

ALLIANCE FOR REGENERATIVE MEDICINE

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

**(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED
DECEMBER 31, 2023)**

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ALLIANCE FOR REGENERATIVE MEDICINE

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Independent Auditors' Report

The Board of Directors of
Alliance for Regenerative Medicine

Opinion

We have audited the financial statements of Alliance For Regenerative Medicine (the "Alliance"), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Alliance as of December 31, 2024, 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 ("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 Alliance 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 Alliance'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 Alliance'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 Alliance'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.

Other Matter

Report on Summarized Comparative Information

The financial statements of Alliance for Regenerative Medicine as of and for the year ended December 31, 2023, were audited by Marcum LLP, whose report dated September 4, 2024, expressed an unmodified opinion on those statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Washington, DC
[REPORT DATE]

ALLIANCE FOR REGENERATIVE MEDICINE

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2024

(WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2023)

	2024	2023
Assets		
Cash and cash equivalents	\$ 4,425,995	\$ 2,679,478
Investments	7,349,242	6,924,739
Accounts receivable, net of expected credit losses totaling \$22,000	318,801	231,353
Property and equipment	23,694	30,463
Prepays and other assets	404,785	478,587
Operating lease right of use asset	<u>434,433</u>	<u>637,167</u>
Total Assets	\$ <u>12,956,950</u>	\$ <u>10,981,787</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued liability	\$ 399,525	\$ 617,668
Accrued compensation	872,766	645,531
Operating lease liability	563,301	828,916
Deferred membership and registration revenue	<u>4,039,581</u>	<u>3,241,876</u>
Total Liabilities	<u>5,875,173</u>	<u>5,333,991</u>
Net Assets		
With donor restrictions	360,000	--
Without donor restrictions	<u>6,721,777</u>	<u>5,647,796</u>
Total Net Assets	<u>7,081,777</u>	<u>5,647,796</u>
Total Liabilities and Net Assets	\$ <u>12,956,950</u>	\$ <u>10,981,787</u>

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

ALLIANCE FOR REGENERATIVE MEDICINE

STATEMENT OF ACTIVITIES

**FOR THE YEAR ENDED DECEMBER 31, 2024
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2023)**

	Without Donor Restrictions	With Donor Restrictions	2024 Total	2023 Total
Revenues and Support				
Membership dues	\$ 7,984,874	\$ --	\$ 7,984,874	\$ 7,583,359
Event income	9,022,634	--	9,022,634	8,348,624
Investment income	405,037	--	405,037	678,166
Contribution income	--	420,000	420,000	--
Other income	627,969	--	627,969	525,949
Net assets released from restrictions	<u>60,000</u>	<u>(60,000)</u>	<u>--</u>	<u>--</u>
Total Revenues and Support	<u>18,100,514</u>	<u>360,000</u>	<u>18,460,514</u>	<u>17,136,098</u>
Expenses				
Program services:				
Public affairs, advocacy & communications	5,993,147	--	5,993,147	6,745,926
Events	5,282,726	--	5,282,726	5,751,343
Science and technology	1,990,471	--	1,990,471	1,139,132
Other programs	667,587	--	667,587	846,952
Membership relations	<u>513,338</u>	<u>--</u>	<u>513,338</u>	<u>598,921</u>
Total Program Services	<u>14,447,269</u>	<u>--</u>	<u>14,447,269</u>	<u>15,082,274</u>
Supporting services:				
Management and general	<u>2,579,264</u>	<u>--</u>	<u>2,579,264</u>	<u>2,571,848</u>
Total Expenses	<u>17,026,533</u>	<u>--</u>	<u>17,026,533</u>	<u>17,654,122</u>
Change in Net Assets	1,073,981	360,000	1,433,981	(518,024)
Net Assets, Beginning of Year	<u>5,647,796</u>	<u>--</u>	<u>5,647,796</u>	<u>6,165,820</u>
Net Assets, End of Year	<u>\$ 6,721,777</u>	<u>\$ 360,000</u>	<u>\$ 7,081,777</u>	<u>\$ 5,647,796</u>

