



**OPEN MEDICINE FOUNDATION**  
(A NON-PROFIT CORPORATION)

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS AND  
SUPPLEMENTARY SCHEDULES**

**FOR THE YEAR ENDED DECEMBER 31, 2023  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2022)**

*with*

**INDEPENDENT AUDITORS' REPORT THEREON**

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## Independent Auditors' Report

To the Board of Directors  
Open Medicine Foundation

### *Opinion*

We have audited the consolidated financial statements of Open Medicine Foundation and its related entities (the "Organization," a non-profit corporation), which comprise the consolidated statements of financial position as of December 31, 2023, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, based on our audit and the report of other auditors, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2023, and the change in its consolidated net assets and its consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Open Medicine Foundation Canada and Open Medicine Foundation Australia, related entities, which statements reflect total assets constituting 21% and 8%, respectively, of consolidated total assets at December 31, 2023, and total revenues constituting 22% and 5%, respectively, of consolidated total revenues for the year then ended. Those statements, which were prepared in accordance with Canadian and Australian generally accepted auditing standards, respectively, were audited by other auditors, whose reports have been furnished to us. We have applied audit procedures on the conversion adjustments to the financial statements of the Organization, which conform those financial statements to accounting principles generally accepted in the United States of America. Our opinion, insofar as it relates to the amounts included for the Organization, prior to these conversion adjustments, is based solely on the reports of the other auditors.

### *Basis for Opinion*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). 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 Organization, 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 consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the consolidated 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 GAAS will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 Organization’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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization’s ability to continue as a going concern for a reasonable period of time.

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

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary consolidating information is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, net assets, and cash flows of the individual entities and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

**Report on Summarized Comparative Information**

We have previously audited the Organization's December 31, 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 18, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022 is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

PDM, LLP

Torrance, California  
April 22, 2024

**OPEN MEDICINE FOUNDATION**  
(A NON-PROFIT CORPORATION)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2023  
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2022)

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	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 7,413,137	\$ 7,683,163
Investments	3,524,691	1,492,250
Contributions receivable	39	1,332,466
Other receivables	2,503	1,209
Prepaid expenses	22,145	1,382
	<u>\$ 10,962,515</u>	<u>\$ 10,510,470</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 54,823	\$ 45,873
Grants payable	3,143,545	3,778,697
	<u>3,198,368</u>	<u>3,824,570</u>
<b>NET ASSETS</b>		
Without donor restrictions	3,993,969	2,938,141
With donor restrictions	3,770,178	3,747,759
	<u>7,764,147</u>	<u>6,685,900</u>
	<u>\$ 10,962,515</u>	<u>\$ 10,510,470</u>

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*The accompanying notes are an  
integral part of these consolidated financial statements*

**OPEN MEDICINE FOUNDATION**  
(A NON-PROFIT CORPORATION)

**CONSOLIDATED STATEMENTS OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2023**  
**(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2022)**

	2023			2022
	Without Donor Restrictions	With Donor Restrictions	Total	Summarized Total
<b>REVENUE AND SUPPORT</b>				
Contributions	\$ 2,338,225	\$ 596,476	\$ 2,934,701	\$ 2,181,860
Grants	250,821	4,773,464	5,024,285	3,035,664
Other income (loss)	(25,529)	-	(25,529)	1,675
Interest and dividend income	132,682	-	132,682	19,268
Gain (loss) on investments	73,287	-	73,287	(18,514)
Grant revenue from employee retention credits	187,710	-	187,710	-
Net assets released from restrictions	5,364,534	(5,364,534)	-	-
	8,321,730	5,406	8,327,136	5,219,953
<b>FUNCTIONAL EXPENSES</b>				
Program services	6,427,488	-	6,427,488	7,217,815
Supporting services	260,927	-	260,927	296,527
Fundraising	602,621	-	602,621	465,958
	7,291,036	-	7,291,036	7,980,300
<b>OTHER ITEMS</b>				
Foreign currency translation gain (loss)	42,147	-	42,147	(127,691)
<b>CHANGE IN NET ASSETS</b>	1,072,841	5,406	1,078,247	(2,888,038)
<b>NET ASSETS, beginning of year</b>	2,921,128	3,764,772	6,685,900	9,573,938
<b>NET ASSETS, end of year</b>	\$ 3,993,969	\$ 3,770,178	\$ 7,764,147	\$ 6,685,900

*The accompanying notes are an  
integral part of these consolidated financial statements*



