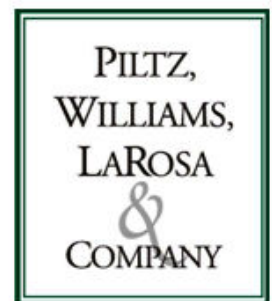


Financial Statements

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

Year ended December 31, 2020



CERTIFIED PUBLIC ACCOUNTANTS
A Professional Association

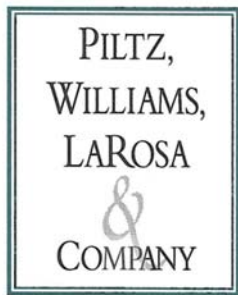
United MSD Foundation, Inc.
Ocean Springs, Mississippi

Financial Statements

December 31, 2020

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Independent Accountants' Review Report

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

We have reviewed the accompanying financial statements of United MSD Foundation, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility 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; this includes 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.

Accountants' Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountants' Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying 2020 financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Certified Public Accountants

Biloxi, Mississippi
August 13, 2021

United MSD Foundation, Inc.
Statement of Financial Position
December 31, 2020

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Assets

Current assets

Cash and cash equivalents	\$ 384,123
Total current assets	<u>384,123</u>

Property and equipment, net

18,787

Total assets

\$ 402,910

Liabilities & Net Assets

Liabilities

Other current liabilities	\$ 3,522
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Net assets

Without donor restrictions	399,388
Total net assets	<u>399,388</u>

Total liabilities & net assets

\$ 402,910

See accompanying notes and independent accountants' report.

United MSD Foundation, Inc.
Statement of Activities
For the Year Ended December 31, 2020

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	Without Donor Restrictions
Support and Revenue	
Donations	\$ 7,249
Fundraising activities	332,751
Investment and interest income	440
PPP forgivable loan proceeds	13,775
Total public support, revenues and reclassifications	<u>354,215</u>
Expenses	
Program operation	288,954
General and administrative expenses	42,489
Fundraising activities	46,633
Total expenses	<u>378,076</u>
Change in net assets	(23,861)
Net assets, beginning of year	<u>423,249</u>
Net assets, end of year	<u><u>\$ 399,388</u></u>

See accompanying notes and independent accountants' report.

United MSD Foundation, Inc.
Statement of Functional Expenses
For the Year Ended December 31, 2020

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	<u>Program Operation</u>	<u>General & Administrative</u>	<u>Fund- raising</u>	<u>2020 Total</u>
Marketing and public relations	\$ 11,251	\$ 3,214	\$ 1,607	16,072
Conference and meetings	3,088	230	270	3,588
Amortization	2,505	-	-	2,505
Licenses and fees	-	28	-	28
Office supplies	-	161	-	161
Insurance	-	2,211	-	2,211
Computer and technology	6,060	1,731	866	8,657
Staff salaries and consultant fees	92,609	23,813	34,079	150,501
Occupancy	2,160	2,096	2,096	6,352
Professional fees	-	7,500	-	7,500
Medical research	160,865	-	-	160,865
Bank and credit card fees	-	1,239	138	1,377
Printing and postage	3,628	266	789	4,683
Special events	4,273	-	4,273	8,546
In kind expense	2,515	-	2,515	5,030
Total	<u>\$ 288,954</u>	<u>\$ 42,489</u>	<u>\$ 46,633</u>	<u>\$ 378,076</u>

See accompanying notes and independent accountants' report.

United MSD Foundation, Inc.
Statement of Cash Flows
For the Year Ended December 31, 2020

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Cash flows from operating activities	
Change in net assets	\$ (23,861)
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Amortization	2,505
Gain on loan forgiveness-PPP	(13,775)
Increase (decrease) in accrued liabilities	3,522
Net cash used in operating activities	<u>(31,609)</u>
 Cash flows from financing activities	
PPP Loan proceeds	<u>13,775</u>
Net cash provided by financing activities	<u>13,775</u>
 Net decrease in cash and cash equivalents	(17,834)
Cash and cash equivalents, beginning of year	<u>401,957</u>
 Cash and cash equivalents, end of year	<u><u>\$ 384,123</u></u>

See accompanying notes and independent accountants' report.

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 have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

Financial statement presentation – The Foundation is required to report 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.

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.

Contributions – Contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions depending on the existence or nature of any donor restrictions.

Contributed services – A substantial number of volunteers have donated significant amounts of their time to the Organization 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.

Note B – In-kind Contributions

Contributed goods and services are recorded as contributions revenue and expensed as used.

United MSD Foundation, Inc.
Notes to Financial Statements
December 31, 2020
(Continued)

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Note C – 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 year amortization expense is \$2,505.

Note D – Paycheck Protection Program Loan

On April 22, 2020, the Foundation received loan proceeds in the amount of \$13,775 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 maintains its payroll level. The Foundation met the criteria for 100% forgiveness as of December 31, 2020 and the loan plus interest have been fully forgiven as of May 3, 2021. The loan proceeds were recognized as income as of December 31, 2020.

Note E – Concentration of Credit Risk

The Foundation maintains its cash balance at a financial institution located in Mississippi. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2020, the Foundation had uninsured cash balances of \$134,123.

Note F – Net Assets

The Organization’s net asset category of without donor restrictions in the amount of \$399,388 consist of \$18,787 invested in property and equipment and \$380,601 undesignated.

During 2018, the Organization adopted Accounting Standards Update No. 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities. As a result, it was determined that certain net assets previously reported as temporarily restricted will now be reported as net assets without donor restrictions, as presented above.

Note G – Liquidity and Availability of Financial Assets

At December 31, 2020, the financial assets available to meet cash needs for general expenditures within one year totaled \$384,123.

Note H – Subsequent Events

The Foundation has evaluated subsequent events through August 13, 2021, which is the date the financial statements were available to be issued.