

**NATIONAL PKU ALLIANCE, INC.**  
**FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**



WEALTH ADVISORY | OUTSOURCING  
AUDIT, TAX, AND CONSULTING

[CLAcconnect.com](http://CLAcconnect.com)

**NATIONAL PKU ALLIANCE, INC.  
TABLE OF CONTENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

<b>INDEPENDENT AUDITORS' REPORT</b>	<b>1</b>
<b>FINANCIAL STATEMENTS</b>	
<b>STATEMENTS OF FINANCIAL POSITION</b>	<b>3</b>
<b>STATEMENTS OF ACTIVITIES</b>	<b>4</b>
<b>STATEMENTS OF FUNCTIONAL EXPENSES</b>	<b>6</b>
<b>STATEMENTS OF CASH FLOWS</b>	<b>8</b>
<b>NOTES TO FINANCIAL STATEMENTS</b>	<b>9</b>



## INDEPENDENT AUDITORS' REPORT

Board of Directors  
National PKU Alliance, Inc.  
Eau Claire, Wisconsin

### ***Opinion***

We have audited the accompanying financial statements of National PKU Alliance, Inc., which comprise the statements of financial position as of December 31, 2021 and 2020, 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 our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of National PKU Alliance, Inc. as of December 31, 2021 and 2020, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of National PKU Alliance, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 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 National PKU Alliance, Inc.'s ability to continue as a going concern for one year after the date the financial statements are available to be issued.

***Auditors' Responsibilities for the Audit of the Financial Statements***

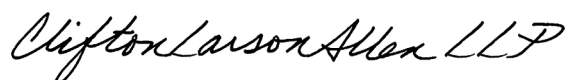
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance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

**CliftonLarsonAllen LLP**



Green Bay, Wisconsin  
March 4, 2022

**NATIONAL PKU ALLIANCE, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2021 AND 2020**

	2021	2020
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 1,473,698	\$ 1,075,943
Certificates of Deposit	5,000	5,000
Promises to Give	33,000	95,000
Inventory	-	562
Prepaid Expenses	88,134	87,037
Investments	3,649,708	3,319,507
Property and Equipment, Net	1,103	1,654
Total Assets	\$ 5,250,643	\$ 4,584,703
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts Payable	\$ 24,446	\$ 1,661
Accrued Expenses	13,506	13,462
Conditional Contributions	255,637	218,322
Total Liabilities	293,589	233,445
<b>NET ASSETS</b>		
Without Donor Restrictions:		
Board-Designated for Research	2,194,539	2,117,673
Undesignated	2,522,304	1,919,374
Total Without Donor Restrictions	4,716,843	4,037,047
With Donor Restrictions	240,211	314,211
Total Net Assets	4,957,054	4,351,258
Total Liabilities and Net Assets	\$ 5,250,643	\$ 4,584,703

See accompanying Notes to Financial Statements.

**NATIONAL PKU ALLIANCE, INC.**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2021**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUE, SUPPORT, AND GAINS</b>			
Contributions	\$ 874,785	\$ 21,000	\$ 895,785
Fundraising Events	832,668	-	832,668
Convention Sponsors	11,000	-	11,000
Convention Fees	2,630	-	2,630
Sales Revenue	2,247	-	2,247
Interest and Investment Income	306,871	-	306,871
Net Assets Released from Restriction	95,000	(95,000)	-
Total Revenue, Support, and Gains	2,125,201	(74,000)	2,051,201
<b>EXPENSES</b>			
Program Services Expense:			
Research and Development	636,949	-	636,949
Other Program Services	544,373	-	544,373
Total Program Expenses	1,181,322	-	1,181,322
Supporting Services Expense:			
Management and General	104,776	-	104,776
Fundraising:			
Cost of Fundraising Events	50,849	-	50,849
Other Fundraising	108,458	-	108,458
Total Fundraising Expenses	159,307	-	159,307
Total Supporting Services Expenses:	264,083	-	264,083
Total Expenses	1,445,405	-	1,445,405
<b>CHANGE IN NET ASSETS</b>	679,796	(74,000)	605,796
Net Assets - Beginning of Year	4,037,047	314,211	4,351,258
<b>NET ASSETS - END OF YEAR</b>	\$ 4,716,843	\$ 240,211	\$ 4,957,054

See accompanying Notes to Financial Statements.

