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Progeria Research Foundation
FOR THE CHILDREN ♥ FOR THE CURE

Financial Statements
For the Year Ended
December 31, 2021

The Progeria Research Foundation, Inc.

Financial Statements

For the Year Ended December 31, 2021

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Independent Auditors' Report

To the Board of Directors
The Progeria Research Foundation, Inc.
Peabody, Massachusetts

Opinion

We have audited the accompanying financial statements of The Progeria Research Foundation, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year 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 Progeria Research Foundation, Inc. as of December 31, 2021, and the changes in its net assets and its cash flows for the year 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 Progeria Research Foundation, Inc. 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 Progeria Research Foundation, Inc.'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 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 Progeria Research Foundation, 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 The Progeria Research Foundation, 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.

LitmanGerson Associates, LLP

Woburn, Massachusetts
August 23, 2022

The Progeria Research Foundation, Inc.
Statement of Financial Position
December 31, 2021

Assets	
Current assets:	
Cash and cash equivalents	$ 2,756,540
Investments	50,782,594
Prepaid expenses and other current assets	57,174
Total current assets	53,596,308
Property and equipment, net	19,605
Other assets:	
Patents, net	70,825
Website development costs, net	1,064
Security deposit	3,000
Total other assets	74,889
Total assets	$ 53,690,802
Liabilities and Net Assets	
Current liabilities:	
Accounts payable and other current liabilities	$ 337,042
Total current liabilities	337,042
Net assets:	
Without donor restrictions	53,353,760
Total net assets	53,353,760
Total liabilities and net assets	$ 53,690,802

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

The Progeria Research Foundation, Inc.
Statement of Activities
For the Year Ended December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue			
Gain on sale of priority review voucher	$ 46,493,405	$ -	$ 46,493,405
Investment income, net	1,580,714	-	1,580,714
Contributions	1,100,192	-	1,100,192
Gain on extinguishment of debt - PPP loan	128,200	-	128,200
Government grant	45,757	-	45,757
Net assets released from restriction	2,500	(2,500)	-
	49,350,768	(2,500)	49,348,268
Special events - contribution element	428,225	-	428,225
Special events - exchange element	84,737	-	84,737
Less: costs of direct benefits to donors	(70,614)	-	(70,614)
	442,348	-	442,348
Total support and revenue before in-kind contributions	49,793,116	(2,500)	49,790,616
In-kind contributions	817,898	-	817,898
Total support and revenue	50,611,014	(2,500)	50,608,514
Expenses			
Program services	2,429,302	-	2,429,302
Supporting services	372,038	-	372,038
Fundraising	167,560	-	167,560
Total expenses before in-kind services	2,968,900	-	2,968,900
In-kind services	817,898	-	817,898
Total expenses	3,786,798	-	3,786,798
Change in net assets	46,824,216	(2,500)	46,821,716
Net assets at beginning of year	6,529,544	2,500	6,532,044
Net assets at end of year	$ 53,353,760	$ -	$ 53,353,760

The Progeria Research Foundation, Inc.

