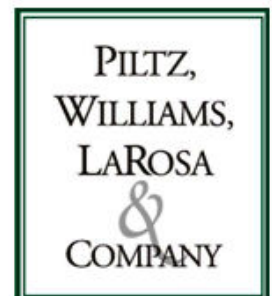


**Financial Statements**

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

**Year ended December 31, 2023  
(With Summarized Financial Information  
for the Year Ended December 31, 2022)**

---



CERTIFIED PUBLIC ACCOUNTANTS  
*A Professional Association*

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

**Financial Statements**

---

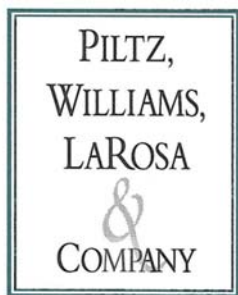
Year ended December 31, 2023  
(With Summarized Financial Information  
for the Year Ended December 31, 2022)

---

**Contents**

	<u>Page</u>
<b>Independent Auditors' Report</b> .....	1-2
<b>Financial Statements</b>	
Statements of Financial Position.....	3
Statements of Activities .....	4
Statements of Functional Expenses .....	5
Statements of Cash Flows.....	6
Notes to Financial Statements.....	7-9

---



CERTIFIED PUBLIC ACCOUNTANTS  
A Professional Association

MEMBERS  
American Institute of CPAs  
AICPA Private Companies Practice Section  
AICPA Governmental Audit Quality Center  
AICPA Employee Benefit Plan Audit Quality Center  
Mississippi Society of CPAs

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

---

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 (Retired)

## 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, 2023, 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, 2023, 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.

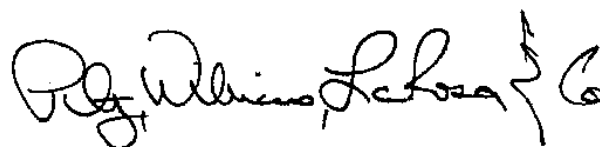
In performing an audit in accordance with GAAS, we:

- 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, 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 19, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023 is consistent, in all material respects, with the audited financial statements from which it has been derived.

A handwritten signature in black ink, appearing to read "Robert Williams, CPA". The signature is written in a cursive style with a large initial "R" and "W".

Certified Public Accountants

Biloxi, Mississippi  
July 12, 2024

**United MSD Foundation, Inc.**  
**Statements of Financial Position**

	December 31,	
	2023	2022
<b>Assets</b>		
<b>Current assets</b>		
Cash	\$ 276,667	\$ 651,249
Total current assets	276,667	651,249
<b>Property and equipment, net</b>	11,272	13,777
Total assets	\$ 287,939	\$ 665,026
<b>Liabilities &amp; Net Assets</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 7,131	\$ 51,176
Total current liabilities	7,131	51,176
<b>Net assets</b>		
Without donor restrictions	270,819	588,850
With donor restrictions	9,989	25,000
Total net assets	280,808	613,850
Total liabilities & net assets	\$ 287,939	\$ 665,026

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

United MSD Foundation, Inc.

4

Statements of Activities

Year Ended December 30, 2023

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

	Without Donor Restrictions	With Donor Restrictions	2023 Total	2022 Total
<b>Support and Revenue</b>				
Donations of cash and other financial assets	\$ 174,298	\$ -	\$ 174,298	\$ 623,966
Donations of nonfinancial assets	18,000		18,000	142
Fundraising activities	110,521		110,521	94,418
Investment and interest income	2,156		2,156	882
Miscellaneous	163		163	656
Net assets released from restrictions	15,011	(15,011)	-	
Total revenues	<u>320,149</u>	<u>(15,011)</u>	<u>305,138</u>	<u>720,064</u>
<b>Expenses</b>				
Program operation	480,977		480,977	533,398
General and administrative expenses	80,112		80,112	46,110
Fundraising activities	77,091		77,091	66,224
Total expenses	<u>638,180</u>	<u>-</u>	<u>638,180</u>	<u>645,732</u>
Change in net assets	(318,031)	(15,011)	(333,042)	74,332
Net assets, beginning of year, as restated	<u>588,850</u>	<u>25,000</u>	<u>613,850</u>	<u>539,518</u>
Net assets, end of year	<u>\$ 270,819</u>	<u>\$ 9,989</u>	<u>\$ 280,808</u>	<u>\$ 613,850</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, 2023**  
(With Summarized Financial Information for the Year Ended December 31, 2022)

