

**DRUGS FOR NEGLECTED DISEASES INITIATIVE
NORTH AMERICA, INC.**

***FINANCIAL STATEMENTS AND
REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS***

DECEMBER 31, 2024

DRUGS FOR NEGLECTED DISEASES INITIATIVE NORTH AMERICA, INC.

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
Drugs For Neglected Diseases Initiative North America, Inc.
New York, New York

Opinion

We have audited the accompanying financial statements of Drugs for Neglected Diseases Initiative North America, Inc. ("**DNDi NA**") (a nonprofit organization), 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of DNDi NA 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of DNDi NA 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 DNDi NA's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

**Board of Directors
Drugs For Neglected Diseases Initiative North America, Inc.
New York, New York**

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of DNDi NA'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 DNDi NA'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 Summarized Comparative Information

We have previously audited DNDi NA's 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 8, 2024. 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.

Tait, Weller & Baker LLP

**New York, New York
June 25, 2025**

DRUGS FOR NEGLECTED DISEASES INITIATIVE NORTH AMERICA, INC.

STATEMENT OF FINANCIAL POSITION

December 31, 2024 And 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Cash and cash equivalents	\$ 1,265,952	\$ 1,792,054
Certificates of deposit	504,513	-
Contributions receivable <i>(Note 3)</i>	755	24,041
Grants receivable <i>(Note 3)</i>	710,000	-
Prepaid expenses and other assets	<u>20,484</u>	<u>3,666</u>
Total assets	<u>\$ 2,501,704</u>	<u>\$ 1,819,761</u>
LIABILITIES		
Accounts payable and other accrued expenses	\$ 109,009	\$ 271,718
Grants payable <i>(Note 3)</i>	1,342,589	357,197
Payroll liabilities	<u>73,404</u>	<u>86,321</u>
Total liabilities	<u>1,525,002</u>	<u>715,236</u>
NET ASSETS		
Without donor restrictions	964,225	934,525
With donor restrictions <i>(Note 6)</i>	<u>12,477</u>	<u>170,000</u>
Total net assets	<u>976,702</u>	<u>1,104,525</u>
Total liabilities and net assets	<u>\$ 2,501,704</u>	<u>\$ 1,819,761</u>

DRUGS FOR NEGLECTED DISEASES INITIATIVE NORTH AMERICA, INC.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Year Ended December 31, 2024 And 2023

	Without Donor Restrictions	With Donor Restrictions	2024 Total	2023 Total
Revenue and Other Support				
Individuals and other <i>(Note 2)</i>	\$ 3,872,210	\$ -	\$ 3,872,210	\$ 3,950,892
Corporate	3,260	1,918,975	1,922,235	-
Foundations	386,886	12,500	399,386	385,057
Interest income	28,086	-	28,086	14,987
Net assets released from restriction <i>(Note 6)</i>	<u>2,088,998</u>	<u>(2,088,998)</u>	<u>-</u>	<u>-</u>
Total revenue and other support	<u>6,379,440</u>	<u>(157,523)</u>	<u>6,221,917</u>	<u>4,350,936</u>
Contributed services	<u>8,000</u>	<u>-</u>	<u>8,000</u>	<u>-</u>
Total revenue and contributed services	<u>6,387,440</u>	<u>(157,523)</u>	<u>6,229,917</u>	<u>4,350,936</u>
Expenses				
Program services	<u>5,117,384</u>	<u>-</u>	<u>5,117,384</u>	<u>2,939,521</u>
Total program services	<u>5,117,384</u>	<u>-</u>	<u>5,117,384</u>	<u>2,939,521</u>
Supporting services				
Management and general	642,968	-	642,968	482,348
Fundraising	<u>589,388</u>	<u>-</u>	<u>589,388</u>	<u>750,435</u>
Total supporting services	<u>1,232,356</u>	<u>-</u>	<u>1,232,356</u>	<u>1,232,783</u>
Total expenses	<u>6,349,740</u>	<u>-</u>	<u>6,349,740</u>	<u>4,172,304</u>
Contributed Services	<u>8,000</u>	<u>-</u>	<u>8,000</u>	<u>-</u>
Total expenses and contributed services	<u>6,357,740</u>	<u>-</u>	<u>6,357,740</u>	<u>4,172,304</u>
Change in net assets	29,700	(157,523)	(127,823)	178,632
Net Assets				
Beginning of year	<u>934,525</u>	<u>170,000</u>	<u>1,104,525</u>	<u>925,893</u>
End of year	<u>\$ 964,225</u>	<u>\$ 12,477</u>	<u>\$ 976,702</u>	<u>\$ 1,104,525</u>

DRUGS FOR NEGLECTED DISEASES INITIATIVE NORTH AMERICA, INC.

