Dystrophic Epidermolysis Bullosa

Research Association of America, Inc.

Financial Statements with Independent Auditor's Report

Years Ended December 31, 2023 and 2022

Dystrophic Epidermolysis Bullosa
Research Association of America, Inc.

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Independent Auditor's Report

To the Board of Directors of
Dystrophic Epidermolysis Bullosa Research Association of America, Inc.
Boulder, Colorado

Opinion

We have audited the accompanying financial statements of Dystrophic Epidermolysis Bullosa Research Association of America, Inc. (a nonprofit organization), 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 Dystrophic Epidermolysis Bullosa Research Association of America, Inc. 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 audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Dystrophic Epidermolysis Bullosa Research Association of America, 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 Dystrophic Epidermolysis Bullosa Research Association of America, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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Auditor's 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 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 Dystrophic Epidermolysis Bullosa Research Association of America, 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 Dystrophic Epidermolysis Bullosa Research Association of America, 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.

Nanavaty, Davenport, Studley & White, LLP

April 5, 2024

Dystrophic Epidermolysis Bullosa Research Association of America, Inc.

Statements of Financial Postion

At December 31,

	2023	2022
Assets		
Cash and cash equivalents	$ 632,300	$ 366,608
Investments	233,174	721,927
Accounts receivable	562,161	468,497
Inventory medical supplies	439,211	436,426
Prepaid expenses	73,626	7,143
Right - of - use asset	-	89,521
Equipment, net	-	231
Total Assets	$ 1,940,472	$ 2,090,353
Liabilities and Net Assets		
Liabilities:		
Accounts payable	$ 85,721	$ 45,751
Accrued expenses	113,653	158,697
Lease liability	-	89,521
Total Liabilities	199,374	293,969
Net Assets:		
Net assets without donor restrictions	1,219,594	1,242,508
Net assets with donor restrictions	521,504	553,876
Total Net Assets	1,741,098	1,796,384
Total Liabilities and Net Assets	$ 1,940,472	$ 2,090,353

The accompanying notes are an integral part of these financial statements.

Dystrophic Epidermolysis Bullosa Research Association of America, Inc.

Statements of Financial Position

For the Years Ended December 31,

	2023	2022
Net Assets without Donor Restrictions		
Revenues and Other Support:		
Special events - revenue	$ 854,565	$ 1,090,629
- benefits to donors	(144,611)	(145,089)
- net of direct benefits to donors	709,954	945,540
Contributions and grants	749,412	1,282,049
In-kind revenue	1,128,042	1,111,130
Investment return, net	54,095	(16,775)
Other	2,639	11,126
Total Revenues and Other Support	2,644,142	3,333,070
Net Assets Released from Restrictions	32,372	4,125
Total Revenues and Other Support	2,676,514	3,337,195
Expenses:		
Program services	2,478,485	2,870,109
Management and general	73,647	93,574
Fundraising	147,296	187,149
Total Expenses	2,699,428	3,150,832
Change in Net Assets without Donor Restrictions	(22,914)	186,363
Net Assets with donor restrictions:		
Contributions	-	6,425
Net assets released from restrictions	(32,372)	(4,125)
Change in Net Assets with Donor Restrictions	(32,372)	2,300
Change in Net Assets	(55,286)	188,663
Net Assets, January 1,	1,796,384	1,607,721
Net Assets, December 31,	$ 1,741,098	$ 1,796,384

The accompanying notes are an integral part of these financial statements.

Dystrophic Epidermolysis Bullosa Research Association of America, Inc.

Statements of Cash Flows

For the Years Ended December 31,

	2023	2022
Cash Flows from Operating Activities:		
Change in net assets	$ (55,286)	$ 188,663
Adjustments to reconcile change in net assets		
to net cash used in operating activities:		
Depreciation	231	2,818
Donated securities	-	(2,562)
Net realized and unrealized (gain) loss on investments	(39,323)	17,497
Change in donated inventory	(2,785)	69,110
	(97,163)	275,526
Changes in assets and liabilities:		
Decrease (increase) in:		
Accounts receivable	(93,664)	(205,732)
Prepaid expense	(66,483)	913
	(160,147)	(204,819)
Increase (decrease) in:		
Accounts payable and accrued expenses	(5,074)	(119,399)
Deferred revenues	-	(35,210)
	(5,074)	(154,609)
Net cash used in operating activities	(262,384)	(83,902)
Cash Flows from Investing Activities:		
Sale (purchase) of investments	528,076	(722)
Net cash provided by (used) in investing activities	528,076	(722)
Net increase (decrease) in cash and cash equivalents	265,692	(84,624)
Cash and cash equivalents at beginning of year	366,608	451,231
Cash and cash equivalents at end of year	$ 632,300	$ 366,608

The accompanying notes are an integral part of these financial statements.

