

**THE PARENT PROJECT FOR MUSCULAR  
DYSTROPHY RESEARCH, INC.  
FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2024 AND 2023**

**THE PARENT PROJECT FOR MUSCULAR  
DYSTROPHY RESEARCH, INC.  
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YEARS ENDED DECEMBER 31, 2024 AND 2023**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees  
The Parent Project for Muscular  
Dystrophy Research, Inc.  
Washington, D.C.

### Opinion

I have audited the accompanying financial statements of The Parent Project for Muscular Dystrophy Research Inc. (the Parent Project) (a nonprofit organization) which comprise the statements of financial position as of December 31, 2024 and 2023 and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of The Parent Project for Muscular Dystrophy Research, Inc. as of December 31, 2024 and 2023, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis of Opinion

I conducted my audits in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the Parent Project and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audits. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 the Parent Project's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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

My 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 my 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 generally accepted auditing standards 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, including omissions, 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.

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In performing an audit in accordance with generally accepted auditing standards, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement, 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 the 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 the Parent Project'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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Parent Project's ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.

*James M. Wood, CPA*

May 13, 2025  
Hillsborough, NJ

**THE PARENT PROJECT FOR MUSCULAR DYSTROPHY RESEARCH, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
<b>Assets</b>		
Current assets		
Cash	\$ 6,702,010	\$ 4,804,466
Pledges & accounts receivable	940,770	1,565,673
Investment securities	2,863,052	2,396,078
Total financial assets	<u>10,505,832</u>	<u>8,766,217</u>
Employee advances	1,759	15,414
Merchandise inventory	87,886	65,513
Prepaid expenses	474,736	367,666
Total current assets	<u>11,070,213</u>	<u>9,214,810</u>
Property & equipment		
Office equipment	105,045	95,666
Office furniture	16,019	16,019
	<u>121,064</u>	<u>111,685</u>
Less accumulated depreciation	<u>(106,797)</u>	<u>(91,324)</u>
	14,267	20,361
Promissory notes receivable	550,137	252,548
Operating lease right-of-use assets	76,390	96,764
Other assets		
Investments at cost	850,479	850,479
Security deposit	5,938	5,938
	<u>856,417</u>	<u>856,417</u>
	<u>\$ 12,567,424</u>	<u>\$ 10,440,900</u>
<b>Liabilities &amp; Net Assets</b>		
Liabilities		
Accounts payable & accrued expenses	\$ 458,828	\$ 435,449
Registration fees received in advance	17,450	-
Research grants payable	556,646	102,502
Operating lease liabilities	76,390	96,764
	<u>1,109,314</u>	<u>634,715</u>
Net assets		
Without donor restrictions		
Undesignated	6,034,708	4,453,058
Board designated	3,000,000	3,000,000
	<u>9,034,708</u>	<u>7,453,058</u>
With donor restrictions	2,423,402	2,353,127
	<u>11,458,110</u>	<u>9,806,185</u>
	<u>\$ 12,567,424</u>	<u>\$ 10,440,900</u>

See accompanying notes to financial statements.

**THE PARENT PROJECT FOR MUSCULAR DYSTROPHY RESEARCH, INC.**  
**STATEMENTS OF ACTIVITIES**  
**YEARS ENDED DECEMBER 31, 2024 AND 2023**