	<b>Program Operation</b>	<b>General &amp; Administrative</b>	<b>Fund- raising</b>	<b>2023 Total</b>	<b>2022 Total</b>
Marketing & public relations	\$ 494	\$ 50	\$ 25	\$ 569	\$ 1,820
Conference & meetings	16,948			16,948	16,712
Amortization	2,505			2,505	2,505
Licenses & fees		1,048		1,048	608
Office supplies	488	509	471	1,468	532
Insurance		2,514		2,514	2,560
Computer & technology	13,635	3,896	1,947	19,478	13,718
Salaries & consultant fees	116,731	54,817	53,138	224,686	218,053
Occupancy	3,497	1,977	1,976	7,450	4,540
Professional fees		10,500		10,500	12,000
Medical research	295,715			295,715	351,701
Bank & credit card fees		4,600	511	5,111	4,568
Printing & postage	609	18	5,317	5,944	3,155
Patient resources	16,646			16,646	216
Special events	13,520		13,520	27,040	13,044
Telephone	189	183	186	558	
<b>Total</b>	<b>\$ 480,977</b>	<b>\$ 80,112</b>	<b>\$ 77,091</b>	<b>\$ 638,180</b>	<b>\$ 645,732</b>

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

**United MSD Foundation, Inc.**  
**Statements of Cash Flows**

6

	<b>Year Ended December 31,</b>	
	<b>2023</b>	<b>2022</b>
<b>Cash flows from operating activities</b>		
Change in net assets	\$ (333,042)	\$ 74,332
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Amortization	2,505	2,505
Increase (decrease) in accounts payable	<u>(44,045)</u>	<u>51,176</u>
Net cash provided by (used in) operating activities	<u>(374,582)</u>	<u>128,013</u>
 Net increase in cash and cash equivalents	 (374,582)	 128,013
Cash and cash equivalents, beginning of year	<u>651,249</u>	<u>523,236</u>
 Cash and cash equivalents, end of year	 <u><u>\$ 276,667</u></u>	 <u><u>\$ 651,249</u></u>

*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, 2022, 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, 2023  
(Continued)

8

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 \$18,000 and \$142, during the years ended December 31, 2023 and 2022, 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 – 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 no uninsured cash balances at December 31, 2023 and \$151,395 in uninsured cash balances at December 31, 2022. The Foundation has not experienced any such losses and does not believe it is exposed to any significant credit risk on these deposits.

**United MSD Foundation, Inc.**  
**Notes to Financial Statements**  
December 31, 2023  
(Continued)

**Note D – Net Assets**

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

	<b>December 31,</b>	
	<b>2023</b>	<b>2022</b>
Without donor restrictions:		
Invested in property and equipment	\$ 11,272	\$ 13,777
Undesignated	259,547	575,073
Total without donor restrictions	270,819	588,850
With donor restrictions		
Patient and family/caregiver support	9,989	25,000
Total with donor restrictions	9,989	25,000
Total net assets	\$ 280,808	\$ 613,850

**Note E – 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:

	<b>December 31,</b>
	<b>2023</b>
Financial assets at year-end	\$ 276,667
Less those unavailable for general expenditures within one year due to:	
Donor restricted for patient and family/caregiver support	9,989
Financial assets available to meet cash needs for general expenditures within one year	\$ 266,678

**Note F – Related Party Transactions**

For the years ended December 31, 2023 and 2022, the Foundation paid rent and utility reimbursements on a month-to-month basis to a company owned by its Founder in the amount of \$7,274 and \$4,540, respectively. As of December 2023, the Foundation is no longer renting from its founder.

**Note G – Subsequent Events**

The Foundation has evaluated subsequent events through July 12, 2024, which is the date the financial statements were available to be issued.