**NATIONAL PKU ALLIANCE, INC.**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2020**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUE, SUPPORT, AND GAINS</b>			
Contributions	\$ 598,970	\$ 97,780	\$ 696,750
Government Grant	66,109	-	66,109
Fundraising Events	965,029	-	965,029
Less: Cost of Direct Benefits	(11,090)	-	(11,090)
Net Fundraising Events	953,939	-	953,939
Membership Dues	17,650	-	17,650
Sales Revenue	4,142	-	4,142
Interest and Investment Income	430,886	-	430,886
Net Assets Released from Restriction	8,181	(8,181)	-
Total Revenue, Support, and Gains	2,079,877	89,599	2,169,476
<b>EXPENSES</b>			
Program Services Expense:			
Research and Development	629,076	-	629,076
Other Program Services	362,361	-	362,361
Total Program Expenses	991,437	-	991,437
Supporting Services Expense:			
Management and General	95,136	-	95,136
Fundraising:			
Cost of Fundraising Events	22,687	-	22,687
Other Fundraising	149,563	-	149,563
Total Fundraising Expenses	172,250	-	172,250
Total Supporting Services Expenses:	267,386	-	267,386
Total Expenses	1,258,823	-	1,258,823
<b>CHANGE IN NET ASSETS</b>	821,054	89,599	910,653
Net Assets - Beginning of Year	3,215,993	224,612	3,440,605
<b>NET ASSETS - END OF YEAR</b>	\$ 4,037,047	\$ 314,211	\$ 4,351,258

See accompanying Notes to Financial Statements.

**NATIONAL PKU ALLIANCE, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2021**

	Program Services			Supporting Activities				Total
	Research and Development	Education and Advocacy	Total Program	Management and General	Cost of Fundraising Events	Other Fundraising	Total Fundraising	
Salaries	\$ 83,927	\$ 181,911	\$ 265,838	\$ 21,820	\$ -	\$ 74,775	\$ 74,775	\$ 362,433
Payroll Taxes and Benefits	6,416	20,168	26,584	2,419	-	8,289	8,289	37,292
Grants	376,038	26,671	402,709	-	-	-	-	402,709
Outside Services	165,835	224,186	390,021	53,679	50,608	9,153	59,761	503,461
Travel	-	21,566	21,566	2,635	-	2,635	2,635	26,836
Conferences	-	24,374	24,374	-	-	-	-	24,374
Printing	-	8,052	8,052	2,098	-	2,098	2,098	12,248
Supplies	813	19,909	20,722	6,798	241	6,236	6,477	33,997
Telephone	1,446	7,972	9,418	2,657	-	2,657	2,657	14,732
Depreciation	-	331	331	110	-	110	110	551
Miscellaneous	2,474	9,233	11,707	12,560	-	2,505	2,505	26,772
<b>Total Expenses by Function</b>	<b>\$ 636,949</b>	<b>\$ 544,373</b>	<b>\$ 1,181,322</b>	<b>\$ 104,776</b>	<b>\$ 50,849</b>	<b>\$ 108,458</b>	<b>\$ 159,307</b>	<b>\$ 1,445,405</b>

See accompanying Notes to Financial Statements.



**NATIONAL PKU ALLIANCE, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2020**

	Program Services			Supporting Activities				Total
	Research and Development	Education and Advocacy	Total Program	Management and General	Cost of Fundraising Events	Other Fundraising	Total Fundraising	
Salaries	\$ 88,834	\$ 152,978	\$ 241,812	\$ 27,214	\$ -	\$ 77,289	\$ 77,289	\$ 346,315
Payroll Taxes and Benefits	6,755	18,403	25,158	3,392	-	6,846	6,846	35,396
Grants	520,910	-	520,910	-	-	-	-	520,910
Outside Services	9,496	143,853	153,349	43,319	16,775	55,774	72,549	269,217
Travel	50	20,007	20,057	1,727	4,663	1,727	6,390	28,174
Printing	-	7,553	7,553	1,723	105	1,723	1,828	11,104
Supplies	999	7,667	8,666	4,968	919	2,152	3,071	16,705
Telephone	1,434	5,625	7,059	2,353	-	2,353	2,353	11,765
Depreciation	-	331	331	110	-	110	110	551
Cost of Direct Benefit to								
Event Participants	-	-	-	-	11,090	-	11,090	11,090
Miscellaneous	598	5,944	6,542	10,330	225	1,589	1,814	18,686
Total Expenses by Function	<u>629,076</u>	<u>362,361</u>	<u>991,437</u>	<u>95,136</u>	<u>33,777</u>	<u>149,563</u>	<u>183,340</u>	<u>1,269,913</u>
Less: Expenses Included with Revenues on the Statement of Activities								
Cost of Direct Benefits to								
Event Participants	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(11,090)</u>	<u>-</u>	<u>(11,090)</u>	<u>(11,090)</u>
Total Expenses Included in the Expense Section on the Statements of Activities	<u>\$ 629,076</u>	<u>\$ 362,361</u>	<u>\$ 991,437</u>	<u>\$ 95,136</u>	<u>\$ 22,687</u>	<u>\$ 149,563</u>	<u>\$ 172,250</u>	<u>\$ 1,258,823</u>