	2024			2023		
	Without Donor Restriction	With Donor Restriction	Total	Without Donor Restriction	With Donor Restriction	Total
<b>Public Support</b>						
Contributions & grants	\$ 4,444,847	\$ 2,348,079	\$ 6,792,926	\$ 7,395,420	\$ 2,631,327	\$ 10,026,747
Conference income	830,046	-	830,046	587,511	-	587,511
Other meetings and conferences	720,300	-	720,300	20,000	-	20,000
Fees for service	683,922	-	683,922	603,458	-	603,458
Special events						
Gross income	3,322,894	-	3,322,894	2,775,933	-	2,775,933
Direct expense	(387,190)	-	(387,190)	(272,298)	-	(272,298)
	<u>2,935,704</u>	<u>-</u>	<u>2,935,704</u>	<u>2,503,635</u>	<u>-</u>	<u>2,503,635</u>
	9,614,819	2,348,079	11,962,898	11,110,024	2,631,327	13,741,351
<b>Investment Income</b>						
Interest & dividends	149,903	-	149,903	88,182	-	88,182
Gain on sale of donated securities	683	-	683	387	-	387
Unrealized gain (loss) on investments	221,566	-	221,566	157,348	-	157,348
	<u>372,152</u>	<u>-</u>	<u>372,152</u>	<u>245,917</u>	<u>-</u>	<u>245,917</u>
<b>Other income</b>						
Recovery of previously awarded grant	151	-	151	40,823	-	40,823
Other	4,849	-	4,849	10,342	-	10,342
Revenue sharing	2,193,277	-	2,193,277	-	-	-
	<u>2,198,277</u>	<u>-</u>	<u>2,198,277</u>	<u>51,165</u>	<u>-</u>	<u>51,165</u>
	12,185,248	2,348,079	14,533,327	11,407,106	2,631,327	14,038,433
Assets released from restriction	<u>2,277,804</u>	<u>(2,277,804)</u>	<u>-</u>	<u>2,006,317</u>	<u>(2,006,317)</u>	<u>-</u>
Total income	14,463,052	70,275	14,533,327	13,413,423	625,010	14,038,433
<b>Functional Expenses</b>						
Program services						
Research	7,260,936	-	7,260,936	7,116,727	-	7,116,727
Education	2,863,541	-	2,863,541	1,933,388	-	1,933,388
Advocacy	1,250,344	-	1,250,344	1,137,597	-	1,137,597
	<u>11,374,821</u>	<u>-</u>	<u>11,374,821</u>	<u>10,187,712</u>	<u>-</u>	<u>10,187,712</u>
Supporting services						
Management & general	843,630	-	843,630	1,372,227	-	1,372,227
Fund raising	662,951	-	662,951	552,547	-	552,547
	<u>1,506,581</u>	<u>-</u>	<u>1,506,581</u>	<u>1,924,774</u>	<u>-</u>	<u>1,924,774</u>
Total expenses	<u>12,881,402</u>	<u>-</u>	<u>12,881,402</u>	<u>12,112,486</u>	<u>-</u>	<u>12,112,486</u>
Increase in net assets	1,581,650	70,275	1,651,925	1,300,937	625,010	1,925,947
Net assets, beginning of year	<u>7,453,058</u>	<u>2,353,127</u>	<u>9,806,185</u>	<u>6,152,121</u>	<u>1,728,117</u>	<u>7,880,238</u>
Net assets, end of year	\$ <u>9,034,708</u>	\$ <u>2,423,402</u>	\$ <u>11,458,110</u>	\$ <u>7,453,058</u>	\$ <u>2,353,127</u>	\$ <u>9,806,185</u>

See accompanying notes to financial statements.

**THE PARENT PROJECT FOR MUSCULAR DYSTROPHY RESEARCH, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2024 WITH COMPARATIVE TOTALS FOR 2023**