**OPEN MEDICINE FOUNDATION**  
(A NON-PROFIT CORPORATION)

**CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2023**  
**(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2022)**

	<u>2023</u>			<u>2022</u>	
	<u>Program Services</u>	<u>Supporting Services</u>	<u>Fundraising</u>	<u>Total</u>	<u>Summarized Total</u>
Salaries and wages	\$ 396,000	\$ 165,600	\$ 445,727	\$ 1,007,327	\$ 832,156
Payroll taxes	23,798	9,952	26,787	60,537	51,021
Employee benefits	<u>8,378</u>	<u>3,504</u>	<u>9,430</u>	<u>21,312</u>	<u>27,802</u>
Total personnel expenses	428,176	179,056	481,944	1,089,176	910,979
Program and research grants	5,594,581	-	-	5,594,581	6,571,363
Professional services	289,554	55,277	3,676	348,507	232,048
Travel, meetings and conferences	63,915	-	3,364	67,279	48,420
Marketing and communications	30,883	-	30,883	61,766	57,765
Information technology	13,944	9,296	23,241	46,481	52,157
Merchant fees	-	-	36,093	36,093	65,078
General administration	-	8,556	17,295	25,851	11,580
Insurance	-	8,542	-	8,542	11,347
Fundraising	-	-	6,125	6,125	-
Website	4,927	-	-	4,927	18,938
In-kind labor	1,508	-	-	1,508	-
Taxes and licenses	<u>-</u>	<u>200</u>	<u>-</u>	<u>200</u>	<u>625</u>
	<u>\$6,427,488</u>	<u>\$ 260,927</u>	<u>\$ 602,621</u>	<u>\$7,291,036</u>	<u>\$ 7,980,300</u>

*The accompanying notes are an integral part of these consolidated financial statements*

**OPEN MEDICINE FOUNDATION**  
(A NON-PROFIT CORPORATION)

**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**YEAR ENDED DECEMBER 31, 2023**  
**(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2022)**

	<b>2023</b>	<b>2022</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 1,078,247	\$ (2,888,038)
Adjustments to reconcile change in net assets to net cash from operating activities:		
Contributed investments	(294,852)	-
(Gain) loss on investments	(73,287)	18,514
Changes in operating assets and liabilities:		
Contributions and other receivables	1,331,133	(1,334,128)
Prepaid expenses	(20,763)	-
Accounts payable and accrued expenses	8,950	(14,913)
Grants payable	(635,152)	2,792,359
Net cash flows from operating activities	1,394,276	(1,426,206)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of investments	(1,850,000)	(1,500,000)
Interest and dividends reinvested	(42,408)	(10,764)
Withdrawals of investments	228,106	-
Net cash flows from investing activities	(1,664,302)	(1,510,764)
Net change cash and cash equivalents	(270,026)	(2,936,970)
Cash and cash equivalents, beginning of year	7,683,163	10,620,133
Cash and cash equivalents, end of year	\$ 7,413,137	\$ 7,683,163

*The accompanying notes are an integral part of these consolidated financial statements*

**OPEN MEDICINE FOUNDATION**  
(A NON-PROFIT CORPORATION)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2023

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**NOTE 1 - ORGANIZATION**

Open Medicine Foundation, Inc. (the “Foundation,” the “Organization,” a non-profit corporation) was founded in 2012 to fund collaborative medical research and medical education for multi system chronic complex diseases. Its four primary goals are to: 1) frame clear disease mechanisms and models; 2) to find effective treatments and diagnostic markers; 3) increase accurate diagnoses; and 4) ensure access to quality care.

The Organization supports research and clinical trials through six collaborative research centers globally and medical education through one medical education resource center (in partnership with the Bateman Horne Center), and by bringing together a community of “thought leaders,” patients, clinicians and researchers for targeted initiatives. Open Medicine Foundation is currently focused on researching Myalgic Encephalomyelitis/ Chronic Fatigue Syndrome (“ME/CFS”), post-infectious Lyme disease, and Long COVID, in hopes of also revealing answers to other multi system chronic complex diseases that share similar symptoms.

The Organization raises funds through three separate entities: Open Medicine Foundation Inc. (OMF), Open Medicine Foundation Canada (OMFCA), and Open Medicine Foundation Australia Limited (OMFAL). All donations received are from private donors—individuals, families, other foundations, etc. OMF receives donations from donors globally and is able to fund research via any of the six collaborative research centers. OMF Canada receives donations from Canadian donors, and is able to fund research, clinical trials, and medical education in Canada and via the OMF Supported Collaborations globally. OMF Australia Limited receives donations from Australia resident donors and a handful of US donors. Any funds received through OMFAL remain in Australia to fund the Melbourne ME/CFS Collaboration.

