KellyVitaleRaffol LLC
CERTIFIED PUBLIC ACCOUNTANTS

POLYBIO RESEARCH FOUNDATION, INC.

POLYBIO
SCIENCE IN ACTION

Financial Statements

For the Years Ended December 31, 2023 and 2022

105 Chestnut Street, Suite 12, Needham, MA 02492
4238 Washington Street, Suite 307, Boston, Massachusetts 02131
Certified Women Owned Business in the Commonwealth of Massachusetts
Member, American Institute of Certified Public Accountants

POLYBIO RESEARCH FOUNDATION

Financial Statements

For the Years Ended December 31, 2023 and 2022

Independent Auditors' Report

To the Board of Directors
PolyBio Research Foundation, Inc.
Boston, Massachusetts

Opinion

We have audited the accompanying financial statements of PolyBio Research Foundation, Inc., (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, and 2022, and the related statements of activities, cash flows and functional expenses 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 the Organization as of December 31, 2023, and 2022, and the changes in its net assets and its 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 audit in accordance with auditing standards generally accepted in the United States of America. 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 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 financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that 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 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, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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 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 the Organization’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 the Organization’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.

KellyVitaleRaffol LLC

Needham, Massachusetts
May 3, 2024

POLYBIO RESEARCH FOUNDATION

Statement of Financial Position

As of December 31, 2023 and 2022

	2023	2022
Assets		
Cash and cash equivalents	$ 14,418,113	$ 13,888,872
Contributions receivable	1,118,095	310,000
Total assets	$ 15,536,208	$ 14,198,872
Liabilities and Net Assets		
Liabilities:		
Accrued payroll	$ 3,589	$ 1,457
Grants payable	2,619,336	-
Total liabilities	2,622,925	1,457
Net Assets:		
Net assets without donor restrictions	(1,894,901)	1,542,403
Net assets with donor restrictions	14,808,184	12,655,012
Total net assets	12,913,283	14,197,415
Total liabilities and net assets	$ 15,536,208	$ 14,198,872

See accompanying notes to financial statements.

POLYBIO RESEARCH FOUNDATION

Statement of Activities

For the Year Ended December 31, 2023 and 2022

	2023			2022		
	Without Donor Restrictions	*With Donor Restrictions*	*Total*	*Without Donor Restrictions*	*With Donor Restrictions*	*Total*
Revenues and Other Support:						
Contributions	$ 362,111	$ 16,988,377	$ 17,350,488	$ 3,329,554	$ 14,550,000	$ 17,879,554
Net assets released from restrictions	14,835,205	(14,835,205)	-	1,894,988	(1,894,988)	-
Total revenues and other support	15,197,316	2,153,172	17,350,488	5,224,542	12,655,012	17,879,554
Expenses:						
Program services	18,514,863	-	18,514,863	4,253,911	-	4,253,911
General and administrative	93,930	-	93,930	28,937	-	28,937
Fundraising	25,827	-	25,827	11,422	-	11,422
Total expenses	18,634,620	-	18,634,620	4,294,270	-	4,294,270
Change in net assets	(3,437,304)	2,153,172	(1,284,132)	930,272	12,655,012	13,585,284
Net Assets, beginning	1,542,403	12,655,012	14,197,415	612,131	-	612,131
Net Assets, ending	$ (1,894,901)	$ 14,808,184	$ 12,913,283	$ 1,542,403	$ 12,655,012	$ 14,197,415

POLYBIO RESEARCH FOUNDATION

Statement of Cash Flows

For the Year Ended December 31, 2023 and 2022

	2023	2022
Cash Flows from Operating Activities:		
Change in net assets	$ (1,284,132)	$ 13,585,284
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Change in:		
Contributions receivable	(808,095)	(310,000)
Accrued payroll	2,132	(1,213)
Grants payable	2,619,336	-
Net cash provided by operating activities	529,241	13,274,071
Cash and cash equivalents, beginning of year	13,888,872	614,801
Cash and cash equivalents, end of year	$ 14,418,113	$ 13,888,872

See accompanying notes to financial statements.

