



Dystrophic Epidermolysis Bullosa

Research Association of America, Inc.

Financial Statements with Independent Auditor's Report

December 31, 2021 and 2020

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.
New York, New York

Opinion

We have audited the accompanying financial statements of Dystrophic Epidermolysis Bullosa Research Association of America, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021 and 2020, 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, 2021 and 2020, 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.

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, 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 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

March 14, 2022

Statements of Financial Position

At December 31,

	<u>2021</u>	<u>2020</u>
<u>Assets</u>		
Cash and cash equivalents	\$ 451,231	\$ 651,965
Investments	986,140	1,083,049
Accounts receivable	262,765	527,541
Inventory medical supplies	505,536	648,724
Prepaid expenses	8,056	58,958
Equipment, net	3,049	6,248
Total Assets	<u>\$ 2,216,777</u>	<u>\$ 2,976,485</u>
<u>Liabilities and Net Assets</u>		
<u>Liabilities:</u>		
Accounts payable	\$ 99,540	\$ 9,270
Accrued expenses	224,306	312,314
Deferred revenue	35,210	-
Total Liabilities	<u>359,056</u>	<u>321,584</u>
<u>Net Assets:</u>		
Net assets without donor restrictions	1,306,145	2,107,054
Net assets with donor restrictions	551,576	547,847
Total Net Assets	<u>1,857,721</u>	<u>2,654,901</u>
Total Liabilities and Net Assets	<u>\$ 2,216,777</u>	<u>\$ 2,976,485</u>

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

Statements of Financial Position

For the Years Ended December 31,

	<u>2021</u>	<u>2020</u>
Net Assets without Donor Restrictions		
Revenues and Other Support:		
Special events - revenue	\$ 849,094	\$ 1,032,492
- expenses	<u>(749,678)</u>	<u>(99,635)</u>
- net	99,416	932,857
Contributions and grants	828,596	936,305
Small Business Administration	164,990	-
In-kind revenue	984,716	495,605
Investment return, net	(115,034)	139,735
Other	<u>5,949</u>	<u>5,640</u>
Total Revenues and Other Support	1,968,633	2,510,142
Net Assets Released from Restrictions	<u>6,321</u>	<u>263,800</u>
Total Revenues and Other Support	<u>1,974,954</u>	<u>2,773,942</u>
Expenses:		
Program Services	2,531,994	1,749,213
Management and general	81,291	67,140
Fundraising	<u>162,578</u>	<u>134,286</u>
Total Expenses	<u>2,775,863</u>	<u>1,950,639</u>
Change in Net Assets without Donor Restrictions	(800,909)	823,303
Net Assets with donor restrictions:		
Contributions	10,050	-
Net assets released from restrictions	<u>(6,321)</u>	<u>(263,800)</u>
Change in Net Assets with Donor Restrictions	<u>3,729</u>	<u>(263,800)</u>
Change in Net Assets	<u>(797,180)</u>	<u>559,503</u>
Net Assets, January 1,	<u>2,654,901</u>	<u>2,095,398</u>
Net Assets, December 31,	<u>\$ 1,857,721</u>	<u>\$ 2,654,901</u>

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

Statements of Cash Flows

For the Years Ended December 31,

	<u>2021</u>	<u>2020</u>
Cash Flows from Operating Activities:		
Change in net assets	\$ (797,180)	\$ 559,503
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Add: Depreciation	3,199	2,968
Net realized and unrealized loss (gain) on investments	115,821	(139,359)
Change in donated inventory	143,189	(181,206)
	<u>(534,971)</u>	<u>241,906</u>
Changes in assets and liabilities:		
Decrease (increase) in:		
Accounts receivable	264,776	(522,182)
Prepaid expense	50,902	(20,388)
	<u>315,678</u>	<u>(542,569)</u>
Increase (decrease) in:		
Accounts payable and accrued expenses	2,261	107,513
Deferred revenues	35,210	(97,611)
	<u>37,471</u>	<u>9,902</u>
Net cash used in operating activities	<u>(181,822)</u>	<u>(290,761)</u>
Cash Flows from Investing Activities:		
Purchase of investments	(18,912)	(28,898)
Purchase of fixed assets	-	(1,187)
Net cash used in investing activities	<u>(18,912)</u>	<u>(30,085)</u>
Net decrease in cash and cash equivalents	(200,734)	(320,846)
Cash and cash equivalents at beginning of year	651,965	972,811
Cash and cash equivalents at end of year	<u>\$ 451,231</u>	<u>\$ 651,965</u>