	2024								2023
	Program Services				Supporting Services				
	Research	Education	Advocacy	Total	Management & General	Fund Raising	Total	Total Expenses	Total (See page 6)
Salaries	\$ 1,842,994	\$ 676,703	\$ 376,906	\$ 2,896,603	\$ 210,821	\$ 308,456	\$ 519,277	\$ 3,415,880	\$ 3,074,936
Payroll tax & fringe benefits	359,233	131,902	73,465	564,600	48,505	60,123	108,628	673,228	624,644
	2,202,227	808,605	450,371	3,461,203	259,326	368,579	627,905	4,089,108	3,699,580
Grants	2,443,083	7,500	200,000	2,650,583	-	-	-	2,650,583	2,563,897
Accounting fees	-	-	-	-	22,000	-	22,000	22,000	20,800
Annual conference	919	1,431,292	-	1,432,211	-	-	-	1,432,211	959,687
Conferences & meetings	124,149	104,230	10,456	238,835	5,438	-	5,438	244,273	98,359
Legal counsel	76,489	9,625	-	86,114	67,177	418	67,595	153,709	491,921
Bank charges	11,317	721	-	12,038	30,585	90,187	120,772	132,810	95,306
Fees & permits	11,642	-	205	11,847	20,378	-	20,378	32,225	24,797
Meeting fees & registrations	24,984	2,438	8,825	36,247	6,941	16,590	23,531	59,778	132,775
Contributions & sponsorships	-	-	-	-	1,000	10,000	11,000	11,000	214,346
Insurance	9,317	3,421	1,906	14,644	5,335	1,559	6,894	21,538	21,538
Office expenses & supplies	5,496	569	-	6,065	42,943	191	43,134	49,199	47,179
Technology	69,435	21,465	12,113	103,013	173,839	52,179	226,018	329,031	359,665
Advertising and promotion	24,420	24,729	743	49,892	-	2,003	2,003	51,895	52,412
A/V and Production	39,094	33,822	19,062	91,978	-	-	-	91,978	196,802
Rent	52,445	4,576	21,149	78,170	2,570	2,086	4,656	82,826	86,706
Postage & shipping	27,208	20,247	739	48,194	528	11,869	12,397	60,591	22,282
Printing & publications	11,320	35,721	1,920	48,961	1,297	25,222	26,519	75,480	39,617
Consulting expense	555,746	212,857	377,920	1,146,523	174,370	48,250	222,620	1,369,143	1,134,369
Telephone	11,002	3,499	2,046	16,547	5,249	2,440	7,689	24,236	23,868
Utilities	-	-	-	-	7,162	-	7,162	7,162	7,099
Merchandise	3,149	-	-	3,149	7,469	11,953	19,422	22,571	6,236
Travel	450,474	25,839	36,450	512,763	5,755	16,689	22,444	535,207	526,739
Meals	426,935	32,952	97,892	557,779	3,313	1,339	4,652	562,431	575,908
Program supplies	671,736	76,368	6,840	754,944	-	-	-	754,944	696,790
Excise tax/loss	-	-	-	-	-	-	-	-	34
	7,252,587	2,860,476	1,248,637	11,361,700	842,675	661,554	1,504,229	12,865,929	12,098,712
Depreciation	8,349	3,065	1,707	13,121	955	1,397	2,352	15,473	13,774
Total functional expenses	\$ 7,260,936	\$ 2,863,541	\$ 1,250,344	\$ 11,374,821	\$ 843,630	\$ 662,951	\$ 1,506,581	\$ 12,881,402	\$ 12,112,486

See accompanying notes to financial statements.

**THE PARENT PROJECT FOR MUSCULAR DYSTROPHY RESEARCH, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2023**

	2023							
	Program Services				Supporting Services			
	Research	Education	Advocacy	Total	Management & General	Fund Raising	Total	Total Expenses
Salaries	\$ 1,659,948	\$ 551,313	\$ 380,656	\$ 2,591,917	\$ 179,627	\$ 303,392	\$ 483,019	\$ 3,074,936
Payroll tax & fringe benefits	337,202	111,994	77,327	526,523	36,490	61,631	98,121	624,644
	<u>1,997,150</u>	<u>663,307</u>	<u>457,983</u>	<u>3,118,440</u>	<u>216,117</u>	<u>365,023</u>	<u>581,140</u>	<u>3,699,580</u>
Grants	2,560,127	-	-	2,560,127	3,770	-	3,770	2,563,897
Accounting fees	-	-	-	-	20,800	-	20,800	20,800
Annual conference	-	959,687	-	959,687	-	-	-	959,687
Conferences & meetings	82,522	14,928	759	98,209	100	50	150	98,359
Legal counsel	42,187	-	-	42,187	449,734	-	449,734	491,921
Bank charges	923	6,320	-	7,243	44,101	43,962	88,063	95,306
Fees & permits	1,369	-	-	1,369	21,396	2,032	23,428	24,797
Meeting fees & registrations	118,462	195	5,600	124,257	3,599	4,919	8,518	132,775
Contributions & sponsorships	213,241	-	-	213,241	1,105	-	1,105	214,346
Insurance	10,153	3,378	2,344	15,875	3,808	1,855	5,663	21,538
Office expenses & supplies	4,443	177	957	5,577	41,198	404	41,602	47,179
Technology	42,602	29,684	10,312	82,598	215,204	61,863	277,067	359,665
Advertising and promotion	21,929	26,241	4,200	52,370	-	42	42	52,412
A/V and Production	177,886	-	18,916	196,802	-	-	-	196,802
Rent	45,645	4,140	18,214	67,999	16,429	2,278	18,707	86,706
Postage & shipping	7,645	9,149	462	17,256	636	4,390	5,026	22,282
Printing & publications	13,868	11,691	1,323	26,882	574	12,161	12,735	39,617
Consulting expense	228,864	124,842	465,298	819,004	294,365	21,000	315,365	1,134,369
Telephone	10,467	3,379	2,361	16,207	5,816	1,845	7,661	23,868
Utilities	192	-	-	192	6,907	-	6,907	7,099
Merchandise	-	-	-	-	-	6,236	6,236	6,236
Travel	453,504	17,514	30,914	501,932	4,464	20,343	24,807	526,739
Meals	442,425	16,282	107,179	565,886	7,758	2,264	10,022	575,908
Program supplies	633,687	40,004	9,070	682,761	13,509	520	14,029	696,790
Excise tax/loss	-	-	-	-	33	1	34	34
	<u>7,109,291</u>	<u>1,930,918</u>	<u>1,135,892</u>	<u>10,176,101</u>	<u>1,371,423</u>	<u>551,188</u>	<u>1,922,611</u>	<u>12,098,712</u>
Depreciation	<u>7,436</u>	<u>2,470</u>	<u>1,705</u>	<u>11,611</u>	<u>804</u>	<u>1,359</u>	<u>2,163</u>	<u>13,774</u>
Total functional expenses	\$ <u>7,116,727</u>	\$ <u>1,933,388</u>	\$ <u>1,137,597</u>	\$ <u>10,187,712</u>	\$ <u>1,372,227</u>	\$ <u>552,547</u>	\$ <u>1,924,774</u>	\$ <u>12,112,486</u>

