

**Health Research Alliance, Inc.**  
Report on Audits of Financial Statements  
for the years ended December 31, 2024 and 2023

**MPCompany LLP**  
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### Independent Auditors' Report

Board of Directors  
Health Research Alliance, Inc.

#### ***Opinion***

We have audited the financial statements of Health Research Alliance, Inc., which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Health Research Alliance, Inc. as of December 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (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 Health Research Alliance, 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 Health Research Alliance, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are issued.

#### ***Auditors' Responsibilities for the Audits 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 audits in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- 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 audits 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 Health Research Alliance, 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 Health Research Alliance, 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 audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

A handwritten signature in blue ink that reads "APC Company LLP".

May 19, 2025

Health Research Alliance, Inc.  
 Statements of Financial Position  
 December 31, 2024 and 2023

<u>Assets</u>	<u>2024</u>	<u>2023</u>
Current assets:		
Cash	\$ 191,058	\$ 146,635
Certificates of deposit	610,816	615,181
Membership dues receivable	-	22,500
Prepaid expenses	21,811	21,024
Total current assets	<u>823,685</u>	<u>805,340</u>
Property and equipment:		
Computer equipment	792	4,012
Website and software	99,972	99,972
Less accumulated depreciation and amortization	100,764	103,984
Property and equipment, net	<u>96,506</u>	<u>90,081</u>
	<u>4,258</u>	<u>13,903</u>
Total assets	<u><u>827,943</u></u>	<u><u>819,243</u></u>
<u><b>Liabilities and Net Assets</b></u>		
Current liabilities:		
Accounts payable	\$ 4,105	\$ 10,993
Accrued expenses	31,242	24,225
Agency fund	75,254	-
Deferred membership dues	1,250	2,500
Total current liabilities	<u>111,851</u>	<u>37,718</u>
Net Assets:		
Without donor restrictions	716,092	752,753
With donor restrictions	-	28,772
Total net assets	<u>716,092</u>	<u>781,525</u>
Total liabilities and net assets	<u><u>827,943</u></u>	<u><u>819,243</u></u>

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

Health Research Alliance, Inc.  
 Statement of Activities  
 for the year ended December 31, 2024

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Changes in net assets:</b>			
Revenues, support and gains:			
Membership dues	\$ 567,969	\$ -	\$ 567,969
Member meeting support	15,101	-	15,101
Contributions and grants	3,750	-	3,750
Nonfinancial contributions	7,200	-	7,200
Net certificates of deposit return (loss)	(4,364)	-	(4,364)
Interest	45,814	-	45,814
Total revenues, support and gains	<u>635,470</u>	<u>-</u>	<u>635,470</u>
Net assets released from restrictions	<u>28,772</u>	<u>(28,772)</u>	<u>-</u>
Expenses and losses:			
Program services	355,432	-	355,432
Management and general	264,052	-	264,052
Membership development	80,203	-	80,203
Total expenses	699,687	-	699,687
Loss on disposal of property and equipment	1,216	-	1,216
Total expenses and losses	<u>700,903</u>	<u>-</u>	<u>700,903</u>
Changes in net assets	(36,661)	(28,772)	(65,433)
Net assets, beginning of year	<u>752,753</u>	<u>28,772</u>	<u>781,525</u>
Net assets, end of year	<u>\$ 716,092</u>	<u>\$ -</u>	<u>\$ 716,092</u>

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 part of the financial statements.

Health Research Alliance, Inc.  
 Statement of Activities  
 for the year ended December 31, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Changes in net assets:</b>			
Revenues, support and gains:			
Membership dues	\$ 556,451	\$ -	\$ 556,451
Member meeting support	-	-	-
Contributions and grants	-	-	-
Nonfinancial contributions	-	-	-
Net certificates of deposit return (loss)	11,875	-	11,875
Interest	<u>27,292</u>	<u>-</u>	<u>27,292</u>
Total revenues, support and gains	<u>595,618</u>	<u>-</u>	<u>595,618</u>
Net assets released from restrictions	<u>128,121</u>	<u>(128,121)</u>	<u>-</u>
Expenses and losses:			
Program services	504,219	-	504,219
Management and general	108,814	-	108,814
Membership development	<u>95,713</u>	<u>-</u>	<u>95,713</u>
Total expenses	<u>708,746</u>	<u>-</u>	<u>708,746</u>
Loss on disposal of property and equipment	-	-	-
Total expenses and losses	<u>708,746</u>	<u>-</u>	<u>708,746</u>
Changes in net assets	14,993	(128,121)	(113,128)
Net assets, beginning of year	<u>737,760</u>	<u>156,893</u>	<u>894,653</u>
Net assets, end of year	<u>\$ 752,753</u>	<u>\$ 28,772</u>	<u>\$ 781,525</u>

