

OIF Conferences

The Foundation’s principal educational event is the Biennial OIF National Conference. The conference brings together adults who have OI, parents, family members and leading medical experts. The conference provides the opportunity for attendees to have face-to-face meetings with experienced physicians, learn about the latest research, and interact with other people who are affected by OI.

In July 2022, the Foundation held a Virtual Conference. More than 800 OI community members registered for the virtual event and joined OI experts and fellow community members for two days of virtual information and social sessions.

For Regional Conference Attendees, the Foundation had approximately 1200 total attendees. During the fiscal year 2023, the Foundation held 2 regional Conferences on July 30, 2022 and June 10, 2023, respectively. OIF plans to hold at least 2 Regional Conferences in the fiscal year 2024. The first will be in Phoenix, Arizona, on Saturday, September 16 and the second will be in Nashville, Tennessee, on Saturday, March 2, 2024.

Public Awareness

The OIF strives to build public awareness and generate additional support among people with OI, community organizations, government agencies, the public, school personnel and medical professionals. The Foundation has a public service announcement, partners with related organizations such as the National Organization for Rare Disorders, the National Bone Health Alliance, the Rare Disease Patient Network, the National Health Council, committees/councils of the National Institutes of Health, and the OI Federation of Europe. In addition, OIF participates in Rare Disease Day activities, and sponsors OI Awareness Week each May.

OSTEOGENESIS IMPERFECTA FOUNDATION

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 (with Summarized Comparative Information as of and for the year ended June 30, 2022)

1. ORGANIZATION AND PURPOSE, SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Public Awareness (Continued)

National Osteogenesis Imperfecta Awareness Week 2023 took place from May 6 - 13, 2023. Volunteers contacted government officials to proclaim OI Awareness Week in 22 cities and states, raised more than \$3,000 through Facebook fundraisers, and reached more than 100,000 people on social media. The OIF celebrated Wishbone Day, the international OI Awareness Day, by sharing facts and information about OI via social media every hour for a consecutive twelve hours.

The OI Foundation manages three official social networking sites: the OIF Facebook Page – followed by 14,417 Facebook users; the OI Foundation Twitter page (@OIFoundation) - followed by 2,764 Twitter users (formerly Twitter), and the OIF Instagram page (@oifoundation) - followed by about 2,098 Instagram users; and the OIF LinkedIn page - followed by about 12,390 users. The OI Forum page is for OI community members to ask questions, share information and experiences, and connect with other OI community members.

The Foundation is committed to advocating on behalf of people with OI. The OIF has established an advocacy initiative; a grassroots effort focusing on educating legislators and their staff about OI and the priorities of the Foundation.

Significant Accounting Policies

Basis of Accounting

The Foundation prepares its financial statements on the accrual basis of accounting. Revenues are recognized in the period in which they are earned; expenses are recognized in the period in which they are incurred.

Summarized Information

The financial statements include certain summarized comparative information in total, but not by each class of net assets. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). Accordingly, such information should be read in conjunction with the Foundation's financial statements for the year ended June 30, 2022, from which the summarized information was derived.

OSTEOGENESIS IMPERFECTA FOUNDATION

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 (with Summarized Comparative Information as of and for the year ended June 30, 2022)

1. ORGANIZATION AND PURPOSE, SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Significant Accounting Policies (Continued)

Cash and Cash Equivalents

Cash consists of noninterest-bearing checking accounts and a money market account. The Foundation considers all highly liquid instruments purchased with an original maturity of three months or less to be cash equivalents.

Accounts Receivable

Accounts receivable are stated as unpaid balances, less any allowance for doubtful accounts. The Foundation provides for losses on accounts receivable using the allowance method. Accounts receivable are considered past due if payments are not received within 60 days of the invoice date. Management periodically reviews accounts receivable to evaluate collectability. Uncollectible receivables will be written off when management determines the receivables will not be collected.