See accompanying notes to financial statements.



**THE PARENT PROJECT FOR MUSCULAR DYSTROPHY RESEARCH, INC.**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
<b>Cash flows from operating activities</b>		
Increase in net assets	\$ 1,651,925	\$ 1,925,947
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	15,473	13,774
(Gain) loss on sale of investment securities	(222,249)	(157,735)
Investment securities received as contributions	(580,830)	(707,196)
(Increase) decrease in:		
Pledges & accounts receivable	624,903	216,752
Employee advances	13,655	(15,078)
Merchandise inventory	(22,373)	22,237
Prepaid expenses	(107,070)	(169,693)
Operating lease right-of-use assets	20,374	56,388
Increase (decrease) in:		
Accounts payable & accrued expenses	23,379	(28,025)
Grants received in advance	17,450	(87,200)
Research grants payable	454,144	39,585
Operating lease liabilities	(20,374)	(58,061)
Cash provided by operating activities	1,868,407	1,051,695
<b>Cash flows from investing activities</b>		
Acquisition of fixed assets	(9,379)	(7,660)
Promissory note receivable	(297,589)	(252,548)
Proceeds from fixed income redemption	2,000,000	2,786,750
Proceeds from sale of investment securities	305,688	808,245
Acquisition of investment securities - other	(1,969,583)	(2,776,743)
Cash provided by investing activities	29,137	558,044
Net increase in cash & cash equivalents	1,897,544	1,609,739
<b>Cash</b>		
Beginning of year	4,804,466	3,194,727
End of year	\$ <u>6,702,010</u>	\$ <u>4,804,466</u>

See accompanying notes to financial statements.

**THE PARENT PROJECT FOR MUSCULAR  
DYSTROPHY RESEARCH, INC.  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2024 AND 2023**

**(1) Nature of Organization**

The Parent Project for Muscular Dystrophy Research, Inc. (the Parent Project) raises funds for research programs to find a viable treatment and cure specifically for children afflicted with Duchenne and Becker Muscular Dystrophy. The Parent Project also educates parents, health care providers, and the general public about Muscular Dystrophy through conferences, pamphlets, and brochures. In addition, a legislative conference is sponsored for the purpose of educational advocacy and the Parent Project indirectly influences the National Institutes of Health (NIH) implementation of the MD Care Act through outside consultants. The Parent Project operates throughout the United States, but collaborates with organizations around the world.

**(2) Summary of Significant Accounting Policies**

*Financial statement presentation*

The financial statements have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America.