Statement of Functional Expenses

For the Year Ended December 31, 2021

	Program Services	Supporting Services	Fundraising	Total
Salaries and related expenses:				
Salaries and wages	$ 361,429	$ 161,611	$ 108,233	$ 631,273
Payroll taxes	37,905	16,477	10,133	64,515
Employee benefits	27,250	8,079	10,695	46,024
Total salaries and related expenses	426,584	186,167	129,061	741,812
Other expenses:				
Professional fees	680,531	42,372	-	722,903
Drug trial	717,599	-	-	717,599
Research grants	529,979	-	-	529,979
Future trial efforts	472,822	-	-	472,822
Cell and tissue bank	112,254	-	-	112,254
Medical and research database	89,558	-	-	89,558
Diagnostic testing	83,550	-	-	83,550
Special events - costs of direct benefits to donors	-	-	70,614	70,614
Occupancy	10,800	43,200	-	54,000
Research activities	48,303	-	-	48,303
Postage and shipping	4,891	8,093	30,266	43,250
Printing	27,479	624	-	28,103
Computer expenses	-	26,787	-	26,787
Depreciation and amortization	11,056	11,159	-	22,215
Office expenses	-	20,814	-	20,814
Communications	6,755	7,543	-	14,298
Patient handbooks	12,987	-	-	12,987
Media expense	11,358	-	-	11,358
Online processing fees	-	10,075	-	10,075
Insurance	-	8,734	-	8,734
Consulting	-	-	7,225	7,225
Life insurance	-	2,784	-	2,784
Dues and subscriptions	-	2,711	-	2,711
Travel	694	755	1,008	2,457
Professional development	-	220	-	220
Total other expenses	2,820,616	185,871	109,113	3,115,600
Total expenses by function	3,247,200	372,038	238,174	3,857,412
Less items included within support and revenue:				
Special events - costs of direct benefits to donors	-	-	(70,614)	(70,614)
Total expenses as presented on the statement of activities	3,247,200	372,038	167,560	3,786,798
Less items separately stated on statement of activities:				
In-kind expense	(817,898)	-	-	(817,898)
Total expenses included in the functional categories on the Statement of Activities	$ 2,429,302	$ 372,038	$ 167,560	$ 2,968,900

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

The Progeria Research Foundation, Inc.
Statement of Cash Flows
For the Year Ended December 31, 2021

Cash flows from operating activities:		
Change in net assets	$	46,821,716
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization		22,215
Interest and dividends reinvested		(162,171)
Realized and unrealized losses on investments		(842,212)
Gain on extinguishment of debt - PPP loan		(128,200)
Changes in operating assets and liabilities:		
(Increase) decrease in:		
Contributions receivable		36,533
Prepaid expenses and other current assets		(15,554)
Increase in:		
Accounts payable and other current liabilities		47,215
Net cash provided by operating activities		45,779,542
Cash flows from investing activities:		
Proceeds from sale of investments		44,840,027
Purchases of investments		(88,448,352)
Purchases of property and equipment		(1,459)
Payment of patent costs		(4,558)
Net cash used in investing activities		(43,614,342)
Net increase in cash and cash equivalents		2,165,200
Cash and cash equivalents at beginning of year		591,340
Cash and cash equivalents at end of year	$	2,756,540
Supplemental disclosures of cash flow information:		
Cash paid during the year for:		
Interest	$	-
Income taxes	$	-
Supplemental disclosures of noncash investing and financings activities:		
Forgiveness of PPP loan	$	128,200

1. Nature of Business

The Progeria Research Foundation, Inc. (the Organization) is a nonprofit organization established in 1999 in the Commonwealth of Massachusetts to discover treatments and the cure for Hutchinson-Gilford Progeria Syndrome and its aging-related disorders, including heart disease.

2. Summary of Significant Accounting Policies

Basis of Presentation
The financial statements have been prepared in accordance with accounting standards set by the Financial Accounting Standards Board (FASB). The FASB sets generally accepted accounting principles (GAAP) to ensure the statements of financial position, activities, functional expenses and cash flows are consistently reported. References to GAAP issued by the FASB in these notes are to the FASB Accounting Standards Codification (ASC).

Basis of Accounting
The Organization's financial statements have been prepared on the accrual basis of accounting. A summary of the significant accounting policies applied in the preparation of the financial statements follows.

Use of Estimates
The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Financial Statement Presentation
Financial statement presentation follows FASB ASC Topic No. 958 *Not-for-Profit Entities* (ASC 958). Under ASC 958, the Organization is required to report information regarding its net assets, revenues, gains and losses based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Without Donor Restrictions
Net assets without restrictions include amounts available for use in general operations and not subject to donor-imposed restrictions. The Organization's board may designate net assets without restrictions for specific operational purposes from time to time.

