

Accelerated Cure Project, Inc.

***Financial Statements as of and for the Years
Ended December 31, 2023 and 2022 and
Independent Auditors' Report***

ACCELERATED CURE PROJECT, INC.

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Accelerated Cure Project, Inc.

Opinion

We have audited the accompanying financial statements of Accelerated Cure Project, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Accelerated Cure Project, Inc. as of December 31, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Accelerated Cure Project, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 Accelerated Cure Project, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

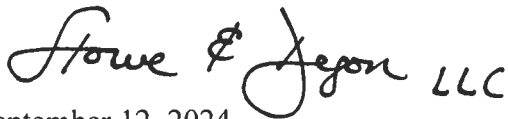
Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Accelerated Cure Project, Inc.'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 Accelerated Cure Project, Inc.'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.

A handwritten signature in black ink that reads "Stowe & Degon LLC". The signature is written in a cursive, flowing style.

September 12, 2024

ACCELERATED CURE PROJECT, INC.

STATEMENTS OF FINANCIAL POSITION DECEMBER 31, 2023 AND 2022

ASSETS	2023	2022
CURRENT ASSETS:		
Cash, cash equivalents and restricted cash	\$ 2,400,277	\$ 2,095,464
Accounts receivable	155,467	106,236
Grants receivable	372,119	299,461
Pledges receivable, current (Note 3)	165,563	80,563
Investments	4,937	-
Prepaid expenses	18,162	13,925
Total current assets	3,116,525	2,595,649
PROPERTY AND EQUIPMENT, net	150,900	46,436
PLEDGES RECEIVABLE, net (Note 3)	-	42,581
OPERATING LEASE RIGHT-OF-USE ASSET, net	-	25,440
OTHER ASSETS	2,507	2,507
TOTAL ASSETS	<u>\$ 3,269,932</u>	<u>\$ 2,712,613</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable	\$ 80,970	\$ 38,857
Accrued expenses	442,193	165,541
Deferred revenue	-	45,280
Operating lease liability	-	25,440
Total current liabilities	523,163	275,118
NET ASSETS:		
Without donor restrictions	2,102,672	1,800,400
With donor restrictions	644,097	637,095
Total net assets	2,746,769	2,437,495
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 3,269,932</u>	<u>\$ 2,712,613</u>

See notes to financial statements.

ACCELERATED CURE PROJECT, INC.

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING ACTIVITIES:			
REVENUES AND OTHER SUPPORT:			
Grants and contributions revenue	\$ 511,973	\$ 1,014,607	\$ 1,526,580
Government grant	287,140	-	287,140
Program fees	462,433	-	462,433
In-kind revenue	2,452	-	2,452
Special events revenue, net of cost of \$10,958	18,785	-	18,785
Net assets released from restrictions	<u>1,007,605</u>	<u>(1,007,605)</u>	<u>-</u>
Total revenues and other support	<u>2,290,388</u>	<u>7,002</u>	<u>2,297,390</u>
EXPENSES:			
Program services	1,816,952	-	1,816,952
Support services	<u>229,490</u>	<u>-</u>	<u>229,490</u>
Total expenses	<u>2,046,442</u>	<u>-</u>	<u>2,046,442</u>
Change in net assets from operating activities	<u>243,946</u>	<u>7,002</u>	<u>250,948</u>
NONOPERATING ACTIVITIES:			
Dividend and interest income	52,686	-	52,686
Unrealized loss on investment	(55)	-	(55)
Loss on disposal of property and equipment	(870)	-	(870)
Employee retention credit (ERC) (Note 8)	<u>6,565</u>	<u>-</u>	<u>6,565</u>
Total nonoperating activities	<u>58,326</u>	<u>-</u>	<u>58,326</u>
Change in net assets	302,272	7,002	309,274
NET ASSETS - BEGINNING OF YEAR	<u>1,800,400</u>	<u>637,095</u>	<u>2,437,495</u>
NET ASSETS - END OF YEAR	<u>\$ 2,102,672</u>	<u>\$ 644,097</u>	<u>\$ 2,746,769</u>

See notes to financial statements.

ACCELERATED CURE PROJECT, INC.