The Parent Project reports its statements of financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. The latter is subject to donor-imposed restrictions that may or will be met by the passage of time or specifically for a purpose. When a restriction expires, net assets are reclassified to net assets without donor restrictions as a satisfaction of a purpose or time restriction in the statement of activities as a release from restrictions.

*Cash*

The financial statement item "cash" consists of demand deposits in depository financial institutions.

*Investment securities*

Investments in securities are carried at fair value. The Parent Project values its investments using a hierarchy of valuation inputs based on the extent to which the inputs are observable in the marketplace. Observable inputs reflect market data obtained from sources independent of the reporting entity; unobservable inputs reflect the entity's own assumptions about how market participants would value an asset based on the best information available. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. The fair value hierarchy is based on three levels of inputs, of which the first two are considered observable and the last unobservable, that may be used to measure fair value. The following describes this hierarchy and the primary valuation methodologies used by the Parent Project for financial instruments measured at fair value on a recurring basis:

Level 1: Quoted prices in active markets for identical assets. Market-price data are generally obtained from relevant exchanges or dealer markets.

Level 2: Inputs other than Level 1 that are observable either directly or indirectly, such as quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially all of the same terms of assets. Inputs are obtained from various sources, including market participants, dealers, and brokers.

Level 3: Unobservable inputs that are supported by little or no market activity and are significant to the fair value of the assets.

**THE PARENT PROJECT FOR MUSCULAR  
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A financial instrument's categorization within the valuation hierarchy is based on the lowest level of input significant to the fair value measurement. In the event that changes in the inputs used in the fair value measurement of an asset result in a transfer of the fair value measurement to a different categorization, such transfers between fair value categorizes are recognized at the end of the reporting period. The categorization of an investment is based upon its pricing transparency and liquidity and does not necessarily correspond to the Parent Project's perceived risk of that investment. As a practical expedient permitted under GAAP, the reported net asset value (NAV) of investments with external managers is used to estimate their fair value. Investments that use NAV as a practical expedient for valuation purposes are shown separately from the valuation hierarchy.

Following is a description of the valuation techniques used for Level 1, 2 and 3 assets measured at fair value:

Equity securities - Investments in equity securities are measured at fair value using the quoted market prices and are classified as Level 1.

U.S. Treasury bonds - Investments in U.S. Treasury bonds are measured at fair value using quoted market prices and are classified as Level 1.

Real estate investment trust - At different times, the Parent Project has received an interest in a private real estate investment trust which is measured and recorded at fair value upon receipt. The valuations of the real estate investment trust use net asset valuations (NAV) provided by the underlying alternative investments funds and/or their administrators as a "practical expedient" for estimating fair value. The interest has been liquidated within three months of receipt; the proceeds exceed the net asset value.

*Investments at cost*

The Parent Project invests in certain private companies in order to foster and promote pharmaceutical research for Duchenne and Becker Muscular Dystrophy. The investments consist of debt instruments and future equity agreements, and are recorded at cost.

*Contributions*

Contributions received are recognized as revenue when pledged. Contributions are recorded as without donor restrictions or with donor restrictions depending on the existence and/or nature of any donor-imposed conditions.

*Grants*

Grants received from foundations and corporations are treated as contributions and are recorded as without or with donor restrictions depending on the nature of any donor imposed conditions. Grants which are conditional in nature are recognized when the underlying conditions are substantially satisfied.

*Fees for service*

Fees from professional services are recognized when the related services are rendered.

*Grants, pledges and accounts receivable*

Receivables are considered to be fully collectible; accordingly, no allowance for doubtful amounts is required. If amounts become uncollectible, they will be charged to the change in net assets when that determination is made.

**THE PARENT PROJECT FOR MUSCULAR  
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NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2024 AND 2023**

*Premises & equipment*

Acquisitions of premises and equipment with estimated useful lives in excess of one year are capitalized and depreciated over the estimated useful life of each asset. Leasehold improvements are amortized over the life of the asset or the length of the lease, whichever is shorter.

*Functional expenses*

Expenses are charged to each program based on direct expenditures incurred. Any expenses not directly chargeable are allocated to programs and supporting services based on applicable rates determined by management.

*Use of 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.

*Concentrations of credit and funding risk*

Financial instruments that potentially expose the Parent Project to concentrations of credit and market risk consist primarily of cash equivalents. Cash equivalents are maintained at high-quality financial institutions, and credit exposure is limited to any one institution. The Parent Project has not experienced any losses on its cash or cash equivalents.

