

**CUREPSP, INC. AND AFFILIATE**  
Consolidated Audited Financial Statements

June 30, 2022

## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of  
CurePSP, Inc. and Affiliate

### ***Opinion***

We have audited the accompanying consolidated financial statements of CurePSP, Inc. and Affiliate (the "Organization"), which comprise the consolidated statement of financial position as of June 30, 2022, and the related consolidated 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 consolidated financial statements present fairly, in all material respects, the financial position of the Organization as of June 30, 2022, and the changes in 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 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 the Organization 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.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

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

Our objectives are to obtain reasonable assurance about whether the consolidated 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 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 are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users on the basis of these consolidated financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 the internal control of the Organization. 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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about ability of the Organization 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***

The consolidated financial statements of the Organization as of and for the year ended June 30, 2021, were audited by other auditors whose report dated February 19, 2022, expressed an unmodified opinion on those consolidated statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, is consistent, in all material respects with the consolidated audited financial statements for which it was derived.

*Sax CPAs LLP*

New York, NY  
May 5, 2023

**CUREPSP, INC. AND AFFILIATE**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AT JUNE 30, 2022**  
(With comparative totals at June 30, 2021)

	<u>6/30/22</u>	<u>6/30/21</u>
<b>Assets</b>		
Cash and cash equivalents	\$1,872,863	\$5,293,553
Investments (Note 3)	5,307,184	2,374,844
Pledges receivable	56,899	82,874
Prepaid expenses and other assets	144,499	130,293
Inventory	120,054	124,626
Security deposit	7,000	7,000
Fixed assets, net (Note 4)	3,650	4,401
Investments held for endowment (Notes 3 and 6)	351,053	397,078
	<u>                    </u>	<u>                    </u>
Total assets	<u><u>\$7,863,202</u></u>	<u><u>\$8,414,669</u></u>
<b>Liabilities and Net Assets</b>		
Liabilities:		
Accounts payable and accrued expenses	\$205,592	\$150,591
Deferred revenue	223,513	223,513
Grants payable	676,670	542,420
Total liabilities	<u>1,105,775</u>	<u>916,524</u>
Net assets:		
Without donor restrictions	5,663,353	6,394,463
With donor restrictions (Notes 5 and 6)	1,094,074	1,103,682
Total net assets	<u>6,757,427</u>	<u>7,498,145</u>
	<u>                    </u>	<u>                    </u>
Total liabilities and net assets	<u><u>\$7,863,202</u></u>	<u><u>\$8,414,669</u></u>

*The attached notes and auditor's report are an integral part of these consolidated financial statements.*

**CUREPSP, INC. AND AFFILIATE**  
**CONSOLIDATED STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2022**  
(with comparative totals for the year ended June 30, 2021)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total 6/30/22</u>	<u>Total 6/30/21</u>
Public support and revenue:				
Contributions	\$3,114,745	\$83,367	\$3,198,112	\$5,934,036
Fundraising event income	364,956	22,477	387,433	222,837
Investment return (Note 3)	(838,772)	(43,025)	(881,797)	97,994
Government grant - Paycheck Protection Program (Note 8)			0	134,035
Other revenue	3,984		3,984	23,693
Net assets released from restriction	72,427	(72,427)	0	0
Total public support and revenue	<u>2,717,340</u>	<u>(9,608)</u>	<u>2,707,732</u>	<u>6,412,595</u>
Expenses:				
Program services	2,766,372		2,766,372	2,793,292
Supporting services:				
Management and general	427,735		427,735	406,825
Fundraising	254,343		254,343	288,246
Total supporting services	<u>682,078</u>	<u>0</u>	<u>682,078</u>	<u>695,071</u>
Total expenses	<u>3,448,450</u>	<u>0</u>	<u>3,448,450</u>	<u>3,488,363</u>
Change in net assets	(731,110)	(9,608)	(740,718)	2,924,232
Net assets - beginning of year	<u>6,394,463</u>	<u>1,103,682</u>	<u>7,498,145</u>	<u>4,573,913</u>
Net assets - end of year	<u>\$5,663,353</u>	<u>\$1,094,074</u>	<u>\$6,757,427</u>	<u>\$7,498,145</u>