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

ALLIANCE FOR REGENERATIVE MEDICINE

STATEMENT OF FUNCTIONAL EXPENSES

**FOR THE YEAR ENDED DECEMBER 31, 2024
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2023)**

	Program Services						Supporting Services		2023 Total Expenses
	Public Affairs, Advocacy & Communications	Events	Science and Technology	Other Programs	Membership Relations	Total Programs	Management and General	2024 Total Expenses	
Personnel	\$ 2,390,897	\$ 807,093	\$ 1,037,579	\$ 369,815	\$ 310,476	\$ 4,915,860	\$ 1,576,995	\$ 6,492,855	\$ 5,349,863
Meeting Expenses	--	4,358,289	--	--	--	4,358,289	--	4,358,289	4,384,661
Professional Fees & Contract Services	1,521,378	17,007	795,530	241,290	117,156	2,692,361	33,230	2,725,591	3,658,348
European Union Section Expenses	1,266,906	--	--	--	--	1,266,906	--	1,266,906	1,474,712
Retained Consultants	266,530	--	--	12,275	11,125	289,930	613,850	903,780	1,515,508
Travel Expenses	167,532	--	25,730	--	27,794	221,056	139,499	360,555	251,581
Other Administrative & Office Expense	144,815	33,929	46,259	13,779	21,241	260,023	85,934	345,957	567,069
Website, Database, & Other IT Expense	141,196	36,787	47,293	16,856	14,151	256,283	71,879	328,162	213,513
Occupancy	85,104	26,848	34,516	12,302	10,328	169,098	52,460	221,558	221,145
Insurance	8,789	2,773	3,564	1,270	1,067	17,463	5,417	22,880	17,722
Total Expenses	\$ 5,993,147	\$ 5,282,726	\$ 1,990,471	\$ 667,587	\$ 513,338	\$ 14,447,269	\$ 2,579,264	\$ 17,026,533	\$ 17,654,122

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

ALLIANCE FOR REGENERATIVE MEDICINE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2023)

	2024	2023
Operating Activities		
Change in net assets	\$ 1,433,981	\$ (518,024)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	6,769	3,385
Amortization of right of use asset	202,734	199,171
Net unrealized/realized gain on investments	(271,604)	(472,182)
Changes in assets and liabilities:		
Accounts receivable	(87,448)	353,540
Prepays and other assets	73,802	(123,261)
Accounts payable and accrued liability	(218,143)	63,639
Accrued compensation	227,235	223,038
Deferred membership and registration revenue	797,705	(32,645)
Operating lease liability	(265,615)	(255,324)
Net Cash Provided By (Used In) Operating Activities	<u>1,899,416</u>	<u>(558,663)</u>
Investing Activities		
Purchase of property and equipment	--	(33,848)
Sale of investments	10,000	1,075,000
Purchase of investments	(162,899)	(1,303,264)
Net Cash Used In Investing Activities	<u>(152,899)</u>	<u>(262,112)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	1,746,517	(820,775)
Cash and Cash Equivalents, Beginning of Year	<u>2,679,478</u>	<u>3,500,253</u>
Cash and Cash Equivalents, End of Year	<u>\$ 4,425,995</u>	<u>\$ 2,679,478</u>

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

ALLIANCE FOR REGENERATIVE MEDICINE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

NATURE OF OPERATIONS

The Alliance for Regenerative Medicine (the Alliance) was incorporated in 2009 in Washington, D.C. The purpose of the Alliance is to promote legislative, regulatory, reimbursement, investment, technical and other initiatives to accelerate the development of safe and effective regenerative medicine technologies. The Alliance also works to increase public understanding of the field and its potential to transform human healthcare by providing business development and investor outreach services to support the growth of its member companies and research organizations.

The Alliance's revenue is comprised primarily of membership dues and registration and sponsorship fees for events. The Alliance's membership is diverse, representing leading regenerative medicine companies and investors, university-based and non-profit research institutions, patient advocacy groups, pharmaceutical companies engaged in regenerative medicine research, and other alliances supporting regenerative medicine. Members work together to serve as the voice of the global regenerative medicine community and introduce and support policies that pave the way for development of new regenerative medicine therapies, medical devices and diagnostics.

BASIS OF ACCOUNTING

The financial statements are prepared on the accrual basis of accounting and in conformity with accounting principles generally accepted in the United States of America (GAAP).

WITHOUT DONOR RESTRICTIONS

Net assets without donor restrictions include undesignated funds that are available for the support of the Alliance's activities and not subject to donor-imposed restrictions.

