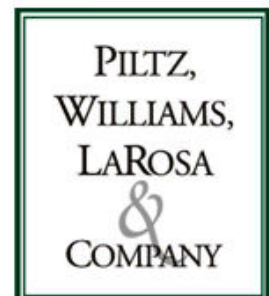


Financial Statements

**United MSD Foundation, Inc.
Ocean Springs, Mississippi**

**Year ended December 31, 2022
(With Summarized Financial Information
for the Year Ended December 31, 2021)**



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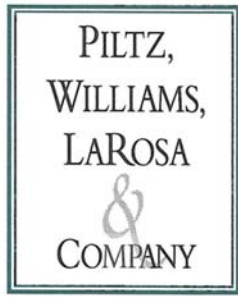
United MSD Foundation, Inc.
Ocean Springs, Mississippi

Financial Statements

Year ended December 31, 2022
(With Summarized Financial Information
for the Year Ended December 31, 2021)

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Independent Auditors' Report

Board of Trustees
United MSD Foundation, Inc.
Ocean Springs, MS 39564

Opinion

We have audited the financial statements of United MSD Foundation, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of United MSD Foundation, Inc. as of December 31, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for our 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of United MSD Foundation, Inc. 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.

Responsibility of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America 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 United MSD Foundation, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 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 financial statements.

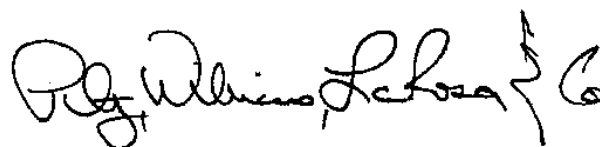
In performing an audit in accordance with GAAS, we:

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

Report on Summarized Comparative Information

We have previously audited United MSD Foundation, Inc.'s December 31, 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 15, 2022. 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 financial statements from which it has been derived.



Certified Public Accountants

Biloxi, Mississippi
July 19, 2023

United MSD Foundation, Inc.
Statements of Financial Position

	December 31,	
	2022	2021
Assets		
Current assets		
Cash	\$ 651,249	\$ 523,236
Total current assets	651,249	523,236
Property and equipment, net	13,777	16,282
Total assets	\$ 665,026	\$ 539,518
Liabilities & Net Assets		
Current Liabilities		
Accounts payable	\$ 51,176	\$ -
Total current liabilities	51,176	-
Net assets		
Without donor restrictions, as restated for 2021	588,850	514,518
With donor restrictions, as restated for 2021	25,000	25,000
Total net assets	613,850	539,518
Total liabilities & net assets	\$ 665,026	\$ 539,518

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

United MSD Foundation, Inc.

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Statements of Activities

Year Ended December 30, 2022

(With Summarized Financial Information for the Year Ended December 31, 2021)

	Without Donor Restrictions	With Donor Restrictions	2022 Total	2021 Total
Support and Revenue				
Donations of cash and other financial assets	\$ 623,466	\$ -	\$ 623,466	\$ 456,714
Donations of nonfinancial assets	142		142	3,742
Fundraising activities	94,918		94,918	78,294
Investment and interest income	882		882	235
Miscellaneous	656		656	525
PPP forgivable loan proceeds	-		-	23,125
Total revenues	<u>720,064</u>	<u>-</u>	<u>720,064</u>	<u>562,635</u>
Expenses				
Program operation	533,398		533,398	327,589
General and administrative expenses	46,110		46,110	37,678
Fundraising activities	66,224		66,224	57,238
Total expenses	<u>645,732</u>	<u>-</u>	<u>645,732</u>	<u>422,505</u>
Change in net assets	74,332	-	74,332	140,130
Net assets, beginning of year, as restated	<u>514,518</u>	<u>25,000</u>	<u>539,518</u>	<u>399,388</u>
Net assets, end of year	<u>\$ 588,850</u>	<u>\$ 25,000</u>	<u>\$ 613,850</u>	<u>\$ 539,518</u>

