Financial Statements

For the Years Ended December 31, 2024 and 2023

POLYBIO RESEARCH FOUNDATION

Financial Statements

For the Years Ended December 31, 2024 and 2023

KVR.CPA

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 statements of financial position as of December 31, 2024, and 2023, 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, 2024, and 2023, 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 13, 2025

POLYBIO RESEARCH FOUNDATION

Statements of Financial Position

As of December 31, 2024 and 2023

	2024	2023
Assets		
Cash and cash equivalents	$ 1,936,121	$ 14,418,113
Investments	7,340,133	-
Contributions receivable	535,281	1,118,095
Total assets	$ 9,811,535	$ 15,536,208
Liabilities and Net Assets		
Liabilities:		
Accrued payroll	$ 1,512	$ 3,589
Grants payable	6,714,063	2,619,336
Total liabilities	6,715,575	2,622,925
Net Assets:		
Net assets without donor restrictions	(5,145,307)	(1,894,901)
Net assets with donor restrictions	8,241,267	14,808,184
Total net assets	3,095,960	12,913,283
Total liabilities and net assets	$ 9,811,535	$ 15,536,208

See accompanying notes to financial statements.

POLYBIO RESEARCH FOUNDATION

Statements of Activities

For the Years Ended December 31, 2024 and 2023

	2024			2023		
	Without Donor Restrictions	*With Donor Restrictions*	*Total*	*Without Donor Restrictions*	*With Donor Restrictions*	*Total*
Revenues and Other Support:						
Contributions	$ 1,299,823	$ 2,795,630	$ 4,095,453	$ 362,111	$ 16,988,377	$ 17,350,488
Net investment income	229,236	-	229,236	-	-	-
Net assets released from restrictions	9,362,547	(9,362,547)	-	14,835,205	(14,835,205)	-
Total revenues and other support	10,891,606	(6,566,917)	4,324,689	15,197,316	2,153,172	17,350,488
Expenses:						
Program services	14,046,841	-	14,046,841	18,514,863	-	18,514,863
General and administrative	67,537	-	67,537	93,930	-	93,930
Fundraising	27,634	-	27,634	25,827	-	25,827
Total expenses	14,142,012	-	14,142,012	18,634,620	-	18,634,620
Change in net assets	(3,250,406)	(6,566,917)	(9,817,323)	(3,437,304)	2,153,172	(1,284,132)
Net Assets, beginning	(1,894,901)	14,808,184	12,913,283	1,542,403	12,655,012	14,197,415
Net Assets, ending	$ (5,145,307)	$ 8,241,267	$ 3,095,960	$ (1,894,901)	$ 14,808,184	$ 12,913,283

See accompanying notes to financial statements.

POLYBIO RESEARCH FOUNDATION

Statements of Cash Flows

For the Years Ended December 31, 2024 and 2023

	2024	2023
Cash Flows from Operating Activities:		
Change in net assets	$ (9,817,323)	$ (1,284,132)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Change in:		
Contributions receivable	582,814	(808,095)
Accrued payroll	(2,077)	2,132
Grants payable	4,094,727	2,619,336
Net cash provided (used) by operating activities	(5,141,859)	529,241
Cash Flows from Investing Activities:		
Purchase of investments	(14,573,861)	-
Proceeds from sales of investments	7,233,728	-
Net cash used by investing activities	(7,340,133)	-
Net change in cash and cash equivalents	(12,481,992)	529,241
Cash and cash equivalents, beginning of year	14,418,113	13,888,872
Cash and cash equivalents, end of year	$ 1,936,121	$ 14,418,113

See accompanying notes to financial statements.

POLYBIO RESEARCH FOUNDATION

Statements of Functional Expenses

For the Years Ended December 31, 2024 and 2023

	2024				2023			
	Program Services	*General and Administrative*	*Fundraising*	*Total*	*Program Services*	*General and Administrative*	*Fundraising*	*Total*
Salaries and wages	$ 126,808	$ 36,231	$ 18,115	$ 181,154	$ 92,544	$ 26,441	$ 13,221	$ 132,206
Payroll taxes	8,716	2,490	1,245	12,451	7,085	2,024	1,012	10,121
Marketing and advertising	2,267	2,644	2,644	7,555	58	68	68	194
Insurance	579	338	48	965	49	28	4	81
Grants	13,813,525	-	-	13,813,525	18,250,077	-	-	18,250,077
Office expenses	1,935	1,451	1,451	4,837	2,959	2,219	2,219	7,397
Professional fees	6,751	23,627	3,375	33,753	17,949	62,821	8,974	89,744
Telephone and internet	4,899	272	272	5,443	2,813	156	156	3,125
Other expenses	-	-	-	-	2,036	113	113	2,262
Taxes	-	-	-	-	914	51	51	1,016
Travel	8,711	484	484	9,679	162	9	9	180
Project expenses	14,875	-	-	14,875	138,217	-	-	138,217
Website	57,775	-	-	57,775	-	-	-	-
Total expenses	$ 14,046,841	$ 67,537	$ 27,634	$ 14,142,012	$ 18,514,863	$ 93,930	$ 25,827	$ 18,634,620

See accompanying notes to financial statements.