Dystrophic Epidermolysis Bullosa Research Association of America, Inc.

Statement of Functional Expenses

For the Year Ended December 31, 2023

	PROGRAM SERVICES					SUPPORT SERVICES		
	Public and Professional Education	**Patient and Family Services**	**Advocacy**	**Research**	**Total**	**Management and General**	**Fundraising**	**Total Expenses**
Salaries	$ 167,243	$ 434,832	$ 25,086	$ 83,622	$ 710,783	$ 41,811	$ 83,622	$ 836,216
Payroll taxes	12,525	32,564	1,879	6,262	53,230	3,131	6,262	62,623
Fringe benefits	26,105	67,874	3,916	13,053	110,948	6,526	13,053	130,527
Professional fees	23,070	59,981	3,460	11,535	98,046	5,767	11,535	115,348
Telephone	2,546	6,619	382	1,273	10,820	636	1,273	12,729
Office supplies	9,562	24,861	1,434	4,781	40,638	2,391	4,781	47,810
Insurance	6,070	15,781	910	3,035	25,796	1,517	3,035	30,348
Travel	10,497	27,293	1,575	5,249	44,614	2,624	5,249	52,487
Printing	539	1,401	81	270	2,291	135	270	2,696
Assistance	-	132,327	-	-	132,327	-	-	132,327
Dues and subscriptions	735	1,911	110	368	3,124	184	368	3,676
Fees	943	2,452	141	472	4,008	236	472	4,716
In-kind legal services	6,525	16,964	979	3,262	27,730	1,631	3,262	32,623
In-kind medical supplies	-	1,094,100	-	-	1,094,100	-	-	1,094,100
Advertising	1,307	3,399	196	654	5,556	327	654	6,537
Bank charges	812	2,110	122	406	3,450	203	406	4,059
Equipment	1,530	3,979	230	765	6,504	383	765	7,652
Depreciation expense	46	120	7	23	196	12	23	231
Miscellaneous	3,125	8,189	468	1,563	13,345	781	1,563	15,689
Occupancy	21,407	55,658	3,211	10,703	90,979	5,352	10,703	107,034
Total Expenses	$ 294,587	$ 1,992,415	$ 44,187	$ 147,296	$ 2,478,485	$ 73,647	$ 147,296	$ 2,699,428

The accompanying notes are an integral part of these financial statements.

Statement of Functional Expenses

For the Year Ended December 31, 2022

	PROGRAM SERVICES					SUPPORT SERVICES		
	Public and Professional Education	**Patient and Family Services**	**Advocacy**	**Research**	**Total**	**Management and General**	**Fundraising**	**Total Expenses**
Salaries	$ 153,422	$ 398,896	$ 23,013	$ 76,711	$ 652,042	$ 38,355	$ 76,711	$ 767,108
Payroll taxes	11,642	30,270	1,746	5,821	49,479	2,911	5,821	58,211
Fringe benefits	25,860	67,235	3,879	12,930	109,904	6,465	12,930	129,299
Professional fees	13,640	35,463	2,046	6,820	57,969	3,410	6,820	68,199
Telephone	3,386	8,804	508	1,693	14,391	847	1,693	16,931
Office supplies	10,557	27,448	1,584	5,279	44,868	2,639	5,279	52,786
Insurance	5,269	13,700	790	2,635	22,394	1,317	2,635	26,346
Postage	87	226	13	43	369	22	43	434
Travel	28,614	74,397	4,292	14,307	121,610	7,154	14,307	143,071
Printing	8,003	20,807	1,200	4,001	34,011	2,001	4,001	40,013
Assistance	-	120,443	-	-	120,443	-	-	120,443
Dues and subscriptions	2,609	6,784	391	1,305	11,089	652	1,305	13,046
Fees	1,151	2,992	173	575	4,891	288	575	5,754
In-kind legal services	4,574	11,892	686	2,287	19,439	1,143	2,287	22,869
In-kind medical supplies	-	1,158,905	-	-	1,158,905	-	-	1,158,905
Advertising	4,345	11,296	652	2,172	18,465	1,086	2,172	21,723
Bank charges	985	2,561	148	493	4,187	246	493	4,926
Conferences/meetings	77,405	201,254	11,611	38,703	328,973	19,351	38,703	387,027
Equipment	1,486	3,864	223	743	6,316	372	744	7,432
Depreciation expense	564	1,465	85	282	2,396	141	281	2,818
Miscellaneous	345	896	52	172	1,465	86	172	1,723
Occupancy	20,354	52,919	3,053	10,177	86,503	5,088	10,177	101,768
Total Expenses	$ 374,298	$ 2,252,517	$ 56,145	$ 187,149	$ 2,870,109	$ 93,574	$ 187,149	$ 3,150,832