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, 2021

	PROGRAM SERVICES					SUPPORT SERVICES		Total Expenses
	Public and Professional Education	Patient and Family Services	Advocacy	Research	Total	Management and General	Fundraising	
Salaries	\$ 175,060	\$ 455,157	\$ 26,259	\$ 87,530	\$ 744,006	\$ 43,765	\$ 87,530	\$ 875,301
Payroll taxes	15,118	39,306	2,268	7,559	64,251	3,779	7,559	75,589
Fringe benefits	28,274	73,511	4,241	14,137	120,163	7,068	14,137	141,368
Professional fees	21,880	56,887	3,282	10,940	92,989	5,470	10,940	109,399
Telephone	5,196	13,511	779	2,598	22,084	1,299	2,598	25,981
Office supplies	10,478	27,243	1,572	5,239	44,532	2,620	5,239	52,391
Insurance	13,549	35,227	2,032	6,774	57,582	3,387	6,774	67,743
Postage	466	1,213	70	233	1,982	117	233	2,332
Travel	15,388	40,009	2,308	7,694	65,399	3,847	7,694	76,940
Printing	3,014	7,837	452	1,507	12,810	754	1,507	15,071
Assistance	-	60,388	-	-	60,388	-	-	60,388
Dues and subscriptions	2,431	6,321	365	1,216	10,333	608	1,216	12,157
Fees	848	2,204	127	424	3,603	212	424	4,239
In-kind legal services	2,699	7,017	405	1,350	11,471	675	1,350	13,496
In-kind medical supplies	-	1,089,685	-	-	1,089,685	-	-	1,089,685
Advertising	8,223	21,380	1,233	4,112	34,948	2,056	4,112	41,116
Bank charges	441	1,146	66	220	1,873	110	220	2,203
Conferences/meetings	-	-	-	-	-	-	-	-
Equipment	1,649	4,286	247	824	7,006	412	824	8,242
Depreciation expense	640	1,663	96	320	2,719	160	320	3,199
Miscellaneous	198	516	30	99	843	50	98	991
Rent	19,606	50,977	2,941	9,803	83,327	4,902	9,803	98,032
Total Expenses	\$ 325,158	\$ 1,995,484	\$ 48,773	\$ 162,579	\$ 2,531,994	\$ 81,291	\$ 162,578	\$ 2,775,863

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, 2020

	PROGRAM SERVICES					SUPPORT SERVICES		Total Expenses
	Public and Professional Education	Patient and Family Services	Advocacy	Research	Total	Management and General	Fundraising	
Salaries	\$ 170,413	\$ 443,074	\$ 25,562	\$ 85,206	\$ 724,255	\$ 42,603	\$ 85,206	\$ 852,064
Payroll taxes	13,754	35,760	2,063	6,877	58,454	3,438	6,877	68,769
Fringe benefits	20,025	52,066	3,004	10,013	85,108	5,006	10,013	100,127
Professional fees	1,660	4,316	249	830	7,055	415	830	8,300
Telephone	3,493	9,081	524	1,746	14,844	873	1,746	17,463
Office supplies	8,637	22,457	1,296	4,319	36,709	2,159	4,319	43,187
Insurance	4,657	12,107	698	2,328	19,790	1,164	2,328	23,282
Postage	57	148	9	28	242	14	28	284
Travel	3,832	9,964	575	1,916	16,287	958	1,916	19,161
Printing	3,087	8,026	463	1,543	13,119	772	1,543	15,434
Assistance	-	317,354	-	-	317,354	-	-	317,354
Dues and subscriptions	661	1,719	99	331	2,810	165	331	3,306
Fees	407	1,057	61	203	1,728	102	203	2,033
In-kind legal services	6,253	16,257	938	3,126	26,574	1,563	3,126	31,263
In-kind medical supplies	-	290,416	-	-	290,416	-	-	290,416
Advertising	2,035	5,290	305	1,017	8,647	509	1,017	10,173
Bank charges	3,033	7,887	455	1,517	12,892	758	1,517	15,167
Conferences/meetings	2,870	7,462	431	1,435	12,198	718	1,435	14,351
Equipment	2,162	5,620	324	1,081	9,187	540	1,081	10,808
Depreciation expense	594	1,543	89	297	2,523	148	297	2,968
Miscellaneous	161	418	24	80	683	40	80	803
Rent	20,785	54,042	3,118	10,393	88,338	5,195	10,393	103,926
Total Expenses	\$ 268,576	\$ 1,306,064	\$ 40,287	\$ 134,286	\$ 1,749,213	\$ 67,140	\$ 134,286	\$ 1,950,639