STATEMENT OF FUNCTIONAL EXPENSES

For The Year Ended December 31, 2024 With Summarized Information For 2023

	2024				2023
	Program Services	Management And General	Fundraising	Total	Total
Salaries and Benefits	\$ 942,773	\$419,010	\$384,093	\$1,745,876	\$1,621,872
Grant – Research & Development	3,670,704	-	-	3,670,704	1,714,645
Communications and Education	339,224	150,766	138,202	628,192	447,872
Professional Fees	7,830	3,480	3,190	14,500	68,826
Transportation and Travel	73,238	32,550	29,838	135,626	104,451
Rent	21,600	9,600	8,800	40,000	48,000
IT and Telephone	3,341	1,485	1,361	6,187	7,130
Office Supplies and Other	37,092	16,485	15,111	68,688	121,910
Conferences and Events	15,905	7,069	6,480	29,454	26,970
Insurance	2,426	1,078	988	4,492	3,370
Bank Fees	<u>3,251</u>	<u>1,445</u>	<u>1,325</u>	<u>6,021</u>	<u>7,258</u>
Total Expenses – 2024	<u>\$ 5,117,384</u>	<u>\$642,968</u>	<u>\$589,388</u>	<u>\$6,349,740</u>	
Total Expenses – 2023	<u>\$ 2,939,521</u>	<u>\$482,348</u>	<u>\$750,435</u>		<u>\$4,172,304</u>

DRUGS FOR NEGLECTED DISEASES INITIATIVE NORTH AMERICA, INC.**STATEMENT OF CASH FLOWS****Year Ended December 31, 2024 And 2023**

	<u>2024</u>	<u>2023</u>
INCREASE IN CASH		
<i>Change in net assets</i>	\$ (127,823)	\$ 178,632
<i>Adjustments to reconcile change in net assets to net cash used for operating activities:</i>		
Amortization of right-of-use asset	-	54,846
Operating lease liability	-	(59,846)
(Increase) decrease in assets		
Contributions receivable	23,286	(14,041)
Grants receivable	(710,000)	266,520
Prepaid expenses and other assets	(16,818)	794
Increase (decrease) in liabilities		
Accounts payable	(162,709)	166,830
Grants payable	985,392	357,197
Payroll liabilities	<u>(12,917)</u>	<u>21,493</u>
Net cash provided by (used for) operating activities	(21,589)	972,425
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of certificates of deposit	<u>(504,513)</u>	<u>-</u>
Net cash used for investing activities	<u>(504,513)</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	(526,102)	972,425
<i>Cash and cash equivalents</i>		
Beginning of year	<u>1,792,054</u>	<u>819,629</u>
End of year	<u>\$ 1,265,952</u>	<u>\$ 1,792,054</u>

DRUGS FOR NEGLECTED DISEASES INITIATIVE NORTH AMERICA, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2024 And 2023

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION AND PURPOSE

Drugs for Neglected Diseases Initiative North America, Inc. (**"DNDi NA"**) is a not-for-profit organization whose primary purpose is to conduct activities that support or benefit the Drugs for Neglected Diseases Initiative (Geneva, Switzerland) (**"DNDi"**). These activities include making grants to support programs, projects and activities of DNDi that (1) stimulate and support research and development primarily of drugs, as well as vaccines and diagnostics for neglected diseases; (2) promote equitable access and development of new drugs, new formulations of existing drugs, and encourage production of known effective drugs, diagnostic methods and/or vaccines for neglected diseases; (3) adopt new treatments for neglected diseases to meet patient needs, as well as to meet the requirements of delivery and production capacity in developing countries; and (4) raise awareness of the need to research and develop drugs for neglected diseases.

ACCOUNTING ESTIMATES

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management makes estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

CASH AND CASH EQUIVALENTS

DNDi NA considers money market funds to be cash equivalents.

REVENUE RECOGNITION

DNDi NA recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and right of return – are not recognized until the conditions on which they depend have been met. DNDi NA reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as "net assets released from restriction". Revenue that is restricted by the donor is recorded as increases without donor restriction if the restrictions expire in the fiscal year in which the revenue was recorded. Gifts-in-kind are recorded at fair value on the date of receipt.