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

United MSD Foundation, Inc.
Statement of Functional Expenses
For the Year Ended December 31, 2022
(With Summarized Financial Information for the Year Ended December 31, 2021)

	<u>Program Operation</u>	<u>General & Administrative</u>	<u>Fund- raising</u>	<u>2022 Total</u>	<u>2021 Total</u>
Marketing & public relations	\$ 1,274	\$ 364	\$ 182	\$ 1,820	\$ 4,049
Conference & meetings	16,712	-	-	16,712	5,012
Amortization	2,505	-	-	2,505	2,505
Licenses & fees	-	608	-	608	1,875
Office supplies	182	175	175	532	2,112
Insurance	-	2,560	-	2,560	2,620
Computer & technology	9,603	2,743	1,372	13,718	15,133
Salaries & consultant fees	140,979	21,753	55,321	218,053	197,305
Occupancy	1,544	1,498	1,498	4,540	5,843
Professional fees	-	12,000	-	12,000	4,000
Medical research	351,701	-	-	351,701	162,208
Bank & credit card fees	-	4,111	457	4,568	3,613
Printing & postage	2,160	298	697	3,155	2,988
Patient resources	216	-	-	216	1,334
Special events	6,522	-	6,522	13,044	11,908
Total	<u>\$ 533,398</u>	<u>\$ 46,110</u>	<u>\$ 66,224</u>	<u>\$ 645,732</u>	<u>\$ 422,505</u>

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

United MSD Foundation, Inc.
Statements of Cash Flows

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	Year Ended December 31,	
	2022	2021
Cash flows from operating activities		
Change in net assets	\$ 74,332	\$ 140,130
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Amortization	2,505	2,505
Gain on loan forgiveness-PPP	-	(23,125)
Increase (decrease) in accounts payable	51,176	(3,522)
Net cash provided by operating activities	128,013	115,988
Cash flows from financing activities		
PPP Loan proceeds	-	23,125
Net cash provided by financing activities	-	23,125
Net increase in cash and cash equivalents	128,013	139,113
Cash and cash equivalents, beginning of year	523,236	384,123
Cash and cash equivalents, end of year	\$ 651,249	\$ 523,236

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

Note A – Summary of Significant Accounting Policies

Organization – United MSD Foundation, Inc. (Foundation) is a non-profit organization formed on August 11, 2016, in order to generate awareness and help fund medical and scientific research dedicated to curing multiple sulfatase deficiency (MSD).

Basis of accounting – The financial statements of the Foundation been prepared in conformity with accounting principles generally accepted in the United States of America under the accrual basis of accounting. The accrual basis of accounting is the method of accounting under which liabilities and expenses are recorded when incurred, whether or not paid, and income is recorded when earned, whether or not received.

Financial statement presentation – The Foundation reports information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions.

Comparative financial statements – The financial statements include certain prior-year summarized comparative information in total, but not by net asset class or functional expense. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Foundation’s financial statements for the year ended December 31, 2021, from which the summarized information was derived.

Functional allocation of expenses – The costs of providing the various programs and activities have been summarized on a functional basis in the Statement of Activity. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Property and equipment – It is the Foundation’s policy to capitalize property and equipment over \$2,500. Property and equipment are recorded at cost. Donations of property and equipment are recorded at their estimated fair value. Such donations are reported as contributions without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Property and equipment are depreciated over their useful lives using the straight-line method.

Income taxes – The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Similar provisions are available under the Mississippi Code for exemption from state income taxes. Management has evaluated the Foundation’s tax positions and believes there are no uncertain tax positions requiring disclosure.

Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Revenue recognition – Contributions received are recorded as revenue with donor restrictions or revenue without donor restrictions, depending on the existence and nature of any donor restrictions. All donor restricted contributions are reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without

United MSD Foundation, Inc.
Notes to Financial Statements
December 31, 2022
(Continued)

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donor restrictions and reported in the statement of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met within the same year as received are reported as contributions without donor restrictions.