Each entity is overseen by a Foundation Board and its research is also driven by its Scientific Advisory Board. OMF is also the sole member of the other two entities. OMF provides all back office support and administration to the other two entities. OMF and OMFAL have a formal Services Agreement in place, and an Intermediary Agreement is being finalized for OMF and OMFCA.

**Principles of Consolidation** - The accompanying consolidated financial statements include the accounts of the Foundation, the Canadian Corporation and the Australian Limited Entity (collectively, the “Organization”). Both the Canadian Corporation and the Australian Limited Entity share two board members and the dependency on the Foundation for its back office and administrative function. The Australian Limited Entity is consolidated on a basis of ownership as it is a 100% subsidiary of the Foundation. Inter-company balances and transactions, if any, have been eliminated in consolidation.

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**OPEN MEDICINE FOUNDATION**  
(A NON-PROFIT CORPORATION)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2023

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**NOTE 1 - ORGANIZATION, Continued**

**Funding** - The Organization is funded primarily through foundation grants, corporate grants, and private individual donations.

**Liquidity and availability of resources** - The following reflects the Organization's financial assets as December 31, 2023, reduced by amounts not available for general use within one year of the balance sheet date:

Cash and cash equivalents	\$ 7,413,137
Investments	3,524,691
Contributions receivable	39
Other receivables	<u>2,503</u>
Total financial assets	10,940,370
Net assets with donor restrictions	<u>(3,770,178)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$ 7,170,192</u></u>

The liquid financial assets of the Organization exceeds its goal of maintaining financial assets on hand to meet at least one year of normal operating expenses which, on average, totals approximately \$608,000 per month given full programmatic expenditures. The Organization plans to spend the available funds for the intended purpose of its philanthropic mission as soon as able.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of presentation** - The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

*Net assets without donor restrictions* - Net assets available for use in general operations and not subject to donor or certain grantor restrictions.

**OPEN MEDICINE FOUNDATION**  
(A NON-PROFIT CORPORATION)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2023

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

*Net assets with donor restrictions* - Net assets with donor restrictions are assets subject to donor or grantor-imposed restrictions, some of which are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor, while others are perpetual in nature, where the donor stipulates the resources be maintained in perpetuity.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Expirations of net assets with donor restrictions are reported as reclassifications between the applicable classes of net assets.

**Estimates** - The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America 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 consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

**Contributions and pledges** - Contributions and pledges are recognized at fair value when the donor makes an unconditional transfer of cash or other assets, as well as unconditional promise to give to the Organization. Contributions and pledges that are restricted by the donor are recognized when the conditions on which they depend have been substantially met and reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Contributions of services are recognized in the consolidated financial statements (as in-kind revenue and a corresponding in-kind expense) if the services enhance or create non-financial assets or require specialized skills and are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. During the year ended December 31, 2023, several volunteers who perform services for the Organization have contributed significant amounts of time to the Organization. A dollar valuation of their efforts is not reflected in the consolidated financial statements since it does not meet the criteria for recognition.

**OPEN MEDICINE FOUNDATION**  
(A NON-PROFIT CORPORATION)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2023

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

The President/CEO and certain other staff members of the Organization contribute office space to the Organization. As the value of the contributed rent could not be estimated, no amount for the contributed rent was recorded on the accompanying consolidated financial statements.

**Fair value of financial instruments** - Financial instruments primarily consist of investments, accounts receivable, and contributions and grants receivable. The Organization estimates that the fair value of its financial instruments at December 31, 2023 do not differ materially from its aggregate carrying value recorded in the accompanying statement of financial position. Considerable judgment is required in interpreting market data to develop the estimates of fair value and, accordingly, the estimates are not necessarily indicative of the amounts that the Organization could realize in a current market exchange.

**Fair value measurements** - The Organization defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Organization measures fair value under a framework that provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements), moderate priority to valuations based on observable inputs, such as market prices of similar assets and liabilities (level 2), and the lowest priority to unobservable inputs (level 3).

**Cash and cash equivalents** - For the purpose of reporting cash flows, cash and cash equivalents include operating cash held in banks. The Organization maintains its cash balances in several financial institutions, which at times may exceed federally insured limits. However, as part of its regular risk management strategies, the Organization assesses its holdings at least quarterly to ensure that all cash is held at financially stable and highly rated institutions, and assets are managed in ways to limit its risks and exposures.

