

**FRIEDREICH'S ATAXIA RESEARCH ALLIANCE
AND STICHTING FRIEDREICH'S ATAXIA
RESEARCH ALLIANCE EUROPE**

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2024 and 2023
(with supplementary information)

**FRIEDREICH'S ATAXIA RESEARCH ALLIANCE AND
STICHTING FRIEDREICH'S ATAXIA RESEARCH ALLIANCE EUROPE**

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Friedreich's Ataxia Research Alliance

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Friedreich's Ataxia Research Alliance and Stichting Friedreich's Ataxia Research Alliance Europe (nonprofit organizations), which comprise the consolidated statements of financial position as of December 31, 2024 and 2023, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for each of the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of Friedreich's Ataxia Research Alliance and Stichting Friedreich's Ataxia Research Alliance Europe as of December 31, 2024 and 2023, and the changes in its net assets and its cash flows for each of 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 ("GAAS"). 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 Friedreich's Ataxia Research Alliance and Stichting Friedreich's Ataxia Research Alliance Europe 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 these 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 Friedreich's Ataxia Research Alliance and Stichting Friedreich's Ataxia Research Alliance Europe's ability to continue as a going concern for 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 auditors' 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 GAAS 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 GAAS, 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 Friedreich's Ataxia Research Alliance and Stichting Friedreich's Ataxia Research Alliance Europe'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 Friedreich's Ataxia Research Alliance and Stichting Friedreich's Ataxia Research Alliance Europe'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.



Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information contained in the consolidating schedules of financial position as of December 31, 2024 and 2023 and the consolidating schedules of activities and changes in net assets for the years ended December 31, 2024 and 2023 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

EisnerAmper LLP

EISNERAMPER LLP
Philadelphia, Pennsylvania
June 16, 2025



**FRIEDREICH'S ATAXIA RESEARCH ALLIANCE AND
STICHTING FRIEDREICH'S ATAXIA RESEARCH ALLIANCE EUROPE**

Consolidated Statements of Financial Position

	December 31,	
	2024	2023
ASSETS		
Cash and cash equivalents	\$ 1,959,581	\$ 3,993,332
Restricted cash	2,350,400	963,779
Contributions receivable, net	682,067	747,478
Prepaid expenses	67,503	49,155
Investments	2,137,780	1,870,166
Total current assets	7,197,331	7,623,910
Right-of-use asset	46,404	103,796
Other assets	5,458	5,458
Total other assets	51,862	109,254
Total assets	\$ 7,249,193	\$ 7,733,164
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable	\$ 689,951	\$ 1,164,034
Deferred revenues	10,630	4,567
Current portion of lease liability	49,940	68,826
Total current liabilities	750,521	1,237,427
Long-term lease liabilities	-	43,221
Total liabilities	750,521	1,280,648
Net assets:		
Without donor restrictions	4,148,272	5,488,737
With donor restrictions	2,350,400	963,779
Total net assets	6,498,672	6,452,516
Total liabilities and net assets	\$ 7,249,193	\$ 7,733,164

See notes to consolidated financial statements.

FRIEDREICH'S ATAXIA RESEARCH ALLIANCE AND STICHTING FRIEDREICH'S ATAXIA RESEARCH ALLIANCE EUROPE

Consolidated Statements of Activities and Changes in Net Assets

	Year Ended December 31,			
	2024		2023	
	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions
	Total	Total	Total	Total
Support and revenue:				
Contributions and conferences	\$ 2,497,238	\$ 7,039,529	\$ 9,536,767	\$ 4,037,159
Special events (net of direct benefits to donors of \$168,115 and \$145,569 for 2024 and 2023, respectively)	4,084,079	-	4,084,079	4,076,066
In-kind contributions	606,359	-	606,359	728,704
Investment return, net	346,163	-	346,163	266,862
Net assets released from restrictions	5,652,908	(5,652,908)	-	(4,294,300)
Total support and revenue	13,186,747	1,386,621	14,573,368	13,403,091
Expenses:				
Program services:				
Education, awareness and outreach	503,566	-	503,566	357,618
Patient registry and FA GCC	1,496,437	-	1,496,437	1,292,991
Research and grant program	10,376,978	-	10,376,978	9,413,465
Research conferences	363,617	-	363,617	302,502
Total program services	12,740,598	-	12,740,598	11,366,576
Supporting services:				
Fundraising services:				
Special events	1,101,034	-	1,101,034	1,052,479
Other	248,638	-	248,638	249,359
Total fundraising services	1,349,672	-	1,349,672	1,301,838
General and administrative	436,942	-	436,942	392,212
Total supporting services	1,786,614	-	1,786,614	1,694,050
Total expenses	14,527,212	-	14,527,212	13,060,626
Change in net assets	(1,340,465)	1,386,621	46,156	(720,374)
Net assets at beginning of year	5,488,737	963,779	6,452,516	5,146,272
Net assets at end of year	<u>\$ 4,148,272</u>	<u>\$ 2,350,400</u>	<u>\$ 6,498,672</u>	<u>\$ 5,488,737</u>
			<u>\$ 963,779</u>	<u>\$ 6,452,516</u>

See notes to consolidated financial statements.