See accompanying Notes to Financial Statements.

**NATIONAL PKU ALLIANCE, INC.  
STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Changes in Net Assets	\$ 605,796	\$ 910,653
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation Expense	551	551
Donated Stock	(25,421)	(163,174)
Net Gain on Investments	(181,138)	(377,224)
Changes in Operating Assets and Liabilities:		
Accounts Receivable	-	15,549
Promises to Give	62,000	(95,000)
Inventory	562	2,815
Prepaid Expenses	(1,097)	(8,311)
Accounts Payable	22,785	(10,403)
Accrued Expenses	44	(5,271)
Conditional Contributions	37,315	(334,171)
Net Cash Provided (Used) by Operating Activities	521,397	(63,986)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from Sale of Investments	613,785	1,214,068
Purchase of Equipment	-	(2,205)
Purchase of Investments	(737,427)	(1,264,647)
Net Cash Used by Investing Activities	(123,642)	(52,784)
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	397,755	(116,770)
Cash and Cash Equivalents - Beginning of Year	1,075,943	1,192,713
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 1,473,698	\$ 1,075,943

See accompanying Notes to Financial Statements.

**NATIONAL PKU ALLIANCE, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020**

**NOTE 1 NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Activities**

The National PKU Alliance, Inc. (the Alliance) is a nonprofit corporation organized in the state of Delaware to improve the lives of individuals with PKU and pursue a cure. The NPKUA has a focus on research, support, education and advocacy. The Alliance fulfills their mission by focusing efforts in the following areas:

**Research**

To advance research by funding research to increase the knowledge about PKU and accelerate the development of new treatments and a cure. This includes the PKU Patient Registry to advance research and the understanding of PKU in both children and adults on a longitudinal basis.

**Support**

To provide support to adults and families through three mentoring programs, an emergency assistance program to adult women with PKU who are pregnant and providing grants to local PKU organizations to help them serve their local communities.

**Education**

To educate others about PKU and the issues faced by individuals and families by communicating best practices for treatment and other information to health care providers, creating communication pieces and other material for use by local PKU organizations and others, encouraging children and young adults to stay on treatment, sponsoring national and international conferences, and providing current information about recent developments in treatments and products.

**Advocacy**

To advocate for all individuals with PKU by working toward the enactment of PKU friendly legislation, seeking coverage by insurance companies for treatment and aligning with support groups for related metabolic disorders to promote common goals.

The Alliance is supported primarily through donor contributions and grants. For the year ended December 31, 2021 23% of contributions were from two donors. For the year ended December 31, 2020, 15% of contributions were from one donor.

**Cash and Cash Equivalents**

We consider all cash and highly liquid financial instruments with original maturities of three months or less to be cash and cash equivalents. Cash and mutual funds held in our investment account are excluded from this definition.

**NATIONAL PKU ALLIANCE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

**NOTE 1 NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Promises to Give**

We record unconditional promises to give that are expected to be collected within one year at net realizable value. We determine the allowance for uncollectible promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectible. At December 31, 2021 and 2020 an allowance for uncollectible amounts was deemed not necessary. All promises to give are expected to be collected within the next year.

**Investments**

We record investment purchases at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position. Net investment return/(loss) is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external investment expenses.

**Property and Equipment**

We record property and equipment additions over \$1,500 at cost, or if donated, at fair value on the date of donation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any resulting gain or loss is included in the statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

**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 certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets board-designated for research.

*Net Assets With Donor Restrictions* – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. The Alliance reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as Net Assets Released from Restriction.

**NATIONAL PKU ALLIANCE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

**NOTE 1 NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Revenue Recognition**

*Contributions*

The Alliance recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met.