**Investments** - Investments are reported at fair value as determined by either quoted market prices in an active market or observable inputs. The Organization classifies its marketable debt securities on the date of purchase. The Organization held available-for-sale debt securities which were carried at fair value (Note 4) as of December 31, 2023. Realized gains and losses on dispositions are based on the net proceeds and the adjusted cost basis of the securities using the specific identification method. Unrealized gains and losses are based on the difference between adjusted cost basis and fair value. Gains and losses are reported as a component of change in net assets on the accompanying statements of activities.

**OPEN MEDICINE FOUNDATION**  
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2023

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

Investments are made according to the investment policies, guidelines and objectives adopted by the Board of Directors. These guidelines provide for investments in equities, fixed income and other securities with performance measured against appropriate indices. Market values of such investments and credit ratings of bond issues are routinely reviewed by the Board of Directors.

**Contributions receivable** - Contributions receivable represent contributions to the Organization by private donors that are collectible after the year-end. It is the policy of management to review outstanding contributions receivables at year end, as well as any historical bad debt write-offs, to establish an allowance for uncollectable amounts. Collection losses related to contributions receivable have historically been minimal. As such, no allowance for uncollectible accounts was recorded.

**Grants payable** - Grants payable as of December 31, 2023, were funds committed by the Organization to other entities for the advancement of research, medical education, and to increase awareness of ME/CFS and other multi-system chronic complex diseases.

**Grant research** - Grant research represents funds granted to clinical and academic research facilities for direct research into multi-system chronic complex diseases.

**Foreign currency translation** - The U.S. Dollar is the functional currency for the Organization. Transactions in currencies other than U.S. Dollars are translated into dollars at the approximate rates of exchange in effect during the time of the transaction.

Current assets, current liabilities, and net assets with donor restrictions denominated in non-U.S. currency are translated into dollars at the exchange rate in effect at the date of the Statements of Financial Position.

Currency gains and losses from translation are recorded as an Other Item in the accompanying Statement of Activities.

**Expense allocation** - The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. During the year, costs are categorized into separate groupings as either direct or indirect. Indirect or shared costs are allocated among program and support activities by the method that best measures the relative degree of benefit.

**OPEN MEDICINE FOUNDATION**  
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2023

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

*Program services* - Expenses include costs that primarily relate to research projects and other costs supporting medical research.

*Supporting services* - Expenses include costs that primarily relate to management and general administration

*Fundraising* - Expenses include costs that primarily relate to fundraising activities to obtain grants and generate revenue through contributions.

**Income taxes** - The Foundation is a qualified non-profit organization under Section 501(c) (3) of the Internal Revenue Code (“IRC”) and is not classified as a private foundation. Non-profit organizations are not generally liable for taxes on income; therefore, no provision is made for such taxes for the Organization in the consolidated financial statements. The Organization had no unrelated business income during the year ended December 31, 2023.

The Canadian Corporation is exempt from income tax as a registered charity under the Income Tax Act of Canada.

The Australian Limited Entity is also exempt from income tax as a Charity registered with the Australian Charities and Not-for-Profit Commission and endorsed by the Australian Taxation Office for charity tax concessions under Income Tax Act of 1997 of Australia.

The Organization recognizes the impact of tax positions in the consolidated financial statements if that position is more likely than not of being sustained in an audit, based on the technical merits of the position. To date, the Organization has not recorded any uncertain tax positions. During the year ended December 31, 2023, the Organization did not recognize any amount in potential interest and penalties associated with uncertain tax positions. As of December 31, 2023, all federal tax returns since the 2020 tax year and state tax returns since the 2019 tax year of Foundation are still subject to adjustment upon audit. No tax returns are currently being examined by taxing authorities.

**Risks and uncertainties** - Certain services of the Organization are governed by grant agreements with foundations. Failure to fulfill grant terms could result in the return of funds to grantors. Although it is a possibility, the Organization considers the contingency remote since, by accepting the grant and its terms, the Organization acknowledges the requirements of the grantor at the time of award.



**OPEN MEDICINE FOUNDATION**  
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2023

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

The Organization also invests in various certificates of deposits and government marketable debt securities. The marketable debt securities are exposed to various risks, such as interest rate, market, and credit risks. Market risks include global events which could impact the value of the marketable debt securities, such as a pandemic, global inflationary environments, or international conflict.

Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of the marketable debt securities will occur in the near term and that such changes could materially affect balances and accounts reported by the Organization.

**Comparative totals** - The consolidated financial statements include certain prior year summarized comparative information in total, but not by net asset class. The notes to the consolidated financial statements do not contain the financial information on a comparative basis. Such summarized information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2022, from which the summarized information was derived.

**Reclassifications** - Certain amounts previously presented in previous financial statements have been reclassified to conform to the current presentation of the accompanying consolidated financial statements to maintain consistency between reporting periods presented.

Subsequent to December 31, 2022, management discovered a \$25,000 donor-restricted asset relating to OMF Australia. This amount was reclassified from unrestricted to donor-restricted assets as of December 31, 2022. This reclassification had no effect on the total net assets as of December 31, 2022 or December 31, 2023. In addition, it did not have an effect on changes in net assets for the year ended December 31, 2022 or December 31, 2023.

**Subsequent events** - Subsequent events have been evaluated by the Organization through April 22, 2024, which is the date these consolidated financial statements were able to be issued, and no subsequent events have arisen that would require disclosure.

**OPEN MEDICINE FOUNDATION**  
(A NON-PROFIT CORPORATION)

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 3 - NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions, net of foreign currency transaction gain, for the following purposes or periods at December 31, 2022 consist of the following:

	<u>January 1,</u> <u>2023</u>	<u>Additions</u>	<u>Releases</u>	<u>December 31,</u> <u>2023</u>
<b>With Donor Restrictions - OMF</b>				
<u>General Research Funds</u>				
General Research Programs	\$ 2,050	\$ 28,050	\$ -	\$ 30,100
Clinical Trials	80,000	222,774	(10,000)	292,774
ME/CFS Research	19,529	126,028	(120,773)	24,784
Covid-19 Research	-	35,907	-	35,907
Lyme Research	550	1,250	-	1,800
<u>Harvard Collaborative Research Center</u>				
Harvard CRC General Funds	13,900	22,890	-	36,790
PEM Muscle Biopsy	831	-	-	831
Network Analysis	207,288	-	(201,638)	5,650
<u>Melbourne Collaborative Research Center</u>				
Melbourne CRC General Funds	7,182	11,000	-	18,182
Nitrogen Metabolism Studies	361,625	-	-	361,625
Personalized Treatment Trial	-	30,000	(13,985)	16,015
<u>Montreal Collaborative Research Center</u>				
Montreal CRC General Funds	-	208	-	208
Multi-Omics/MOSAICS	1,059,458	-	(1,049,858)	9,600
<u>Stanford Collaborative Research Center</u>				
Stanford CRC General Funds	451,435	30,082	(133,295)	348,222
Diagnostic Technologies - Nanoneedle	2,873	-	-	2,873
Stanford Family Omics Study	54,605	-	(54,605)	-
Stanford Metabolic Trap	620	10,067	(10,000)	687
Whitney Dafoe	44,005	67,112	(111,117)	-
Viral Risk Factors in ME/CFS	-	26,221	-	26,221
<u>Uppsala Collaborative Research Center</u>				
Uppsala CRC General Funds	191,614	50,528	-	242,142
<u>Balvi Supported Patient Led Research Fund</u>				
Altered T-Cell Responses	-	509,084	(504,284)	4,800
Fibrin Amyloid Microclots	-	354,051	(354,051)	-
Pathophysiology of PEM	-	491,500	(491,500)	-
Sleep Study for Long COVID	-	984,840	(488,820)	496,020
Monoclonal Antibody Trial	-	518,400	(500,000)	18,400
Foraminal Stenosis	-	316,000	(300,800)	15,200
<u>Other Programs</u>				
Clinical Coalition & Symposiums	152,611	-	(600)	152,011
Physician/Medical Education	63,249	34,000	(8,000)	89,249
Bateman Horne Center Medical Education	578	97	-	675
Microbial Metabolites	65,702	-	(55,302)	10,400
	<u>2,779,705</u>	<u>3,870,089</u>	<u>(4,408,628)</u>	<u>2,241,166</u>

**OPEN MEDICINE FOUNDATION**  
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 3 - NET ASSETS WITH DONOR RESTRICTIONS, Continued**