With Donor Restrictions
Net assets with restrictions include amounts resulting from contributions and other inflows of assets whose use by the Organization is limited by donor-imposed stipulations. Some stipulations are temporary in nature that expire with the passage of time or can be fulfilled and removed by actions of the Organization pursuant to those stipulations. If the stipulation is fulfilled in the same time period in which the contribution is received, the contribution is reported as having no restrictions in the year received. Other donor restrictions are perpetual in nature, where the donor has stipulated the funds be maintained in perpetuity.

Cash and Cash Equivalents
For the purposes of the statement of cash flows, the Organization considers all highly liquid instruments with original maturities of three months or less, when purchased, to be cash equivalents.

2. Summary of Significant Accounting Policies…continued

Contributions Receivable
Contributions receivable are stated at unpaid balances, less an allowance for doubtful accounts. Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risk involved. Amortization of the discount is recorded as additional contribution revenue in accordance with donor-imposed stipulations, if any, on the contribution. The Organization provides for losses on accounts using the allowance method. The allowance for doubtful accounts is based on experience and other circumstances which may affect the ability of contributors to meet their obligations. Receivables are considered uncollectible if full payments are not received in accordance with the terms of the pledge. At December 31, 2021, there were no contributions receivable outstanding.

Investments
The Organization records investment purchases at cost, or if donated, at fair value on the date of the donation. Thereafter, investments are reported at fair values in the statement of financial position. Investment income or loss, which consists of interest and dividend income, realized gains and losses, and unrealized gains and losses on those investments, less external and direct internal investment expenses, is included in revenue and support in the statement of activities. Investment income and gains restricted by donors are reported as increases in unrestricted net assets if the restrictions are met (either a stipulated time period ends, or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized.

Property and Equipment
Property and equipment are recorded at cost less accumulated depreciation. Depreciation is computed using the straight-line and accelerated methods over estimated useful lives ranging between five and fifteen years. The Organization capitalizes expenditures for property and equipment with a cost in excess of $1,000. Expenditures for maintenance and repairs are charged to expense as incurred and expenditures which significantly increase values or extend useful lives are capitalized. Upon the disposition of property and equipment, the cost and related accumulated depreciation are eliminated from the accounts and the gain or loss thereon is reflected in the statement of activities.

Patents
Patents are capitalized and amortized on a straight-line basis over their estimated useful lives. The Organization capitalizes certain costs to maintain, defend and renew patents as incurred and amortizes those costs over the remaining life of the related patent.

Website Development Costs
The Organization follows FASB ASC Topic No. 350-50 *Website Development Costs* (ASC 350-50). Under ASC 350-50, website development costs incurred in the development phase of a website are capitalized to the extent their estimated useful life exceeds one year. Costs incurred that relate to the planning and post-implementation phases are expensed as incurred. Costs associated with the repair and maintenance of the existing site or development of website content are expensed as incurred.

Fair Value Measurements
The Organization discloses the fair value of investments (see Note 6) in accordance with FASB ASC Topic No. 820 *Fair Value Measurements* (ASC 820). The framework under ASC 820 provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value.

2. Summary of Significant Accounting Policies…continued

Fair Value Measurements…continued
The three levels of the fair value hierarchy under ASC 820 are described as follows:

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.

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

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.

Valuation Techniques
Following is a description of the valuation methodologies used for assets measured at fair value on a recurring basis. There have been no changes in the methodologies used at December 31, 2021.

Equity Securities
Equity securities are valued based on quoted prices from an active market. These investments are categorized as Level 1 as they are actively traded and no valuation adjustments have been applied.

Certificates of Deposit
Certificates of deposit are valued at amortized cost plus accrued interest, which approximates fair value, and are classified as Level 2.

Debt Securities
Debt securities consist of government and commercial bonds which are valued based upon valuation obtained from third-party pricing sources. These pricing sources utilize industry standard valuation models, including both income and market-based approaches, for which all significant inputs are observable, either directly or indirectly, to estimate fair value. These inputs include market pricing based on real-time trade data for the same or similar securities, issuer credit spreads, benchmark yields, and other observable inputs, which are classified as Level 2.