*Special Events*

Income received for special events is evaluated for treatment as an exchange transaction or a contribution. Revenues from exchange transactions are deferred until the event occurs. Revenues from the contribution portion are reported as increased in net assets with donor restrictions when received and released from restrictions when the event occurs. Conditional contributions received are deferred until the event occurs.

Consequently, at December 31, 2021 and 2020, conditional contributions approximating \$255,637 and \$218,322, respectively, have not been recognized in the accompanying statement of activities. Of the total conditional contributions for 2021, \$159,409 represent sponsorships for the 2022 conference and \$96,229 represents a sponsorship related to the San Francisco Bay gala to be held in November 2022. Of the total conditional contributions for 2020, \$135,409 represent sponsorships for the 2022 conference, \$82,913 represents a sponsorship related to the San Francisco Bay gala to be held in November 2022.

*Government Grant*

On April 10, 2020, the Alliance received proceeds in the amount of \$66,109 to fund payroll, rent, utilities, and interest on mortgages and existing debt through the Paycheck Protection Program (the PPP Loan). The Alliance recognized a government grant of \$66,109 related to this agreement during the year ended December 31, 2020, which represents the portion of the PPP Loan funds for which the performance barriers have been met. Management believes the Alliance has satisfied the performance barriers attributable to the PPP Loan proceeds and, on November 24, 2020, the Alliance received formal notification from the SBA that the full amount of the PPP Loan has been forgiven. No similar amounts were received during year ended December 31, 2021.

The SBA may review funding eligibility and usage of funds in compliance with the program based on dollar thresholds and other factors. The amount of liability, if any, from potential noncompliance cannot be determined with certainty; however, management is of the opinion that any review will not have a material adverse impact on the Alliance's financial position.

**NATIONAL PKU ALLIANCE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

**NOTE 1 NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Donated Services and In-Kind Contributions**

Volunteers contribute significant amounts of time to our program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by accounting principles generally accepted in the United States of America. Contributed goods are recorded at fair value at the date of donation. No significant contributions of such goods or services were received during the year ended December 31, 2021. Donated materials \$1,852 for the year ended December 31, 2020 and are reported as fundraising outside services in the statement of activities.

**Contingent Grants**

The Alliance board approves grants throughout the year for various research projects. These grants are contingent upon the recipient meeting certain requirements. Once those requirements are met, the Alliance and the recipient will enter an agreement and the grant will be recorded as an expense.

**Functional Allocation of Expenses**

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited using an allocation on a reasonable basis that is consistently applied. The expenses that are allocated primarily consist of salaries and wages, benefits and payroll taxes, which are allocated on the basis of estimates of time and effort.

**Income Taxes**

National PKU Alliance, Inc. is organized as a Delaware nonprofit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Internal Revenue Code (IRC) Section 501(a) as an organization described in IRC Section 501(c)(3), qualifies for the charitable contribution deduction under IRC Sections 170(b)(1)(A)(vi), and has been determined not to be a private foundation under IRC Sections 509(a)(1). The Alliance is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Alliance is subject to income tax on net income that is derived from business activities that are unrelated to their exempt purposes. We have determined that the entity is not subject to unrelated business income tax and have not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

**Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates, and those differences could be material.

**NATIONAL PKU ALLIANCE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

**NOTE 1 NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Financial Instruments and Credit Risk**

We manage deposit concentration risk by placing cash, money market accounts, and certificates of deposit with financial institutions believed by us to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, we have not experienced losses in any of these accounts. Credit risk associated with accounts receivable and promises to give is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from board members, governmental agencies, and foundations supportive of our mission. Investments are made by diversified investment managers whose performance is monitored by us and the investment committee of the board of directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis, we and the investment committee believe that the investment policies and guidelines are prudent for the long-term welfare of the Alliance.

**Subsequent Events**

The Alliance has evaluated events and transactions for potential recognition or disclosure in the financial statements through March 4, 2022, the date on which the financial statements were available to be issued.

**NOTE 2 LIQUIDITY AND AVAILABILITY**

The Alliance regularly monitors liquidity required to meet its operating needs and other contractual commitments. Financial assets in excess of anticipated cash requirements are generally invested in mutual funds. The Alliance's sources of liquidity primarily consist of cash and cash equivalents, investments, pledges receivable and donations received from various fundraising activities. Refer to the statement of cash flows which identifies the sources and uses of the Alliance's cash and cash equivalents for fiscal years 2021 and 2020.

