Dystrophic Epidermolysis Bullosa Research Association of America, Inc.

Financial Statements with Independent Auditor's Report

Years Ended December 31, 2024 and 2023

Dystrophic Epidermolysis Bullosa
Research Association of America, Inc.

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Independent Auditor's Report

The Board of Directors
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, 2024 and 2023, 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, 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 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 24, 2025

Dystrophic Epidermolysis Bullosa Research Association of America, Inc.

Statements of Financial Position

At December 31,

	2024	2023
Assets		
Cash and cash equivalents	$ 959,967	$ 632,300
Investments	-	233,174
Contributions receivable	16,671	437,161
Accounts receivable	2,500	125,000
Inventory - medical supplies	365,551	439,211
Prepaid expenses	25,073	73,626
Total Assets	$ 1,369,762	$ 1,940,472
Liabilities and Net Assets		
Liabilities:		
Accounts payable	$ 26,223	$ 85,721
Accrued expenses	72,638	83,653
Advance from a related party	5,400	30,000
Deferred revenue	5,039	-
Total Liabilities	109,300	199,374
Net Assets:		
Net assets without donor restrictions	703,476	1,175,248
Net assets with donor restrictions	556,986	565,850
Total Net Assets	1,260,462	1,741,098
Total Liabilities and Net Assets	$ 1,369,762	$ 1,940,472

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

Dystrophic Epidermolysis Bullosa Research Association of America, Inc.

Statements of Activities

Years Ended December 31,

	2024	2023
Net Assets Without Donor Restrictions		
Revenues and Other Support:		
Contributions and grants	$ 1,408,008	$ 749,412
In-kind contributions, at fair value	1,099,484	1,152,998
Special events - revenue (net of direct benefits to donors of $278,559 and $144,611)	651,575	709,954
Investment return, net	(22,071)	54,095
Other	13,808	2,639
	3,150,804	2,669,098
Net Assets Released from Restrictions	8,864	32,372
Total Revenues and Other Support	3,159,668	2,701,470
Expenses:		
Program services	3,261,310	2,499,698
Management and general	137,876	74,894
Fundraising	232,254	149,792
Total Expenses	3,631,440	2,724,384
Change in Net Assets Without Donor Restrictions	(471,772)	(22,914)
Net Assets With Donor Restrictions:		
Net assets released from restrictions	(8,864)	(32,372)
Change in Net Assets With Donor Restrictions	(8,864)	(32,372)
Total Change in Net Assets	(480,636)	(55,286)
Net Assets - beginning of the year	1,741,098	1,796,384
Net Assets - end of the year	$ 1,260,462	$ 1,741,098

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

Dystrophic Epidermolysis Bullosa Research Association of America, Inc.

Statement of Functional Expenses

Year Ended December 31, 2024

	PROGRAM SERVICES					SUPPORT SERVICES		
	Public and Professional Education	**Patient and Family Services**	**Advocacy**	**Research**	**Total**	**Management and General**	**Fundraising**	**Total Expenses**
In-kind medical supplies	$ -	$ 1,114,136	$ -	$ -	$ 1,114,136	$ -	$ -	$ 1,114,136
Salaries	188,240	489,423	28,236	94,120	800,019	47,060	94,120	941,199
Conferences/meetings	141,871	368,865	21,281	70,936	602,953	35,468	70,936	709,357
Assistance	-	173,011	-	-	173,011	-	-	173,011
Fringe benefits	29,340	76,284	4,401	14,670	124,695	7,335	14,670	146,700
Payroll taxes	14,020	36,452	2,103	7,010	59,585	3,505	7,010	70,100
Advertising	12,609	32,783	1,891	6,304	53,587	3,152	6,304	63,043
Office supplies	11,879	30,886	1,782	5,940	50,487	2,970	5,940	59,397
Occupancy	11,869	30,860	1,780	5,935	50,444	2,967	5,935	59,346
In-kind professional services	11,806	30,696	1,771	5,903	50,176	2,952	5,903	59,031
Travel	11,050	28,729	1,657	5,525	46,961	2,762	5,525	55,248
Professional fees	9,268	24,097	1,390	4,634	39,389	2,317	4,634	46,340
Printing	8,244	21,435	1,237	4,122	35,038	2,061	4,122	41,221
Insurance	5,465	14,208	820	2,732	23,225	1,366	2,732	27,323
Bad debt expense	-	-	-	-	-	21,750	-	21,750
Bank charges	2,901	7,543	435	1,450	12,329	725	1,450	14,504
Telephone	1,892	4,920	284	946	8,042	473	946	9,461
Equipment	1,412	3,671	212	706	6,001	353	706	7,060
Miscellaneous	1,281	3,330	192	640	5,443	320	640	6,403
Fees	1,096	2,849	164	548	4,657	274	548	5,479
Dues and subscriptions	257	667	39	128	1,091	64	128	1,283
Postage	10	25	1	5	41	2	5	48
Total Expenses	$ 464,510	$ 2,494,870	$ 69,676	$ 232,254	$ 3,261,310	$ 137,876	$ 232,254	$ 3,631,440

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

Dystrophic Epidermolysis Bullosa Research Association of America, Inc.

