

Accelerated Cure Project, Inc.

*Financial Statements as of and for the
Years Ended December 31, 2024 and 2023
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, 2024 and 2023, 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, 2024 and 2023, 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.

Correction of Error

As discussed in Note 3 to the financial statements, certain errors resulting in understatement of amounts previously reported for accounts receivables and program fees as of December 31, 2023, were discovered by management of Accelerated Cure Project, Inc. during the current year. Accordingly, amounts reported for accounts receivable, program fees, and net assets without donor restrictions have been restated to correct the error in the 2023 financial statements now presented. Our opinion is not modified with respect to that matter.

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.

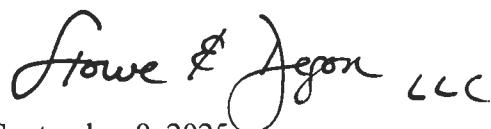
Auditors' Responsibilities for the Audit of the Financial Statements

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 fluid and cursive, with "Stowe & Degon" on the top line and "LLC" on the bottom line.

September 9, 2025

ACCELERATED CURE PROJECT, INC.

STATEMENTS OF FINANCIAL POSITION DECEMBER 31, 2024 AND 2023

ASSETS	2024	2023 (Adjusted)
CURRENT ASSETS:		
Cash, cash equivalents and restricted cash	\$ 1,821,292	\$ 2,400,277
Accounts receivable	297,248	201,091
Grants receivable	1,062,776	372,119
Pledges receivable	122,255	165,563
Investments	-	4,937
Prepaid expenses	<u>39,331</u>	<u>18,162</u>
Total current assets	3,342,902	3,162,149
PROPERTY AND EQUIPMENT, net	128,710	150,900
OTHER ASSETS	<u>-</u>	<u>2,507</u>
TOTAL ASSETS	\$ 3,471,612	\$ 3,315,556
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable	\$ 29,066	\$ 80,970
Accrued expenses	<u>257,566</u>	<u>442,193</u>
Total current liabilities	<u>286,632</u>	<u>523,163</u>
NET ASSETS:		
Without donor restrictions	2,336,461	2,148,296
With donor restrictions	<u>848,519</u>	<u>644,097</u>
Total net assets	<u>3,184,980</u>	<u>2,792,393</u>
TOTAL LIABILITIES AND NET ASSETS	\$ 3,471,612	\$ 3,315,556

See notes to financial statements.

ACCELERATED CURE PROJECT, INC.

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING ACTIVITIES:			
REVENUES AND OTHER SUPPORT:			
Grants and contributions revenue	\$ 380,268	\$ 1,127,783	\$ 1,508,051
Government grant	730,087	-	730,087
Program fees	506,792	-	506,792
In-kind revenue	11,753	-	11,753
Special events revenue, net of cost of \$8,118	20,046	-	20,046
Net assets released from restrictions	923,361	(923,361)	-
Total revenues and other support	2,572,307	204,422	2,776,729
EXPENSES:			
Program services	2,243,368	-	2,243,368
Support services	228,413	-	228,413
Total expenses	2,471,781	-	2,471,781
Change in net assets from operating activities	100,526	204,422	304,948
NONOPERATING ACTIVITIES:			
Dividend and interest income	87,038	-	87,038
Unrealized gain on investment	55	-	55
Realized gain on investments	546	-	546
Total nonoperating activities	87,639	-	87,639
Change in net assets	188,165	204,422	392,587
NET ASSETS, BEGINNING OF YEAR	2,148,296	644,097	2,792,393
NET ASSETS - END OF YEAR	\$ 2,336,461	\$ 848,519	\$ 3,184,980

See independent auditors' report and notes to financial statements.

ACCELERATED CURE PROJECT, INC.

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2023

	Without Donor Restrictions (Adjusted)	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	508,057	-	508,057
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>	-
Total revenues and other support	<u>2,336,012</u>	<u>7,002</u>	<u>2,343,014</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>289,570</u>	<u>7,002</u>	<u>296,572</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	<u>347,896</u>	<u>7,002</u>	<u>354,898</u>
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>\$ 2,148,296</u>	<u>\$ 644,097</u>	<u>\$ 2,792,393</u>

See independent auditors' report and notes to financial statements.

ACCELERATED CURE PROJECT, INC.