FRIEDREICH'S ATAXIA RESEARCH ALLIANCE AND STICHTING FRIEDREICH'S ATAXIA RESEARCH ALLIANCE EUROPE

Consolidated Statement of Functional Expenses Year Ended December 31, 2024

	Program Services				Supporting Services			
	Education Awareness and Outreach	Patient Registry and FA GCC	Research and Grant Program	Research Conferences	Totals	Fundraising Services		
						Special Events	Other	General and Administrative
Expenses:								
Auction items	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 52,054	\$ -	\$ -
Awards and grants	80,000	827,817	9,606,747	-	10,514,564	-	-	-
Registration fees	-	-	-	-	-	3,756	7,827	568
Contracted services	102,441	216,473	181,357	49,116	549,387	335,279	26,332	85,399
Credit card and bank fees	22	-	191	-	213	72,547	17,347	731
Facilities and equipment	-	-	-	1,000	1,000	238,504	-	14,457
Occupancy and telecom	14,174	3,735	11,205	3,735	32,849	32,575	6,676	8,329
Subscriptions and licensing fees	3,639	259,490	14,838	2,574	280,541	12,191	25,848	837
Hospitality	595	-	-	-	595	12,586	-	1,720
Postage	139	-	-	341	480	11,479	4,691	394
Printing and copying	730	-	200	3,161	4,091	14,316	8,138	1,125
Supplies	-	1,164	-	831	1,995	73,633	451	5,023
Event entertainment	-	-	-	-	-	21,146	-	-
Insurance	-	98	2,388	-	2,486	5,669	3,322	9,213
Miscellaneous	303	158	-	-	461	787	101	14,482
Membership dues	2,600	-	1,220	-	3,820	-	-	-
Payroll, taxes and benefits	272,711	181,279	540,831	153,693	1,148,514	288,271	143,615	247,144
Sales taxes paid	-	-	-	-	-	7,919	-	-
Conferences, meetings and travel	26,212	6,223	18,001	149,166	199,602	86,437	4,290	47,520
Total expenses	503,566	1,496,437	10,376,978	363,617	12,740,598	1,269,149	248,638	436,942
Less: direct benefits to donors								
Facilities and equipment	-	-	-	-	-	(130,500)	-	-
Supplies	-	-	-	-	-	(14,119)	-	-
Event entertainment	-	-	-	-	-	(10,500)	-	-
Conferences, meetings and travel	-	-	-	-	-	(12,996)	-	-
Total expenses per statements of activities and changes in net assets	-	-	-	-	-	(168,115)	-	(168,115)
	\$ 503,566	\$ 1,496,437	\$ 10,376,978	\$ 363,617	\$ 12,740,598	\$ 1,101,034	\$ 248,638	\$ 436,942
								\$ 14,527,212

See notes to consolidated financial statements.