WITH DONOR RESTRICTIONS

Net assets with donor restrictions result from unconditional contributions whose use is limited by donor-imposed stipulations that are fulfilled and removed by actions of the Alliance pursuant to these stipulations. Net assets with donor restrictions are restricted for the CAR T Uptake Project and totaled \$360,000 as of December 31, 2024.

CASH AND CASH EQUIVALENTS

The Alliance considers all cash and highly liquid investments, with maturities of three months or less, to be cash and cash equivalents.

INVESTMENTS

Investments are recorded at their estimated fair values in the statements of financial position. Realized and unrealized gains and losses, interest, dividends and investment fees arising during the period are included in investment income in the accompany statement of activities.

ALLIANCE FOR REGENERATIVE MEDICINE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FINANCIAL RISK

The Alliance maintains demand deposits with commercial banks. At times, certain balances held within these accounts may not be fully guaranteed or insured by the U.S. federal government. The uninsured portions of cash and money market accounts are backed solely by the assets of the underlying institution. As such, the failure of an underlying institution could result in financial loss to the Alliance.

The Alliance invests in a professionally managed portfolio including mutual funds and money market funds. Such investments are exposed to market and credit risks. The Alliance's investments may be subject to fluctuations in fair value.

ACCOUNTS RECEIVABLE

The Alliance's accounts receivable consists of amounts due from members, events and other income and presented net of an allowance for credit losses, which is an estimate of amounts that may not be collectible. The Alliance separates its accounts receivable into risk pools based on the related revenue streams. The Alliance uses the loss rate methodology to determine historical credit losses. In determining the amount of the allowance as of the statement of financial position date, the Alliance develops a loss rate for each risk pool. The loss rate is based on management's historical collection experience, adjusted for management's expectations as well as current and future economic conditions. As of December 31, 2024, the Alliance had not adjusted its historical loss rates. The allowance for credit losses was \$22,000 at December 31, 2024. The Alliance writes off receivables when there is information that indicates that members or clients are facing significant financial difficulty and there is no possibility of recovery. If any recoveries are made from accounts previously written off, they will be recognized as an offset to credit loss expense in the year of the recovery, in accordance with the Alliance's accounting policy. There were no write-offs for the years ending December 31, 2024 and 2023.

PROPERTY AND EQUIPMENT

All property and equipment with a useful life of more than one year and a cost of \$5,000 or more will be capitalized and depreciated over their estimated useful lives, ranging from three to seven years, using the straight-line method of depreciation.

RIGHT OF USE ASSET AND LEASE LIABILITY

At the inception of an agreement, the Alliance evaluates whether the agreement meets the criteria for a lease. The right of use asset and lease liability are recognized at the commencement date of the lease agreement based on the present value of lease payments over the lease term using the Alliance's estimated incremental borrowing rate or implicit rate,

ALLIANCE FOR REGENERATIVE MEDICINE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

RIGHT OF USE ASSET AND LEASE LIABILITY (CONTINUED)

when readily determinable. The asset is amortized on a straight-line basis over the lease term and is reflected as occupancy expense in the accompanying financial statements. The future lease obligation is reduced as cash payments are made under the terms of the lease. Interest is charged to occupancy expense for the difference. Short-term operating leases, which have an initial term of 12 months or less, are not recorded on the statement of financial position.

REVENUE RECOGNITION

Revenue recognized from exchange transactions occurs when control of the promised goods or services is transferred to the members or customers in an amount that reflects the consideration the Alliance expects to be entitled to in exchange for those goods or services. For each arrangement with a member or customer, the Alliance identifies the contract and the associated performance obligation(s) within the contract, determines the transaction price of that contract, allocates the transaction price to each performance obligation, and recognizes revenue as each performance obligation is satisfied.

The Alliance recognizes revenue from non-refundable membership dues ratably over the membership term, which is a one-year period. There are no distinct performance obligations and the general member benefits are considered a bundled group of performance obligations that are delivered to members throughout the membership period. Deferred revenue from membership dues represents the remaining portion of the membership term following the statement of financial position date to be recognized ratably into revenues.