	<u>January 1, 2023</u>	<u>Additions</u>	<u>Releases</u>	<u>December 31, 2023</u>
<b>With Donor Restrictions - OMF CANADA</b>				
<u>General Research Funds - Canada</u>				
ME/CFS Research	3,022	378,708	-	381,730
Clinical Trials	100,366	-	-	100,366
<u>Harvard Collaborative Research Center - Canada</u>				
iCPET Multi-Omic	49,248	-	-	49,248
<u>Montreal Collaborative Research Center- Canada</u>				
Montreal CRC General Funds	1,901	7,692	-	9,593
REMEDIAL	239,493	716,413	(955,906)	-
RASPBERRY-ME	-	306	-	306
Fibromyalgia Research	88	27	-	115
<u>Stanford Collaborative Research Center - Canada</u>				
Stanford CRC General Funds	5,049	1,435	-	6,484
<u>Uppsala Collaborative Research Center - Canada</u>				
Deep Assessment of Neuroinflammation	568,887	-	-	568,887
	<u>968,054</u>	<u>1,104,581</u>	<u>(955,906)</u>	<u>1,116,729</u>
<b>With Donor Restrictions - OMF AUSTRALIA</b>				
<u>General Research Funds - Melbourne</u>				
ME/CFS Research	-	20,445	-	20,445
Personalized Treatment Trial	-	374,825	-	374,825
SPOT-ME Project	17,013	-	-	17,013
	<u>17,013</u>	<u>395,270</u>	<u>-</u>	<u>412,283</u>
<b>Total Net Assets With Donor Restrictions</b>	<u>\$ 3,764,772</u>	<u>\$ 5,369,940</u>	<u>\$ (5,364,534)</u>	<u>\$ 3,770,178</u>

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2023

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**NOTE 4 - FAIR VALUE MEASUREMENTS AND INVESTMENTS**

Fair value is based on observable inputs (readily obtainable data from independent sources) and unobservable inputs (internally derived and reflecting the Organization's market assumptions). Inputs are classified into the following hierarchy based on the level of judgment used to measure their fair value:

*Level 1* - Inputs are unadjusted, quoted prices in active markets for identical assets or liabilities at the measurement date.

*Level 2* - Inputs other than Level 1 inputs that are either directly or indirectly observable.

*Level 3* - Unobservable inputs using estimates and assumptions developed by management.

Marketable debt securities consist of brokered certificates of deposit and U.S. treasury bills, which are valued at the closing price, reported in the active market in which the individual security is traded.

The following is a description of the valuation methodologies used for the investments measured at fair value, including the general classification of such instruments pursuant to the valuation hierarchy.

**Brokered certificates of deposit** - Certificates of deposit (CDs) are time deposits offered by banks and purchased through the Organization's broker. CDs are FDIC insured and traded in the secondary market. All CDs have maturities of six to twelve months from their origination dates with interest rates ranging from 3.15% to 5.70%. All CDs were reported as Level 1 under the valuation hierarchy. CDs had a cost basis of \$924,000 and unrealized losses of \$2,921 as of December 31, 2023. The unrealized losses for the year ended December 31, 2023 were recorded within gain (loss) on investments for the year ended December 31, 2023 in the accompanying consolidated statement of activities.

**U.S. government securities** - The U.S. treasury bills are reported at fair value based on Level 1 inputs. The U.S. treasury bills mature on various dates between April 2024 and September 2024. The U.S. treasury bills had a cost basis of \$2,594,706 and unrealized gains of \$8,906 as of December 31, 2023. The unrealized gains for the year ended December 31, 2023 were recorded within gain (loss) on investments for the year ended December 31, 2023 in the accompanying consolidated statement of activities.

**OPEN MEDICINE FOUNDATION**  
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

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**NOTE 4 - FAIR VALUE MEASUREMENTS AND INVESTMENTS, Continued**

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table provides the fair value for each major category of assets measured at fair value at December 31, 2023:

Certificates of deposit	\$ 921,079
U. S. government securities	<u>2,603,612</u>
	<u>\$ 3,524,691</u>

**NOTE 5 - EMPLOYEE BENEFIT PLAN**

The Organization provides a 403(b) retirement savings plan (the “Plan”), which covers all eligible employees of the Organization. Participants may defer up to the maximum annual contributions under applicable tax regulations. During the year ended, December 31, 2023, the Organization did not make any matching or discretionary contributions to the Plan.

**NOTE 6 - EMPLOYEE RETENTION CREDITS**

The CARES Act provides employee retention credits (“ERC”) for eligible employers who meet certain requirements under the Act. The ERC is a refundable tax credit against certain employer payroll taxes capped at certain qualified wages paid per employee. Additional relief provisions were passed by the U.S. government which extended and slightly expanded the qualified wage caps on these credits through September 30, 2021. The ERC is calculated on a quarterly basis.