FRIEDREICH'S ATAXIA RESEARCH ALLIANCE AND STICHTING FRIEDREICH'S ATAXIA RESEARCH ALLIANCE EUROPE

Consolidated Statement of Functional Expenses Year Ended December 31, 2023

	Program Services				Supporting Services			
	Education Awareness and Outreach	Patient Registry and FA GCC	Research and Grant Program	Research Conferences	Fundraising Services			Totals
					Special Events	Other	General and Administrative	
Expenses:								
Auction items	\$ -	\$ -	\$ -	\$ -	\$ 79,474	\$ -	\$ -	\$ 79,474
Awards and grants	-	301,173	8,680,904	-	-	-	-	8,982,077
Registration fees	-	-	-	-	3,055	5,216	793	9,064
Contracted services	71,016	556,509	138,994	33,383	262,774	25,610	90,371	1,178,657
Credit card and bank fees	-	-	210	-	70,639	13,177	-	84,026
Facilities and equipment	-	-	-	-	218,313	-	4,771	223,084
Occupancy and telecom	15,049	4,061	12,182	4,061	32,019	7,361	8,956	83,689
Subscriptions and licensing fees	4,153	271,931	11,104	3,641	24,733	16,583	12,809	344,954
Hospitality	19	-	416	-	5,717	-	175	6,327
Postage	179	-	1,783	659	10,714	6,028	1,807	21,170
Printing and copying	1,861	-	-	4,134	14,870	6,968	534	28,367
Supplies	3	-	1,547	1,240	86,022	15,078	4,399	108,289
Event entertainment	-	-	-	-	18,045	-	-	18,045
Insurance	-	-	-	-	5,186	11,256	2,737	19,179
Miscellaneous	-	-	45	-	351	-	2,946	3,342
Membership dues	2,600	-	1,152	440	642	-	-	4,834
Payroll, taxes and benefits	245,052	157,501	538,706	139,765	260,724	142,001	214,438	1,698,187
Sales taxes paid	-	-	-	-	8,936	-	-	8,936
Conferences, meetings and travel	17,686	1,816	26,422	115,179	95,834	81	47,476	304,494
Total expenses	357,618	1,292,991	9,413,465	302,502	1,198,048	249,359	392,212	13,206,195
Less: direct benefits to donors								
Facilities and equipment	-	-	-	-	(111,250)	-	-	(111,250)
Supplies	-	-	-	-	(13,232)	-	-	(13,232)
Event entertainment	-	-	-	-	(10,500)	-	-	(10,500)
Conferences, meetings and travel	-	-	-	-	(10,587)	-	-	(10,587)
	-	-	-	-	(145,569)	-	-	(145,569)
Total expenses per statements of activities and changes in net assets	\$ 357,618	\$ 1,292,991	\$ 9,413,465	\$ 302,502	\$ 1,052,479	\$ 249,359	\$ 392,212	\$ 13,060,626

See notes to consolidated financial statements.

**FRIEDREICH'S ATAXIA RESEARCH ALLIANCE AND
STICHTING FRIEDREICH'S ATAXIA RESEARCH ALLIANCE EUROPE**

Consolidated Statements of Cash Flows

	Year Ended December 31,	
	2024	2023
Cash flows from operating activities:		
Change in net assets	\$ 46,156	\$ (377,909)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Amortization of right-of use asset	57,392	57,914
Net realized (gains) loss on sale of securities	(26,710)	94,983
Net unrealized gains on securities	(173,831)	(231,231)
Donated securities	(460,344)	(284,652)
Proceeds from sale of donated securities	461,387	282,334
(Increase) decrease in:		
Contributions receivable	65,411	(377,866)
Prepaid expenses	(18,348)	3,243
Increase (decrease) in:		
Accounts payable	(474,083)	887,072
Deferred revenue	6,063	(6,923)
Lease liabilities	(62,107)	(51,124)
Net cash used in operating activities	(579,014)	(4,159)
Cash flows from investing activities:		
Proceeds from sale of securities	645,455	998,025
Purchase of securities	(713,571)	(1,000,875)
Net cash used in investing activities	(68,116)	(2,850)
Net decrease in cash, cash equivalents and restricted cash	(647,130)	(7,009)
Cash, cash equivalents and restricted cash at beginning of year	4,957,111	4,964,120
Cash, cash equivalents and restricted cash at end of year	\$ 4,309,981	\$ 4,957,111
Supplemental non-cash disclosures:		
Obtaining a right-of-use asset in exchange for a lease liability	\$ -	\$ 21,274
Donated professional services	\$ 176,250	\$ 176,250
Donated auction items	\$ 430,109	\$ 552,454

See notes to consolidated financial statements.

FRIEDREICH'S ATAXIA RESEARCH ALLIANCE AND STICHTING FRIEDREICH'S ATAXIA RESEARCH ALLIANCE EUROPE

Notes to Financial Statements December 31, 2024 and 2023

NOTE A - ORGANIZATION

Friedreich's Ataxia Research Alliance ("FARA") was incorporated under the laws of the District of Columbia as a nonprofit corporation. FARA obtained foreign entity status in Pennsylvania in 2019 and Florida in 2020. The stated purposes of FARA are to marshal and focus the resources and relationships needed to treat and cure Friedreich's Ataxia ("FA") by raising funds for research, promoting public awareness and aligning scientists, patients, clinicians, government agencies, pharmaceutical companies and other organizations dedicated to treating and curing Friedreich's Ataxia.

