

NATIONAL PKU ALLIANCE, INC.
FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022



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**NATIONAL PKU ALLIANCE, INC.
TABLE OF CONTENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

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



INDEPENDENT AUDITORS' REPORT

Board of Directors
National PKU Alliance, Inc.
New York City, New York

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of National PKU Alliance, Inc., which comprise the statements of financial position as of December 31, 2023 and 2022, 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, 2023 and 2022, 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

CliftonLarsonAllen LLP

Green Bay, Wisconsin
March 4, 2024

NATIONAL PKU ALLIANCE, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2023 AND 2022

	2023	2022
ASSETS		
Cash and Cash Equivalents	\$ 400,699	\$ 1,544,163
Certificates of Deposit	405,000	5,000
Credit Card Receivable	-	22,995
Interest Receivable	5,524	-
Promises to Give	2,750	30,020
Prepaid Expenses	65,883	12,370
Investments	3,626,882	3,271,060
Promissory Note Receivable	150,000	-
Other Investment	100,000	100,000
Property and Equipment, Net	-	1,859
Total Assets	\$ 4,756,738	\$ 4,987,467
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable	\$ 41,222	\$ 36,244
Accrued Expenses	36,792	20,288
Conditional Contributions	82,226	10,000
Total Liabilities	160,240	66,532
NET ASSETS		
Without Donor Restrictions:		
Board-Designated for Research	2,126,668	2,442,523
Undesignated	2,428,642	2,384,946
Total Without Donor Restrictions	4,555,310	4,827,469
With Donor Restrictions	41,188	93,466
Total Net Assets	4,596,498	4,920,935
Total Liabilities and Net Assets	\$ 4,756,738	\$ 4,987,467

See accompanying Notes to Financial Statements.

NATIONAL PKU ALLIANCE, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING REVENUE AND SUPPORT			
Contributions	\$ 419,844	\$ 107,167	\$ 527,011
Fundraising Events	937,641	-	937,641
Less: Cost of Direct Benefits	(195,459)	-	(195,459)
Net Fundraising Events	742,182	-	742,182
Membership Dues	5,000	-	5,000
Convention Sponsors	110,000	-	110,000
Interest and Investment Income	372,613	-	372,613
Net Assets Released from Restriction	159,445	(159,445)	-
Total Operating Revenue and Support	1,809,084	(52,278)	1,756,806
EXPENSES AND LOSSES			
Program Services Expense:			
Research and Development	763,805	-	763,805
Other Program Services	263,370	-	263,370
Total Program Services Expenses	1,027,175	-	1,027,175
Supporting Services Expense:			
Management and General	460,609	-	460,609
Fundraising:			
Cost of Fundraising Events	346,964	-	346,964
Other Fundraising	244,636	-	244,636
Total Fundraising Expenses	591,600	-	591,600
Total Supporting Services Expenses	1,052,209	-	1,052,209
Total Expenses	2,079,384	-	2,079,384
Loss on Disposal of Equipment	1,859	-	1,859
Total Expenses and Losses	2,081,243	-	2,081,243
CHANGE IN NET ASSETS	(272,159)	(52,278)	(324,437)
Net Assets - Beginning of Year	4,827,469	93,466	4,920,935
NET ASSETS - END OF YEAR	\$ 4,555,310	\$ 41,188	\$ 4,596,498

See accompanying Notes to Financial Statements.

NATIONAL PKU ALLIANCE, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING REVENUE AND SUPPORT			
Contributions	\$ 842,518	\$ 27,607	\$ 870,125
Fundraising Events	1,174,241	-	1,174,241
Less: Cost of Direct Benefits	<u>(27,445)</u>	<u>-</u>	<u>(27,445)</u>
Net Fundraising Events	1,146,796	-	1,146,796
Convention Sponsors	276,381	-	276,381
Convention Fees	44,989	-	44,989
Sales Revenue	112	-	112
Interest and Investment Loss	(427,573)	-	(427,573)
Net Assets Released from Restriction	<u>174,352</u>	<u>(174,352)</u>	<u>-</u>
Total Operating Revenue and Support	2,057,575	(146,745)	1,910,830
EXPENSES			
Program Services Expense:			
Research and Development	539,276	-	539,276
Other Program Services	<u>840,547</u>	<u>-</u>	<u>840,547</u>
Total Program Services Expenses	1,379,823	-	1,379,823
Supporting Services Expense:			
Management and General	209,035	-	209,035
Fundraising:			
Cost of Fundraising Events	162,035	-	162,035
Other Fundraising	<u>196,056</u>	<u>-</u>	<u>196,056</u>
Total Fundraising Expenses	<u>358,091</u>	<u>-</u>	<u>358,091</u>
Total Supporting Services Expenses	<u>567,126</u>	<u>-</u>	<u>567,126</u>
Total Expenses	<u>1,946,949</u>	<u>-</u>	<u>1,946,949</u>
CHANGE IN NET ASSETS	110,626	(146,745)	(36,119)
Net Assets - Beginning of Year	<u>4,716,843</u>	<u>240,211</u>	<u>4,957,054</u>
NET ASSETS - END OF YEAR	<u>\$ 4,827,469</u>	<u>\$ 93,466</u>	<u>\$ 4,920,935</u>