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING ACTIVITIES:			
REVENUES AND OTHER SUPPORT:			
Grants and contributions revenue	\$ 595,579	\$ 873,362	\$ 1,468,941
Program fees	724,881	-	724,881
In-kind revenue	12,781	-	12,781
Special events revenue	12,137	-	12,137
Net assets released from restrictions	<u>1,087,818</u>	<u>(1,087,818)</u>	<u>-</u>
Total revenues and other support	<u>2,433,196</u>	<u>(214,456)</u>	<u>2,218,740</u>
EXPENSES:			
Program services	1,542,229	-	1,542,229
Support services	<u>241,098</u>	<u>-</u>	<u>241,098</u>
Total expenses	<u>1,783,327</u>	<u>-</u>	<u>1,783,327</u>
Change in net assets from operating activities	<u>649,869</u>	<u>(214,456)</u>	<u>435,413</u>
NONOPERATING ACTIVITIES:			
Dividend and interest income	18	-	18
Realized loss on investment	(117)	-	(117)
Employee retention credit (ERC) (Note 8)	<u>70,000</u>	<u>-</u>	<u>70,000</u>
Total nonoperating activities	<u>69,901</u>	<u>-</u>	<u>69,901</u>
Change in net assets	719,770	(214,456)	505,314
NET ASSETS - BEGINNING OF YEAR	<u>1,080,630</u>	<u>851,551</u>	<u>1,932,181</u>
NET ASSETS - END OF YEAR	<u>\$ 1,800,400</u>	<u>\$ 637,095</u>	<u>\$ 2,437,495</u>

See notes to financial statements.

ACCELERATED CURE PROJECT, INC.

STATEMENTS OF FUNCTIONAL EXPENSES FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	Program Services				Support Services		
	Repository	Scientific Collaboration	Education and Community Building	Total Program Services	General and Administrative	Fundraising	Total Support Services
For the Year Ended December 31, 2023:							
Payroll and related costs	\$ 31,025	\$ 643,535	\$ 93,932	\$ 768,492	\$ 14,362	\$ 84,229	\$ 98,591
Research and data collection	64,578	198,952	-	263,530	-	-	-
Professional fees	-	66,802	-	66,802	75,593	-	75,593
Facilities	1,638	39,983	5,600	47,221	7,875	5,032	12,907
Other program expenses	2,135	121,322	160	123,617	6,764	15,881	22,645
Scientific program consulting	36,700	460,111	-	496,811	-	-	-
Travel	4,733	31,247	-	35,980	87	-	87
Office	129	9,647	463	10,239	10,483	3,833	14,316
In-kind expense	-	-	-	-	-	2,452	2,452
Depreciation	-	4,260	-	4,260	2,899	-	2,899
Total expenses	\$ 140,938	\$ 1,575,859	\$ 100,155	\$ 1,816,952	\$ 118,063	\$ 111,427	\$ 229,490

	Program Services				Support Services		
	Repository	Scientific Collaboration	Education and Community Building	Total Program Services	General and Administrative	Fundraising	Total Support Services
For the Year Ended December 31, 2022:							
Payroll and related costs	\$ 28,920	\$ 501,425	\$ 69,869	\$ 600,214	\$ 4,422	\$ 100,573	\$ 104,995
Research and data collection	112,311	-	-	112,311	-	-	-
Professional fees	-	77,132	-	77,132	75,190	-	75,190
Facilities	1,765	43,601	5,578	50,944	4,283	8,137	12,420
Other program expenses	628	80,697	6,332	87,657	13,450	17,457	30,907
Scientific program consulting	142,967	422,032	-	564,999	-	-	-
Travel	1,696	30,064	-	31,760	-	-	-
Office	134	3,874	423	4,431	9,729	4,377	14,106
In-kind expense	-	12,781	-	12,781	-	-	-
Depreciation	-	-	-	-	3,480	-	3,480
Total expenses	\$ 288,421	\$ 1,171,606	\$ 82,202	\$ 1,542,229	\$ 110,554	\$ 130,544	\$ 241,098

See notes to financial statements.

ACCELERATED CURE PROJECT, INC.

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 309,274	\$ 505,314
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	7,159	3,480
Net unrealized and realized loss on investments	55	117
Stock donation	(4,992)	(5,252)
Loss on disposal of property and equipment	870	-
Changes in operating assets and liabilities:		
Accounts receivable	(49,231)	75,577
Grants receivable	(72,658)	(67,762)
Pledges receivable	(42,419)	47,571
Prepaid expenses	(4,237)	(6,603)
Operating lease right-of-use asset, net	25,440	(25,440)
Accounts payable	42,113	(90,127)
Accrued expenses	276,652	(176,511)
Deferred revenue	(45,280)	45,280
Operating lease liability	(25,440)	25,440
Net cash provided by operating activities	417,306	331,084
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of property and equipment	(112,493)	(10,133)
Investment sales	-	5,135
Net cash used in investing activities	(112,493)	(4,998)
NET INCREASE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	304,813	326,086
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, BEGINNING OF YEAR	2,095,464	1,769,378
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, END OF YEAR	\$ 2,400,277	\$ 2,095,464
SUPPLEMENTAL DISCLOSURE OF NON CASH INFORMATION:		
Right-of-use asset obtained in exchange for operating lease liability	\$ -	25,440
RECONCILIATION OF CASH, CASH EQUIVALENTS AND RESTRICTED CASH		
The following table provides a reconciliation of cash, cash equivalents and restricted cash within the statements of cash flows that sum to the total of the same such amounts shown in the statements of financial position.		
Cash and cash equivalents	\$ 1,806,180	\$ 1,550,950
Restricted cash - donor restriction	594,097	544,514
	\$ 2,400,277	\$ 2,095,464