*The attached notes and auditor's report are an integral part of these consolidated financial statements.*

**CUREPSP, INC. AND AFFILIATE**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2022**  
(with comparative totals for the year ended June 30, 2021)

	Program Services			Supporting Services			Total 6/30/22	Total 6/30/21	
	Research	Outreach and Education	Communications and Awareness	Total Program Services	Management and General	Fundraising			Total Supporting Services
Salaries	\$57,435	\$376,964	\$314,659	\$749,058	\$88,760	\$61,575	\$150,335	\$928,849	
Payroll taxes and benefits	14,139	92,799	77,461	184,399	23,104	15,159	38,263	209,984	
Consultants and professional fees	3,019	48,349	76,879	128,247	191,138	23,450	214,588	330,698	
Occupancy	4,188	27,798	23,343	55,329	6,867	4,490	11,357	72,430	
Research grants	696,089			696,089			0	750,167	
Brain tissue grants	129,350			129,350			0	231,015	
Respite fund grants		30,624		30,624			0	25,213	
Patient care		135,000		135,000			0	0	
Research symposium production costs				0			0	72,570	
Direct mail	4,362	151,727	151,727	307,816		56,541	56,541	336,361	
Recruiting and marketing	8,156	41,218	46,095	95,469	3,214	68,520	71,734	148,737	
Meeting and conferences	1,617	3,605		5,222	150		150	4,040	
Materials and supplies	903	5,864	10,897	17,664	1,620	968	2,588	10,375	
Equipment rental	114	745	622	1,481	186	122	308	5,622	
Travel	24,921	31,779	6,307	63,007	29,329	977	30,306	12,745	
Postage and shipping	1,203	13,170	6,223	20,596	1,515	1,242	2,757	79,794	
Insurance				0	15,382		15,382	18,288	
Technology expenses	13,389	47,770	63,129	124,288	9,263	19,678	28,941	157,000	
Photography and videography				0	125		125	9,103	
Depreciation	212	1,391	1,161	2,764	347	227	574	5,654	
Other expenses	3,133	10,672	6,164	19,969	56,735	1,394	58,129	79,718	
<b>Total expenses</b>	<b>\$962,230</b>	<b>\$1,019,475</b>	<b>\$784,667</b>	<b>\$2,766,372</b>	<b>\$427,735</b>	<b>\$254,343</b>	<b>\$682,078</b>	<b>\$3,448,450</b>	<b>\$3,488,363</b>

The attached notes and auditor's report are an integral part of these consolidated financial statements.

**CUREPSP, INC. AND AFFILIATE**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2022**  
(with comparative totals for the year ended June 30, 2021)

	<u>6/30/22</u>	<u>6/30/21</u>
Cash flows from operating activities:		
Change in net assets	(\$740,718)	\$2,924,232
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	3,338	5,654
Paycheck Protection Program loan forgiveness	0	(134,035)
Realized loss/(gain) on investments	19,626	(8,448)
Unrealized loss/(gain) on investments	1,086,222	(70,556)
Changes in assets and liabilities:		
Pledges receivable	25,975	25,126
Prepaid expenses and other assets	(14,206)	2,213
Inventory	4,572	(8,150)
Accounts payable and accrued expenses	55,001	35,677
Deferred revenue	0	44,706
Grants payable	134,250	185,888
Total adjustments	<u>1,314,778</u>	<u>78,075</u>
Net cash provided by operating activities	<u>574,060</u>	<u>3,002,307</u>
Cash flows from investing activities:		
Purchases of investments	(4,084,554)	(8,334,597)
Proceeds from sales of investments	92,391	7,556,434
Purchases of fixed assets	(2,587)	0
Net cash used for investing activities	<u>(3,994,750)</u>	<u>(778,163)</u>
Net (decrease)/increase in cash and cash equivalents	(3,420,690)	2,224,144
Cash and cash equivalents - beginning of year	<u>5,293,553</u>	<u>3,069,409</u>
Cash and cash equivalents - end of year	<u>\$1,872,863</u>	<u>\$5,293,553</u>
Supplemental disclosure:		
Interest and taxes paid	<u>\$0</u>	<u>\$0</u>