The Alliance generates event income from registration fees and sponsorships for their different events. The Alliance recognizes registration fees and sponsorship revenue in the period in which the event occurs, which is when the Alliance's performance obligation is met. Registration fees and sponsorships are due in advance of the event. Refunds of registration fees are allowed if received in accordance with the cancellation policy. Registration fees and sponsorships collected in advance of an event are initially recognized as deferred revenue and are only recognized as revenue in the statement of activities when the event has occurred.

Unconditional contributions are considered available for 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 increases in net assets with donor restrictions. Amounts received that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the revenue is recognized. Unconditional promises to give are recognized as revenue in the year in which they are promised and, if uncollected, are reflected as contributions receivable in the accompanying statement of financial position. When a donor restriction expires (that is, when a stipulated time restriction ends or purpose of a restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying statement of activities as net assets released from restrictions.

ALLIANCE FOR REGENERATIVE MEDICINE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FUNCTIONAL ALLOCATION OF EXPENSES

The statement of functional expenses are categorized by function and natural classification. Expenses directly attributable to a specific functional area of the Alliance are reported as expenses of those functional areas. A portion of General and Administrative costs that benefit multiple functional areas have been allocated across Programs and Supporting Services based on a portion of effort of employees to each function.

USE OF ESTIMATES

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain amounts reported in the financial statements and the accompanying notes. Accordingly, actual results could differ from those estimates.

RECLASSIFICATIONS

Certain amounts in the prior year have been reclassified for comparative purposes.

NOTE 2 – INVESTMENTS AND FAIR VALUE MEASUREMENT

GAAP establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable input be used when available. Observable inputs are those that market participants would use in measuring investments at fair value based on market data obtained from sources independent of the Alliance. Unobservable inputs reflect the Alliance's assumptions about the inputs market participants would use in measuring investments at fair value based on the best information available in the circumstances. Investments are measured and disclosed in one of the three levels based on the reliability of inputs:

- Level 1: Valuations based on quoted market prices in active markets for identical investments as of the reporting date.
- Level 2: Valuations based on other than quoted market prices in active markets, dealer or broker markets. Fair values are primarily obtained from third party pricing services for similar investments as of the reporting date.

ALLIANCE FOR REGENERATIVE MEDICINE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 2 – INVESTMENTS AND FAIR VALUE MEASUREMENT (CONTINUED)

Level 3: Valuations derived from other methodologies, including pricing models, discounted cash flow models and similar techniques, and not based on market, dealer, or broker-traded transactions. The determination of fair value requires significant management judgment or estimation. Level 3 valuations incorporate certain assumptions and projections that are not observable in the market in determining the fair value for investments and assets held by others as of the reporting date. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement in its entirety falls is determined based on the lowest level input that is significant to the fair value measurement.

Investments consisted of the following at December 31, 2024:

	Fair Value	Quoted Prices in Active Markets for Identical Assets/ Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money Market Funds	\$ 799,469	\$ 799,469	\$ --	\$ --
Exchange Traded Funds	119,885	119,885	--	--
Mutual Funds	<u>6,429,888</u>	<u>6,429,888</u>	<u>--</u>	<u>--</u>
Total Investments	<u>\$ 7,349,242</u>	<u>\$ 7,349,242</u>	<u>\$ --</u>	<u>\$ --</u>

The following is a description of the valuation techniques used for investments measured at fair value, and there have been no changes in the valuation methodology used by the Alliance at December 31, 2024:

MONEY MARKET FUNDS

Investments held in money market funds are classified within Level 1 of the fair value hierarchy because they are valued using quoted market prices, broker or dealer quotations, or alternative pricing sources with reasonable levels of price transparency.

EXCHANGE TRADED AND MUTUAL FUNDS

Exchange traded and mutual funds are valued at the closing price reported on the active market on which the individual securities are traded.

ALLIANCE FOR REGENERATIVE MEDICINE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 2 – INVESTMENTS AND FAIR VALUE MEASUREMENT (CONTINUED)

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Alliance believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

NOTE 3 – RELATED PARTY TRANSACTIONS

Holland & Knight, LLP, a law firm of which the Co-founder and Senior Policy Counsel of the Alliance is a partner, contracts with the Alliance for services related to the Alliance's policy, lobbying, regulatory and reimbursement counseling. For the year ended December 31, 2024, costs incurred for services rendered by Holland & Knight, LLP were \$296,987.