Pledges Receivable

Pledges or unconditional promises to give are recognized as support in the period the promise is made. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. Promises to give are carried at the original amount promised less an estimate made for doubtful promises based on a review of all outstanding promises on a monthly basis. Management determines the allowance for doubtful promises by regularly evaluating individual promises to give and considering the prior history of the donor and the proven collectability of past donations. Promises to give are written off when deemed uncollectible. Recoveries of promises to give previously written off are recorded when received.

Grants Receivable

Grants receivable are stated as the amount management expects to collect from outstanding balances. The Foundation recognizes bad debts when, in the opinion of management, a specific account becomes uncollectible.

OSTEOGENESIS IMPERFECTA FOUNDATION

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 (with Summarized Comparative Information as of and for the year ended June 30, 2022)

1. ORGANIZATION AND PURPOSE, SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Significant Accounting Policies (Continued)

Investments

The Foundation invests in professionally managed portfolios that contain common stock, corporate bonds and municipal bonds. Such investments are exposed to various risks such as market and credit risk. Due to the level of risk associated with such investments and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in risks in the near term would materially affect investment balances and the amounts reported in the financial statements.

Investments are recorded at fair value. Unrealized gains and losses are included in investment income in the statement of activities.

Inventory

Product inventory is carried at cost, and is stated using the first-in, first-out method.

Prepaid Expenses

The Foundation records expenses incurred in advance for general operations and the Biennial National Conference as prepaid expenses.

Property and Equipment

Property and equipment are reflected in the financial statements at cost. The Foundation capitalizes all fixed assets with a purchase price of \$1,000 or greater. Depreciation is computed using the straight line method over the estimated useful lives of the assets. Routine repairs and maintenance are expensed as incurred.

Website Development

Website development expenditures are recorded at cost. These costs are being amortized over the estimated useful life of the website using straight-line basis. When the asset is retired or otherwise disposed of, the cost and related accumulated amortization are removed from the accounts, and any resulting gain or loss is recognized.

OSTEOGENESIS IMPERFECTA FOUNDATION

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 (with Summarized Comparative Information as of and for the year ended June 30, 2022)

1. ORGANIZATION AND PURPOSE, SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Significant Accounting Policies (Continued)

Deferred Revenue

Revenues billed or collected for which the services or function have not been fulfilled are reflected as deferred revenue.

Classes of Assets

To ensure observance of limitations and restrictions placed on the use of resources available to the Foundation, the Foundation classifies resources for accounting purposes into classes established according to their nature and purpose.

In accordance with U.S. GAAP, the Foundation's net assets are classified into two categories as follows:

Net Assets Without Donor Restriction

The Foundation includes operating net assets that are available for the general operations of the Foundation as net assets without donor restriction, as well as Board-designated net assets set aside for future use. There were no Board-designated net assets as of June 30, 2023 and 2022.

Net Assets With Donor Restriction

The Foundation reports gifts of cash and other restricted support if they are received with donor stipulations that limit the use of donated assets. When a donor restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), net assets with donor restriction are reclassified to net assets without donor restriction and reported in the statement of activities as net assets released from restrictions.

Investment gains and losses earned on with donor restricted funds held by the Foundation are recorded as an increase or decrease in net assets without donor restriction.

OSTEOGENESIS IMPERFECTA FOUNDATION

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 (with Summarized Comparative Information as of and for the year ended June 30, 2022)

1. ORGANIZATION AND PURPOSE, SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Significant Accounting Policies (Continued)

Revenue Recognition

Contributions received are recorded as net assets without donor restriction or net assets with donor restriction, depending on the existence and/or nature of any donor restrictions. All donor-restricted support is reported as an increase in net assets with donor restriction, depending on the nature of the restriction. Grants received that are considered to be conditional promises to give are recorded as refundable advances until the conditions are substantially met.

Disaggregation of Revenue

The Foundation disaggregates revenue according to the nature of the services provided. The Foundation also disaggregates revenue from contracts with customers according to the timing of revenue recognition. These categories are used to depict how the nature, amount, timing, and uncertainty of revenue and cash flows are affected by economic factors.