See accompanying Notes to Financial Statements.

NATIONAL PKU ALLIANCE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2023

	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	\$ 117,360	\$ 103,242	\$ 220,602	\$ 175,431	\$ -	\$ 184,664	\$ 184,664	\$ 580,697
Payroll Taxes and Benefits	7,078	6,236	13,314	21,543	-	22,677	22,677	57,534
Grants	415,304	8,197	423,501	-	-	-	-	423,501
Outside Services	84,025	69,015	153,040	232,805	295,394	20,841	316,235	702,080
Travel	7,806	28,301	36,107	5,081	16,670	5,081	21,751	62,939
Conferences	131,435	8,870	140,305	3,219	-	-	-	143,524
Printing	-	15,051	15,051	5,017	15,822	5,017	20,839	40,907
Supplies	797	7,974	8,771	835	2,286	835	3,121	12,727
Telephone	-	3,955	3,955	1,345	-	1,345	1,345	6,645
Cost of Direct Benefit to Event Participants	-	-	-	-	195,459	-	195,459	195,459
Miscellaneous	-	12,529	12,529	15,333	16,792	4,176	20,968	48,830
Total Expenses by Function	\$ 763,805	\$ 263,370	\$ 1,027,175	\$ 460,609	\$ 542,423	\$ 244,636	\$ 787,059	\$ 2,274,843
Less: Expenses Included with Revenues on the Statement of Activities								
Cost of Direct Benefits to Event Participants	-	-	-	-	(195,459)	-	(195,459)	(195,459)
Total Expenses Included in the Expense Section on the Statements of Activities	\$ 763,805	\$ 263,370	\$ 1,027,175	\$ 460,609	\$ 346,964	\$ 244,636	\$ 591,600	\$ 2,079,384

See accompanying Notes to Financial Statements.

**NATIONAL PKU ALLIANCE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2022**

	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	\$ 70,106	\$ 178,102	\$ 248,208	\$ 77,617	\$ -	\$ 129,951	\$ 129,951	\$ 455,776
Payroll Taxes and Benefits	5,108	24,213	29,321	10,553	-	17,668	17,668	57,542
Grants	435,718	36,202	471,920	-	-	-	-	471,920
Outside Services	23,843	185,711	209,554	91,532	144,231	26,742	170,973	472,059
Travel	-	27,395	27,395	6,762	9,303	6,762	16,065	50,222
Conferences	-	341,442	341,442	-	-	-	-	341,442
Printing	1,049	13,465	14,514	4,488	5,562	4,488	10,050	29,052
Supplies	389	11,455	11,844	3,360	1,622	3,360	4,982	20,186
Telephone	1,163	7,703	8,866	2,568	-	2,568	2,568	14,002
Depreciation	-	512	512	171	-	171	171	854
Cost of Direct Benefit to								
Event Participants	-	-	-	-	27,445	-	27,445	27,445
Miscellaneous	1,900	14,347	16,247	11,984	1,317	4,346	5,663	33,894
Total Expenses by Function	\$ 539,276	\$ 840,547	\$ 1,379,823	\$ 209,035	\$ 189,480	\$ 196,056	\$ 385,536	\$ 1,974,394
Less: Expenses Included with Revenues on the Statement of Activities								
Cost of Direct Benefits to Event Participants	-	-	-	-	(27,445)	-	(27,445)	(27,445)
Total Expenses Included in the Expense Section on the Statements of Activities	\$ 539,276	\$ 840,547	\$ 1,379,823	\$ 209,035	\$ 162,035	\$ 196,056	\$ 358,091	\$ 1,946,949

See accompanying Notes to Financial Statements.