See notes to financial statements.

ACCELERATED CURE PROJECT, INC.

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

1. ORGANIZATION

Accelerated Cure Project, Inc. (the Organization), which also conducts business under the name Accelerated Cure Project for Multiple Sclerosis, is located in Waltham, Massachusetts. The Organization, founded in March 2001, is a patient-founded not-for-profit organization dedicated to accelerating research efforts to improve diagnoses, optimize treatment outcomes, and develop cures for multiple sclerosis (MS). The Organization promotes scientific collaboration and accelerates research by rapidly and cost-effectively providing researchers with the resources they need to explore novel research ideas that can lead to better health, healthcare, and quality of life for people affected by MS.

The Organization's major programs consist of the following:

Repository program – a program that provides researchers with materials and data they need to explore novel research ideas based on a collection of biological specimens and data from people with and without MS.

Scientific collaboration – a program that stimulates and enables research and networking amongst MS stakeholders, especially through the input and data contributed by participants in the Organization's IConquerMS™ People-Powered Research Network (IConquerMS PPRN), to accelerate research on what matters most to people affected by MS.

Education and community building – a program to enhance MS stakeholders' knowledge about the repository program, the IConquerMS PPRN, and other MS-related topics.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation – The financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles (US GAAP), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

Net assets with donor restrictions – Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounting principle adoption – The Organization changed its method of accounting for credit losses on financial instruments as of January 1, 2023 due to the adoption of Accounting Standards Update (ASU) 2016-03 which amended ASC 326, *Financial Instruments – Credit Losses*. ASU 2016-03 establishes a new forward looking “expected loss model” that requires the Organization to estimate current expected credit losses on accounts receivables and other financial instruments by using all practical and relevant information. The adoption of the new standard guidance did not have a material impact on the financial statements.

Measure of operations – The statement of activities reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to the Organization’s ongoing activities working towards a cure for multiple sclerosis. Nonoperating activities are limited to resources that generate returns from investments and other activities considered to be of a more unusual or nonrecurring nature.

Cash, cash equivalents and restricted cash – For purposes of the statement of cash flows, the Organization considers all highly liquid deposits to be cash and cash equivalents. The Organization maintains its cash in bank deposit accounts that are Insured Cash Sweep (ICS) or Certificate of Deposit Account Registry Service (CDARS) accounts to ensure that cash balances are within federally insured limits. The Organization has not experienced, nor does it anticipate, any losses in such accounts. Total restricted cash consists of the following as of December 31, 2023 and 2022, respectively, and is included with donor restricted net assets at December 31, 2023 and 2022.

	2023	2022
MS patient powered research network	\$ 359,639	\$ 293,721
Diversity, equity and inclusion	37,328	55,542
Repository	115,000	115,000
CP Protocol	25,796	35,209
National MS	56,334	45,042
	<u>\$ 594,097</u>	<u>\$ 544,514</u>

Accounts receivable – Accounts receivable includes program fees receivable. A provision for credit losses has not been established as management considers all amounts to be collectible.

Grants receivable – Grants receivable represent amounts recognized as income under the terms of the grants which have not been collected by year end.

Pledges receivable – Unconditional promises to give that are expected to be collected or paid within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected or paid in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Discount amortization is included in contribution revenue. Conditional promises to give are not included in revenues and other support until the conditions are met. Management believes all pledges receivable will be collected; therefore, no allowance for bad debt is recorded. Pledges receivable are written off as bad debt after significant measures have failed to result in collection of such pledges.

Property and equipment, net – Property and equipment are recorded at cost. Expenditures for maintenance, repairs and renewals are charged to expense as incurred, whereas major betterments greater than \$1,500 with a useful life over one year are capitalized as additions to property and equipment. Depreciation is provided over the estimated useful lives of the assets, which range from 3-7 years, using the straight-line method.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Other assets – Other assets consist of security deposits paid for the Organization’s office lease space.