The Organization became retroactively eligible for the ERC for three of the four quarters of 2020 for a total of \$38,073 and was eligible for three quarters of 2021 for the amount of \$149,637. The Organization filed its amended payroll tax returns claiming the ERC and received the ERCs in 2023. The revenue from the ERCs totaling \$187,710 is included in the Statement of Activities for the year ended December 31, 2023.

**SUPPLEMENTARY SCHEDULES**

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**OPEN MEDICINE FOUNDATION**  
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**CONSOLIDATING SCHEDULE OF FINANCIAL POSITION**  
**DECEMBER 31, 2023**

	<u>OMF</u>	<u>OMF Canada</u>	<u>OMF Australia</u>	<u>Total</u>	<u>Eliminations</u>	<u>Consolidated</u>
<b>ASSETS</b>						
<b>CURRENT ASSETS</b>						
Cash and cash equivalents	\$ 4,245,423	\$ 2,272,258	\$ 895,456	\$ 7,413,137	\$ -	\$ 7,413,137
Investments	3,524,691	-	-	3,524,691	-	3,524,691
Contributions receivable	-	-	39	39	-	39
Other receivables	-	2,503	-	2,503	-	2,503
Prepaid expenses	20,130	2,015	-	22,145	-	22,145
	<u>\$ 7,790,244</u>	<u>\$ 2,276,776</u>	<u>\$ 895,495</u>	<u>\$ 10,962,515</u>	<u>\$ -</u>	<u>\$ 10,962,515</u>
<b>LIABILITIES AND NET ASSETS</b>						
<b>CURRENT LIABILITIES</b>						
Accounts payable and accrued expenses	\$ 17,303	\$ 9,146	\$ 28,374	\$ 54,823	\$ -	\$ 54,823
Grants payable	3,143,545	-	-	3,143,545	-	3,143,545
	3,160,848	9,146	28,374	3,198,368	-	3,198,368
<b>NET ASSETS</b>						
Without donor restrictions	2,388,230	1,150,901	454,838	3,993,969	-	3,993,969
With donor restrictions	2,241,166	1,116,729	412,283	3,770,178	-	3,770,178
	<u>4,629,396</u>	<u>2,267,630</u>	<u>867,121</u>	<u>7,764,147</u>	<u>-</u>	<u>7,764,147</u>
	<u>\$ 7,790,244</u>	<u>\$ 2,276,776</u>	<u>\$ 895,495</u>	<u>\$ 10,962,515</u>	<u>\$ -</u>	<u>\$ 10,962,515</u>

**OPEN MEDICINE FOUNDATION**  
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**CONSOLIDATING SCHEDULE OF ACTIVITIES**  
**DECEMBER 31, 2023**