Performance Obligations

Sponsorships are recognized at a point in time when the conference occurs. The contract for sponsorships is established on payment for which the Foundation provides various benefits such as virtual display, virtual distribution of signage in various formats and platforms, and sponsor logos featured on t-shirts. In addition, the Foundation provides registrations to sponsor attendees based on sponsorship levels. Sponsorship rates ranged from \$375 to \$25,000 and \$500 to \$5,000 for the years ended June 30, 2023 and 2022, respectively.

Significant Judgments

The Foundation's Board of Directors determines the price for its meetings, conferences, and special events is determined by management which accounts for all the expenses to be incurred and includes it in the transaction price.

OSTEOGENESIS IMPERFECTA FOUNDATION

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 (with Summarized Comparative Information as of and for the year ended June 30, 2022)

1. ORGANIZATION AND PURPOSE, SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Significant Accounting Policies (Continued)

Recognition of Support

Contributions with donor-imposed restrictions are reported as restricted support; however, donor-restricted contributions whose restrictions are met in the same reporting period are reported as support without donor restriction.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs, such as salaries and fringe benefits, meetings and conferences, occupancy, travel, in-kind expenses, information technology and web support, professional fees, printing and duplicating, office supplies, postage and delivery, licenses and permits, dues and subscriptions, depreciation and amortization, insurance, telephone, and equipment rental and maintenance have been allocated among the program and supporting services based on level of effort.

Gifts-in-kind

Donated goods and services are recorded at their estimated fair value on the date of receipt. Donated services are recognized in the financial statements at their fair value if the services require specialized skills and the services would typically need to be purchased if not donated. In-kind contributions are reported in the statement of activities as both revenue and expense.

Estimates

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

OSTEOGENESIS IMPERFECTA FOUNDATION

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 (with Summarized Comparative Information as of and for the year ended June 30, 2022)

1. ORGANIZATION AND PURPOSE, SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Significant Accounting Policies (Continued)

Adoption of a New Accounting Standard

In February 2016, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) 2016-02, *Leases* (Topic 842). This guidance is intended to increase transparency and comparability among lessees by recognizing lease assets and lease liabilities on the statement of financial position and disclosing key information about leasing arrangements. ASU 2016-02 requires lessees to report a right-of-use asset along with a lease liability.

The Foundation adopted ASU 2016-02 as of July 1, 2022. As a result, the statement of financial position as of June 30, 2023 includes the right-of-use assets and lease liabilities, which are not reflected in the statement of financial position as of June 30, 2022. There was no effect on beginning net assets without donor restrictions.

The Foundation elected to apply all practical expedients available under the ASU, allowing it to 1) not reassess whether any expired or existing contracts previously assessed as not containing leases are, or contain, leases; 2) not reassess the lease classification for any expired or existing leases; and 3) not reassess initial direct costs for any existing leases.

Income Taxes

The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC), and has been classified by the Internal Revenue Service (IRS) as other than a private foundation within the meaning of Section 509(a)(1) of the IRC. The organization is, however, subject to income taxes on net profits generated by activities defined as unrelated business activities under applicable tax law. The Foundation has not engaged in any such activities during the years ended June 30, 2023 and 2022.

In accounting for uncertainty in income taxes, accounting standards require an entity to recognize the financial statement impact of a tax position when it is more-likely-than-not that the position will not be sustained upon examination. Management evaluated the Foundation's tax positions and concluded there are no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance.

OSTEOGENESIS IMPERFECTA FOUNDATION

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 (with Summarized Comparative Information as of and for the year ended June 30, 2022)

1. ORGANIZATION AND PURPOSE, SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Significant Accounting Policies (Continued)

Liquidity and Availability of Assets

The Foundation maintains a liquid cash balance in checking and money market accounts in an amount necessary to meet its anticipated expenditures for the next 30 days. Cash in excess of this amount is invested in short-term investments.

The Foundation reconciles the balance of financial assets subject to donor restrictions monthly, based on restricted amounts used and received. Restricted cash and investments are separately identified and monitored as part of the Foundation's monthly financial reporting process.