Contributed nonfinancial assets – Effective January 1, 2022, the Foundation adopted the Accounting Standards Update No. 2020-07, Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958) using the retrospective approach with comparative accounting periods. The new guidance requires nonprofit entities to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets. The standard also increases the disclosure requirements around contributed nonfinancial assets, including disaggregating by category the types of contributed nonfinancial assets a nonprofit entity has received. Adoption of this standard did not have a significant impact on the financial statements, except for increased disclosure.

The Foundation recognized contributed nonfinancial assets within revenue, including contributed items used for grassroots and special events in the amount of \$142 and \$3,742 during the years ended December 31, 2022 and 2021, respectively. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions. In valuing the items, the Foundation estimated the fair value on the basis of estimates of values that would be paid for purchasing similar items.

Contributed services – A substantial number of volunteers have donated significant amounts of their time to the Foundation and its programs; however, these donated services are not reflected in the financial statements since these services do not meet the criteria for recognition as contributed services.

Advertising – Advertising costs are expensed as incurred.

Leases – The Foundation has made an accounting policy election not to recognize right-of-use assets and lease liabilities that arise from short-term leases for any class of underlying asset.

Note B – Property and Equipment

Property and equipment consist of donated website development at its estimated value of \$25,050. The website is amortized using straight-line over its estimated useful life of ten years. Current and prior year amortization expense is \$2,505.

Note C – Paycheck Protection Program Loan

On March 24, 2021, the Foundation received loan proceeds in the amount of \$23,125 under the Paycheck Protection Program (“PPP”). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”), provides for loans to qualifying business for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The loans and accrued interest are forgivable after eight or twenty-four weeks as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and

United MSD Foundation, Inc.
Notes to Financial Statements
December 31, 2022
(Continued)

maintains its payroll level. The Foundation met the criteria for 100% forgiveness as of December 31, 2021, and the loan plus interest have been fully forgiven as of March 31, 2022. The loan proceeds were recognized as income as of December 31, 2021.

Note D – Concentration of Credit Risk

The Foundation maintains cash balances at various financial institutions, which at times may exceed the federally insured limit of \$250,000. The Foundation had uninsured cash balances of \$151,395 and \$23,200 at December 31, 2022 and 2021, respectively. The Foundation has not experienced any such losses and does not believe it is exposed to any significant credit risk on these deposits.

Note E – Net Assets

The detail of the Foundation's net asset categories is as follows:

	December 31,	
	2022	2021
Without donor restrictions:		
Invested in property and equipment	\$ 13,777	\$ 16,282
Undesignated	<u>575,073</u>	<u>498,236</u>
Total without donor restrictions	588,850	514,518
With donor restrictions		
Patient and family/caregiver support	<u>25,000</u>	<u>25,000</u>
Total with donor restrictions	<u>25,000</u>	<u>25,000</u>
Total net assets	<u>\$ 613,850</u>	<u>\$ 539,518</u>

Note F – Liquidity and Availability of Financial Assets

The following reflects the Foundation's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of the asset's nature or contractual restrictions:

	December 31,
	2022
Financial assets at year-end	\$ 651,249
Less those unavailable for general expenditures within one year due to:	
Donor restricted for patient and family/caregiver support	25,000
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 626,249</u>

United MSD Foundation, Inc.
Notes to Financial Statements
December 31, 2022
(Continued)

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Note G – Related Party Transactions

For the years ended December 31, 2022 and 2021, the Foundation paid rent and utility reimbursements on a month-to-month basis to a company owned by its Founder in the amount of \$4,540 and \$5,843, respectively.

Note H – Prior Period Adjustment

As explained in Note A, the Foundation records contributions as revenue with donor restrictions or revenue without donor restrictions, depending on the existence and nature of any donor restrictions. A prior period adjustment was made to recognize a donor restriction placed on a donation received in 2021. The effect of the correction was to increase the amount revenues with donor restrictions by \$25,000 for 2021. The cumulative effect increases the beginning net assets with donor restrictions by \$25,000 and decreases the beginning balance in net assets without donor restrictions by the same amount.

Note I – Subsequent Events

The Foundation has evaluated subsequent events through July 19, 2023, which is the date the financial statements were available to be issued.