*The attached notes and auditor's report are an integral part of these consolidated financial statements.*

**CUREPSP, INC. AND AFFILIATE**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**Note 1 - Organization**

CurePSP, Inc. (“CurePSP”), formerly The Foundation for PSP | CBD and Related Brain Diseases, is a not-for-profit organization formed to promote and fund research with the purpose of finding the cause and cure as well as treatment and prevention for progressive supranuclear palsy (PSP) and corticobasal degeneration (CBD) and other related diseases. CurePSP provides information, education, support, and advocacy to persons with these disorders, their families, caregivers, and the general public. CurePSP awards research grants to scientists and educates physicians and other health professionals on PSP and CBD, and other related diseases and how to improve patient care. A majority of the revenue and support CurePSP receives is from individual, corporate, and foundation donors as well as from special events held throughout the year.

CurePSP formed Patient Engagement Program, LLC (“PEP”) as a Maryland limited liability company which became fully operational in October 2015. CurePSP is the sole member of PEP, whose mission is to partner with pharmaceutical companies and contract research organizations to facilitate human clinical trials with the purpose of advancing science and bringing new drugs to the market for rare diseases. PEP offers educational programs, patient recruitment services, and development of in-print and online publications. During the year ended June 30, 2022, PEP was dissolved. As a result, there were no assets, liabilities or net assets at June 30, 2022.

CurePSP has been notified by the Internal Revenue Service that it is a not-for-profit organization exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code and has not been determined to be a private foundation as defined under Section 509(a)(1) of the Internal Revenue Code.

The consolidated financial statements and related notes reflect the activity of CurePSP and PEP, collectively, “the Organization.” All intercompany transactions have been eliminated.

**Note 2 - Summary of Significant Accounting Policies**

a. Basis of Accounting

The consolidated financial statements of the Organization have been prepared using the accrual basis of accounting which is the process of recognizing revenue and expenses when earned or incurred rather than when received or paid.

b. Basis of Presentation

The Organization is required to report information regarding its financial position and activities according to the following classes of net assets:

- *Net Assets Without Donor Restrictions* – represents all activity without donor-imposed restrictions. The Board of Directors have established several board designated funds. See Note 7.



- *Net Assets With Donor Restrictions* – represents those resources, the use of which have been restricted by donors to specific purposes or the passage of time and/or must remain intact, in perpetuity.

c. Revenue Recognition

The Organization follows the requirements of the Financial Accounting Standards Board's ("FASB") Accounting Standards Codification ("ASC") 958-605 for recording contributions, which are recognized at the time a contribution becomes unconditional in nature. Contributions are recorded in the net asset classes referred to above depending on the existence and/or nature of any donor-imposed restriction. When a restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions. If donor restricted contributions are satisfied in the same period they were received, they are classified as without donor restrictions.

Contributions may be subject to conditions which are defined as both a barrier to entitlement and a right of return of payments, or release from obligations, and are recognized as income once the conditions have been substantially met.

The Organization records promises to give as revenue in the period they become unconditional. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Long-term pledges are recorded at fair value using an interest-free discount rate, when deemed material. Conditional promises to give are recognized when the conditions on which they depend are substantially met. At June 30, 2022, all pledges receivables were due within one year.

Bequests are recorded as income at the time there is a legal right to such bequest and the amount is measurable.