The accompanying notes are an integral part of these financial statements.

Notes to Financial Statements

Note 1 - Organization

The Dystrophic Epidermolysis Bullosa Research Association of America, Inc. (D.E.B.R.A.) was incorporated as a nonprofit, publicly supported corporation on January 24, 1979 under the laws of the State of New York. D.E.B.R.A. was formed to promote and support research regarding dystrophic epidermolysis bullosa, and to disseminate information to, and serve as an advocate for, those afflicted with this disease as well as their families, the general public and health professionals.

Note 2 - Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Basis of Presentation

The financial statements of D.E.B.R.A. comply with the Financial Statements of Not-for-Profit Organizations topic of the FASB Codification. Under this topic, D.E.B.R.A. reports information regarding it financial position and activities according to the following net assets classifications:

> **Net assets without donor restrictions** – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of D.E.B.R.A.'S management and Board of Directors.
>
> **Net assets with donor restrictions** – Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of D.E.B.R.A. or by the passage of time. Other donor restrictions are perpetual in nature, where-by the donor has stipulated the funds be maintained in perpetuity.
>
> Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

At December 31, 2023, D.E.B.R.A. had $521,504 of net assets with donor restrictions ($553,876 at December 31, 2022).

Note 2 - Summary of Significant Accounting Policies (continued)

Revenue and Revenue Recognition

D.E.B.R.A 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 are met.

Unconditional contributions are recognized as revenues or gains in the period received and as assets or decreases of liabilities or expenses, depending on the form of the benefit received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value, while those expected to be collected in future years are recorded at the present value of the expected future receipts.

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions. Support that is restricted by the donor is reported as an increase in net assets without donor restriction if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction (i.e., when a time or purpose restriction is met), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Cash and Cash Equivalents

For financial statement purposes, D.E.B.R.A. considers funds in demand deposits, certificates of deposit, money market funds and all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Accounts Receivable

Accounts receivable balances include amounts to D.E.B.R.A. from various fund rasing events and contributions from individuals, corporations and foundations. Management has not provided an allowance for doubtful accounts. Management believes all amounts are fully collectible from the funding sources and has not established an allowance for potential losses.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements. They also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Notes to Financial Statements

Note 2 - Summary of Significant Accounting Policies (continued)

Equipment

Equipment is recorded at cost when purchased and fair value when donated. Depreciation is computed using the straight-line method over the estimated useful lives of 3 – 7 years of the respective assets. All expenditures for equipment in excess of $1,000 and a useful life greater than one year are capitalized.

Income Taxes

The Dystrophic Epidermolysis Bullosa Research Association of America, Inc. is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. A ruling from the Internal Revenue Service has determined that D.E.B.R.A. will be treated as a publicly supported organization, and not a private foundation. This qualifies D.E.B.R.A. for the 50% charitable contribution deduction for individual donors. Consequently, the accompanying financial statements do not include any provision for income taxes.

D.E.B.R.A. recognizes the effect of tax positions only when they are more than likely than not of being sustained. Management has determined that D.E.B.R.A. had no uncertain tax positions that qualify for either recognition or disclosure in the financial statements. In the normal course of business, D.E.B.R.A.'s tax filings are subject to examination by federal and state authorities. The tax returns for the years ended December 31, 2020 and forward are subject to examination by taxing authorities.