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

Investments

Organization reports investments in equity securities with readily determinable fair values in the statements of financial position at fair value. Investment income is included in the change in net assets as a change in net assets without donor restrictions.

Note 3. Advertising

The Organization uses advertising to promote its program. The advertising costs are expensed as incurred. During the year ended December 31, 2024 and 2023, the advertising costs were $7,555 and $194.

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, 2024 and 2023, the Organization had $8,241,267 and $14,808,184 in purpose restricted donations. Net assets without donor restrictions reflects a negative balance of $5,145,307 and $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, cash equivalent and investments balances at two financial institutions. The Federal Deposit Insurance Corporation (FDIC) insures balances in non-interest bearing and other deposit accounts as an aggregate balance at each financial institution up to $250,000. At December 31, 2024 and 2023, the Organization had $1,436,121 and $14,168,113, respectively, in excess of the FDIC limits.

Note 6. Liquidity and Availability of Financial Assets

The following reflects the Organization's financial assets at December 31, 2024 and 2023, 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:

	2024	*2023*
Financial assets:		
Cash and cash equivalents	$ 1,936,121	$ 14,418,113
Investments	7,340,133	-
Contributions receivable	535,281	1,118,095
Total financial assets	9,811,535	15,536,208
Less those unavailable for general expenditure within one year, due to:		
Assets subject to satisfaction of donor-imposed restrictions for purpose	8,241,267	14,808,184
Financial assets available to meet cash needs for general expenditures within one year	$ 1,570,268	$ 728,024

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. Fair Value Measurements of Investments

Financial Accounting Standards Board Statement ASC 820, Fair Value Measurements, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurement). The three levels of the fair value hierarchy under FASB Statement ASC 820 are described below:

Level 1 — Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 — Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets.
- Quoted prices for identical or similar assets or liabilities in inactive markets.
- Inputs other than quoted prices that are observable for the asset or liability.
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 — Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The assets or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The fair value of investments appearing on the statement of financial position has the following valuation approaches as defined by FASB ASC 820 hierarchy and presented in the following table as of December 31:

	2024	*2023*
Quoted prices in active market for identical assets (Level 1):		
Investments in securities, at fair value	$ 7,340,133	$ -

Note 8. Grants Payable

For the year ended December 31, 2024, grants payable consists the following projects:

Grants	Grant Year	Amount Funded 2023	Amount Funded 2024	Grant Payable 2023	Grant Payable 2024
LIINC PASC Tissue Program: A Multimodal Assessment of the Tissue-based Virologic Drivers of Long COVID	2023	$1,055,193	$ 980,108	$1,944,336	$ 964,228
lymphPASC	2023	675,000	-	675,000	675,000
Long COVID: Using antigen-specific immune cells as biosensors of viral persistence: extending studies of CD8T cells to DC4T cells and B cells	2024	-	431,250	-	431,250
Long COVID HIV Antiviral Trial	2024	-	1,367,457	-	1,259,180
Post SuddenCardiac Death Autopsy Study and COVID-19	2024	-	572,509	-	1,145,553
Molecular identification of persistent viral RNA in vivo (On our website called "Molecular identificaiton of SARS-CoV-2 RNA persistence"	2024	-	263,256	-	311,975
Institut Pasteur SARS-CoV-2 NK persistence project in macaques	2024	-	150,000	-	450,000
Post-Acute Sequelae of COVID-19 (PACS) and Cardiovascular Risk	2024	-	499,906	-	499,906
Whole genome sequencing in patients with severe Long COVID to identify variants associated with restrained antiviral immunity and persistent disease (On our website called "Genetic Variants & Restrained Antiviral Immunity in Severe Long COVID"	2024	-	250,000	-	250,000
Expansion of LIINC to ME/CFS Phase 1	2024	-	212,500	-	363,000
MEGALONG:SARS-CoV-2 persistence and impact on Long COVID megakaryocytes and platelets	2024	-	195,979	-	195,971
Benefits of Interventions to Reduce the Clinical Burden of Long COVID	2024	-	73,000	-	128,000
PolyBio DALY model Katie Bach consulting project	2024	-	20,000	-	40,000
		$1,730,193	$5,015,965	$2,619,336	$6,714,063

Note 9. Related Party

For the year ended December 31, 2024, the Organization has provided $20,000 to a former Board Member for consulting services.

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

Note 10. Concentration of Funders

A significant portion of the Organization's contributions and accounts receivable are from major donors. For the years ended December 31, 2024 and 2023, the concentration of funders are as follows:

	Pecentage of Total Contributions	
	2024	***2023***
Three major donor	89%	86%

	Pecentage of Total Contribution Receivable	
	2024	***2023***
One major donor	93%	89%

Note 11. Subsequent Events

The Organization has evaluated subsequent events through May 13, 2025, 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.