Investments – Investments are reported at cost, if purchased, or at fair value, if donated. Thereafter, investments are reported at their fair values in the statements of financial position, and changes in fair value are reported as realized and unrealized gain (loss) in the statements of activities.

Purchases and sales of securities are reflected on a trade-date basis. Gains and losses on sales of securities are based on average cost and are recorded in the statements of activities in the period in which the securities are sold. Interest is recorded when earned. Dividends are accrued as of the ex-dividend date.

The Organization has adopted a stock donation policy that includes sale of stock donations when received. On December 28, 2023, the Organization received a stock donation which was not sold and converted to cash as of December 31, 2023.

Leases – The Organization records leases under ASC 842 *Leases*, which recognizes an operating lease asset (right of use) and corresponding liability for operating leases with terms in excess of twelve months. Right of use assets are amortized on the straight-line basis over the term of the lease, and the liabilities for operating leases are amortized using a risk-free interest free rate.

Revenue recognition – The Organization recognizes program fees at the time the service is provided to the client and billed. The majority of the Organization’s revenue arrangements consist of a single performance obligation to transfer promised services. Program fees are recorded net of allowances and adjustments. Grants and contributions are recognized when cash, securities or other assets, or an unconditional promise to give is received. Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return are not recognized until the conditions on which they depend have been substantially met. Contributions of assets other than cash are recorded at their fair value at the date of the gift.

The Organization recognizes fees and grants from federal agencies, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts are recognized as revenue when the Organization has performed the service or incurred the expense in compliance with specific contract or grant provisions and has requested reimbursement.

In-kind contributions – The Organization received \$2,452 and \$12,781 in 2023 and 2022, respectively, in donated goods and services. These contributions are based upon information provided by the donors, are recorded at their estimated fair value determined on the date of contribution and are reported as in-kind contributions and expenses in the accompanying statements of activities and statements of functional expenses.

Use of estimates – The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Income tax status – The Organization is exempt from income tax under IRC section 501(c)(3), though it is subject to tax on income unrelated to its exempt purposes, unless that income is otherwise excluded by the Code. The Organization has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. The Organization has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional expenses – The cost of providing the various programs and other activities has been summarized on a functional basis in the statements of activities and functional expenses. Accordingly, certain costs have been allocated among program and supporting services. Such allocations are determined by management on the basis of estimates of time and effort.

Reclassification – Certain 2022 amounts have been reclassified to conform to the 2023 presentation.

3. PLEDGES RECEIVABLE

The Organization anticipates collection of outstanding pledges receivable as follows at December 31:

	2023	2022
Pledges receivable before unamortized discount	\$ 165,563	\$ 130,563
Less: unamortized discount	<u>-</u>	<u>7,419</u>
Net pledges receivable	<u>\$ 165,563</u>	<u>\$ 123,144</u>
Amounts due in:		
Less than one year	\$ 165,563	\$ 50,000
One to two years	<u>-</u>	<u>50,000</u>
	<u>\$ 165,563</u>	<u>\$ 100,000</u>

Amounts presented above have been discounted to present value using a discount rate of 5.5% in 2022. The discount was recognized as contribution income in 2023 as the long-term pledges were received.

4. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31:

	2023	2022
Website development	\$ 124,475	\$ 146,595
Computer equipment	8,528	51,735
Other equipment	<u>87,148</u>	<u>37,222</u>
	220,151	235,552
Less: accumulated depreciation	<u>69,251</u>	<u>189,116</u>
Property and equipment, net	<u>\$ 150,900</u>	<u>\$ 46,436</u>

5. NET ASSETS

Net assets with donor restrictions – restricted for purpose or time – are as follows at December 31:

	2023	2022
MS patient powered research network	\$ 359,639	\$ 293,721
Pledges receivable - time restriction	50,000	92,581
Diversity, equity and inclusion	37,328	55,542
Repository	115,000	115,000
CP Protocol	25,796	35,209
National MS	56,334	45,042
	<u>\$ 644,097</u>	<u>\$ 637,095</u>

Net assets released from net assets with donor restrictions are as follows for the year ended December 31:

	2023	2022
MS patient powered research network	\$ 552,932	\$ 625,247
Pledges receivable - passage of time	50,000	50,000
Diversity, equity and inclusion	178,214	191,942
Repository	-	24,614
Newsletter	-	20,834
CP Protocol	84,413	55,691
National MS	142,046	119,490
	<u>\$ 1,007,605</u>	<u>\$ 1,087,818</u>

6. LEASES

Effective January 1, 2022, the Organization adopted ASC 842, *Leases* using the modified retrospective approach. The Organization recorded an operating lease asset (right-of-use asset) and operating lease liability of \$59,129.