Functional Expenses

D.E.B.R.A. allocates expenses on a functional basis among programs and support services. Expenses that can be specifically identified are charged directly to the related program or support service. Other expenses that are common to several functions are allocated based on estimates made by management.

Compensated Absences

D.E.B.R.A.'s accounting for compensated absences conforms to generally accepted accounting principles and recognizes vacation pay when earned. Accrued vacation was $-0- at December 31, 2023 and 2022, respectively.

Note 2 - Summary of Significant Accounting Policies (continued)

Investments

Investments in equity securities with readily determinable fair market values and all investments in debt instruments are reported at fair value in the statement of financial position. Realized gains or losses and unrealized appreciation or depreciation are reflected in the accompanying statement of activities. If received as a donation, the investment is stated at fair value at the date of donation.

Investments in non-publicly traded equity securities are valued based on initial purchase price, recent venture financings, the existence of any contractual or legal restrictions, financial information for public comparable companies, information obtained from the company, the financial condition and operating results of the company or other factors and are categorized as Level 3 securities. Due to the inherent uncertainty of valuing such investments, the values which will be ultimately realized through future transactions may differ significantly from the carrying value of such investments.

Inventory – Medical Supplies

D.E.B.R.A. receives various medical supplies (bandages, creams, ointments) from families affected with E.B. and various medical companies. The medical supplies represent items received by these families that are either no longer needed or incompatible with treating E.B. for the child. D.E.B.R.A. values the donated supplies based on published prices of major medical suppliers.

Reclassifications

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

Concentration of Credit Risk

Cash and cash equivalents - D.E.B.R.A. places its cash deposits with high credit-quality financial institutions. Such deposits may exceed federal depository insurance limits at times during the year. However, management believes that these deposits are not subject to significant credit risk. The money market funds held in brokerage accounts is not protected by federal depository insurance.

Investments – D.E.B.R.A.'s investments are comprised of various common and preferred stocks. The value of these investments is subject to fluctuations due to general market conditions and interest rates.

Note 2 - Summary of Significant Accounting Policies (continued)

Leases - In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, which supersedes existing guidance for accounting for leases. The most significant change in the new leasing guidance is the requirement to recognize right-to-use (ROU) assets and lease liabilities for operating leases on the statement of financial position.

The Organization elected to adopt these ASUs effective January 1, 2022. The most significant impact was the recognition of an ROU asset of $89,521 and a lease liability of $89,521 for it operating lease for office space at December 31, 2022

Subsequent Events

Management has evaluated events and transactions subsequent to December 31, 2023, through April 5, 2024, the date the financial statements were available to be issued. There were no subsequent events that require disclosure.

Note 3 - Equipment, Net

Equipment, net is summarized as follows at December 31:

	2023	2022
Equipment	$ 44,082	$ 44,082
Less accumulated depreciation	(44,082)	(43,851)
Equipment, net	$ -0-	$ 231

Note 4 - Inventory

The value of donated medical supplies is based on published prices of major medical suppliers. Inventory consists of bandages, creams, ointments and dressings. The value of the donated medical supplies inventory at December 31, 2023 and 2022 was $439,211 and $436,426 respectively.

Note 5 - Donated Services, Materials, Facilities

D.E.B.R.A. receives donated services from a variety of unpaid volunteers. No amounts have been recognized in the accompanying statement of activities because the criteria for recognition of such volunteer effort under ASC 958 have not been satisfied. The contributions of services are recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. The value of donated legal services and medical supplies and other professional services was $1,128,042 for the year ended December 31, 2023 and $1,111,130 for the year ended 2022. The medical supplies were distributed directly to the families of children afflicted with the disease.

Note 6 - Net Assets with donor restrictions

D.E.B.R.A. has received funds from E.B. support groups, corporations, and individuals who have designated their funds to a specific program or purpose. These funds are to be used for the education and outreach programs of local support groups, Family Crisis Fund, Wound Care, Nurse Assistance, New Family Advocate Program, Research, and the dissemination of information concerning the disease E.B. Net assets with donor restrictions were as follows at December 31:

	2023	2022
Programs and E.B. Support Groups	$ 521,504	$ 553,876

Note 7 - Fair Value Measurements

The Financial Accounting Standards Board ("FASB") Topic 820, under the FASB Accounting Standards Codification ("ASC") defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. This standard provides a consistent definition of fair value, which focuses on an exit price between market participants in an orderly transaction. The standard also prioritizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that observable inputs be used when available.