NET ASSETS

Net assets are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of DNDi NA are classified and reported as follows:

Without donor restrictions – Net assets that are not subject to donor-imposed stipulations and that may be expendable for any purpose in performing the primary mission of the DNDi NA.

With donor restrictions – Net assets that are subject to donor-imposed stipulations. As the restrictions are satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported as "net assets released from restrictions."

DRUGS FOR NEGLECTED DISEASES INITIATIVE NORTH AMERICA, INC.

NOTES TO FINANCIAL STATEMENTS – (Continued)

December 31, 2024 And 2023

INCOME TAXES

DNDi NA is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the “Code”), and has been classified as an organization, which is not a private foundation under Section 509(a) of the Code.

Management has reviewed the tax positions for each of the open tax years (2021 – 2023) or expected to be taken on DNDi NA’s 2024 tax return and has concluded that there are no significant uncertain tax positions that would require recognition in the financial statements.

FUNCTIONAL ALLOCATION OF EXPENSES

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. These expenses require allocation on a reasonable basis that is consistently applied. DNDi’s expenses are allocated based on analysis of time and effort.

PRIOR YEAR INFORMATION

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with DNDi NA’s financial statements for the year ended December 31, 2023, from which the summarized information was derived.

(2) CONCENTRATIONS

DNDi NA receives annual funding from DNDi in Geneva, Switzerland and from another not-for-profit organization. For the years ended December 31, 2024 and 2023, these sources of revenue comprise approximately 61% and 83%, respectively, of the total funding of DNDi NA for each year.

(3) CONTRIBUTION AND GRANTS RECEIVABLE/PAYABLE

Contributions receivable at December 31, 2024 are due to be received within one year, while grants receivable/payable at December 31, 2024 are due to be received/paid within one year.

(4) COMMITMENTS

DNDi NA leases office space under a lease agreement that ran through March 31, 2024. Through several subsequent extensions, the lease now runs through December 31, 2025. Monthly rent payments under the lease are \$4,000 per month through October 31, 2024, with all subsequent payments waived by the lessor. Rent expense for the year ended December 31, 2024 and 2023 was \$40,000 and \$48,000, respectively.

The waived rent of \$8,000 is recognized as contributed services on the statement of activities and changes in net assets.

DRUGS FOR NEGLECTED DISEASES INITIATIVE NORTH AMERICA, INC.

NOTES TO FINANCIAL STATEMENTS – (Continued)

December 31, 2024 And 2023

(5) NET ASSETS

Net assets with donor restrictions are available for the following purposes at December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Time restricted grants	<u>\$ 12,477</u>	<u>\$ 170,000</u>

Net assets totaling \$2,088,998 were released from restriction in 2024 by incurring expenses which satisfied the restricted purpose.

(6) FINANCIAL ASSETS AND LIQUIDITY RESOURCES

DNDi NA strives to maintain liquid financial assets to be available as its general expenditures, liabilities and other obligations become due. Financial assets in excess of daily cash requirements are invested in money market funds and other short-term investments.

The following table reflects DNDi NA's financial assets as of December 31, 2024 and 2023, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date because of contractual restrictions. Amounts not available to meet general expenditures within one year may include net assets with donor and/or contractual restrictions.

	<u>2024</u>	<u>2023</u>
Financial Assets		
Cash and cash equivalents	\$ 1,265,952	\$ 1,792,054
Certificates of deposit	504,513	-
Contributions receivable	755	24,041
Grants receivable	<u>710,000</u>	<u>-</u>
Total financial assets	2,481,220	1,816,095
Less:		
Grants payable	<u>(1,342,589)</u>	<u>(357,197)</u>
Financial assets available to meet general expenditures within one year	<u>\$ 1,138,631</u>	<u>\$ 1,458,898</u>

(7) PENSION PLAN

DNDi NA has a plan qualified under Section 403(b) that covers all eligible employees. Contributions to the plan are made at the discretion of the Board of Directors and are limited to 9% of the employee's annual salary.

During the years ended December 31, 2024 and 2023, DNDi NA made contributions of \$104,482 and \$92,181, respectively.

DRUGS FOR NEGLECTED DISEASES INITIATIVE NORTH AMERICA, INC.

NOTES TO FINANCIAL STATEMENTS – (Continued)

December 31, 2024 And 2023

(8) SUBSEQUENT EVENTS

Subsequent events after the balance sheet date through the date that the financial statements were available for issuance, June 25, 2025, have been evaluated in the preparation of the financial statements.