Stichting Friedreich's Ataxia Research Alliance Europe ("FARA Europe") was incorporated in the Netherlands in 2023. FARA Europe receives grants and donations from FARA and other entities and individuals and contracts with European clinical sites conducting natural history studies. The transactions between FARA Europe and FARA are recorded in U.S. dollars. FARA Europe's strategic priorities include unifying, consolidating, and supporting the FA clinical infrastructure across Europe. Through collaboration with FARA, FARA Europe aims to establish and support, the FA Global Clinical Consortium ("FA GCC"), with the goal of informing and accelerating the development of new treatments for FA.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

[1] Principles of consolidation:

The accompanying financial statements of FARA and FARA Europe (collectively, the "Organization") have been prepared using the accrual basis of accounting and conform to accounting principles generally accepted in the United States of America ("U.S. GAAP") as applicable to not-for-profit organizations. The consolidated financial statements include the accounts of FARA and FARA Europe. FARA Europe is governed by the common board of directors of FARA. All significant intercompany accounts and transactions have been eliminated.

[2] Classification of net assets:

Resources in the financial statements are classified for accounting and reporting purposes in classes of net assets according to the existence or absence of donor-imposed restrictions. The accompanying financial statements may include the following classes of net assets:

(i) Net assets without donor restrictions:

Net assets without donor restrictions are used to account for funds which have not been restricted by donors and over which the Board of Directors has discretionary control.

(ii) Net assets with donor restrictions:

Net assets with donor restrictions are subject to donor-imposed or certain grantor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

FRIEDREICH'S ATAXIA RESEARCH ALLIANCE AND STICHTING FRIEDREICH'S ATAXIA RESEARCH ALLIANCE EUROPE

Notes to Financial Statements December 31, 2024 and 2023

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[3] Cash and cash equivalents:

The Organization considers all highly liquid investments with maturities of three months or less when purchased to be cash equivalents. Cash and cash equivalents include checking and money market accounts. The Organization normally deposits its cash with seven financial institutions.

[4] Contributions receivable:

Contributions receivable consist primarily of funds due for fund-raising events on the Organization's behalf that were not remitted to the Organization until the following year. No receivables are expected to remain outstanding for more than one year. Receivables are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual receivables. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and credit to the account receivable. The Organization deemed the allowance for doubtful accounts to be immaterial as of December 31, 2024 and 2023.

[5] Investments:

The Organization carries investments in marketable securities with readily determinable fair market values and all investments in debt securities at their fair values in the consolidated statements of financial position. Unrealized gains and losses and impairment loss on investment in common stock are included in the change in net assets in the accompanying consolidated statements of activities and changes in net assets.

[6] Leases:

Operating leases are recorded as operating lease right-of-use ("ROU") assets and operating lease liabilities on the accompanying consolidated statements of financial position. Operating lease ROU assets and the related lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at commencement date. As the Organization's leases do not provide an implicit rate, an incremental borrowing rate based on the information available at the commencement date or the adoption date is used as a practical expedient in determining the present value of future payments. The operating lease ROU assets exclude lease incentives and initial direct costs incurred.

The Organization's policy with respect to short-term leases is to exempt such agreements from the requirements of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 842 and account for the associated lease cost within real estate maintenance and insurance on the consolidated schedule of functional expenses on a straight-line basis over the lease term. No right-of-use asset nor lease liability is established on FARA's consolidated statements of financial position with respect to short-term leases. Short-term leases are generally defined as with an original term of twelve months or less upon commencement.

Finance leases are recorded as finance lease ROU assets and finance lease liabilities on the accompanying consolidated statements of financial position. Finance lease ROU assets and the related lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at commencement date. If an implicit rate is not available, an incremental borrowing rate based on the information available at commencement date is used as a practical expedient in determining the present value of future payments.

FRIEDREICH'S ATAXIA RESEARCH ALLIANCE AND STICHTING FRIEDREICH'S ATAXIA RESEARCH ALLIANCE EUROPE

Notes to Financial Statements December 31, 2024 and 2023

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[7] Revenue recognition:

Contributions and grants:

Funding for the Organization's activities is achieved almost entirely through foundation, corporate and other support, contributions, and in-kind contributions, including unconditional promises to give. These donations provide funding to be used to support the Organization's mission. As the donors are not receiving a benefit as a result of these transactions, the donations are considered to be contributions to the Organization. Some contributions require that funds be expended for a specific purpose, and are considered to be net assets with donor restrictions. There were no conditional government grants as of December 31, 2024 that will be recognized in subsequent years as costs are incurred and service requirements are met.

The Organization recognizes unconditional contributions when cash, securities or other assets, or an unconditional promise to give is received, and are recorded after discounting to the present value of the expected future cash flows (if the unconditional contributions are scheduled to be paid over multiple years). Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met.

Special events:

The Organization earns revenue from contracts with customers through special events.

Fee-for-service revenue related to special events is recognized when or as the performance obligations in each contract are satisfied for the amount of consideration the Organization expects to be entitled to receive for the related service.