STATEMENTS OF FUNCTIONAL EXPENSES FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

For the Year Ended December 31, 2024:	Program Services						Support Services					
	Repository	Education and			Program Services	General and Administrative	Fundraising	Support Services	Total			Total Expenses
		Scientific Collaboration	Community Building	Total					General and Administrative	Fundraising	Support Services	
Payroll and related costs	\$ -	\$ 1,069,504	\$ 59,717	\$ 1,129,221	\$ 331,461	\$ 6,027	\$ 28,806	\$ 34,833	\$ 1,164,054			
Research and data collection	117,372	214,089	-	94,713	104,476	-	828	105,304	-	331,461		
Professional fees	5,940	88,773	-	12,700	1,831	193	2,024	2,024	200,017			
Facilities	-	12,284	416	-	67,931	7,243	36,058	43,301	14,724			
Other program expenses	98	67,833	-	-	540,057	-	-	-	111,232			
Scientific program consulting	55,976	484,081	-	-	25,895	128	8	136	540,057			
Travel	5	25,890	-	-	6,443	12,098	3,147	15,245	26,031			
Office	-	6,237	206	-	-	1,575	10,178	11,753	21,688			
In-kind expense	-	-	-	-	-	-	-	11,753	11,753			
Depreciation	-	-	34,947	-	34,947	15,817	-	-	15,817	50,764		
Total expenses	\$ 179,391	\$ 2,003,638	\$ 60,339	\$ 2,243,368	\$ 149,195	\$ 79,218	\$ 228,413	\$ 2,471,781				
For the Year Ended December 31, 2023:	Program Services						Support Services					
	Repository	Education and			Program Services	General and Administrative	Fundraising	Support Services	Total			Total Expenses
		Scientific Collaboration	Community Building	Total					General and Administrative	Fundraising	Support Services	
Payroll and related costs	\$ 31,025	\$ 643,535	\$ 93,932	\$ 768,492	\$ 263,530	\$ -	\$ 14,362	\$ 84,229	\$ 98,591	\$ 867,083		
Research and data collection	64,578	198,952	-	-	66,802	75,593	-	-	-	263,530		
Professional fees	-	66,802	-	-	47,221	7,875	5,032	12,907	75,593	142,395		
Facilities	1,638	39,983	5,600	-	123,617	6,764	15,881	22,645	60,128			
Other program expenses	2,135	121,322	160	-	496,811	-	-	-	146,262			
Scientific program consulting	36,700	460,111	-	-	35,980	87	-	87	496,811			
Travel	4,733	31,247	-	-	10,239	10,483	3,833	14,316	36,067			
Office	129	9,647	463	-	-	-	2,452	2,452	24,555			
In-kind expense	-	-	-	-	-	-	-	-	2,452	2,452		
Depreciation	-	-	4,260	-	4,260	2,899	-	-	2,899	7,159		
Total expenses	\$ 140,938	\$ 1,575,859	\$ 100,155	\$ 1,816,952	\$ 118,063	\$ 111,427	\$ 229,490	\$ 2,046,442				

See independent auditors' report and notes to financial statements.

ACCELERATED CURE PROJECT, INC.

STATEMENTS OF CASH FLOWS YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023 (Adjusted)
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 392,587	\$ 354,898
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation	50,764	7,159
Net unrealized and realized (gain) loss on investments	(601)	55
Stock donation	(19,196)	(4,992)
Loss on disposal of property and equipment	-	870
Changes in operating assets and liabilities:		
Accounts receivable	(96,157)	(94,855)
Grants receivable	(690,657)	(72,658)
Pledges receivable	43,308	(42,419)
Prepaid expenses	(21,169)	(4,237)
Other assets	2,507	-
Operating lease right-of-use asset, net	-	25,440
Accounts payable	(51,904)	42,113
Accrued expenses	(184,627)	276,652
Deferred revenue	-	(45,280)
Operating lease liability	-	(25,440)
Net cash (used in) provided by operating activities	<u>(575,145)</u>	<u>417,306</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of property and equipment	(28,574)	(112,493)
Proceeds from sale of stock donations	<u>24,734</u>	<u>-</u>
Net cash used in investing activities	<u>(3,840)</u>	<u>(112,493)</u>
NET (DECREASE) INCREASE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	<u>(578,985)</u>	<u>304,813</u>
CASH, CASH EQUIVALENTS AND RESTRICTED CASH - BEGINNING	<u>2,400,277</u>	<u>2,095,464</u>
CASH, CASH EQUIVALENTS AND RESTRICTED CASH - ENDING	<u>\$ 1,821,292</u>	<u>\$ 2,400,277</u>
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	\$ 1,305,462	\$ 1,806,180
Restricted cash - donor restriction	<u>515,830</u>	<u>594,097</u>
	<u>\$ 1,821,292</u>	<u>\$ 2,400,277</u>

See independent auditors' report and notes to financial statements.

ACCELERATED CURE PROJECT, INC.

NOTES TO FINANCIAL STATEMENT FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

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)

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.

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. As of December 31, 2024 and 2023, the Organization had \$122,255 and \$165,563, respectively, in outstanding pledges receivable which are expected to be collected within twelve months.

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.

Other assets – Other assets consisted 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. All stock donations received in 2024 were sold and converted to cash as of December 31, 2024. Due to timing, a stock donation that was received on December 28, 2023 and held as of December 31, 2023 was sold and converted to cash in January 2024.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases – The Organization records leases under Accounting Standards Codification (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 \$11,753 and \$2,452 in 2024 and 2023, 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.

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.

Retirement plan – 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 makes a safe harbor contribution for eligible employees equal to 3% of the employee's eligible compensation. Total amount of expense for the Plan charged to operations in 2024 was \$19,998.