*Research grants*

The Parent Project recognizes the liability for research grants when grants are awarded as stipulated under the research grant agreements. Liabilities of \$556,646 and \$102,502 were recognized according to the outstanding research grant agreements at December 31, 2024 and 2023, respectively. In certain instances, the Parent Project will make grant payments in advance of research being performed, which results in prepaid grants being recorded as an asset. There were no prepaid grants as of December 31, 2024 and 2023.

*Merchandise inventory*

Merchandise inventory is stated at lower-of-cost or market, determined by specific identification.

*Income taxes*

The Parent Project qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code, and therefore, has no provision for income taxes. All applicable returns for the exempt organization are filed in a timely manner. The Parent Project is liable for payment of payroll taxes as an employer; all such amounts are paid in a timely manner as required by state and federal regulations.

The Parent Project's accounting policy is to disclose contingencies relating to uncertain tax positions when a liability is probable and estimable. The Parent Project is not aware of any violation of tax status or exposure to uncertain tax positions that could require disclosure or which could affect its liquidity or future cash flows. The Parent Project's exempt organization filings for the years ended December 31, 2021 through 2024 are subject to examination by the Internal Revenue Service. Further, the Internal Revenue Service may examine the Parent Project's financial activities for income and unrelated business income tax for those years.

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*Leases*

The Parent Project recognizes and measures its leases in accordance with FASB ASC 842, *Leases*. The Parent Project is a lessee in a noncancellable operating lease for office space. The Parent Project determines if an arrangement is a lease, or contains a lease, at inception of a contract and when the terms of an existing contract are changed. The Parent Project recognizes a lease liability and a right to use asset at the commencement date of the lease. The lease liability is initially and subsequently recognized based on the present value of its future lease payments. The discount rate is the risk-free rate of return at the lease's inception. The right of use assets is subsequently measured throughout the lease term at the amount of the re-measured lease liability which is the present value of the remaining lease payments. Lease cost for lease payments is recognized on a straight-line basis over the lease term.

The Parent Project has elected not to recognize right of use assets and lease liabilities for short-term leases that have a term of 12 months or less at lease commencement.

**(3) Investment Securities**

The Parent Project has investment securities measured at fair value and investments measured at cost. They are as follows:

	<u>2024</u>	<u>2023</u>
Investment securities at fair value		
Real estate investment trust	\$ 398,582	\$ 137,951
Equity securities	505,462	282,716
U.S. Treasury bonds	<u>1,959,008</u>	<u>1,975,411</u>
	<u>\$2,863,052</u>	<u>\$2,396,078</u>

The real estate investment trust was received as two separate contributions in December 2024 and 2023, and was recorded at net asset value on the date of receipt. The equity securities were acquired as a convertible note during the year ended December 31, 2020 and converted to common stock during the year ended December 31, 2021.

Investments at cost

Agreement for future equity	<u>\$850,479</u>	<u>\$850,479</u>
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The agreement for future equity is an investment in a privately-held pharmaceutical company which will be converted to an equity holding if the company issues stock or receive priority liquidation rights if the company is acquired. The convertible note as of December 31, 2020 was converted to common stock during the year ended December 31, 2021 as part of a public stock offering.

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**(4) Fair Value Measurement**

The Parent Project has provided fair value disclosure information for relevant assets in these financial statements. The following tables summarize assets which have been accounted for at fair value on a recurring basis as of December 31, 2024 and 2023, grouped by the valuation hierarchy as defined in Note 1:

	Quoted Prices in Active Markets (Level 1)	Net Asset Value as Practical Expedient (NAV)	Total
December 31, 2024			
Real estate investment trust	\$ -	\$398,582	\$ 398,582
Equity securities	505,462	-	505,462
U.S. Treasury bonds	<u>1,959,008</u>	<u>-</u>	<u>1,959,008</u>
	<u>\$2,464,470</u>	<u>\$398,582</u>	<u>\$2,863,052</u>
December 31, 2023			
Real estate investment trust	\$ -	\$ 137,951	\$ 137,951
Equity securities	282,716	-	282,716
U.S. Treasury bonds	<u>1,975,411</u>	<u>-</u>	<u>1,975,411</u>
	<u>\$2,258,127</u>	<u>\$137,951</u>	<u>\$2,396,078</u>

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**(5) Leases**

The Parent Project has an obligation as a lessee for office space with initial noncancellable terms in excess of one year. The leases are classified as operating.

