



PROJECT ALIVE

FINANCIAL STATEMENTS

DECEMBER 31, 2024

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors of
Project Alive:

We have reviewed the accompanying financial statements of Project Alive, a nonprofit organization, which comprise the statement of financial position as of December 31, 2024, 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 entity 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.

We are required to be independent of Project Alive and to meet our ethical responsibilities in accordance with the relevant ethical requirements related to our review.

Accountants' Conclusion

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

Los Alamitos, California
October 30, 2025

PROJECT ALIVE
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2024

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 1,848,623
Contributions receivable	27,311
Investments	404,028
Prepaid expenses	<u>36,148</u>

TOTAL ASSETS	<u>\$ 2,316,110</u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable and accrued expenses	\$ 248,652
Employee related accrued expenses	<u>2,005</u>

TOTAL LIABILITIES	250,657
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NET ASSETS

Without donor restrictions	1,863,142
With donor restrictions	<u>202,311</u>

TOTAL NET ASSETS	<u>2,065,453</u>
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TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,316,110</u>
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The accompanying notes are an integral part of these financial statements.

PROJECT ALIVE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUE AND SUPPORT			
Contributions and grants	\$ 292,508	\$ 27,311	\$ 319,819
Contributions in-kind	3,228	--	3,228
Investment income, net	66,657	--	66,657
Other income	3,698	--	3,698
Net assets released from restriction	<u>25,000</u>	<u>(25,000)</u>	<u>--</u>
TOTAL REVENUE AND SUPPORT	391,091	2,311	393,402
EXPENSES			
Program services	754,224	--	754,224
General and administrative	98,800	--	98,800
Fundraising	<u>58,137</u>	<u>--</u>	<u>58,137</u>
TOTAL EXPENSES	<u>911,161</u>	<u>--</u>	<u>911,161</u>
CHANGE IN NET ASSETS	(520,070)	2,311	(517,759)
NET ASSETS AT BEGINNING OF YEAR	<u>2,383,212</u>	<u>200,000</u>	<u>2,583,212</u>
NET ASSETS AT END OF YEAR	<u>\$ 1,863,142</u>	<u>\$ 202,311</u>	<u>\$ 2,065,453</u>

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

PROJECT ALIVE
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
PERSONNEL EXPENSES				
Salaries and wages	\$ 119,120	\$ 21,475	\$ 41,298	\$ 181,893
Employee benefits and taxes	<u>24,315</u>	<u>3,629</u>	<u>8,346</u>	<u>36,290</u>
TOTAL PERSONNEL EXPENSES	143,435	25,104	49,644	218,183
OTHER EXPENSES				
Advertising and outreach	4,666	--	--	4,666
Bank and merchant fees	--	1,585	--	1,585
Community engagement	160,441	--	--	160,441
Conferences and meetings	3,902	5,490	--	9,392
Grants and assistance to individuals	31,114	--	--	31,114
Grants and research	319,482	--	--	319,482
Information technology	13,915	--	--	13,915
Insurance	--	6,202	--	6,202
Occupancy	2,028	303	696	3,027
Office expenses	1,747	6,825	--	8,572
Other	--	1,941	--	1,941
Professional development and training	--	8,198	--	8,198
Professional services:				
Accounting	--	10,792	--	10,792
Communications	24,370	--	--	24,370
Legal	--	2,462	--	2,462
Other	--	10,206	--	10,206
Subscriptions and software	8,410	6,574	2,195	17,179
Travel	<u>40,714</u>	<u>13,118</u>	<u>5,602</u>	<u>59,434</u>
TOTAL OTHER EXPENSES	<u>610,789</u>	<u>73,696</u>	<u>8,493</u>	<u>692,978</u>
TOTAL EXPENSES	<u>\$ 754,224</u>	<u>\$ 98,800</u>	<u>\$ 58,137</u>	<u>\$ 911,161</u>

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

**PROJECT ALIVE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024**

CASH FLOW FROM OPERATING ACTIVITIES

Change in net assets	(\$ 517,759)
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Realized loss on sale of investments	10,855
Unrealized gains on investments	(19,340)
Change in operating assets and liabilities:	
Contributions receivable	(7,311)
Prepaid expenses	(36,148)
Accounts payable and accrued expenses	248,652
Employee related accrued expenses	2,005
Pass-through grant payable	(20,000)
Net Cash Used In Operating Activities	(339,046)