In accordance with ASU 2021-09, the Organization applied a risk-free rate as its discount rate. For its office space operating lease, the Organization determined the equivalent treasury rate over a period comparable to the lease term and used that rate as the risk-free rate for the calculation of the right-of-use operating asset and liability. At January 1, 2022, the Organization determined there was two years left to the office space operating lease and determined that the two-year treasury would be the most comparable term, as such, the discount rate used was .78%.

In August 2015, the Organization entered into an operating lease agreement for its office space. The agreement has been amended multiple times and the fifth and last amendment extended the lease term to September 30, 2023. During 2023, the lease was extended to October 2023 as the Organization was transitioning to operate 100% remotely effective November 1, 2023.

Total rent expense, excluding additional charges, was \$28,340 and \$34,008 for the years ended December 31, 2023 and 2022, respectively.

A security deposit for the office space of \$2,500 is included in the accompanying statements of financial position in other assets as of December 31, 2023 and 2022. The security deposit was refunded to the Organization in March 2024.

7. DEPARTMENT OF DEFENSE FUNDING

In March 2023, the Organization was notified that its application for funding of a clinical trial program was approved by the Congressionally Directed Medical Research Program, operating under the Department of Defense. The award was effective September 15, 2023 and will continue through September 2027. Total budget for the four-year funding is \$4,478,480. Total revenue recorded for this program during 2023 was \$287,140.

8. EMPLOYEE RETENTION CREDIT

The CARES Act provides an employee retention credit (ERC), which is a refundable tax credit against certain employment taxes of up to \$5,000 per employee for eligible employers. The tax credit is equal to 50% of qualified wages paid to employees during a quarter, capped at \$10,000 of qualified wages per employee through December 31 2020. Additional relief provisions were passed by the United States government, which extended and slightly expanded the qualified wage caps on credits through December 31, 2021. Based on these additional provisions, the tax credit is now equal to 70% of qualified wages paid to employees during a quarter, and the limit on qualified wages per employee has been increased to \$10,000 of qualified wages per quarter. The Organization applied for the tax credit under the CARES Act in 2022. In June 2023, the Organization received a total of \$76,565 in Form 941 Employer Quarterly Federal Tax Return refund payments related to the quarters ending in March 2021 and June 2021. \$70,000 in ERC was reported with accounts receivable and as nonoperating activities in the statement of activities as of and for the year ended December 31, 2022. During 2023, the remaining \$6,565 was received and is reported as nonoperating activities in the statement of activities for the year ended December 31, 2023.

9. AVAILABILITY AND LIQUIDITY

The following represents the Organization's financial assets at December 31:

	2023	2022
Financial assets at year-end:		
Cash, cash equivalents and restricted cash	\$ 2,400,277	\$ 2,095,464
Accounts receivable	155,467	106,236
Grants receivable	372,119	299,461
Pledges receivable, current	165,563	80,563
Investments	4,937	-
Total financial assets	3,098,363	2,581,724
Less net assets with purpose restrictions to be met in less than one year	(594,097)	(594,514)
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 2,504,266</u>	<u>\$ 1,987,210</u>

As part of its liquidity management plan, the Organization manages its operations within a balanced budget and invests excess cash in a money market account. The Organization relies on annual fund donations, without restriction grants, fundraising event revenue, and earned service revenue to cover the costs of operations. The Organization has a goal to maintain financial assets to meet 90 days of normal operating expenses (approximately \$509,000 as of December 31, 2023).

10. CONCENTRATIONS

Three donors/funders accounted for approximately 90% of accounts receivable at December 31, 2023 and three donors/funders accounted for approximately 63% of accounts receivable at December 31, 2022. Two donors/funders accounted for approximately 35% of revenues and other support for the year ended December 31, 2023 and two donors accounted for approximately 63% of revenues and other support for the year ended December 31, 2022.

11. CONTINGENCIES

The Organization may become involved in litigation or other claims in the ordinary course of business. Management is not aware of any claims that will have a material adverse effect on the financial statements.

12. SUBSEQUENT EVENTS

Effective May 1, 2024, the Organization entered into a participation agreement with the Massachusetts Defined Contribution CORE Plan (the Plan), a retirement plan under the provisions of Section 401(k) of the Internal Revenue Code. The Plan covers all eligible employees. The Organization will make a safe harbor contribution for eligible employees equal to 3% of the employee's eligible compensation.

Management has evaluated subsequent events through September 12, 2024, the date the financial statements were available to be issued.

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