	OMF			OMF Canada			OMF Australia			Eliminations	Grand Total
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total		
<b>REVENUE AND SUPPORT</b>											
Contributions	\$ 1,583,430	\$ 585,605	\$ 2,169,035	\$ 719,032	\$ 10,871	\$ 729,903	\$ 35,763	\$ -	\$ 35,763	\$ -	\$ 2,934,701
Grants	247,615	3,284,484	3,532,099	3,206	1,093,710	1,096,916	-	395,270	395,270	-	5,024,285
Other income (loss)	(4,053)	-	(4,053)	93	-	93	-	-	-	(21,569)	(25,529)
Interest and dividend income	100,547	-	100,547	31,790	-	31,790	345	-	345	-	132,682
Gain on investments	73,287	-	73,287	-	-	-	-	-	-	-	73,287
Grant revenue from employee retention credits	187,710	-	187,710	-	-	-	-	-	-	-	187,710
Net assets released from restrictions	4,408,628	(4,408,628)	-	955,906	(955,906)	-	-	-	-	-	-
	<u>6,597,164</u>	<u>(538,539)</u>	<u>6,058,625</u>	<u>1,710,027</u>	<u>148,675</u>	<u>1,858,702</u>	<u>36,108</u>	<u>395,270</u>	<u>431,378</u>	<u>(21,569)</u>	<u>8,327,136</u>
<b>EXPENSES</b>											
Program services	5,452,667	-	5,452,667	974,821	-	974,821	21,569	-	21,569	(21,569)	6,427,488
Supporting services	253,281	-	253,281	7,646	-	7,646	-	-	-	-	260,927
Fundraising	598,154	-	598,154	3,135	-	3,135	1,332	-	1,332	-	602,621
	<u>6,304,102</u>	<u>-</u>	<u>6,304,102</u>	<u>985,602</u>	<u>-</u>	<u>985,602</u>	<u>22,901</u>	<u>-</u>	<u>22,901</u>	<u>(21,569)</u>	<u>7,291,036</u>
<b>OTHER ITEMS</b>											
Foreign currency translation gain (loss)	-	-	-	41,175	-	41,175	972	-	972	-	42,147
<b>CHANGE IN NET ASSETS</b>	293,062	(538,539)	(245,477)	765,600	148,675	914,275	14,179	395,270	409,449	-	1,078,247
<b>NET ASSETS, beginning of year</b>	<u>2,095,168</u>	<u>2,779,705</u>	<u>4,874,873</u>	<u>385,301</u>	<u>968,054</u>	<u>1,353,355</u>	<u>440,659</u>	<u>17,013</u>	<u>457,672</u>	<u>-</u>	<u>6,685,900</u>
<b>NET ASSETS, end of year</b>	<u>\$ 2,388,230</u>	<u>\$ 2,241,166</u>	<u>\$ 4,629,396</u>	<u>\$ 1,150,901</u>	<u>\$ 1,116,729</u>	<u>\$ 2,267,630</u>	<u>\$ 454,838</u>	<u>\$ 412,283</u>	<u>\$ 867,121</u>	<u>\$ -</u>	<u>\$ 7,764,147</u>



**OPEN MEDICINE FOUNDATION**  
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**CONSOLIDATING SCHEDULE OF FUNCTIONAL EXPENSES**  
**DECEMBER 31, 2023**

	OMF				OMF Canada				OMF Australia				Eliminations	Grand Total
	Program Services	Supporting Services	Fundraising	Total	Program Services	Supporting Services	Fundraising	Total	Program Services	Supporting Services	Fundraising	Total		
Salaries and wages	\$ 396,000	\$ 165,600	\$ 445,727	\$ 1,007,327	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,007,327
Payroll taxes	23,798	9,952	26,787	60,537	-	-	-	-	-	-	-	-	-	60,537
Employee benefits	8,378	3,504	9,430	21,312	-	-	-	-	-	-	-	-	-	21,312
Total personnel expenses	428,176	179,056	481,944	1,089,176	-	-	-	-	-	-	-	-	-	1,089,176
Program and research grants	4,638,675	-	-	4,638,675	955,906	-	-	955,906	-	-	-	-	-	5,594,581
Professional services	270,639	55,277	3,676	329,592	18,915	-	-	18,915	-	-	-	-	-	348,507
Travel, meetings and conferences	63,915	-	3,364	67,279	-	-	-	-	-	-	-	-	-	67,279
Marketing and communications	30,883	-	30,883	61,766	-	-	-	-	-	-	-	-	-	61,766
Information technology	13,944	9,296	23,241	46,481	-	-	-	-	-	-	-	-	-	46,481
Merchant fees	-	-	31,626	31,626	-	-	3,135	3,135	-	-	1,332	1,332	-	36,093
General administration	-	910	17,295	18,205	-	7,646	-	7,646	-	-	-	-	-	25,851
Contract service expenses paid to OMF Foundation by OMF AUS	-	-	-	-	-	-	-	-	21,569	-	-	21,569	(21,569)	-
Insurance	-	8,542	-	8,542	-	-	-	-	-	-	-	-	-	8,542
Fundraising	-	-	6,125	6,125	-	-	-	-	-	-	-	-	-	6,125
Website	4,927	-	-	4,927	-	-	-	-	-	-	-	-	-	4,927
In-kind labor	1,508	-	-	1,508	-	-	-	-	-	-	-	-	-	1,508
Taxes and licenses	-	200	-	200	-	-	-	-	-	-	-	-	-	200
	<u>\$ 5,452,667</u>	<u>\$ 253,281</u>	<u>\$ 598,154</u>	<u>\$ 6,304,102</u>	<u>\$ 974,821</u>	<u>\$ 7,646</u>	<u>\$ 3,135</u>	<u>\$ 985,602</u>	<u>\$ 21,569</u>	<u>\$ -</u>	<u>\$ 1,332</u>	<u>\$ 22,901</u>	<u>\$ (21,569)</u>	<u>\$ 7,291,036</u>