The Organization records special events revenue equal to contribution revenue less the cost of direct benefits to donors which is included in special events revenue on the consolidated statements of activities and changes in net assets. The recognition of revenue is conditional on the event taking place, as this is the point in time when the performance obligation of hosting the event occurs, and attendees can no longer request a refund for their ticket purchases. The amounts are collected at the time of ticket purchase and are included in deferred revenue until recognized. As of December 31, 2024 and 2023, there were conditional contributions associated with special events of \$10,630 and \$4,567, respectively, which are included in deferred revenue on the consolidated statements of financial position. There were no other contract assets or contract liabilities at either December 31, 2024 or 2023.

In-kind:

The Organization receives various forms of gifts-in-kind, which are contributions of nonfinancial assets including professional services or auction items. Donated services are recognized in the financial statements if they (i) create or enhance financial assets or require specialized skills, (ii) are provided by individuals possessing these skills, and (iii) would typically need to be acquired if not provided by donation. The donated services are valued at the estimated prevailing rate for like services in the principal marketplace for use at the time the services are provided and reported as an expense concurrently as utilized. During each of the years ended December 31, 2024 and 2023, the Organization recorded contributed legal and communication professional services of \$176,250.

FRIEDREICH'S ATAXIA RESEARCH ALLIANCE AND STICHTING FRIEDREICH'S ATAXIA RESEARCH ALLIANCE EUROPE

Notes to Financial Statements December 31, 2024 and 2023

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[7] Revenue recognition: (continued)

In-kind: (continued)

Contributed auction items are recorded at the proceeds for which they were sold, which amounted to \$430,109 and \$552,454 for the years ended December 31, 2024 and 2023, respectively.

Contributed materials and services are reflected as revenue in the accompanying consolidated statements of activities and changes in net assets. The related offsetting expense is recorded in the same amount on the consolidated statements of activities and changes in net assets. In addition to those included above, the Organization also receives donated services from unpaid volunteers. These services do not meet the criteria for recognition as contributed services and are therefore not included in the accompanying financial statements.

[8] Concentrations of credit risk:

Cash deposits that potentially subject the Organization to concentrations of credit risk consist of cash accounts not covered by FDIC insurance. At December 31, 2024, \$3,199,337 of FARA's bank balances of \$4,309,981 was exposed to credit risk. At December 31, 2023, \$3,862,075 of FARA's bank balances of \$4,957,111 was exposed to credit risk.

[9] Federal tax status:

The Internal Revenue Service has classified FARA as exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. FARA Europe was formed as a non-profit entity under the laws of the Netherlands and is exempt from income taxes.

Accounting for uncertainty in income taxes clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements. Management has analyzed the tax positions taken by the Organization, and has concluded that as of December 31, 2024, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Organization recognizes accrued interest and penalties associated with uncertain tax positions, if any. There were no income tax related interest or penalties recorded for the year ended December 31, 2024.

[10] 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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**FRIEDREICH'S ATAXIA RESEARCH ALLIANCE AND
STICHTING FRIEDREICH'S ATAXIA RESEARCH ALLIANCE EUROPE**

**Notes to Financial Statements
December 31, 2024 and 2023**

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[11] Functional expenses:

The costs of providing the Organization's program and other supporting services have been summarized on a functional basis in the consolidated statements of functional expenses. Accordingly, the expenses directly related to the program are combined with allocations of certain common costs of the Organization which have been allocated based on estimates made by management. Common costs allocated are payroll, taxes and benefits, as well as rent, utilities, legal, and other professional service fees. Payroll, taxes and benefits, legal, and other professional service fees are allocated based on estimates of time and effort. Rent and utilities are allocated on a square-footage basis.

[12] Reclassifications:

Certain reclassifications have been made to the 2023 presentation to conform to the 2024 presentation. A research grant of \$325,000 was reclassified from Research and grant program to Patient registry and FA GCC on the consolidated statement of functional expenses and the consolidating schedule of activities and changes in net assets.

**FRIEDREICH'S ATAXIA RESEARCH ALLIANCE AND
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**Notes to Financial Statements
December 31, 2024 and 2023**

NOTE C - LIQUIDITY

The following tables reflect the Organization's financial assets available for general expenditures within one year from December 31, 2024 and 2023, after accounting for assets with donor restrictions. Financial assets are considered unavailable when illiquid, not convertible to cash within one year, or subject to donor restrictions not expected to be released within one year.