Historically there have been no significant bad debt losses. Management evaluates the need for doubtful accounts based on past experience and considers the age of the receivable. Based on this evaluation, it has been determined that no allowance for doubtful accounts is necessary. Receivables will be written-off directly to expense when all reasonable collection efforts have been exhausted.

d. Cash and Cash Equivalents

The Organization considers all liquid investments with an initial maturity of three months or less to be cash and cash equivalents.

e. Concentration of Credit Risk

Financial instruments which potentially subject the Organization to a concentration of credit risk consist of cash accounts and investments. These have all been placed with financial institutions that management deems to be creditworthy. At times and at year-end balances may exceed federally insured limits. Investments are subject to market fluctuations and principal is not guaranteed. The Organization has not sustained any losses due to the failure of any financial institution.

f. Investments and Investment Return

Investments are recorded at fair value, which is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the “exit price”) in an orderly transaction between market participants at the measurement date. Realized and unrealized gains and losses are reflected in the consolidated statement of activities.

g. Fixed Assets

Capital items purchased that have a useful life of more than one year and exceed \$2,500; whereby, the Organization has title to, are capitalized at cost. Depreciation is computed using the straight-line method over the estimated useful life of the respective assets as follows:

Website development – 3 years

Software – 5 years

Computers – 5-7 years

Furniture and fixtures – 5-7 years

h. Management Estimates

The preparation of consolidated financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

i. Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the accompanying consolidated financial statements. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The following costs are allocated using time and effort as the basis:

- Salaries
- Payroll taxes and benefits
- Occupancy
- Meeting and conferences
- Materials and supplies
- Equipment rental
- Travel
- Postage and shipping
- Technology expenses
- Depreciation
- Other expenses

All other expenses have been charged directly to the applicable program or supporting services.

j. Advertising Costs

Advertising costs are expensed as incurred.

k. Donated Services

Donated marketable securities and other noncash donations are recognized as contributions at their estimated fair values at the date of donation. Contributions of services that create or enhance non-financial assets, or require specialized skills, are performed by those who possess those skills, and would typically have been purchased if they had not been donated are also recognized at fair value.

Many individuals volunteer their time and perform a variety of services to assist with specific assistance programs, campaign solicitation, and various committee assignments. No amounts have been reflected in the consolidated financial statements for these types of donated services because they do not meet the criteria for recognition as outlined above.

l. Accounting for Uncertainty of Income Taxes

The Organization does not believe its consolidated financial statements include any material, uncertain tax positions. Tax filings for periods ending June 30, 2019 and later are subject to examination by applicable taxing authorities.

m. Prior Year Summarized Comparative Information

The consolidated financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's consolidated financial statements for the year ended June 30, 2021, from which the summarized information was derived.

n. New Accounting Pronouncement

FASB issued Accounting Standards Update ("ASU") No. 2016-02, *Leases*. The ASU which becomes effective for the June 30, 2023 year, requires the full obligation of long-term leases to be recorded as a liability with a corresponding "right to use asset" on the consolidated statement of financial position.

The Organization is in the process of evaluating the impact this standard will have on future consolidated financial statements.

**Note 3 - Investments and Fair Value Measurements**

Accounting standards have established a fair value hierarchy giving the highest priority to quoted market prices in active markets and the lowest priority to unobservable data. The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1 – Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access.

