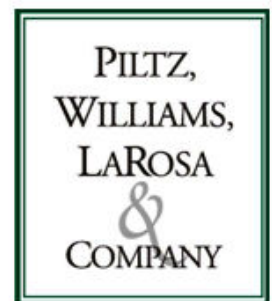


**Financial Statements**

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

**Year ended December 31, 2021**

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CERTIFIED PUBLIC ACCOUNTANTS  
*A Professional Association*

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

**Financial Statements**

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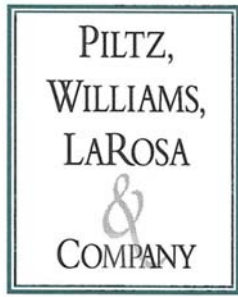
**December 31, 2021**

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Eric B. Bland, CPA  
David C. Neumann, CPA  
Mildrey Egües-Strickland, CPA  
Elsé A. Marie, CPA  
Jordan R. Church, CPA

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Gerald Piltz, CPA (1925-2013)  
Stanford A. Williams, Jr., CPA (1935-2017)  
Sam J. LaRosa, Jr., CPA (Retired)  
William S. Thompson, CPA (Retired)  
Gene M. Clark, Jr., CPA (1942-2022)  
Darrell L. Galey, CPA (Retired)  
Margaret D. Closson, CPA (Retired)  
Stephen P. Theobald, CPA  
Michael D. O'Neill, CPA

## Independent Auditor's 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, 2021, 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, 2021, 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.

### Auditor's Responsibilities for the Audit of the Financial Statements

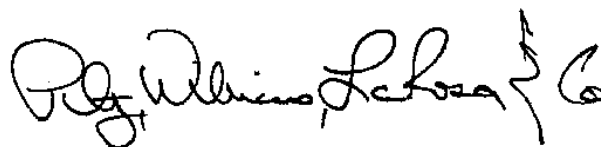
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance 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.



Certified Public Accountants

Biloxi, Mississippi  
November 15, 2022

**United MSD Foundation, Inc.**  
**Statement of Financial Position**  
**December 31, 2021**

3

**Assets**

**Current assets**

Cash and cash equivalents	<u>\$ 523,236</u>
Total current assets	<u>523,236</u>

**Property and equipment, net**

16,282

Total assets

\$ 539,518

**Liabilities & Net Assets**

**Net assets**

Without donor restrictions	<u>539,518</u>
Total net assets	<u>539,518</u>

Total liabilities & net assets

\$ 539,518

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

**United MSD Foundation, Inc.**  
**Statement of Activities**  
**For the Year Ended December 31, 2021**

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	<b>Without Donor Restrictions</b>
<b>Support and Revenue</b>	
Donations	\$ 460,456
Fundraising activities	78,294
Investment and interest income	235
PPP forgivable loan proceeds	23,650
Total public support, revenues and reclassifications	<u>562,635</u>
<b>Expenses</b>	
Program operation	327,589
General and administrative expenses	37,678
Fundraising activities	57,238
Total expenses	<u>422,505</u>
Change in net assets	140,130
Net assets, beginning of year	<u>399,388</u>
Net assets, end of year	<u><u>\$ 539,518</u></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, 2021**

5

	<u>Program Operation</u>	<u>General &amp; Administrative</u>	<u>Fund- raising</u>	<u>2021 Total</u>
Marketing and public relations	\$ 2,834	\$ 810	\$ 405	\$ 4,049
Conference and meetings	4,937	38	37	5,012
Amortization	2,505	-	-	2,505
Licenses and fees	-	1,875	-	1,875
Office supplies	398	1,327	387	2,112
Insurance	-	2,620	-	2,620
Computer and technology	10,593	3,027	1,513	15,133
Staff salaries and consultant fees	132,866	18,647	45,792	197,305
Occupancy	1,987	1,928	1,928	5,843
Professional fees	-	4,000	-	4,000
Medical research	162,208	-	-	162,208
Bank and credit card fees	-	3,252	361	3,613
Printing and postage	1,973	154	861	2,988
Patient resources	1,334	-	-	1,334
Special events	4,083	-	4,083	8,166
In kind expense	1,871	-	1,871	3,742
Total	<u>\$ 327,589</u>	<u>\$ 37,678</u>	<u>\$ 57,238</u>	<u>\$ 422,505</u>

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

**United MSD Foundation, Inc.**  
**Statement of Cash Flows**  
**For the Year Ended December 31, 2021**

6

<b>Cash flows from operating activities</b>	
Change in net assets	\$ 140,130
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Amortization	2,505
Gain on loan forgiveness-PPP	(23,125)
Increase (decrease) in accrued liabilities	(3,522)
Net cash provided by operating activities	<u>115,988</u>
<b>Cash flows from financing activities</b>	
PPP Loan proceeds	<u>23,125</u>
Net cash provided by financing activities	<u>23,125</u>
Net increase in cash and cash equivalents	139,113
Cash and cash equivalents, beginning of year	<u>384,123</u>
Cash and cash equivalents, end of year	<u><u>\$ 523,236</u></u>

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



**United MSD Foundation, Inc.**  
**Notes to Financial Statements**  
December 31, 2021

7

**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.

**Notes to Financial Statements**

December 31, 2021

(Continued)

**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 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 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 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, 2021, the Foundation had uninsured cash balances of \$23,200.

**Note F – Net Assets**

The Organization’s net asset category of without donor restrictions in the amount of \$539,518 consist of \$16,282 invested in property and equipment and \$523,236 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, 2021, the financial assets available to meet cash needs for general expenditures within one year totaled \$523,236.

**Note H – Related Party Transactions**

The Foundation paid rent and utility reimbursements to a company owned by its Executive Director in the amount of \$5,843.

**Note I – Subsequent Events**

The Foundation has evaluated subsequent events through November 15, 2022, which is the date the financial statements were available to be issued.