Annuity Contract
The annuity contract is reported at contract value, which approximates fair value. Contract value represents contributions made under the agreement, plus earnings, less withdrawals and administrative expenses. As this investment is contract-based, observable prices for identical or similar investments do not exist, and accordingly, the investment is valued using unobservable inputs and is classified as Level 3.

2. Summary of Significant Accounting Policies…continued

PPP Loan
The Organization follows FASB ASC Topic No. 470 *Debt* (ASC 470) for the PPP Loan. Under ASC 470, the PPP Loan is recognized as a financial liability and accrues interest in accordance with the interest method under FASB ASC 835-30*, Imputation of Interest* (ASC 835-30). The Organization will not impute additional interest at a market rate because loans by governmental agencies are excluded from the guidance on imputing interest. In accordance with FASB ASC No. 405-20-40-1, *Derecognition of Liabilities*, the PPP Loan will remain recorded as a liability until either (1) the loan is, in part or wholly, forgiven and the Organization has been "legally released" or (2) the Organization pays off the loan to the creditor. Once the loan is, in part or wholly, forgiven, and legal release is received, the liability will be reduced by the amount forgiven and a gain on extinguishment will be recorded.

Revenue Recognition
Contributions
Contributions, including unconditional promises to give, are recognized as revenues in the period received, pledged, or notification of a beneficial interest is received. Conditional promises to give, which are 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. Contributions of assets other than cash are recorded at their estimated fair value.

During 2019, the Organization received a cost-reimbursable federal government grant for $243,185, which is conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position. The Organization recognized $45,757 in support and revenues related to the cost-reimbursable federal government grant during the year ended December 31, 2021. There were no refundable advances at December 31, 2021. There was no remaining maximum cost-reimbursable federal government grant amount at December 31, 2021, because the cost-reimbursable federal government grant expired in August 2021.

Contributions of property and equipment and other long-lived assets are also reported as revenue and net assets without donor restrictions, unless subject to time restrictions. Absent explicit donor stipulations for the time long-lived assets must be held, expirations of restrictions resulting in reclassification of net assets with donor restrictions as net assets without donor restrictions are reported when the long-lived assets are placed in service.

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as support with donor restrictions depending upon the condition(s) stipulated by the donor. When a 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 without donor restrictions and are reported in the statement of activities as net assets released from restriction. However, if a restriction is fulfilled in the same time period in which the contribution is received, the amount is reported as without donor restrictions in the year received.

2. Summary of Significant Accounting Policies…continued

*Revenue Recognition…*continued

In-Kind Contributions

In-kind contributions are reflected as contributions at their estimated fair value at the date of donation and are reported as support without donor restrictions unless explicit donor stipulations specify how donated assets must be used. The Organization recognizes the estimated fair value of contributed services if such services meet the following criteria:

- The services received either create or enhance nonfinancial assets, or
- The services received require special skills and are provided by individuals possessing those skills, and the services received would typically need to be purchased if not contributed.

During the year ended December 31, 2021, the Organization received donated legal, graphic work and consulting services with estimated fair values of $644,523, $3,650 and $169,725, respectively, which have been recognized as in-kind contributions and expenses on the accompanying statement of activities, with $817,898 allocated to program expenses. A significant portion of donated legal fees was for legal services provided in connection with agreements involving Intellectual Property (IP).

In addition, many individuals volunteered their time and performed a variety of tasks to assist the Organization in carrying out its mission during the year ended December 31, 2021. These services did not meet the recognition criteria for contributed services. Accordingly, a value for these services has not been reflected in the accompanying statement of activities.