	December 31, 2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Liquidity resources:			
Cash and cash equivalents	\$ 1,959,581	\$ 2,350,400	\$ 4,309,981
Contributions receivable	682,067	-	682,067
Investment	2,137,780	-	2,137,780
Contracted restricted resources to be received in 2025 for existing commitments as of December 31, 2024	-	2,435,313	2,435,313
Assets without commitments as of December 31, 2024	-	(460,500)	(460,500)
Total liquidity resources	4,779,428	4,325,213	9,104,641
Liquidity liabilities and commitments:			
Current liabilities including leases	(739,891)	-	(739,891)
2025 Fundraising commitments and program commitments - Restricted for time	(10,630)	(283,336)	(293,966)
2025 Program commitments - Ataxian Athlete	-	(14,452)	(14,452)
2025 Program commitments - Data subscription and contract service commitments	(94,003)	(125,997)	(220,000)
2025 Staffing commitments to support research and special projects		(434,204)	(434,204)
2025 Research and Grant program commitments:			
Institutional research programs	-	(2,445,086)	(2,445,086)
Directed research projects	(225,000)	(1,012,138)	(1,237,138)
Grant program and patient registry & FA GCC	(1,963,315)	(10,000)	(1,973,315)
Total 2025 Research and Grant program commitments	(2,188,315)	(3,467,224)	(5,655,539)
Total liquidity liabilities and commitments	(3,032,839)	(4,325,213)	(7,358,052)
Remaining assets available for general expenditures within one year	\$ 1,746,589	\$ -	\$ 1,746,589

The Organization structures its financial assets to be available as general expenditures and research program commitments come due. Assets with donor restrictions are released when restrictions have been satisfied. Research program commitments assume that certain benchmarks or other criteria are met. The Organization invests excess cash in short-term investments (money market funds) and maintains an unrestricted investment reserve (investments) in highly liquid marketable securities.

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**Notes to Financial Statements
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NOTE C - LIQUIDITY (CONTINUED)

	December 31, 2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Liquidity resources:			
Cash and cash equivalents	\$ 3,993,332	\$ 963,779	\$ 4,957,111
Contributions receivable	747,478	-	747,478
Investment	1,870,166	-	1,870,166
Contracted restricted resources to be received in 2024 for existing commitments as of December 31, 2023	-	2,896,406	2,896,406
Assets without commitments as of December 31, 2023	-	(426,753)	(426,753)
Total liquidity resources	6,610,976	3,433,432	10,044,408
Liquidity liabilities and commitments:			
Current liabilities including leases	(1,232,860)	-	(1,232,860)
2024 Fundraising commitments	(4,567)	(75,000)	(79,567)
2024 Program commitments - Ataxian Athlete	-	(2,279)	(2,279)
2024 Staffing commitments to support research and special projects	-	(391,842)	(391,842)
2024 Research and Grant program commitments:			
Institutional research programs	-	(2,445,086)	(2,445,086)
Directed research projects	(1,440,690)	(519,225)	(1,959,915)
Grant program and patient registry & FA GCC	(1,648,031)	-	(1,648,031)
Total 2024 Research and Grant program commitments	(3,088,721)	(2,964,311)	(6,053,032)
Total liquidity liabilities and commitments	(4,326,148)	(3,433,432)	(7,759,580)
Remaining assets available for general expenditures within one year	\$ 2,284,828	\$ -	\$ 2,284,828

FRIEDREICH'S ATAXIA RESEARCH ALLIANCE AND STICHTING FRIEDREICH'S ATAXIA RESEARCH ALLIANCE EUROPE

Notes to Financial Statements December 31, 2024 and 2023

NOTE D - CASH AND CASH EQUIVALENTS

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the consolidated statements of financial position that sums to the total of the same such amounts shown in the consolidated statements of cash flows for the years ended December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 1,959,581	\$ 3,993,332
Cash restricted for donor restricted purposes	<u>2,350,400</u>	<u>963,779</u>
	<u>\$ 4,309,981</u>	<u>\$ 4,957,111</u>

NOTE E - INVESTMENTS AND FAIR VALUE MEASUREMENTS

FASB ASC 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value, and defines fair value as the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants.

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets (Level 1 measurements), and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

- Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.
- Level 2: Inputs to the valuation methodology include (a) quoted prices for similar assets or liabilities in active markets; (b) quoted prices for identical or similar assets or liabilities in inactive markets; (c) inputs other than quoted prices that are observable for the asset or liability; or (d) 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. Assets utilizing Level 3 inputs are funds held in trust by others.

The 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. The valuation levels are not necessarily an indication of the risk or liquidity associated with the underlying assets.