**NATIONAL PKU ALLIANCE, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in Net Assets	\$ (324,437)	\$ (36,119)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Loss on Disposal of Equipment	1,859	-
Depreciation Expense	-	853
Donated Stock	-	(51,042)
Net (Gain) Loss on Investments	(244,986)	528,736
Changes in Operating Assets and Liabilities:		
Credit Card Receivable	22,995	(22,995)
Interest Receivable	(5,524)	-
Promises to Give	27,270	2,980
Prepaid Expenses	(53,513)	75,764
Accounts Payable	4,978	11,798
Accrued Expenses	16,504	6,782
Conditional Contributions	72,226	(245,637)
Net Cash Provided (Used) by Operating Activities	(482,628)	271,120
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Sale of Investments	593,391	1,636,074
Addition to Certificate of Deposit	(400,000)	-
Purchase of Equipment	-	(1,609)
Purchase of Other Investment	-	(100,000)
Purchase of Investments	(704,227)	(1,735,120)
Net Cash Used by Investing Activities	(510,836)	(200,655)
CASH FLOWS FROM FINANCING ACTIVITIES		
Promissory Note Receivable	(150,000)	-
NET CHANGE IN CASH AND CASH EQUIVALENTS	(1,143,464)	70,465
Cash and Cash Equivalents - Beginning of Year	1,544,163	1,473,698
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 400,699	\$ 1,544,163

See accompanying Notes to Financial Statements.

**NATIONAL PKU ALLIANCE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

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 Alliance 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, 2023, 14% of contributions were from one donor. For the year ended December 31, 2022, 13% of contributions were from one donor.

Cash and Cash Equivalents

The Alliance considers 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, 2023 AND 2022

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

Promises to Give

The Alliance records unconditional promises to give that are expected to be collected within one year at net realizable value. The Alliance determines the allowance for credit losses 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, 2023 and 2022, an allowance for credit losses was deemed not necessary. All promises to give are expected to be collected within the next year.

Investments

The Alliance records 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

The Alliance records property and equipment additions over \$2,500 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, which ranges from 4 to 10 years. 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, 2023 AND 2022**

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, conditional contributions are made up of the following at December 31:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Conditional Contribution - Gala	\$ 66,726	\$ 10,000	\$ 96,228
Conditional Contribution - Conference	15,500	-	159,409
Total	<u>\$ 82,226</u>	<u>\$ 10,000</u>	<u>\$ 255,637</u>

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 years ended December 31, 2023 and 2022.

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.

NATIONAL PKU ALLIANCE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

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

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. The Alliance has 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.

Financial Instruments and Credit Risk

The Alliance manages 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, the Alliance has 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, management and the investment committee believe that the investment policies and guidelines are prudent for the long-term welfare of the Alliance.

Accounting Standards Update

On January 1, 2023, the Alliance adopted FASB ASU 2016-13, *Financial Instruments – Credit Losses* (Topic 326): Measurement of Credit Losses on Financial Instruments, as amended, which modifies the measurement of expected credit losses. The Alliance adopted this new guidance utilizing the modified retrospective transition method. The adoption of this Standard did not have an impact on the Alliance's financial statements but did result in changes to the Alliance's accounting policies, including the recognition of credit losses based on expected future credit losses rather than incurred credit losses.

**NATIONAL PKU ALLIANCE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

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

Subsequent Events

The Alliance has evaluated events and transactions for potential recognition or disclosure in the financial statements through March 4, 2024, 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 statements of cash flows which identifies the sources and uses of the Alliance's cash and cash equivalents for fiscal years 2023 and 2022.

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.

As of December 31, 2023 and 2022, 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 statement of financial position date to meet general expenditures:

	<u>2023</u>	<u>2022</u>
Cash and Cash Equivalents	\$ 400,699	\$ 1,544,163
Investments	3,626,882	3,271,060
Credit Card Receivable	-	22,995
Promises to Give	2,750	30,020
Total Financial Assets at Year-End	<u>4,030,331</u>	<u>4,868,238</u>
Less:		
Donor-Imposed Purpose Restrictions Included Above	41,188	88,466
Board-Designated Research Funds:	<u>2,126,668</u>	<u>2,442,523</u>
Financial Assets Available to Meet		
General Expenditures Within One Year	<u>\$ 1,862,475</u>	<u>\$ 2,337,249</u>

NATIONAL PKU ALLIANCE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 3 FAIR VALUE MEASUREMENTS AND DISCLOSURES

The Alliance reports 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 the Alliance 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, the Alliance develops inputs using the best information available in the circumstances.