Gain on Sale of Priority Review Voucher and Special Events

The Organization applies the provisions of FASB ASC Topic No. 606-10 *Revenue from Contracts with Customers*, and all related appropriate guidance. The Organization recognizes revenue under the core principle of this guidance to depict the transfer of promised goods or services to the Organization's customers in an amount reflecting the consideration the Organization expects to be entitled in exchange for those goods or services. In order to achieve this principal, revenues are recognized based upon a five-step model, which involves (1) identifying contracts with customers, (2) identifying performance obligations within those contracts, (3) determining the transaction price, (4) allocating the transaction price to the performance obligations, and (5) recognizing revenue upon satisfaction of those performance obligations (see Note 11 and Note 12).

Special events revenue is comprised of an exchange element based upon the direct benefits donors receive and a contribution element for the excess a donor pays for those benefits. The Organization recognizes special events revenue for the exchange element equal to the fair value of the direct benefits to donors at the point in time which the event takes place.

Functional Allocation of Expenses

The Organization allocates its expenses on a functional basis among its various programs and support services. Expenses that can be identified with a specific program and support service are allocated directly according to their natural expense classification, while other expenses are allocated based on management's systematic and rational policy as follows:

Expense	Method of Allocation
Salaries and wages, payroll taxes and employee benefits	Time and effort
Occupancy	Square footage

2. Summary of Significant Accounting Policies…continued

Income Taxes
The Organization is a nonprofit organization, which is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC), and is a public charity according to Section 509(a)(1) of the IRC. Accordingly, no provision for income taxes has been recorded in the accompanying financial statements.

The Organization accounts for the uncertainty in income taxes in accordance with the provisions of FASB ASC Topic No. 740 *Income Taxes* (ASC 740), which prescribes a recognition threshold of more likely-than-not, and a measurement attribute for all tax positions taken or expected to be taken on a tax return, in order for those tax positions to be recognized in the financial statements.

When necessary, the Organization accounts for interest and penalties related to uncertain tax positions as part of its provision for income taxes. The Organization does not expect that unrecognized tax benefits arising from tax positions will change significantly within the next 12 months.

3. Liquidity and Availability

Financial assets available for general expenditures within one year of the statement of financial position date at December 31, 2021 consisted of the following:

Cash and cash equivalents	$ 2,756,540
Investments	50,782,594
Total financial assets	53,539,134
Less: investments	(5,441,338)
Total financial assets available for general use	$ 48,097,796

The Organization's financial assets generally are reduced by amounts not available for general use because of donor imposed restrictions for a specified purpose within one year of the statement of financial position date. The Organization's financial assets have not been reduced by amounts not available for general use because of donor imposed restrictions subject to the passage of time as the Organization does not have any outstanding contributions receivable at December 31, 2021. Assets available for general expenditures within one year of the statement of financial position date at December 31, 2021 excludes investments in certificates of deposit with stated maturity dates in excess of one year. Investments with stated maturity dates in excess of one year of the statement of financial position date totaled $5,441,338 at December 31, 2021. However, these investments could be liquidated and made available during the year ended December 31, 2022, subject to penalties.

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. The Organization increases financial assets through annual and semi-annual events, individual and corporate gifts, and foundation and other grants. The Organization has a goal to raise funds equal to the expected general expenditures annually, where surpluses will be utilized for subsequent year program expenditures. It also maintains a balance of liquid assets to support any unanticipated liquidity needs.

4. Annuity Contract

During 2019, the Organization has entered into a fixed annuity contract with The Standard Insurance Company (The Standard) for $500,000. The Organization's contract investment balance is credited with earnings based upon contractually determined interest rates, and is charged for withdrawals and administrative expenses. The Standard establishes an effective annual interest rate. In no event will such effective annual interest rate be less than the minimum interest rate as defined by the contract. The annuity contract is included in the statement of financial position at contract value as reported by The Standard, which approximates fair value. There are no reserves against contract value for credit risk of the issuer or otherwise.

The minimum guaranteed interest rate is 3.35% for the Standard Annuity contract. For the year ended December 31, 2021, the average yield was approximately 3.35%.

The Standard Annuity contract does not specify the circumstances under which the issuer may terminate the contract. Currently, management believes that the occurrence of an event that would cause the Organization to receive less than contract value for the Standard Annuity contract is not probable.