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**Notes to Financial Statements
December 31, 2024 and 2023**

NOTE E - INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

As of December 31, 2024 and 2023, FARA's investments consist of the following:

	2024	2023
U.S. Government debts	\$ 60,340	\$ 235,529
Common stocks and ETF's	23,271	-
Mutual funds - fixed income	593,755	417,532
Mutual funds- equity	1,460,414	1,217,105
	\$ 2,137,780	\$ 1,870,166

These investments are valued at the closing market price on the stock exchange where they are traded, and are considered to be Level 1 on the aforementioned fair value hierarchy. There were no Level 2 or Level 3 assets at December 31, 2024 or 2023.

NOTE F - LEASES

FARA has a lease agreement that has been recorded in accordance with ASC 842 as an operating lease.

The liabilities under the operating lease are recorded at the present value of the minimum lease payments. During the years ended December 31, 2024 and 2023, lease expenses of \$64,111 and \$71,071, respectively, relating to the operating lease, are included in management and general on the consolidated statements of activities and changes in net assets. There are no costs related to variable lease components.

The following maturity analysis of the annual undiscounted cash flows of the operating lease liabilities as of December 31, 2024 is approximately as follows:

	Year Ending December 31,	
	2024	2023
2024	\$ -	\$ 68,826
2025	51,620	51,620
Less: present value discount	(1,680)	(8,399)
Total	\$ 49,940	\$ 112,047
Weighted average remaining lease term:	0.75 years	1.75 years
Weighted average discount rate:	8.0%	8.0%

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**Notes to Financial Statements
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NOTE G - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes:

	2024	2023
Multi-year staff growth for research and special projects	\$ 434,204	\$ 784,253
Research and grant programs	1,567,908	77,247
Future fundraising events	283,336	100,000
Patient education, engagement and advocacy	50,500	-
Ataxian Athlete Initiative	14,452	2,279
	\$ 2,350,400	\$ 963,779

Net assets were released from donor restriction by incurring expenses satisfying the restricted purpose specified by the donors as follows for the years ended December 31, 2024 and 2023:

	2024	2023
Satisfaction of purpose restrictions:		
Research, conferences, and grant programs	\$ 5,082,258	\$ 3,719,959
Ataxian Athlete Initiative	9,878	14,647
FA GCC Operations	55,240	-
Future fundraising events	125,000	155,000
Satisfaction of purpose and time restrictions:		
Multi-year staff growth for research and special projects	380,532	404,694
	\$ 5,652,908	\$ 4,294,300

NOTE H - RELATED PARTIES

During the years ended December 31, 2024, and 2023, Board members and affiliated organizations provided \$5,938,769 and \$4,784,585 in revenue and support to FARA, respectively. This excludes the value of donated services described in Note B. The increase in Board member contributions from 2023 to 2024 was due primarily to the timing of restricted gifts received in 2024 for 2025 programs including for Institutional Research Programs described in Note J (\$500,000 restricted to 2025) and for Directed Research Projects (\$500,000 restricted to 2025) for TRACK FA neuroimaging study.

FRIEDREICH'S ATAXIA RESEARCH ALLIANCE AND STICHTING FRIEDREICH'S ATAXIA RESEARCH ALLIANCE EUROPE

Notes to Financial Statements December 31, 2024 and 2023

NOTE I - RESEARCH AND PROGRAM COMMITMENTS

Many of the research grants that FARA funds are for multiple years which means that FARA has commitments to funding ongoing research and grant programs, assuming that certain benchmarks or other criteria are met by the grant recipients by a certain point in time. As of December 31, 2024 and 2023, FARA had commitments of \$3,210,226 and \$3,607,946, respectively, for the following year from the Grant Program and Directed Projects. The grants will fund various research projects, including drug discovery, gene and stem cell therapy, mechanism or pathway of disease, biomarker discovery and validation, cardiac research, TRACK-FA neuroimaging study and FA GCC natural history study. This is an addition to commitments of \$2,445,086 as of December 31, 2024 and 2023, for Institutional Research described in Note J. All commitments as of December 31, 2024 and 2023 are classified as with or without donor restrictions in Note D.

NOTE J - INSTITUTIONAL RESEARCH PROGRAMS

FARA has identified opportunities to fund research at institutions where there are multiple investigators with an expertise and commitment to FA research and/or opportunity to leverage technologies, innovation or new growth to the FA community. By establishing these institutional research programs FARA is able to promote collaboration and synergy across basic, translational and clinical research, provide a longer-term commitment for research, attract new investigators, and leverage the institutions resources and engagement.