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

Notes to Financial Statements

Note 1 - Organization

General

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 its 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, 2021, D.E.B.R.A. had \$551,576 of net assets with donor restrictions (\$547,847 at December 31, 2020).

Notes to Financial Statements

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.

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)

Property and Equipment

Property and 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, 2018 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, 2021 and 2020.

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.

Notes to Financial Statements

Note 2 - Summary of Significant Accounting Policies (continued)

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.

Subsequent Events

Management has evaluated events and transactions subsequent to December 31, 2021 through March 14, 2022, 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:

	<u>2021</u>	<u>2020</u>
Equipment	\$ 44,083	\$ 44,083
Less accumulated depreciation	<u>(41,034)</u>	<u>(37,835)</u>
Equipment, net	<u>\$ 3,049</u>	<u>\$ 6,248</u>

Notes to Financial Statements

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, 2021 was \$505,536 and \$648,724 at 2020.

Note 5 - Operating Leases

D.E.B.R.A. entered into a lease agreement for office space in June 2013. The lease expires December 31, 2023. Lease payments for the next two years are as follows:

December 31, 2022	\$	88,577
2023		<u>90,570</u>
	\$	<u>179,147</u>

Note 6 - 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 \$984,716 for the year ended December 31, 2021 and \$495,605 for the year ended 2020. The medical supplies were distributed directly to the families of children afflicted with the disease.

Note 7 - 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::

	<u>2021</u>	<u>2020</u>
Programs and E.B. Support Groups	<u>\$ 551,576</u>	<u>\$ 547,847</u>

Notes to Financial Statements

Note 8 - 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.
- 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.

Notes to Financial Statements

Note 8 - Fair Value of Financial Measurements (continued)

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, 2021 and 2020.

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:

	2021			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Common stocks	\$ 206,679	\$ -	\$ -	\$ 206,679
Mutual funds	529,461	-		529,461
Equity investment	-	-	250,000	250,000
	<u>\$ 736,140</u>	<u>\$ -</u>	<u>\$250,000</u>	<u>\$ 986,140</u>

Notes to Financial Statements

Note 9 - Fair Value Measurements (continued)

	2020			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Common stocks	\$ 303,466	\$ -	\$ -	\$ 303,466
Mutual funds	529,583	-	-	529,583
Equity investment	-	-	250,000	250,000
	<u>\$ 833,049</u>	<u>\$ -</u>	<u>\$250,000</u>	<u>\$ 1,083,049</u>

D.E.B.R.A. has made a \$250,000 investment in a privately held biotechnology company. The purpose of the investment is to leverage the research performed by this company to find a cure for EB as well as provide future funds to D.E.B.R.A. to support its on-going mission of finding a cure for EB.

Note 10 - Liquidity and Availability of Financial Assets

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

	<u>2021</u>	<u>2020</u>
Financial Assets at year end:		
Cash and cash equivalents	\$ 451,231	\$ 651,965
Investments	986,140	1,083,049
Accounts receivable	262,765	527,541
Total Financial assets	<u>1,700,136</u>	<u>2,262,555</u>
Less amounts not available to be within one year		
Net assets with donor restrictions	<u>551,576</u>	<u>547,847</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$1,148,560</u>	<u>\$ 1,714,708</u>

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.

Notes to Financial Statements

Note 11 - Risks and Uncertainties

The recent COVID-19 outbreak has caused economic disruptions through mandated voluntary closings of businesses and organizations throughout the United States. The extent of the impact of COVID-19 on D.E.B.R.A.'s operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and its impact on D.E.B.R.A.'s donors, employees, investments and vendors, all of which at present cannot be determined. Accordingly, the extent to which COVID-19 may impact D.E.B.R.A.'s financial position and changes in net assets and cash flows is uncertain and the accompanying financial statements include no adjustments relating to the effects of the pandemic.