CASH FLOW FROM INVESTING ACTIVITIES

Proceeds from sales of investments	394,000
Purchases of investments	(789,543)
Net Cash Used In Investing Activities	(395,543)

**NET CHANGE IN CASH AND
CASH EQUIVALENTS**

(734,589)

**CASH AND CASH EQUIVALENTS AT
BEGINNING OF YEAR**

2,583,212

**CASH AND CASH EQUIVALENTS AT
END OF YEAR**

\$ 1,848,623

SUPPLEMENTAL DISCLOSURES

Cash paid for interest	NONE
Cash paid for income taxes	NONE
Noncash investing transactions	NONE
Noncash financing transactions	NONE

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

PROJECT ALIVE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 1 – Organization

Project Alive (the Foundation) is a not-for-profit organization located in Knoxville, Tennessee. The Foundation's purpose is to be a powerful voice for children and adults with Hunter Syndrome, bringing together families and advocates with researchers, industry, and regulators. The Foundation funds promising curative research, assists researchers and industry with designing research studies for their community, and advocates for the most effective and efficient system of clinical research, evaluation, and approval.

The Foundation is supported primarily through individual and company contributions.

NOTE 2 – Summary of Significant Accounting Policies

Basis of Presentation of Financial Statements

The financial statements of the Foundation have been prepared on the accrual basis of accounting in accordance with United States Generally Accepted Accounting Principles (US GAAP). The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Cash and Cash Equivalents

All cash and highly liquid financial instruments with an original maturity of three months or less when purchased, and which are neither held for nor restricted by donors for long-term purposes, are considered to be cash and cash equivalents.

Contributions Receivable

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at fair value, which is measured as the present value of their 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. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met. For the year ended December 31, 2024, the Foundation did not receive any conditional promises to give.

PROJECT ALIVE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 2 – Summary of Significant Accounting Policies (continued)

Investments

Investments are reported at cost, if purchased, or at fair value, if donated. Thereafter, investments are reported at their fair value in the statement of financial position, and changes in fair value are reported as investment return in the statement 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 statement of activities in the period in which the securities are sold. Interest and dividends are recorded when earned. See Note 5.

Classification of Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets without Donor Restrictions – Net assets available for use in general operations and not subject to donor or grantor restrictions.

Net Assets with Donor Restrictions – Net assets subject to donor or grantor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, for example contributed assets that may or will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, for example stipulating that resources be maintained in perpetuity. Laws may extend those limits to investment returns from those resources and to other enhancements (diminishments) of those resources. Thus, laws extend to donor-imposed restrictions. The expirations of donor-imposed restrictions are recognized when a restriction expires, that is when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenue Recognition

Revenue is recognized when earned. Program service fees and event sponsorships that are received in advance are deferred to the applicable period in which the related services are performed, or event occurs. Contributions are recognized when cash, securities or other assets, or an unconditional promise to give is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

PROJECT ALIVE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 2 – Summary of Significant Accounting Policies (continued)

Donated Goods, Services, and Facilities

Contributed goods and facilities are recorded at fair value at the date of donation. Contributed services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at fair value in the period received. See Note 7.

Advertising and Outreach

Advertising and outreach costs are expensed to operations when incurred. Advertising and outreach expense for the year ended December 31, 2024, was \$4,666.

Income Taxes

The Foundation has received tax-exempt status from the Internal Revenue Service and Tennessee Secretary of State under Section 501(c)(3) of the Internal Revenue Code and under Revenue and Tennessee Code 67-6-322, respectively.

Since the Foundation is exempt from federal and state income tax liability, no provision is made for current or deferred income taxes. The Foundation uses the same accounting methods for tax and financial reporting. Management has considered its tax positions and believes that all of the positions taken in its federal and state exempt organization returns are more likely than not to be sustained upon examination. The Foundation's returns are subject to examination by federal and state taxing authorities, generally for three years and four years, respectively, after they are filed.

Estimates

The financial statements have been prepared in conformity with accounting standards generally accepted in the United States (US GAAP), which requires management to make certain estimates and assumptions. Those estimates and assumptions affect amounts reported and disclosed in the financial statements. Actual results could differ from such estimates and those differences could be material.

Credit Risk

Deposit concentrations are managed by placing cash with financial institutions believed to be creditworthy. At times, amounts on deposit may exceed insured limits. To date, the Foundation has not experienced losses in any of these accounts.