The Foundation's financial assets available within one year to meet cash needs for general expenditures through June 30, 2024 are as follows:

Financial Assets		
Cash and cash equivalents	\$	163,514
Accounts receivable		12,500
Pledges receivable		196,232
Grants receivable		233,333
Investments		<u>1,501,581</u>
Total Financial assets		2,107,160
Less amounts not available within one year		
Purpose restricted net assets		<u>(1,675,833)</u>
Financial assets available within one year to meet cash needs for general expenditures within one year	\$	<u><u>431,327</u></u>

2. CASH AND RESTRICTED CASH

Cash and cash equivalents as of June 30, 2023 and 2022 consisted of the following:

	<u>2023</u>	<u>2022</u>
Checking	\$ 153,036	\$ 483,025
Money market fund in brokered investment account	10,398	46,283
Petty cash	<u>80</u>	<u>419</u>
	<u>\$ 163,514</u>	<u>\$ 529,727</u>

The amounts in excess of deposit insurance limits were \$0 and \$242,629 as of June 30, 2023 and 2022, respectively.

OSTEOGENESIS IMPERFECTA FOUNDATION

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 (with Summarized Comparative Information as of and for the year ended June 30, 2022)

3. PLEDGES RECEIVABLE

Pledges receivable at June 30, 2023 and 2022 consisted of unconditional pledges and were due as follows:

	2023		
	Receivable in		
	Less than one year	One to five years	Total
Pledges receivable	<u>\$ 196,232</u>	<u>\$ 15,000</u>	<u>\$ 211,232</u>

	2022		
	Receivable in		
	Less than one year	One to five years	Total
Pledges receivable	<u>\$ 105,440</u>	<u>\$ 30,000</u>	<u>\$ 135,440</u>

No allowance for uncollectible pledges or discount were recorded at June 30, 2023 and 2022.

4. GRANTS RECEIVABLE

Grant receivables at June 30, 2023 and 2022 consisted of the following:

	2023	2022
Baylor College of Medicine	<u>\$ 233,333</u>	<u>\$ -</u>

OSTEOGENESIS IMPERFECTA FOUNDATION

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 (with Summarized Comparative Information as of and for the year ended June 30, 2022)

5. INVESTMENTS

Investments are recorded at fair value and consist of the following as of June 30, 2023 and 2022:

	2023		
	Cost	Fair Value	Unrealized Appreciation (Depreciation)
Mutual funds	\$ 100,299	\$ 100,299	\$ -
Common stock			
Communication services	34,687	65,250	30,563
Consumer cyclical	105,058	163,211	58,153
Consumer defensive	61,742	112,180	50,438
Financial	98,280	114,895	16,615
Healthcare	104,872	210,061	105,189
Industrials	75,518	140,697	65,179
Technology	41,081	148,533	107,452
Corporate bonds	50,324	49,409	(915)
Municipal bonds	437,710	397,046	(40,664)
	<u>\$ 1,109,571</u>	<u>\$ 1,501,581</u>	<u>\$ 392,010</u>
	2022		
	Cost	Fair Value	Unrealized Appreciation (Depreciation)
Common stock			
Communication services	\$ 52,702	\$ 82,357	\$ 29,655
Consumer cyclical	109,125	135,990	26,865
Consumer defensive	61,742	100,880	39,138
Financial	88,988	112,764	23,776
Healthcare	104,872	208,502	103,630
Industrials	66,097	104,099	38,002
Technology	41,081	114,055	72,974
Corporate bonds	50,333	47,301	(3,032)
Municipal bonds	423,570	386,547	(37,023)
	<u>\$ 998,510</u>	<u>\$ 1,292,495</u>	<u>\$ 293,985</u>

OSTEOGENESIS IMPERFECTA FOUNDATION

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 (with Summarized Comparative Information as of and for the year ended June 30, 2022)

5. INVESTMENTS (CONTINUED)

For the years ended June 30, 2023 and 2022, investments were allocated to the following classes of net assets:

	2023	2022
Net assets without donor restrictions	\$ -	\$ 304,928
Net assets with donor restrictions	1,501,581	987,567
	<u>\$ 1,501,581</u>	<u>\$ 1,292,495</u>