Lease expense for office space totaled \$82,826 and \$86,707 for the years ended December 31, 2024 and 2023, respectively.

As of December 31, 2024 and 2023, amounts reported in the statement of financial position are as follows:

	<u>2024</u>	<u>2023</u>
Operating lease right-of-use assets	\$76,390	\$96,764
Operating lease liabilities	76,390	96,764

Other information related to leases as of December 31, 2024 and 2023 is as follows:

Supplemental cash flow information:

Cash paid for operating lease expense	\$82,826	\$86,707
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Weighted average remaining operating lease term 2 years

Risk-free rate of return 4%

Maturity of the lease liability under its noncancellable operating lease as of December 31, 2024 is as follows:

For the year ending December 31,

2025	\$ 67,586
2026	<u>10,625</u>
Total undiscounted lease payments	78,211
Less imputed interest	<u>(1,821)</u>
Total lease liability	<u>\$76,390</u>

**(6) Retirement Plan**

The Parent Project sponsors a 401(k) profit sharing plan covering substantially all employees. The Parent Project contributes a base amount of 3% of eligible compensation and matches up to an additional 2% of employee elective deferrals. Employees are eligible to participate on their first day of employment. For the years ended December 31, 2024 and 2023, contributions to the plan totaled \$145,866 and \$134,941, respectively.

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**(7) Board Designated Net Assets**

The Board of Trustees designed \$2 million as an operating reserve to sustain future operations and \$1 million as a Venture Philanthropy program to for possible future investments entities conducting research in Duchenne and Becker Muscular Dystrophy.

**(8) Net Assets With Donor Restrictions**

The nature of net assets with donor restrictions, subject to expenditure for specified purpose, is as follows as of December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Duchenne Registry Initiative	\$ 327,594	\$ 394,940
Jensen Research	122,416	-
DCRN	221,621	-
Newborn Screening	260,617	336,030
Family Camp	17,322	12,000
Time restricted	398,582	137,951
Diversity, Equity and Inclusion	62,882	94,138
Venture Philanthropy	879,002	1,103,068
State Advocacy	<u>133,366</u>	<u>275,000</u>
	<u>\$2,423,402</u>	<u>\$2,353,127</u>

Net assets released from restriction are as follows for the year ended December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Duchenne Registry Initiative	\$ 517,346	\$ 420,124
Gene Therapy	48,869	-
Cardiac Initiative	141,622	374,737
Research Initiative	2,200	536,499
Steroid Study	-	1,211
Newborn Screening	665,518	265,853
Family Camp	7,678	1,000
Time restricted	239,369	112,049
Diversity, Equity and Inclusion	31,256	-
Venture Philanthropy	309,066	269,844
State Advocacy	166,634	25,000
Jensen Research	72,910	-
DCRN	<u>75,336</u>	<u>-</u>
	<u>\$2,277,804</u>	<u>\$2,006,317</u>



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**(9) Liquidity and Availability**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position, are comprised of the following as of December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Cash	\$ 6,702,010	\$4,804,466
Pledges and accounts receivable	940,770	1,565,673
Investment Securities	<u>2,863,052</u>	<u>2,396,078</u>
Financial Assets	10,505,832	8,766,217
Less:		
Donor Restrictions	<u>2,423,402</u>	<u>2,353,127</u>
Financial assets available for general expenditure	<u>\$ 8,082,430</u>	<u>\$6,413,090</u>

As part of the Parent Project's liquidity management plan, cash in excess of daily requirements is invested in interest-bearing demand deposits.

**(10) Insured Deposits**

As of December 31, 2024 and 2023, cash exceeding federally insured limits in one depository institution totaled \$6,452,001 and \$4,544,999, respectively.

**(11) Subsequent Events**

The Parent Project has evaluated the need for adjustments resulting from subsequent events through May 13, 2025, the date the financial statements were available to be issued. Based upon this evaluation, no adjustments or additional disclosures were required to the financial statements as of December 31, 2024.