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.

NATIONAL PKU ALLIANCE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 3 FAIR VALUE MEASUREMENTS AND DISCLOSURES (CONTINUED)

The following table presents assets measured at fair value on a recurring basis at December 31, 2023:

	2023 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)
ASSETS				
Operating Investments:				
Fixed Income Funds	\$ 1,838,730	\$ 1,838,730	\$ -	\$ -
Equities	1,717,936	1,717,936	-	-
Total	<u>3,556,666</u>	<u>\$ 3,556,666</u>	<u>\$ -</u>	<u>\$ -</u>
Cash and Cash Equivalents	70,216			
Total investments	<u>\$ 3,626,882</u>			

The following table presents assets measured at fair value on a recurring basis at December 31, 2022:

	2022 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)
ASSETS				
Operating Investments:				
Fixed Income Funds	\$ 1,676,103	\$ 1,676,103	\$ -	\$ -
Equities	1,571,795	1,571,795	-	-
Total	<u>3,247,898</u>	<u>\$ 3,247,898</u>	<u>\$ -</u>	<u>\$ -</u>
Cash and Cash Equivalents	23,162			
Total investments	<u>\$ 3,271,060</u>			

NATIONAL PKU ALLIANCE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 4 CERTIFICATES OF DEPOSIT

A certificate of deposit totaling \$5,000 was held by the Alliance at December 31, 2023 and 2022. 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.

A certificate of deposit of \$400,000 was held by the Alliance at December 31, 2023. The certificate bears interest at 2.92%.

NOTE 5 OTHER INVESTMENT AND PROMISSORY NOTE RECEIVABLE

On March 12, 2022, the Alliance purchased 50,000 shares of preferred stock for a total investment of \$100,000 in Aptatek Biosciences, Inc. (the Company) to support the Company's research and investment in equipment that helps individuals living with PKU. This investment is 4% of the outstanding preferred shares of the Company and 1% of the total Company's stock. The Alliance will account for this investment on the cost basis.

Aptatek Biosciences, Inc. has succeeded in meeting both product development and funding milestones since the 2022 investment. As a result, the Alliance has provided a promissory note of \$150,000 to the Company to continue to support the Company's research and investment in equipment that helps individuals living with PKU. Interest will accrue at a simple rate of 7% per annum. The promissory note is convertible into equity securities of the Company. Unless earlier converted into equity securities, the principal and accrued interest is due and payable by the Company at any time on or after the 18th month anniversary (December 23, 2024). As of the March 4, 2024, the Alliance is expecting the note to be repaid.

NOTE 6 PROPERTY AND EQUIPMENT

Property and equipment consists of the following at December 31:

	2023	2022
Equipment	\$ -	\$ 3,814
Less: Accumulated Depreciation and Amortization	-	(1,955)
Total Property and Equipment	\$ -	\$ 1,859

Depreciation expense was \$-0- and \$854 for the years ending December 31, 2023 and 2022, respectively.

NATIONAL PKU ALLIANCE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 7 NET ASSETS WITH DONOR RESTRICTIONS

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

	<u>2023</u>	<u>2022</u>
Subject to Expenditure for Specified Purpose:		
Mentoring	\$ 25,541	\$ -
Registry Video	10,000	-
Home Phe Monitor	-	82,819
Ukraine Project	5,647	5,647
Total	<u>41,188</u>	<u>88,466</u>
Subject to the Passage of Time:		
Promises to Give that are Not Restricted by Donors, but Which are Unavailable for Expenditure Until Due	-	5,000
Total Net Assets with Donor Restrictions	<u>\$ 41,188</u>	<u>\$ 93,466</u>

NOTE 8 MEMBER ORGANIZATIONS

Approximately 5% and 3% of the Alliance's support consisted of contributions from regional and international PKU member organizations for the years ended December 31, 2023 and 2022, respectively.

The Alliance also donated \$8,197 and \$15,775 of grants to member organizations for the years ended December 31, 2023 and 2022, respectively.



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