6. FAIR VALUE MEASUREMENTS

The Foundation records investments based on fair value on a recurring basis. Financial accounting and reporting standards define fair value as the price that would be received to sell an asset or paid to transfer a liability (i.e., the exit price) in an orderly transaction between market participants at the measurement date. The standards emphasize that fair value is a market-based measurement, not an entity specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability. As a basis for considering market participant assumptions in fair value measurements, the standards established a fair value hierarchy that distinguishes between market participant assumptions based on market data obtained from sources independent from the reporting entity (observable inputs that are classified within Levels 1 and 2 of the hierarchy) and the reporting entity's own assumptions about market participant assumptions (unobservable inputs classified within Level 3 of the hierarchy).

Level 1 inputs utilize unadjusted quoted prices in active markets for identical assets or liabilities that the Foundation has the ability to access at the measurement date.

Level 2 inputs are inputs other than quoted prices included in Level 1 that are observable for the assets or liabilities, either directly or indirectly. Level 2 inputs may include quoted prices for similar assets or liabilities in active markets, as well as inputs that are observable for the assets or liabilities (other than quoted prices), such as interest rates, foreign exchange rates and yield curves that are observable at commonly quoted intervals.

Level 3 inputs are unobservable inputs for the assets or liabilities, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

The determination of the fair value level within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety. The Foundation's assessment of the significance of the particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the assets or liabilities.

OSTEOGENESIS IMPERFECTA FOUNDATION

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 (with Summarized Comparative Information as of and for the year ended June 30, 2022)

6. FAIR VALUE MEASUREMENTS (CONTINUED)

The following summarizes investments, measured at fair value on a recurring basis, aggregated by the level in the fair value hierarchy within which those measurements fall, as of June 30:

	2023		
	Fair Value	Level 1	Level 2
Mutual funds	\$ 100,299	\$ 100,299	\$ -
Common stock	954,827	954,827	-
Corporate bonds	49,409	-	49,409
Municipal bonds	397,046	-	397,046
	<u>\$ 1,501,581</u>	<u>\$ 1,055,126</u>	<u>\$ 446,455</u>
	2022		
	Fair Value	Level 1	Level 2
Common stock	\$ 858,647	\$ 858,647	\$ -
Corporate bonds	47,301	-	47,301
Municipal bonds	386,547	-	386,547
	<u>\$ 1,292,495</u>	<u>\$ 858,647</u>	<u>\$ 433,848</u>

7. PROPERTY AND EQUIPMENT

A summary of information related to property and depreciation for the years ended June 30, 2023 and 2022 is as follows:

	2023			Useful life (years)
	Cost	Depreciation expense	Accumulated depreciation	
Office equipment	\$ 3,856	\$ -	\$ 3,856	5-7
Telephone system	7,992	-	7,992	5
Computers	37,113	2,886	31,125	5
Software	4,966	-	4,966	5
	<u>\$ 53,927</u>	<u>\$ 2,886</u>	<u>\$ 47,939</u>	

OSTEOGENESIS IMPERFECTA FOUNDATION

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 (with Summarized Comparative Information as of and for the year ended June 30, 2022)

7. PROPERTY AND EQUIPMENT

	2022			Useful life (years)
	Cost	Depreciation expense	Accumulated depreciation	
Office equipment	\$ 3,856	\$ -	\$ 3,856	5-7
Telephone system	7,992	-	7,992	5
Computers	35,599	3,298	28,239	5
Software	4,966	-	4,966	5
	<u>\$ 52,413</u>	<u>\$ 3,298</u>	<u>\$ 45,053</u>	

8. INTANGIBLE ASSET - WEBSITE DEVELOPMENT

A summary of information related to intangible assets and accumulated amortization for the years ended June 30, 2023 and 2022 is as follows:

	2023		
	Cost	Amortization expense	Accumulated amortization
Website development	<u>\$ 39,400</u>	<u>\$ 7,704</u>	<u>\$ 31,218</u>
	2022		
	Cost	Amortization expense	Accumulated amortization
Website development	<u>\$ 39,400</u>	<u>\$ 7,704</u>	<u>\$ 23,514</u>

9. DEFERRED REVENUE

The balance of deferred revenue as of June 30, 2023 and 2022 consisted of the following:

	2023	2022
National Conference sponsorships	\$ 18,560	\$ 18,560
Clinical research	25,534	77,931
	<u>\$ 44,094</u>	<u>\$ 96,491</u>

OSTEOGENESIS IMPERFECTA FOUNDATION

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 (with Summarized Comparative Information as of and for the year ended June 30, 2022)

10. PROMISES TO GIVE

As part of its stated mission, the Foundation supports projects for the benefit of people with OI. Outstanding promises to give for the years ended June 30, 2023 and 2022 is as follows:

	2023	2022
Dr. Busschers Fellowship	\$ 50,000	\$ 50,000
Dr. Montagna Fellowship	50,000	-
Dr. Zieba Fellowship	50,000	50,000
Hospital of Special Surgery	45,000	45,000
Children's National Health System	32,120	25,000
Duke University School of Medicine	26,893	26,893
Children's National Hospital Foundation	25,000	-
Shriners Tampa	12,500	-
University of South Florida	12,500	44,940
Children's Research Institute	-	63,400
Shriners Hospitals for Children	-	22,500
Dr. Tonelli Fellowship	-	20,832
Sharon Trahan	-	5,000
	<u>\$ 304,013</u>	<u>\$ 353,565</u>

11. NOTES PAYABLE

On June 9, 2020, the Foundation entered into a note payable agreement with the Children's Brittle Bone Foundation (CBBF) in the amount of \$25,000. No interest on the note payable will accrue. The note payable is due on demand. As of June 30, 2023 and 2022, total amounts due totaled \$25,000.

12. LINE OF CREDIT

In July 2012, the Foundation entered into a \$100,000 line of credit agreement with a commercial bank. The line was renewed subsequently to the year-end through July 2024. Outstanding borrowings on the line of credit bear interest at the Wall Street Journal Prime rate.

OSTEOGENESIS IMPERFECTA FOUNDATION

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 (with Summarized Comparative Information as of and for the year ended June 30, 2022)

13. NET ASSETS WITH DONOR RESTRICTIONS

A summary of net assets with donor restriction for the years ended June 30, 2023 and 2022 is as follows:

	2023			Balance at June 30, 2023
	Balance at June 30, 2022	Revenue and Support	Released	
Biennial Conference	\$ 101,016	\$ -	\$ (12,240)	\$ 88,776
Admin	9,800	-	-	9,800
Education	110,551	149,618	(115,868)	144,301
Regional Meeting	12,500	-	-	12,500
OI Research	182,603	480,944	(163,406)	500,141
Operations/time	15,500	-	-	15,500
OI Resource Center	5,000	-	-	5,000
Jamie Kendall Fund	235,602	114,737	(95,000)	255,339
Impact Grants	222,257	144,490	(201,686)	165,061
Research	22,480	-	(1,125)	21,355
Emergency Medicine	4,895	-	-	4,895
BBDC	26,375	388,333	(100,531)	314,177
Perpetual	38,988	-	-	38,988
Scholarship	-	100,000	-	100,000
	<u>\$ 987,567</u>	<u>\$ 1,378,122</u>	<u>\$ (689,856)</u>	<u>\$ 1,675,833</u>
Total				

OSTEOGENESIS IMPERFECTA FOUNDATION

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 (with Summarized Comparative Information as of and for the year ended June 30, 2022)

13. NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

	2022			Balance at June 30, 2022
	Balance at June 30, 2021	Revenue and Support	Released	
Adult health	\$ 3,625	\$ -	\$ (3,625)	\$ -
Biennial conference	178,299	-	(77,283)	101,016
Admin	9,800	-	-	9,800
Education	124,352	180,318	(194,119)	110,551
Regional meeting	-	12,500	-	12,500
OI research	335,853	206,935	(360,185)	182,603
Operations/time	15,500	-	-	15,500
OI resource center	5,000	-	-	5,000
Jamie Kendall fund	373,727	72,100	(210,225)	235,602
Impact grants	186,399	129,696	(93,838)	222,257
Research	22,480	-	-	22,480
Emergency medicine	4,895	-	-	4,895
BBDC	57,500	125,000	(156,125)	26,375
Perpetual	38,988	-	-	38,988
Hearing	(1,799)	-	1,799	-
Total	<u>\$ 1,354,619</u>	<u>\$ 726,549</u>	<u>\$ (1,093,601)</u>	<u>\$ 987,567</u>

14. DONATED GOODS AND SERVICES

OIF receives donated professionals for legal services. These donated professional fees have been recorded in the financial statements at their estimated fair value under the statement of activities. Due to the nature of these nonfinancial assets, the services were utilized in the period they were received and there were no donor restrictions imposed on them. Inputs used to measure the initial recognition of donated services consist of current market rates for services received.

In addition, OIF also received donated goods in support of their Strong Bones Huston event and Abruzzi Family Golf Tournament. OIF estimated the fair value on the basis of estimates of wholesale values that would be received for selling similar products in the United States. These goods were all utilized in the period they were received and there were no donor restrictions imposed on them. The following table outlines the activity for the years ended June 30, 2023 and 2022, respectively:

	2023	2022
Donated legal fees	\$ 31,034	\$ 17,720
Donated wines	-	10,464
Donated gifts	2,932	1,327
	<u>\$ 33,966</u>	<u>\$ 29,511</u>

OSTEOGENESIS IMPERFECTA FOUNDATION

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 (with Summarized Comparative Information as of and for the year ended June 30, 2022)

15. RETIREMENT PLAN

The Foundation established a 401(k) retirement plan for all eligible employees. The Foundation matches the first 4 percent of employee contributions. For the years ended June 30, 2023 and 2022, The Foundation contributed \$26,240 and \$28,156, respectively.

16. LEASES

Operating Office Lease

In December 2020, the Foundation entered an operating lease agreement for office space. The lease agreement provides for initial monthly payments of \$4,643 with an annual escalation increase, expiring May 31, 2026. The annual rate implicit in the lease is 10%. Rent expenses for the years ended June 30, 2023 and 2022 were \$56,523 and \$56,784, respectively. Cash payments for the lease consisted of \$57,592 and \$56,186 for the year ended June 30, 2023 and 2022, respectively. There are no renewal nor termination clauses within the lease. For this reason, neither option is considered reasonably certain for the calculation of the related right-of-use asset and lease liability. The right-of-use asset balance is \$142,738 as of June 30, 2023 for the lease.

The future minimum lease payments required under this lease are as follows:

2024	\$	59,027
2025		60,505
2026		<u>56,763</u>
	\$	<u><u>176,295</u></u>

A reconciliation of the undiscounted cash payments to the operating lease liability for the year ended June 30, 2023 is as follows:

Undiscounted future cash flows	\$	176,295
Less: discount to present value		<u>(24,201)</u>
Operating lease liability	\$	<u><u>152,094</u></u>

17. STRATEGIC ALLIANCE

The Foundation entered into a strategic alliance with the Canadian Osteogenesis Imperfecta Society (COIS) to provide verified medical information and access to support networks to people living with OI and their families who reside in Canada for a small administrative fee. Donations collected on behalf of the COIS are included in related party payable at year end. There were no COIS donations on hand at June 30, 2023 and 2022.

OSTEOGENESIS IMPERFECTA FOUNDATION

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 (with Summarized Comparative Information as of and for the year ended June 30, 2022)

18. CONTINGENCIES

Employment Commitment

The Foundation has an agreement for employment for the Chief Executive Officer in which it could be required to pay a severance of \$104,500 in the event the agreement is terminated for any reason other than "for cause."

19. SUBSEQUENT EVENTS

In preparing these financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through February 12, 2024, the date the financial statements were available to be issued.