Statement of Functional Expenses

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**
In-kind medical supplies	$ -	$ 1,094,100	$ -	$ -	$ 1,094,100	$ -	$ -	$ 1,094,100
Salaries	167,243	434,832	25,086	83,622	710,783	41,811	83,622	836,216
Assistance	-	132,327	-	-	132,327	-	-	132,327
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
Occupancy	21,407	55,658	3,211	10,703	90,979	5,352	10,703	107,034
Payroll taxes	12,525	32,564	1,879	6,262	53,230	3,131	6,262	62,623
In-kind professional services	11,516	29,942	1,727	5,758	48,943	2,878	5,758	57,579
Travel	10,497	27,293	1,575	5,249	44,614	2,624	5,249	52,487
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
Miscellaneous	3,125	8,189	468	1,563	13,345	781	1,563	15,689
Telephone	2,546	6,619	382	1,273	10,820	636	1,273	12,729
Equipment	1,530	3,979	230	765	6,504	383	765	7,652
Advertising	1,307	3,399	196	654	5,556	327	654	6,537
Fees	943	2,452	141	472	4,008	236	472	4,716
Bank charges	812	2,110	122	406	3,450	203	406	4,059
Dues and subscriptions	735	1,911	110	368	3,124	184	368	3,676
Printing	539	1,401	81	270	2,291	135	270	2,696
Depreciation expense	46	120	7	23	196	12	23	231
Total Expenses	$ 299,578	$ 2,005,393	$ 44,935	$ 149,792	$ 2,499,698	$ 74,894	$ 149,792	$ 2,724,384

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

Dystrophic Epidermolysis Bullosa Research Association of America, Inc.

Statements of Cash Flows

Years Ended December 31,

	2024	2023
Cash Flows from Operating Activities:		
Change in net assets	$ (480,636)	$ (55,286)
Adjustments to reconcile change in net assets		
to net cash provided by (used in) operating activities:		
Depreciation	-	231
Net realized and unrealized loss (gain) on investments	22,071	(39,323)
Change in donated inventory - medical supplies	73,683	(2,785)
Changes in assets and liabilities:		
Decrease (increase) in:		
Contributions receivable	420,490	-
Accounts receivable	122,500	(93,664)
Inventory - medical supplies	(23)	-
Prepaid expense	48,553	(66,483)
Prepaid expense		
Accounts payable	(59,498)	39,970
Accrued expenses	(11,015)	(75,044)
Advance from a related party	(24,600)	30,000
Deferred revenues	5,039	-
Net cash provided by (used in) operating activities	116,564	(262,384)
Cash Flows from Investing Activities:		
Sale of investments, net	211,103	528,076
Net cash provided by investing activities	211,103	528,076
Net increase in cash and cash equivalents	327,667	265,692
Cash and cash equivalents at beginning of year	632,300	366,608
Cash and cash equivalents at end of year	$ 959,967	$ 632,300

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

Notes to the 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

1. Basis of Accounting and Presentation

The financial statements of D.E.B.R.A. have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Accordingly, the accounts of D.E.B.R.A. are reported in the following net assets categories:

> **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 expended or designated 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.

2. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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. Actual results could differ from those estimates.

3. Cash and Cash Equivalents

Cash and cash equivalents are defined as highly liquid instruments purchased with an original maturity of three months or less. Cash and cash equivalents with investment brokers are reported as investments.

Note 2 - Summary of Significant Accounting Policies (continued)

4. Investment Valuation and Income Recognition

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See NOTE 5 for a discussion of fair value measurements. Purchases and sales of securities are recorded on the ex-dividend date. Interest income is recorded on an accrual basis. Dividends are recorded on the ex-dividend date. Realized and unrealized gains include gains and losses on investments bought and sold as well as held during the year.

5. Accounts Receivable

Accounts receivable represent program and event sponsorships, and other charges earned but not yet collected. As a result of adoption of ASC 326, *Financial Instruments – Credit Losses: Measurement of Credit Losses on Financial Instruments* D.E.B.R.A. changed its methodology of determining the allowance for credit losses which was based on a combination of write-off history, aging analysis and any specific known troubled accounts, with a methodology that reflects expected credit losses and requires the use of a forward-looking expected credit loss rate for its receivables. D.E.B.R.A. writes off uncollectible receivables once collection efforts have been exhausted. Management has determined that an allowance for credit losses is not required for December 31, 2024 and 2023, respectively.

6. Inventory

D.E.B.R.A. receives various medical supplies (bandages, creams, ointments) from families affected with Epidermolysis Bullosa and various medical companies. The medical supplies represent items received by these families that are either no longer needed or incompatible with treating Epidermolysis Bullosa for the child. D.E.B.R.A. records these contributed supplies at their fair market value at the date of receipt based on published prices of major medical suppliers.

7. Revenue and Revenue Recognition

Contributions are recognized 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 condition on which they depend has been met.