The Alliance has a political action committee, Alliance for Regenerative Medicine Political Action Committee (ARMPAC), which is not consolidated with the accounts of the Alliance. The assets and activity of ARMPAC are immaterial for consolidation.

The Alliance is related to ARM Foundation through common board members. ARM Foundation is an organization exempt from payment of income taxes under Section 501(c)(3) of the IRC. Since the Alliance does not have the ability to appoint a controlling interest of members on ARM Foundation's board, the Foundation's financial statements have not been included in these financial statements.

NOTE 4 – COMMITMENTS

The Alliance has contracts with various hotels and convention centers for future events. In the event that the Alliance cancels, it can be held liable for liquidated damages incurred by the burdened entity as calculated in accordance with the terms of the applicable agreement.

NOTE 5 – OPERATING LEASE

In November 2020, the Alliance entered into a lease for office space which expires December 31, 2026, with an option to renew for one additional term of five years. The Alliance has made no decision on the option to renew the lease. In accordance with the lease agreement, minimum rents are payable in equal monthly installments beginning January 1, 2021 with annual escalations of 2.5% per year thereafter through the end of the lease term.

Lease expense for the year ended December 31, 2024 was \$208,288 and is included in occupancy expense on the Statement of Functional Expenses. Cash paid for lease during the year 2024 was \$275,311.

ALLIANCE FOR REGENERATIVE MEDICINE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 5 – OPERATING LEASE (CONTINUED)

Lease term and discount rate are as follows at December 31, 2024:

Remaining lease term	2 years
Discount rate	1.37%

Future minimum lease commitments are as follows:

<u>For the Year Ending December 31,</u>	
2025	\$ 282,199
2026	<u>289,233</u>
Total	571,432
Less: Interest	<u>(8,131)</u>
Total Operating Lease Liability	<u>\$ 563,301</u>

On January 21, 2025, the Alliance entered into a new Lease for office space in Washington, DC. The lease is for 142 full calendar months following the lease Commencement date, which shall not occur prior to June 1, 2025.

NOTE 6 – RETIREMENT BENEFITS

During January 2019, the Alliance established a Safe Harbor 401(k) Plan (the Plan). Substantially all Alliance employees who have attained the age of 21 and who have at least 90 days of service, are eligible to participate in the Plan. The Alliance's contribution to the Plan was \$160,023 for the year ended December 31, 2024.

NOTE 7 – LIQUIDITY AND AVAILABILITY OF RESOURCES

The Alliance's financial assets available within one year of the statement of financial position date of December 31, 2024 for general expenditure are as follows:

Cash and cash equivalents	\$ 4,425,995
Investments	7,349,242
Accounts receivables	<u>318,801</u>
Less:	12,094,038
Donor restricted funds	<u>360,000</u>
Total Financial Assets Available for General Expenditures Within One Year	<u>\$ 11,734,038</u>

ALLIANCE FOR REGENERATIVE MEDICINE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 7 – LIQUIDITY AND AVAILABILITY OF RESOURCES (CONTINUED)

As a part of the Alliance's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

NOTE 8 – INCOME TAXES

The Alliance is exempt from Federal income tax under Section 501(c)(4) of the Internal Revenue Code. Income taxes on unrelated business income, if any, are provided at the applicable rates on income for financial reporting purposes.

The Alliance has adopted the accounting guidance for uncertainty in income taxes. Using that guidance, tax positions initially need to be recognized in the financial statements when it is more-likely-than-not the position will be sustained upon examination by the tax authorities. As of December 31, 2024, the Alliance had no uncertain tax positions that qualify for either recognition or disclosure in the financial statements. The Alliance's income tax filings are subject to audit by various taxing authorities, however, there are no audits currently pending or in process. In evaluating its activities, the Alliance believes its position on tax-exempt status is current based on current facts and circumstances.

It is the policy of the Alliance to include in expenses, penalties and interest assessed by income taxing authorities. There are no penalties or interest from taxing authorities included in expenses for the year ended December 31, 2024.

NOTE 9 – SUBSEQUENT EVENTS

The Alliance has evaluated subsequent events through **Report Date** which is the date the financial statements are available to be issued and has determined that except for as noted above, there were no subsequent events that have occurred through the date that have not already been recognized or disclosed in these financial statements.