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

Health Research Alliance, Inc.  
 Statement of Functional Expenses  
 for the year ended December 31, 2024

	<u>Program Services</u>	<u>and General</u>	<u>Membership Development</u>	<u>Total</u>
Salaries and benefits	\$ 208,343	\$ 140,232	\$ 73,429	\$ 422,004
Consultants	20,300	-	-	20,300
Systems expenses	76,325	3,694	1,934	81,953
Travel and meetings	-	-	-	-
Professional services	3,103	112,829	1,093	117,025
Depreciation and amortization	4,552	3,065	1,604	9,221
Telephone and internet	1,854	1,248	653	3,755
Dues and fees	2,790	2,017	984	5,791
Member meetings	36,729	-	-	36,729
Insurance	1,436	967	506	2,909
	<u>\$ 355,432</u>	<u>\$ 264,052</u>	<u>\$ 80,203</u>	<u>\$ 699,687</u>

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

Health Research Alliance, Inc.  
 Statement of Functional Expenses  
 for the year ended December 31, 2023

	Management		Membership		
	<u>Program Services</u>	<u>and General</u>	<u>Development</u>		<u>Total</u>
Salaries and benefits	\$ 336,837	\$ 59,331	\$ 88,560	\$ 484,728	
Consultants	35,875	-	-	35,875	
Systems expenses	79,481	1,163	1,736	82,380	
Travel and meetings	2,454	-	-	2,454	
Professional services	5,001	45,421	1,315	51,737	
Depreciation and amortization	6,285	1,107	1,653	9,045	
Telephone and internet	3,772	664	992	5,428	
Dues and fees	3,700	803	972	5,475	
Member meetings	28,968	-	-	28,968	
Insurance	1,846	325	485	2,656	
	<u>\$ 504,219</u>	<u>\$ 108,814</u>	<u>\$ 95,713</u>	<u>\$ 708,746</u>	

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

Health Research Alliance, Inc.  
 Statements of Cash Flows  
 for the years ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
<b>Cash flows from operating activities:</b>		
Changes in net assets	\$ (65,433)	\$ (113,128)
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Net certificates of deposit (return) loss	4,364	(11,875)
Depreciation and amortization	9,221	9,045
Loss on disposal of property and equipment	1,216	-
Changes in operating assets and liabilities:		
(Increase) decrease in assets:		
Membership dues receivable	22,500	(22,500)
Prepaid expenses	(787)	(112)
Increase (decrease) in liabilities:		
Accounts payable	(6,888)	6,826
Accrued expenses	7,017	6,742
Agency fund	75,254	-
Deferred membership dues	(1,250)	(3,750)
Net cash provided by (used in) operating activities	<u>45,214</u>	<u>(128,752)</u>
<b>Cash flows from investing activities:</b>		
Purchases of certificates of deposit	(1,200,000)	(1,100,000)
Proceeds from sales of certificates of deposit	1,200,001	1,147,000
Purchase of property and equipment	<u>(792)</u>	<u>(1,824)</u>
Net cash provided by (used in) investing activities	<u>(791)</u>	<u>45,176</u>
Net increase (decrease) in cash	44,423	(83,576)
Cash at beginning of year	<u>146,635</u>	<u>230,211</u>
Cash at end of year	<u>\$ 191,058</u>	<u>\$ 146,635</u>

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

Health Research Alliance, Inc.  
Notes to Financial Statements  
December 31, 2024 and 2023

1. ORGANIZATION

Health Research Alliance, Inc. (the “Alliance”) incorporated in November 2005, is a membership organization composed of nonprofit funders of biomedical research and training. Organizations participating in HRA represent a variety of types of nonprofit funders of biomedical research, including voluntary health agencies, private foundations, and operating foundations. All of these organizations share a common interest in speeding the translation of biomedical science into applications that improve health and in identifying and adopting effective practices in funding health research.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements of the Alliance are prepared on the accrual basis of accounting.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Alliance considers all investments with original maturity of 90 days or less to be cash equivalents. There were no cash equivalents held by the Alliance at December 31, 2024 and 2023. At December 31, 2024 and 2023, the Alliance did not have any cash deposits in excess of amounts insured by the Federal Deposit Insurance Corporation.

Receivables

Receivables consist of membership dues and commitments made to the Alliance by members and are stated at the amount management expects to collect from outstanding balances. Management believes that the entire amounts are fully collectible. Therefore, no allowance for doubtful accounts has been recorded. In the unlikely event that an outstanding balance could not be collected, it would be written down with a charge against bad debt expense and a credit to the receivable balance.