5. Investments

A comparison of the actual costs and fair values of investments at December 31, 2021 is as follows:

	Cost	Fair Value	Unrealized Gains (Losses)
Investments held at fair value:			
Certificates of deposit	$ 5,704,621	$ 5,704,621	$ -
Equity securities, mutual funds	26,185,427	26,775,276	589,849
Debt securities	17,486,860	17,756,741	269,881
Annuity contract	545,956	545,956	-
	$ 49,922,864	$ 50,782,594	$ 859,730

The following schedule summarizes net investment income, including realized and unrealized gains and losses, for the year ended December 31, 2021:

Interest and dividends	$ 930,288
Realized and unrealized losses on investments	842,212
Investment fees	(191,786)
	$ 1,580,714

6. Fair Value Investments

The following table sets forth by level, within the fair value hierarchy, the Organization's investments at fair value on a recurring basis at December 31, 2021:

	Level 1	Level 2	Level 3	Total
Fixed income securities:				
Certificates of deposit	$ -	$ 5,704,621	$ -	$ 5,704,621
Equity securities, mutual funds	26,775,276	-	-	26,775,276
Debt securities	-	17,756,741	-	17,756,741
Annuity contract	-	-	545,956	545,956
	$26,775,276	$23,461,362	$ 545,956	$ 50,782,594

6. Fair Value Investments…continued

The following is a reconciliation of the beginning and ending balances for assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) during the year ended December 31, 2021:

Balance at beginning of year	$ 528,259
Investment income, net	17,697
Balance at end of year	$ 545,956

7. Property and Equipment

Property and equipment at December 31, 2021 consisted of the following:

Furniture and equipment	$ 88,667
Leasehold improvements	7,132
	95,799
Less: accumulated depreciation	(76,194)
	$ 19,605

Depreciation expense totaled $11,159 for the year ended December 31, 2021.

8. Patents

Patent costs for the development of a Farnesyltransferase inhibitors (FTIs) drug treatment for children with Progeria totaled $124,588, net of accumulated amortization of $53,763, at December 31, 2021. Amortization expense totaled $7,867 for the year ended December 31, 2021.

Amortization expense for the years ending December 31st are as follows:

2022	$ 7,917
2023	7,917
2024	7,917
2025	7,917
2026	7,917
Thereafter	31,240
	$ 70,825

9. Website Development Costs

Website development costs capitalized totaled $15,568, net of accumulated amortization of $14,504, at December 31, 2021. Amortization expense totaled $3,189 for the year ended December 31, 2021.

Amortization expense for the years ending December 31st are as follows:

2022	$ 1,064
	$ 1,064

10. PPP Loan

The Organization entered into a promissory note, dated April 15, 2020, with North Shore Bank, evidencing an unsecured loan with a principal amount of $128,200 made to the Organization pursuant to the Paycheck Protection Program (PPP Loan) under the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act). The PPP Loan was guaranteed by the United States Small Business Administration.

The proceeds may be used to maintain payroll or make certain covered interest payments, lease payments utility payments, and other defined operating costs. Under the terms of the CARES Act, the Organization can be granted forgiveness for all or a portion of loan granted under the PPP, with such forgiveness to be determined, subject to limitations, based on the use of loan proceeds for payment of payroll costs and other eligible costs.

The PPP Loan was expected to be payable over a two-year term, with monthly principal and interest payments deferred for at least 12 months from the end of the loan's covered period, as defined. On March 16, 2021, the full amount of the loan was forgiven, and the gain on the extinguishment of debt has been reported with support and revenue on the accompanying Statement of Activities.

11. Revenue from Contracts with Customers

The Organization is a research foundation established to discover treatments and the cure for Hutchinson-Gilford Progeria Syndrome and its aging-related disorders, including heart disease. The Organization's revenue from the exchange element of special events is recognized at a point in time. The Organization's revenue from the sale of a priority review voucher was met at a point in time (see Note 12). Revenue from contracts with customers in the current fiscal year totaled $46,578,142.