POLYBIO RESEARCH FOUNDATION

Statement of Functional Expenses

For the Year Ended December 31, 2023 and 2022

	2023				*2022*			
	Program Services	***General and Administrative***	***Fundraising***	***Total***	***Program Services***	***General and Administrative***	***Fundraising***	***Total***
Salaries and wages	92,544	26,441	13,221	132,206	36,884	10,538	5,269	52,692
Payroll taxes	7,085	2,024	1,012	10,121	5,106	1,459	729	7,294
Marketing and advertising	58	68	68	194	51	60	60	171
Insurance	49	28	4	81	1,345	784	112	2,241
Grants	18,250,077	-	-	18,250,077	4,182,914	-	-	4,182,914
Office expenses	2,959	2,219	2,219	7,397	4,400	3,300	3,300	11,000
Professional fees	17,949	62,821	8,974	89,744	3,615	12,652	1,807	18,074
Contractors and consultants	-	-	-	-	30	10	10	50
Telephone and internet	2,813	156	156	3,125	324	18	18	360
Other expenses	2,036	113	113	2,262	-	-	-	-
Taxes	914	51	51	1,016	-	-	-	-
Travel	162	9	9	180	2,084	116	116	2,315
Project expenses	138,217	-	-	138,217	17,159	-	-	17,159
Total expenses	$ 18,514,863	$ 93,930	$ 25,827	$ 18,634,620	$ 4,253,911	$ 28,937	$ 11,422	$ 4,294,270

POLYBIO RESEARCH FOUNDATION

Notes to Financial Statements

For the Year Ended December 31, 2023 and 2022

Note 1. Nature of Activities

PolyBio Research Foundation (the "Organization") is a Massachusetts based non-profit organization dedicated to bringing hope to those suffering from infection-associated chronic conditions. The Organization has developed tools to study pathogen activity, environmental exposures, microbiome imbalances, neuroinflammation, gene changes, and other issues in patients with chronic conditions. The main program of the Organization is to fund research within the scientific community and to provide collaboration between scientists and clinicians.

Note 2. Summary of Significant Accounting Policies

Basis of Accounting and Presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities. Revenues are recognized when the services are performed, and expenses are recorded as incurred.

As required by the FASB Accounting Standards Codification, the Organization's 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.

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. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates those resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Use of Estimates and Assumptions

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

The Organization considers cash and cash equivalents to be cash on hand, cash in operating bank accounts, sweep accounts and money market funds. The Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Note 2. Summary of Significant Accounting Policies (Continued)

Contributions Receivable

Contributions receivable primarily represent unconditional promises to give that are recognized at net realizable value when the promise is received. Promises to give with expected payment dates that extend beyond one year are discounted to their present value when considered material. These amounts are considered fully collectible; accordingly, these financial statements do not contain a provision for uncollectible receivables from grants, contributions and pledges.

Revenue Recognition

Contributions: The Organization recognizes contributions when cash, securities or other assets; an unconditional promise to give; or 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.

Unconditional contributions may or may not be subject to donor-imposed restrictions. Donor-imposed restrictions limit the use of the donated assets but are less specific than donor-imposed conditions. Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations about the use of the donated assets, or if they are designated as support for future periods.

Exchange transactions: Reciprocal transfers in which each party receives and sacrifices goods or services with approximate commensurate value are recognized as exchange transactions. The Organization adopted Accounting Standards Codification ("ASC") Topic 606, *Revenue from Contracts with Customers* ("Topic 606"), using the modified retrospective method applied to all contracts not completed as of the date of the adoption. The core principle is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. To achieve that core principle, an entity should apply the following steps: (i) identify the contract(s) with a customer, (ii) identify the performance obligations in the contract, (iii) determine the transaction price, (iv) allocate the transaction price to the performance obligations in the contract and (v) recognize revenue when (or as) the entity satisfies a performance obligation.