Contributions receivable that are expected to be collected in more than one year are discounted to their present value. An allowance for uncollectible contributions receivable is provided in the net asset category in which the contribution receivable resides based on an assessment of the credit worthiness of the respective donor, when deemed necessary.

Note 2 - Summary of Significant Accounting Policies (continued)

D.E.B.R.A. reports contributions of cash and other assets as restricted support if they are received with donor stipulations that limit their use. When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets released from restrictions. Contributions received whose restrictions are met in the same period are recognized as net assets without donor restrictions.

D.E.B.R.A.s' policy related to gifts-in-kind is to utilize the assets given to carry out the mission of the organization. If an asset is provided that does not allow D.E.B.R.A. to utilize it in its normal course of business, the asset will be sold at its fair market value as determined by appraisal or specialist depending on the type of asset. All gifts-in-kind received by D.E.B.R.A. have been recognized in the financial statements and were considered to be without donor restrictions and able to be used by the organization as determined by its management.

Contributed services are recognized in the financial statements if they enhance non-financial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. While many individuals volunteer their time, and perform a variety of tasks that assist D.E.B.R.A., no amounts have been recognized in the accompanying financial statements for such services because the criteria for recognition of such volunteer efforts have not been met.

8. 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, 2021 and forward are subject to examination by taxing authorities.

9. Functional Expenses and Cost Allocation

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.

Note 2 - Summary of Significant Accounting Policies (continued)

10. 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. D.E.B.R.A. adopted this ASU effective January 1, 2022.

11. Reclassifications

Certain amounts in the prior year's financial statements have been reclassified for comparative purposes to conform with the presentation in the current year's financial statements. These reclassifications have no effect on previously report change in net assets.

12. Subsequent Events

Management has evaluated events and transactions through April 24, 2025, the date the financial statements were available to be issued. There were no subsequent events that require disclosure.

Note 3 - Concentrations and Risks

Cash and Cash Equivalents – D.E.B.R.A. maintains its cash and cash equivalents in one financial institution. The balances are insured by the Federal Deposit Insurance Corporation at each institution up to $250,000. The balances may at times during the year exceed the FDIC limit; however, D.E.B.R.A. does not believe that there is any significant credit risk due to the credit worthiness of the financial institution.

Contributions Receivable – Contributions receivable are generally from donors who have previously contributed to D.E.B.R.A., and, therefore, management considers the pledges to represent minimal credit risk. An allowance for uncollectible contributions receivable, if applicable, is provided in the net asset category in which the contribution receivable resides based on an assessment of the credit worthiness of the respective donor.

Accounts receivable – Concentrations of credit risk with respect to receivables are generally diversified due to the number of organizations comprising D.E.B.R.A.'s accounts. D.E.B.R.A. performs ongoing credit evaluations and writes off uncollectible amounts as they become known.

Investments – D.E.B.R.A.'s investments include a diversified portfolio of holdings managed by professional investment advisors, designed to minimize market concentration risks.

Note 4 - Liquidity and Availability of Financial Assets

D.E.B.R.A.'s financial assets available within one-year of December 31 for general expenditures are as follows:

	2024	2023
Financial Assets at year end:		
Cash and cash equivalents	$ 959,967	$ 632,300
Investments	-	233,174
Contributions receivable	16,671	437,161
Accounts receivable	2,500	125,000
Total Financial assets	979,138	1,427,635
Less amounts not available to be within one year:		
Net assets with donor restrictions	(556,986)	(565,850)
Financial assets available to meet general expenditures over the next twelve months	$ 422,152	$ 861,785

Liquidity Management

D.E.B.R.A. maintains a policy of structuring their financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition to financial assets available to meet general expenditures over the next 12 months, D.E.B.R.A. operates within a balanced budget and anticipates sufficient revenue to cover general expenditures.

Note 5 - 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:

Note 5 - Fair Value of Financial Measurements (continued)

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.

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, 2024 and 2023.

Note 5 - 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 (All Level 1):

	2023 (Level 1)
Cash funds	$ 13,571
Equities	219,603
	$ 233,174

Note 6 - Donated Inventory and Services

D.E.B.R.A. receives donated medical supply inventory and professional services to assist in achieving its mission. Total medical supplies and other in-kind contributions of services were $1,099,484 and $1,152,998 for the years ended December 31, 2024 and 2023, respectively. All non-cash contributions have been recorded at their fair market value at the date of donation.

Numerous volunteers have donated significant amounts of time to D.E.B.R.A.'s operations and program services, no amounts have been reflected in the financial statements for such services because the criteria for recognition of such volunteer efforts have not been met.

Note 7 - Net Assets With Donor Restrictions

D.E.B.R.A. has received funds from Epidermolysis Bullosa 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 Epidermolysis Bullosa. Net assets with donor restrictions were as follows at December 31:

	2024	2023
Programs and E.B. Support Groups	$ 556,986	$ 565,850

Note 8 - Related Party Transaction

During 2023, D.E.B.R.A. received an advance of funds from its Executive Director of $30,000. The advance was non-interest bearing and has no repayment terms. During 2024, $24,600 of the advance was repaid.

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 were written off upon the termination of the lease.