Level 2 – Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 – Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

The following summarizes the composition of investments:

	<u>6/30/22</u>	<u>6/30/21</u>
Level 1 investments:		
Cash	\$20,710	\$5,688
U.S. equities	0	3,219
Mutual funds:		
Global fixed income	44,155	47,886
Short-term U.S. government	71,991	76,354
Short-term bond	461,538	500,000
Intermediate core bond	1,119,983	420,000
Emerging markets equity	207,074	111,881
International equity	1,062,424	494,190
U.S. equity	2,345,872	1,065,117
Large blend	286,809	2,830
Exchange-traded funds:		
U.S. Equity	5,528	6,308
Short-term U.S. treasury	8,461	8,810
U.S. real estate	<u>23,324</u>	<u>26,058</u>
	5,657,869	2,768,341
Level 2 investments:		
Alternative investments	<u>368</u>	<u>3,581</u>
Total	<u>\$5,658,237</u>	<u>\$2,771,922</u>

Investment return consisted of the following:

	<u>6/30/22</u>	<u>6/30/21</u>
Interest and dividends	\$237,008	\$18,990
Investment fees	(12,957)	0
Realized (loss)/gain on investments	(19,626)	8,448
Unrealized (loss)/gain on investments	<u>(1,086,222)</u>	<u>70,556</u>
Total	<u>(\$881,797)</u>	<u>\$97,994</u>

**Note 4 - Fixed Assets**

Fixed assets consist of the following:

	<u>6/30/22</u>	<u>6/30/21</u>
Website development	\$179,496	\$179,496
Software	5,906	5,906
Computers	20,359	17,772
Furniture and fixtures	<u>544</u>	<u>544</u>
	206,305	203,718
Less: accumulated depreciation	<u>(202,655)</u>	<u>(199,317)</u>
Total fixed assets, net	<u>\$3,650</u>	<u>\$4,401</u>

**Note 5 - Net Assets With Donor Restrictions**

Net assets were released from restriction as funds were spent as follows:

	<u>6/30/22</u>	<u>6/30/21</u>
Programs:		
Research	\$28,812	\$380,180
Respite care	43,393	30,391
Awareness & outreach	<u>222</u>	<u>35,292</u>
Total	<u>\$72,427</u>	<u>\$445,863</u>

The following summarizes the nature of net assets with donor restrictions:

	<u>6/30/22</u>	<u>6/30/21</u>
Programs:		
Research	\$632,669	\$610,991
Respite care	104,024	89,063
Awareness & outreach	<u>6,328</u>	<u>6,550</u>
Total program	<u>743,021</u>	<u>706,604</u>
Restricted for endowment (See Note 6):		
Endowment funds - corpus	258,368	258,368
Endowment funds - accumulated earnings	<u>92,685</u>	<u>138,710</u>
Total restricted for endowment	<u>351,053</u>	<u>397,078</u>
Total	<u>\$1,094,074</u>	<u>\$1,103,682</u>

**Note 6 - Net Assets With Donor Restrictions - Endowment Funds**

CurePSP's endowment includes a specific donor restricted fund to be held in perpetuity to fund students involved in researching a cause and a remedy for progressive supranuclear palsy, and thereafter in medically appropriate research.

*Interpretation of Relevant Law*

CurePSP follows the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"). The Board of Directors of CurePSP has interpreted UPMIFA as requiring certain amounts to be retained indefinitely. Absent explicit donor stipulations to the contrary, CurePSP will preserve the fair value of the original gift as of the gift date for all donor-restricted endowment funds. However, under certain circumstances, CurePSP has the right to appropriate for expenditure the fair value of the original gift in a manner consistent with the standard of prudence specifically prescribed by UPMIFA.

As a result of this interpretation, CurePSP classifies as net assets with donor restrictions: (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund, less (d) appropriations in accordance with donor directives.

When endowment funds have earnings in excess of amounts that need to be retained as part of the corpus, their earnings are restricted until the board appropriates for expenditures; therefore, they have been classified in the class of net assets with donor restrictions.

*Spending Policies*

In accordance with UPMIFA, CurePSP considers the following factors in determining amounts to be appropriated for expenditure:

- (1) The duration and preservation of the fund;
- (2) The purposes of CurePSP and the donor-restricted endowment fund;
- (3) General economic conditions;
- (4) The possible effect of inflation and deflation;
- (5) The expected total return from income and the appreciation of investments;
- (6) Other resources of CurePSP;
- (7) The investment policies of CurePSP;
- (8) Where appropriate and circumstances would otherwise warrant, alternatives to expenditure of the endowment fund, giving due consideration to the effect that such alternatives may have on CurePSP.