The Organization applies Topic 606 to exchange transactions in which it receives consideration for products or services offered. Under U.S. GAAP, these arrangements are exchange transactions between the Organization and the customers participating in the Organization’s programs or using their services.

The Organization’s revenue is derived from contributions from individuals and corporations.

Note 2. Summary of Significant Accounting Policies (Continued)

Income Taxes

The Organization qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code, and therefore, has no provision for federal income taxes. In addition the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(vi) and has been classified as an organization that is not a private foundation.

Functional Allocation of Expenses

The costs of providing program and other activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among program services and supporting services benefited. Such allocations are determined by management on an equitable basis. Salaries, payroll taxes and benefits, professional fees, contractors and consultants, telephone and internet, and travel are allocated depending on time and effort.

The following functional expenses are directly allocated to the programs, projects and departments as they are utilized:

- Grants
- Project expenses
- Marketing and advertising
- Insurance
- Office expenses

The following functional expenses are allocated depending on time and effort:

- Salaries
- Payroll taxes and benefits
- Professional fees
- Contractors and consultants
- Telephone and internet
- Travel

Note 3. Advertising

The Organization uses advertising to promote its program. The advertising costs are expensed as incurred. During the year ended December 31, 2023, the advertising costs were $193.

Note 4. Net Assets with Donor Restrictions

The Organization received contributions during the year that were restricted by the donor for specific research funding. As of December 31, 2023 the Organization had $14,808,184 in purpose restricted donations. Net assets without donor restrictions reflects a negative balance of $1,894,901 related to the Organization's approval for grants payable and timing of releases.

Note 5. Significant Concentrations of Risk

The Organization maintains its cash and cash equivalent balances at financial institutions. The deposits may at times exceed the federally insured limits of $250,000 established by the Federal Deposit Insurance Corporation. The Organization has not experienced any losses related to its accounts.

Note 6. Liquidity and Availability of Financial Assets

The following reflects the Organization's financial assets at December 31, 2023 and 2022, reduced by any amounts that are not available for general use because of donor-imposed restrictions within one year of the statement of financial position date:

	2023	2022
Financial assets:		
Cash and cash equivalents	$ 14,418,113	$ 13,888,872
Accounts receivable	1,118,095	310,000
Total financial assets	15,536,208	14,198,872
Less those unavailable for general expenditure within one year, due to:		
Assets subject to satisfaction of donor-imposed restrictions for purpose	14,808,184	12,655,012
Financial assets available to meet cash needs for general expenditures within one year	$ 728,024	$ 1,543,860

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due.

Note 7. Concentration of Funders

A significant portion of the Organization's contributions and accounts receivable are from major donors. For the years ended December 31, 2023 and 2022, the concentration of funders are as follows:

	Pecentage of Total Contributions	
	2023	2022
One major donor	86%	88%

	Pecentage of Total Accounts Receivable	
	2023	2022
One major donor	89%	100%

Note 8. Grants Payable

For the year ended December 31, 2023, the Organization approved $2,619,336 of grants payable for the Organization's funded research. The respective payable to each research is expected to be disbursed during the fiscal year 2024.

Grants	***Amount Funded***	***Grant Payable***
LIINC PASC Tissue Program: A Multimodal Assessment of the Tissue-based Virologic Drivers of Long COVID	$ 1,055,193	$ 1,944,336
lymphPASC	675,000	675,000
	$ 1,730,193	$ 2,619,336

Note 9. Related Party

For the year ended December 31, 2023, the Organization has provided $2,235,818 in grant funding to projects associated with Board Member, Michael VanElzakker.

Note 10. Subsequent Events

The Organization has evaluated subsequent events through May 3, 2024, the date the financial statements were available to be issued. There were no material subsequent events as of the date which require disclosure in or adjustment to these financial statements.