Observable inputs are inputs that market participants would use in pricing the respective asset or liability based on market data obtained from independent sources. Unobservable inputs reflect assumptions that market participants would use in pricing the asset or liability based on the best information available in the circumstances. The hierarchy is categorized into three levels based on the transparency of inputs as follows:

Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the report date. A quoted price for an identical asset or liability in an active market provides the most reliable fair value measurement because it is directly observable to the market.

Level 2 - Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the report date. The nature of these securities includes investments for which quoted prices are available but traded less frequently and investments that are fair valued using other securities, the parameters of which can be directly observed. Also included in Level 2 are investments measured using a net asset value ("NAV") per share, or its equivalent, that may be redeemed at NAV at the date of the statement of financial position or in the near term, which D.E.B.R.A. has determined to be within 90 days.

Note 7 - Fair Value of Financial Measurements (continued)

Level 3 - Investments that have little to no pricing observability as of the report date. These investments are measured using management's best estimate of fair value, where the inputs into the determination of fair value are not observable and require significant management judgment or estimation.

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, volatility statistics, specific and broad credit data, liquidity statistics, and other factors. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. However, the determination of what constitutes "observable" requires significant judgment by D.E.B.R.A. D.E.B.R.A. considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The categorization of a financial instrument within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to D.E.B.R.A.s' perceived risk of that instrument.

D.E.B.R.A.s' policy is to recognize transfers in and transfers out of levels at the end of the reporting period.

The following is a description of the valuation methodologies used for assets measured at fair value:

Exchange Traded Funds, Common Stocks and Mutual Funds – These items are valued at the closing price reported in the active market in which the individual securities are traded.

There have been no changes in the methodologies used at December 31, 2023 and 2022.

Notes to Financial Statements

Note 7 - Fair Value of Financial Measurements (continued)

Assets Measured at Fair-Value on a Recurring Basis – The following is a summary of the source of fair-value measurements for assets that are measured at fair-value on a recurring basis as of December 31:

	2023 Level 1	2022 Level 1
Cash	$ 13,571	$ 541,748
Equities	219,603	180,179
	$ 233,174	$ 721,927

Note 8 - Liquidity and Availability of Financial Assets

The following represents D.E.B.R.A.'s financial assets at December 31,:

D.E.B.R.A.'s goal is generally to maintain financial assets by receiving support from various sources including individual, corporate, foundation and Board contributions, as well as income from investment sources.

	2023	2022
Financial Assets at year end:		
Cash and cash equivalents	$ 632,300	$ 366,608
Investments	233,174	471,927
Accounts receivable	562,161	468,497
Total Financial assets	1,427,635	1,307,032
Less amounts not available to be within one year		
Net assets with donor restrictions	521,504	553,876
Financial assets available to meet general expenditures over the next twelve months	$ 906,131	$ 753,156

Notes to Financial Statements

Note 9 - Lease Activity

D.E.B.R.A. has an operating lease for office space in New York City, New York. The lease began on May 15, 2022 and has a remaining lease term of 1 year. D.E.B.R.A. elected to use the risk-free interest rate of 3.53%, which was in place at January 1, 2022.

D.E.B.R.A. terminated its lease in New York City on December 31, 2023. The right – of – use asset and lease liability was written of upon the termination of the lease.

Note 10 – New Accounting Standard

In June 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* ("ASU 2016-13" or "ASC 326"). ASU 2016-13 revises the accounting requirements related to the measurement of credit losses and requires organizations to measure all expected credit losses for financial assets based on historical experience, current conditions, and reasonable and supportable forecasts about collectability. Assets must be presented in the financial statements at the net amount expected to be collected. The FASB has subsequently issued additional ASUs amending certain aspects of ASU 2016-13.

On January 1, 2023, D.E.B.R.A. adopted the new accounting standard and all of the related amendments using the modified retrospective method. The adoption of the new CECL guidance had no impact on the allowance for credit losses or the opening fund balances. Results for reporting periods beginning after January 1, 2023, are presented under ASC 326. The comparative information has not been restated and continues to be reported under the accounting standards in effect in those reporting periods. D.E.B.R.A. does not expect ASC 326 to have a significant impact on its financial condition or results of operations on an ongoing basis.