Changes in endowment net assets were as follows:

	June 30, 2022		
	Endowment <u>Earnings</u>	Endowment <u>Corpus</u>	<u>Total</u>
Endowment, beginning of year	\$138,710	\$258,368	\$397,078
Board appropriations	(3,000)	0	(3,000)
Net investment loss	<u>(43,025)</u>	<u>0</u>	<u>(43,025)</u>
Endowment, end of year	<u>\$92,685</u>	<u>\$258,368</u>	<u>\$351,053</u>
	June 30, 2021		
	Endowment <u>Earnings</u>	Endowment <u>Corpus</u>	<u>Total</u>
Endowment, beginning of year	\$58,252	\$258,368	\$316,620
Net investment gain	<u>80,458</u>	<u>0</u>	<u>80,458</u>
Endowment, end of year	<u>\$138,710</u>	<u>\$258,368</u>	<u>\$397,078</u>

*Endowment Investment Policies*

CurePSP has adopted an investment policy for endowment assets that relies on the accumulation of interest, dividends, and other market value gains for future appropriation.

**Note 7 - Board Designated Net Assets**

Board designated net assets consisted of the following:

	<u>6/30/22</u>	<u>6/30/21</u>
Operating reserve	\$1,200,000	\$1,200,000
Reserve for long-term purposes	94,938	94,938
Genetics	60,023	60,023
Patient profile	<u>7,299</u>	<u>7,299</u>
Total	<u>\$1,362,260</u>	<u>\$1,362,260</u>

During the year ended June 30, 2021, the Board of Directors approved an operating reserve increase from \$800,000 to \$1,200,000.

**Note 8 - Paycheck Protection Program Loan**

During the year ended June 30, 2020, CurePSP obtained a loan from the Small Business Administration (“SBA”) in the amount of \$134,035 through the Paycheck Protection Program (“PPP”). Terms of the loan indicated that if certain conditions were met, which included maintaining average work forces during periods subsequent to receipt of the loan funds that were greater than pre-determined historical periods, that the loan, or a portion thereof, would be forgiven.

CurePSP accounted for the PPP loan as a conditional contribution in accordance with FASB ASC 958-605. During the year ended June 30, 2021, CurePSP met all of the conditions and recognized the full amount as revenue. On April 13, 2021, CurePSP was notified that the loan was fully forgiven by the SBA.

**Note 9 - Commitments and Contingencies**

CurePSP has office space in New York that is occupied on a month-to-month basis.

**Note 10 - Liquidity and Availability of Financial Resources**

The Organization monitors liquidity and strives to maintain cash on hand to be available for its general expenditures, liabilities, and other obligations for on-going operations. In addition, a board designated operating reserve fund has been internally established by the board to provide an internal source of funds if deemed necessary.

As part of its liquidity management, the Organization relies on contributions, sponsorships, research roundtable, investment income and other revenue to fund its operations.

The following reflects the Organization's financial assets at June 30, 2021 that are available to meet cash needs for general expenditures within one year:

Cash and cash equivalents	\$1,872,863	
Investments	5,307,184	
Pledges receivable	<u>56,899</u>	
Total financial assets		\$7,236,946
Less amounts not available for general expenditure:		
Contributions with purpose restrictions	(743,021)	
Board designated fund	<u>(1,362,260)</u>	
Total amounts not available for general expenditures		<u>(2,105,281)</u>
Financial assets available to meet cash needs for general expenditures within one year		<u>\$5,131,665</u>

**Note 11- Subsequent Events**

Subsequent events have been evaluated through May 5, 2023, the date the consolidated financial statements were available to be issued. There were no material events that have occurred that require adjustment to or disclosure to the consolidated financial statements.