For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Alliance considers all expenditures related to its ongoing activities including anticipated research spending, expenditures related to program services and general expenditures to support day to day operations.

**NATIONAL PKU ALLIANCE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

**NOTE 2 LIQUIDITY AND AVAILABILITY (CONTINUED)**

As of December 31, 2021 and 2020, the following table shows the total financial assets held by the Alliance all of which could readily be made available within one year of the balance sheet date to meet general expenditures:

	2021	2020
Cash and Cash Equivalents	\$ 1,473,698	\$ 1,075,943
Investments	3,649,708	3,319,507
Promises to Give	33,000	95,000
Total Financial Assets at Year-End	5,156,406	4,490,450
Less:		
Donor-Imposed Purpose Restrictions Included Above	219,211	219,211
Board-Designated Research Funds:	2,194,539	2,117,673
Financial Assets Available to Meet		
General Expenditures Within One Year	\$ 2,742,656	\$ 2,153,566

**NOTE 3 FAIR VALUE MEASUREMENTS AND DISCLOSURES**

We report certain assets and liabilities at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or 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 asset or liability, 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 asset or liability 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 or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

*Level 1* – Quoted prices (unadjusted) in active markets for identical assets or liabilities that we can access at the measurement date.

*Level 2* – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

*Level 3* – Unobservable inputs for the asset or liability. In these situations, we develop inputs using the best information available in the circumstances.



**NATIONAL PKU ALLIANCE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

**NOTE 3 FAIR VALUE MEASUREMENTS AND DISCLOSURES (CONTINUED)**

In some cases, the inputs used to measure the fair value of an asset or a liability 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 hierarchy 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 or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to our assessment of the quality, risk, or liquidity profile of the asset or liability.

A significant portion of our investment assets are classified within Level 1 because they comprise open-end mutual funds with readily determinable fair values based on daily redemption values.

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

	2021 Total	Fair Value Measurements at Report Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>ASSETS</b>				
Operating Investments:				
Balanced Funds	\$ 207,352	\$ 207,352	\$ -	\$ -
Fixed Income Funds	1,911,066	1,911,066	-	-
Equities	1,486,671	1,486,671	-	-
Total	3,605,089	\$ 3,605,089	\$ -	\$ -
Cash and Cash Equivalents	44,619			
Total investments	\$ 3,649,708			

	2020 Total	Fair Value Measurements at Report Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>ASSETS</b>				
Operating Investments:				
Balanced Funds	\$ 162,508	\$ 162,508	\$ -	\$ -
Fixed Income Funds	1,373,954	1,373,954	-	-
Equities	1,675,936	1,675,936	-	-
Total	3,212,398	\$ 3,212,398	\$ -	\$ -
Cash and Cash Equivalents	107,109			
Total investments	\$ 3,319,507			

**NATIONAL PKU ALLIANCE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

**NOTE 4 CERTIFICATES OF DEPOSIT**

A certificate of deposit totaling \$5,000 was held by the Alliance at December 31, 2021 and 2020. The certificate bears interest of 1.25%. The certificate is co-titled with the Department of Workforce Development as the Alliance does not pay into unemployment.

**NOTE 5 PROPERTY AND EQUIPMENT**

Property and equipment consists of the following at December 31:

	2021	2020
Equipment	\$ 2,205	\$ 2,205
Less: Accumulated Depreciation and Amortization	(1,102)	(551)
Total Property and Equipment	<u>\$ 1,103</u>	<u>\$ 1,654</u>

**NOTE 6 NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are restricted for the following purposes.

	2021	2020
Subject to Expenditure for Specified Purpose:		
Conference Scholarships	\$ 36,393	\$ 36,393
Home Phe Monitor	182,818	182,818
Total	<u>219,211</u>	<u>219,211</u>
Subject to the Passage of Time:		
Promises to Give that are Not Restricted by Donors, but Which are Unavailable for Expenditure Until Due	21,000	95,000
Total Net Assets with Donor Restrictions	<u>\$ 240,211</u>	<u>\$ 314,211</u>

**NOTE 7 MEMBER ORGANIZATIONS**

Approximately 5% and 9% of the Alliance's support consisted of contributions from regional and international PKU member organizations for the years ended December 31, 2021 and 2020, respectively.

The Alliance also donated \$25,777 and \$-0- of grants to member organizations for the years ended December 31, 2021 and 2020, respectively.