The Organization evaluated the following economic factors that affect the nature, amount, timing and uncertainty of its revenue and cash flows. Revenue (not including contributions and other support) is generated primarily by special events for fundraising. The special events are not seasonal or cyclical, but occur sporadically over the fiscal year.

Description of the Organization's Performance Obligations with Customers
The Organization's performance obligations are met at a point in time, when the event or sale occurs. The Organization becomes aware that it has met the performance obligation based upon the occurrence of the event or sale. Payment for charity auction items or event ticket sales are due at the point of sale. None of the Organization's contracts contained a significant financing component.

12. Gain on Sale of Priority Review Vouchers

In January 2021, pursuant to the Collaboration and Supply Agreement entered into by the Organization (see Note 13), the Organization and an unrelated party reached an agreement with a third party for the sale of an U.S. Food and Drug Administration priority review voucher. The Organization's share of the proceeds was $47,442,250. The Organization recognized a gain related to this sale during the year ended December 31, 2021 totaling $46,493,405, which represents their share of the proceeds less certain selling costs of $948,845, which has been included in support and revenue on the accompanying statement of activities.

13. Commitments

Office and Equipment Leases
The Organization leases office space under a non-cancelable operating lease, which expires on December 31, 2022. The lease provides for annual increases in base rent amounts over the term of the lease. Rent expense under this office lease totaled $54,000 for the year ended December 31, 2021.

The Organization leases office equipment under two non-cancelable operating leases, which expire at various times through December 2025. Rent expense under these equipment leases totaled $8,619 for the year ended December 31, 2021.

Future minimum lease payments required under these leases for the years ending December 31st are as follows:

2022	$ 62,293
2023	2,028
2024	2,028
2025	1,859
	$ 68,208

Research Grants and Other Assistance
The Organization provides research grants and other assistance to qualified doctors and scientists to conduct research for the treatment and cure for Hutchinson-Gilford Progeria Syndrome and its aging-related disorders, including heart disease. These grants are awarded bi-annually and are subject to certain reporting and other requirements in accordance with the specific grant applications, which payment by the Organization may be withheld until the requirements have been met by the researcher. Payments under the grants are accrued quarterly in the accompanying statement of financial position.

Future payments committed to under these research grants for the years ending December 31st are as follows:

2022	$ 260,963
2023	106,116
	$ 367,079

Collaboration and Supply Agreement
During the year ended December 31, 2018, the Organization entered into a ten-year agreement with the option to renew for two years with an unrelated party to aid in the supply of a drug for trials, research, and children with Progeria. The unrelated party is responsible for all costs related to studies up to the first $2,000,000 and all costs thereafter may be allocated between the Organization and the unrelated party. The Organization did not incur any costs on this agreement during the year ended December 31, 2021 (see Note 12).

14. Concentrations of Credit Risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents and investments.

The Organization maintains its cash and cash equivalents in bank deposit accounts, which at times may exceed federally insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

The Organization's investments are exposed to market and credit risks. Due to the level of risk associated with certain securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the Organization's financial position. The Organization mitigates this risk by applying a conservative investing approach and diversifying their investments amongst a wide variety of industries, countries, and types of investments.

For the year ended December 31, 2021, revenue from the gain on sale of the Priority Review Voucher represented 92% of the Organization's total support and revenue.

15. Coronavirus Pandemic

On March 11, 2020, the World Health Organization declared the outbreak of a coronavirus (COVID-19) a pandemic. The COVID-19 outbreak in the United States and the world has resulted in economic uncertainties that are likely to negatively impact the future financial results of operations, realization of assets, and cash flows. This situation could have a significant adverse effect on the future financial statements and management is unable to quantify the potential impact at this time.

16. Subsequent Events

The Organization has evaluated subsequent events for potential disclosure or recognition through August 23, 2022 the date the financial statements were available to be issued.