PROJECT ALIVE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 2 – Summary of Significant Accounting Policies (continued)

Accounting Pronouncements Adopted

During the year ended December 31, 2024, the Foundation adopted ASU 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* and its related amendments, which replaces the incurred loss methodology with an expected loss methodology referred to as the current expected credit loss (CECL) methodology. This ASU requires the measurement of all expected credit losses for financial assets held at the reporting date based on historical experience, current obligations, and reasonable and supportable forecasts. This ASU also requires the Foundation to use forward-looking information to better formulate its credit loss estimates.

The ASU permits the use of either a prospective transition method or a modified retrospective transition method with the cumulative-effect adjustment to the opening balance of net assets. The Foundation has elected the use of the modified retrospective transition method. The transition method selected resulted in no adjustment to the opening balance of net assets.

Subsequent Events

The Foundation has evaluated subsequent events through October 30, 2025, which is the date the financial statements were available to be issued, and noted no items requiring disclosure.

NOTE 3 – Liquidity and Availability

Financial assets available for general expenditures within one year are as follows at December 31, 2024:

Cash and cash equivalents	\$ 1,848,623
Contributions receivable	27,311
Investments	<u>404,028</u>
Total financial assets	2,279,962
Less: donor-imposed restrictions on current financial assets	(<u>202,311</u>)
Total	<u>\$ 2,077,651</u>

As part of the Foundation’s liquidity management, they strive to maintain sufficient levels of net assets without donor restrictions that includes reserves held in an interested-bearing account. During 2025, the Board of Directors adopted a financial reserve policy which establishes a reserve limit of six months of average operating expenses, and provisions for when the reserve falls below twelve months of operating expenses.

PROJECT ALIVE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 4 – Contributions Receivable

Contributions receivable are summarized as follows at December 31, 2024:

Unconditional promises to give expected to be collected in:	
Less than one year	\$ 27,311

There was no net present value discount or allowance for doubtful accounts deemed necessary by management at December 31, 2024.

NOTE 5 - Fair Value Measurements

The Foundation reports certain assets at fair value in the financial statements. Fair value is the price that would be received to sell assets in an orderly transaction in the principal, most advantageous market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the assets, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the assets based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset based on the best information available.

A three-tier hierarchy categorizes the inputs as follows:

- *Level 1* inputs are quoted prices (unadjusted) in active markets for identical assets that the Foundation has the ability to access at the measurement date.
- *Level 2* inputs are inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly.
- *Level 3* inputs are unobservable inputs for the asset.

In some cases, the inputs used to measure the fair value of an asset might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to an assessment of the quality, risk or liquidity profile of the asset.

PROJECT ALIVE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 5 - Fair Value Measurements *(continued)*

The following table presents assets that are measured at fair value on a recurring basis at December 31, 2024:

		<u>Fair Value Measurements at Reporting Date Using</u>		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	<u>Fair Value</u>			
Fixed income securities	\$ 404,028	\$ 404,028	\$ --	\$ --

NOTE 6 – Net Assets

Net assets with donor restrictions are restricted for the following purposes or periods as of December 31:

Subject to expenditure for specified purpose:

Action for Aidan	\$ 175,000
Contributions receivable that are not restricted by donors but are unavailable for expenditure until due	<u>27,311</u>

Total	<u><u>\$ 202,311</u></u>
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Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose, or the passage of time or other events specified by donors, during the year ended December 31, 2024:

Satisfaction of purpose restriction:

Action for Aidan	\$ 25,000
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PROJECT ALIVE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 7 – Donated Goods, Services, and Facilities

The Foundation's financial statements include the following in-kind contribution revenue for the year ended December 31, 2024:

Silent auction gift cards	\$ 1,578
Silent auction goods	<u>1,650</u>
Total	<u>\$ 3,228</u>

Donated goods received by the Foundation during the year ended December 31, 2024, were received without donor restrictions and used for the Foundation's WonderFall event. The value of gift cards was the stated value of the gift cards. The value of donated goods was estimated based on comparable sales of similar items at fair value within the market available to the Foundation.

NOTE 8 – Functional Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural and functional classification detail of expenses. Certain costs have been allocated among the programs and supporting services benefited. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and wages, employee benefits and taxes, conferences and meetings, occupancy, office expenses, subscriptions and software, and travel, which are allocated based on estimates of time and effort.

NOTE 9 – Related Party Transactions

Two members of the Board of Directors are married.