Property and Equipment

Expenditures for property and equipment are stated at cost. Depreciation and amortization are provided over the estimated useful lives of the respective assets using the straight-line method. The estimated useful lives of property and equipment range as follows:

<u>Classification</u>	<u>Estimated Useful Life</u>
Computer equipment	3 years
Website and software	3-5 years

Health Research Alliance, Inc.  
Notes to Financial Statements  
December 31, 2024 and 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment (Continued)

Expenditures for repairs and maintenance are charged to expense as incurred. The cost of major renewals and betterments generally in excess of \$500 are capitalized and depreciated over their estimated useful lives. Upon disposition of property and equipment, the related asset and accumulated depreciation and amortization accounts are removed and any gain or loss is reflected in the statement of activities for the period. Depreciation and amortization expense for the years ended December 31, 2024 and 2023 were \$9,221 and \$9,045, respectively.

Revenue from Membership Dues

Revenue from membership dues are recognized in the year for which the dues are earned. Dues received prior to year-end for the upcoming dues year are reported as deferred membership dues.

Nonfinancial Contributions

Nonfinancial contributions are reflected at their estimated fair value at the date of donation on the statements of activities. The Alliance reports non-monetary contributions as without donor restricted support unless explicit donor stipulations specify how the donated assets must be used.

The Alliance recognizes contributions of services if such services (a) create or enhance nonfinancial assets or (b) require specialized skills and are provided by individuals possessing those skills and would typically need to be purchased if not contributed.

During the year ended December 31, 2024, meeting space valued at \$7,200 was contributed to the Alliance.

Net Assets

Net assets, revenues, support, and gains are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

*Net Assets With Donor Restrictions* – Net assets subject to donor or 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. 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.

Health Research Alliance, Inc.  
Notes to Financial Statements  
December 31, 2024 and 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Allocation of Expenses

The costs of the various programs and other activities have been summarized on a functional basis in the accompanying statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited, on the basis of estimates of time and effort.

Income Taxes

The Alliance is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and accordingly, no income taxes have been provided in the accompanying financial statements.

Use of Estimates

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

Subsequent Events

The Alliance has evaluated events and transactions that occurred between December 31, 2024 and May 19, 2025 which is the date the financial statements were available to be issued, for possible recognition or disclosure in the financial statements. Management did not identify subsequent events which required recognition or disclosure in the financial statements.

3. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise of the following as of December 31:

	<u>2024</u>	<u>2023</u>
Cash	\$ 191,058	\$ 146,635
Certificates of deposit	610,816	615,181
Receivables	-	22,500
Total financial assets	801,874	784,316
Less amounts not available for general expenditures within one year:		
Agency fund	(75,254)	-
Donor-restricted	-	(28,772)
Total financial assets available for general expenditures within one year	\$ 726,620	\$ 755,544

Health Research Alliance, Inc.  
Notes to Financial Statements  
December 31, 2024 and 2023

3. LIQUIDITY AND AVAILABILITY (Continued)

As part of the Alliance's liquidity management plan, excess cash is invested in certificates of deposit. As part of the Alliance's liquidity management, it structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Alliance is also supported by restricted contributions. Because a donor or grantor's restriction requires resources to be used in a particular manner or in a future period, the Alliance must maintain sufficient resource to meet those responsibilities to its donor or grantor. Thus, financial assets may not be available for general expenditures within one year.

4. AGENCY FUND

In 2024 the Alliance agreed to serve as fiscal agent for the Brain Tumor Funder's Collaborative (the Collaborative). The balance of the agency fund on the statements of financial position represent amounts collected from funders of the Collaborative to be used to fund initiatives on immunotherapy for brain cancers as authorized by the Collaborative.

5. RELATED PARTIES

Part of the Alliance's membership revenues were received by Organizations that are affiliated by board members. The amounts received are consistent with the amounts paid by other nonrelated organizations. For the years ended December 31, 2024 and 2023, the Alliance collected \$122,500 and \$119,368, respectively, from affiliated members for dues. Additionally, \$7,000 was contributed for member meeting support during the year ended December 31, 2024 by two affiliated member organizations.

6. NET ASSETS WITH DONOR RESTRICTIONS

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

	<u>2024</u>	<u>2023</u>
Inclusive Grant Making Initiative	\$ <u>      </u> -	\$ <u>28,772</u>

7. CONCENTRATIONS

During the year ended December 31, 2024, 20% of the Alliance's expenses were paid to two vendors. At December 31, 2023, 100% of the Alliance's receivables were due from one member. At December 31, 2024 and 2023, 51% and 56% of the Alliance's payables were due to three and two vendors, respectively.