The FA Center of Excellence ("COE") was established at the Children's Hospital of Philadelphia/University of Pennsylvania in 2014 with the Hamilton & Finneran families making a multi-year commitment to FARA and the COE. The COE is a translational research and clinical care center devoted to FA: expediting basic science and drug discovery findings to new treatments and dedicating resources to clinical research and care to further understand the disease, inform drug development and improve outcomes for individuals living with FA. FARA has maintained this funding partnership with the CureFA Foundation (established by the Hamilton and Finneran families) to advance research through the COE. In 2023, FARA, in partnership with the CureFA Foundation, signed a new agreement with the Children's Hospital of Philadelphia to contribute funds for COE research over the next three years. The agreement called for a charitable gift of \$500,000 per year for 3 years (through 2025). As of December 31, 2024 and 2023, the commitment by the CureFA Foundation and payment obligations for the COE for the second year and first year, respectively, have been met and recorded on FARA's financial statements.

The Friedreich's Ataxia Accelerator ("FAA") at the Broad Institute of MIT and Harvard was established in 2020 with a multi-year commitment from End-FA, CureFA Foundation and FARA. The FAA comprises a portfolio of complementary projects that are creating a growing Boston-based community committed to FA research. This portfolio includes gene editing strategies, small molecule drug discovery, frataxin bypass therapeutic approaches, genetic modifier studies and cardiac research. In October of 2023, FARA, in partnership with the CureFA Foundation and EndFA, signed a new agreement with the Broad Institute to contribute funds for FA research for the next three years, beginning October 1, 2023. The agreement called for a charitable gift of \$1,945,086 per year for 3 years (through 2025). As of December 31, 2023, FARA had received \$1,945,086 from co-funding partners toward the October 1, 2023 first year pledge and FARA had met payment obligations of \$1,945,086. As of December 31, 2024, FARA has received \$1,945,086 from co-funding partners toward the October 1, 2024, second-year pledge and FARA has met payment obligations of \$1,945,086. As of December 31, 2024, FARA has also received \$500,000 from co-funding partners toward the October 1, 2025 pledge as reported in restricted assets in Note C.

FRIEDREICH'S ATAXIA RESEARCH ALLIANCE AND STICHTING FRIEDREICH'S ATAXIA RESEARCH ALLIANCE EUROPE

Notes to Financial Statements December 31, 2024 and 2023

NOTE K - FA GCC

Launched in 2023, the mission of the FA GCC is to accelerate the development of treatments for Friedreich's Ataxia by empowering patients and researchers, understanding natural history, conducting research and developing infrastructure that facilitates clinical research across the globe. The consortium is comprised of a funding board (FARA and FARA Europe), scientific steering committee, operations and management team, working groups, patient advocacy/advisory team and the investigator members of each clinical site; participation includes investigators from 33 sites representing 18 countries.

Each FA GCC clinical site is provided funding to participate in the UNIFIED Natural History Study (UNIFAI) and to:

- Identify and validate clinical outcome measures and biomarkers in FA that are necessary for clinical trials;
- Facilitate the implementation and delivery of clinical trials;
- Share data and resources to advance treatments for FA;
- Define best clinical practices for FA and provide the highest level of clinical care for patients.

In 2024, the FA GCC began a second study, A Study to Learn More About the Long-Term Safety of BIL141 (Omaveloxolone) in Participants With Friedreich's Ataxia Who Are Prescribed it by Their Own Doctors, <https://clinicaltrials.gov/study/NCT06623890>, sponsored by Biogen. This is a post-market study of the first approved treatment for FA. In addition, several FA GCC clinical sites were involved in industry sponsored clinical trials of new potential treatments. FARA presented on the FA GCC and the UNIFAI study at multiple international conferences. The Organization believes that continued investment in clinical research infrastructure, globally, and continuation of natural history studies are essential to accomplish its mission.

NOTE L - EMPLOYEE BENEFIT PLAN

On January 1, 2017, FARA adopted a 401(k) profit-sharing plan and trust that covers all qualified employees. The plan provides for a discretionary profit-sharing contribution, as well as a matching employer contribution. The Plan provides for matching contributions up to 3% on deferrals from eligible employees. FARA made employer matching contributions of \$38,372 and \$36,390 during the years ended December 31, 2024 and 2023, respectively.

NOTE M - RISKS AND UNCERTAINTIES

FARA maintains its cash in bank accounts in amounts which, at times, may exceed federally insured limits. FARA has not experienced any losses in such accounts, and management believes that FARA is not exposed to any significant risk of loss on these accounts.

FARA invests in a professionally managed portfolio that contains short-term investments, U.S. Government issues, and mutual funds (equities and fixed income). Such investments are exposed to various risks, such as market and credit risks. Due to the level of risk associated with such investments, and the level of uncertainty related to changes in value of such investments, it is at least reasonably possible that changes in risk in the near term could materially affect investment balances and the amounts reported in the consolidated financial statements.

NOTE N - SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 16, 2025, which is the date the financial statements were available to be issued.