Subsequent events – The Organization has evaluated all subsequent events through September 9, 2025, the date the financial statements were available to be issued.

3. PRIOR PERIOD ADJUSTMENT

During 2024, the Organization noted that \$45,624 in program fees related to 2023 were incorrectly recorded in 2024. In accordance with generally accepted accounting principles, the financial statements as of and for the year ended December 31, 2023 have been adjusted to reflect the error correction. The table below includes statement of financial position and statement of activities reported balances that were impacted by the error correction.

	As previously reported	Error correction	Adjusted Balance
Statement of Financial Position as of December 31, 2023:			
Accounts receivable	\$ 155,467	\$ 45,624	<u>\$ 201,091</u>
Total current assets	<u>3,116,525</u>	<u>45,624</u>	<u>3,162,149</u>
Total assets	<u>3,269,932</u>	<u>45,624</u>	<u>3,315,556</u>
Without donor restrictions	<u>2,102,672</u>	<u>45,624</u>	<u>2,148,296</u>
Total net assets	<u>2,746,769</u>	<u>45,624</u>	<u>2,792,393</u>
Total liabilities and net assets	<u>\$ 3,269,932</u>	<u>\$ 45,624</u>	<u>\$ 3,315,556</u>
Statement of Activities for the year ended December 31, 2023 - without donor restrictions:			
Program fees	\$ 462,433	\$ 45,624	<u>\$ 508,057</u>
Total revenues and other support	<u>2,290,388</u>	<u>45,624</u>	<u>2,336,012</u>
Change in net assets from operating activities	<u>243,946</u>	<u>45,624</u>	<u>289,570</u>
Change in net assets	<u>302,272</u>	<u>45,624</u>	<u>347,896</u>
Net assets - end of year	<u>\$ 2,102,672</u>	<u>\$ 45,624</u>	<u>\$ 2,148,296</u>

4. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31:

	2024	2023
Website development	\$ 153,049	\$ 124,475
Computer equipment	8,528	8,528
Other equipment	<u>87,148</u>	<u>87,148</u>
	248,725	220,151
Less: accumulated depreciation	<u>120,015</u>	<u>69,251</u>
Property and equipment, net	<u>\$ 128,710</u>	<u>\$ 150,900</u>

5. NET ASSETS

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

	2024	2023
MS patient powered research network	\$ 628,444	\$ 359,639
Pledges receivable - time restriction	-	50,000
Diversity, equity and inclusion	50,000	37,328
Repository	115,000	115,000
CP Protocol	52,202	25,796
National MS	<u>2,873</u>	<u>56,334</u>
	<u><u>\$ 848,519</u></u>	<u><u>\$ 644,097</u></u>

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

	2024	2023
MS patient powered research network	\$ 545,407	\$ 552,932
Pledges receivable - passage of time	50,000	50,000
Diversity, equity and inclusion	137,328	178,214
Repository	50,000	-
CP Protocol	48,595	84,413
National MS	<u>92,031</u>	<u>142,046</u>
	<u><u>\$ 923,361</u></u>	<u><u>\$ 1,007,605</u></u>

6. LEASES

The Organization records operating leases with terms over twelve months under ASC 842, *Leases*. The Organization records an operating lease asset (right-of-use) and operating lease liability using a risk-free interest rate.

In August 2015, the Organization entered into an operating lease agreement for its office space. The agreement was 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 for the former office space, excluding additional charges, was \$0 and \$28,340 for the years ended December 31, 2024 and 2023, respectively.

A security deposit for the office space of \$2,500 was included in the accompanying statements of financial position in other assets as of December 31, 2023. 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 2024 and 2023 was \$730,087 and \$287,140, respectively.

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 and recorded \$70,000 in ERC as accounts receivable in the statement of financial position as of December 31, 2022 and as nonoperating activities in the statement of activities as of and for the year ended December 31, 2022. However, the Organization received a total of \$76,565 in 2023 of which \$6,565 was 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:

	2024	2023
Financial assets at year-end:		
Cash, cash equivalents and restricted cash	\$ 1,821,292	\$ 2,400,277
Accounts receivable	297,248	201,091
Grants receivable	1,062,776	372,119
Pledges receivable	122,255	165,563
Investments	-	4,937
Total financial assets	3,303,571	3,143,987
Less net assets with purpose restrictions to be met in less than one year	<u>(848,519)</u>	<u>(594,097)</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 2,455,052</u>	<u>\$ 2,549,890</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 \$602,000 as of December 31, 2024).

10. CONCENTRATIONS

Three donors/funders accounted for approximately 94% of accounts and grants receivable at December 31, 2024 and three donors/funders accounted for approximately 90% of accounts and grants receivable at December 31, 2023. Three donors/funders accounted for approximately 67% of revenues and other support for the year ended December 31, 2024 and two donors/funders accounted for approximately 35% of revenues and other support for the year ended December 31, 2023.

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.

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