

Cure Duchenne & Subsidiaries
A California Not-for-Profit Organization
Consolidated Financial Statements
For the Year Ended December 31, 2020

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Independent Auditor's Report

Board of Directors
Cure Duchenne & Subsidiaries:

Report on the Financial Statements

We have audited the accompanying Consolidated Statement of Financial Position of Cure Duchenne & Subsidiaries (the "Organization") as of December 31, 2020, and the related consolidated statements of activities, functional expenses, cash flows, and the related notes to the consolidated financial statements for the year then ended.

Management's Responsibility 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the financial statements 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 Organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Cure Duchenne & Subsidiaries as of December 31, 2020, 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.

Alvarez & Associates, Inc.

Alvarez & Associates, Inc.
Certified Public Accountants

Northridge, California
August 23, 2021

Cure Duchenne & Subsidiaries
Consolidated Statement of Financial Position
December 31, 2020

ASSETS

<u>Current Assets</u>	
Cash	\$ 17,729,505
Total current assets	<u>17,729,505</u>
Furniture, fixtures and equipment, net	-
<u>Other Assets</u>	
Investments in securities, at market value	19,268,169
Investments in private companies	2,400,170
Investments in promissory note receivable	1,294,907
Other receivable	45,349
Deposits	2,032
Prepaid expenses	<u>160,165</u>
Total assets	<u><u>\$ 40,900,297</u></u>

LIABILITIES AND NET ASSETS

<u>Current Liabilities</u>	
Accounts payable and accrued expenses	\$ 65,010
Deferred income	<u>5,551</u>
Total current liabilities	70,561
<u>Long-Term Liabilities</u>	
Loan payable	<u>371,588</u>
Total liabilities	442,149
<u>Net Assets</u>	
Without donor restrictions	40,458,148
With donor restrictions	<u>-</u>
Total net assets	<u>40,458,148</u>
Total liabilities and net assets	<u><u>\$ 40,900,297</u></u>

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

Cure Duchenne & Subsidiaries
Consolidated Statement of Activities
For the Year Ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
<u>Support and Revenue</u>			
Contributions	\$ 2,772,905	\$ -	\$ 2,772,905
Special events revenue	1,725,733	-	1,725,733
Total revenue	4,498,638	-	4,498,638
Less: Special events direct costs	(743,437)	-	(743,437)
Total revenue, net of direct costs	3,755,201	-	3,755,201
Unrealized investment returns	11,870,242	-	11,870,242
Investment income	1,499,332	-	1,499,332
Interest income	75,179	-	75,179
Total support and revenue	17,199,954	-	17,199,954
 <u>Expenses</u>			
Awareness	909,905	-	909,905
Patient care	1,255,132	-	1,255,132
Research	2,161,871	-	2,161,871
Management and general	858,270	-	858,270
Fundraising	772,626	-	772,626
Total expenses	5,957,804	-	5,957,804
Increase (Decrease) in Net Assets	11,242,150	-	11,242,150
Net Assets, Beginning of Year	29,215,998	-	29,215,998
Net Assets, End of Year	\$ 40,458,148	\$ -	\$40,458,148

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

Cure Duchenne & Subsidiaries
Consolidated Statement of Functional Expenses
December 31, 2020

	<u>Program Activities</u>			<u>Support Activities</u>		<u>Total</u>
	<u>Awareness</u>	<u>Patient Care</u>	<u>Research</u>	<u>Management and General</u>	<u>Fundraising</u>	
Bank and merchant charges	\$ -	\$ 1,308	\$ 507	\$ 3,081	\$ 34,761	\$ 39,657
Community education	-	115,072	-	-	-	115,072
Contract services	-	-	-	-	-	-
Database and IT maintenance	11,527	20,648	144,021	15,634	11,675	203,505
Dues and subscriptions	546	4,992	12,708	5,448	11,724	35,418
Employee benefits	50,941	45,654	67,322	13,911	41,588	219,416
Grants and allocations	-	-	-	-	-	-
Insurance	5,350	9,646	10,248	2,630	4,013	31,887
Legal and professional fees	1,000	1,876	1,340	166,644	1,322	172,182
Licenses and permits	-	-	-	15,702	-	15,702
Meals and entertainment	-	5,999	363	6,204	5,518	18,084
Office supplies and expense	20,750	6,500	5,524	56,696	5,420	94,890
Outside services	63,767	339,883	960,734	116,269	27,356	1,508,009
Payroll taxes	48,602	48,282	54,249	3,909	39,238	194,280
Postage and delivery	547	6,135	1,283	2,292	9,331	19,588
Printing and reproduction	3,650	3,653	1,375	1,263	21,238	31,179
Promotional materials	8,510	8,310	-	3,334	6,628	26,782
Public relations	90,765	10,000	48,175	-	-	148,940
Rent	27,079	43,868	40,618	6,770	20,309	138,644
Research	-	-	173,010	81,768	-	254,778
Salaries and wages	576,471	562,114	620,457	352,048	523,834	2,634,924
Telephone and internet	400	599	1,753	3,128	593	6,473
Travel	-	20,593	18,184	1,539	8,078	48,394
Total Expenses	<u>\$ 909,905</u>	<u>\$ 1,255,132</u>	<u>\$ 2,161,871</u>	<u>\$ 858,270</u>	<u>\$ 772,626</u>	<u>\$ 5,957,804</u>

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

Cure Duchenne & Subsidiaries
Consolidated Statement of Cash Flows
For the Year Ended December 31, 2020

Cash flow from operating activities:

Increase (Decrease) in Net Assets	\$ 11,242,150
Adjustments to reconcile decrease in net assets to net cash provided by (used in) operating activities:	
Net unrealized gain on investment in promissory note receivable	(35,221)
Net unrealized gain in securities, at market value	(12,279,045)
Net realized gain on investments in private companies	(393,330)
(Increase) decrease in assets:	
Other receivable	1,851,216
Prepaid expenses	86,696
Increase (decrease) in liabilities:	
Accounts payable and accrued expenses	(344,611)
Deferred income	(143,549)
Total adjustments	<u>(11,257,844)</u>
Net cash provided by (used in) operating activities	(15,694)

Cash flow from investing activities:

Investments in securities	(5,244,797)
Investments in private companies	(2,800,458)
Proceeds from sale of private company investments	564,939
Proceeds from sale of securities	1,047,277
Investment in promissory note receivable	<u>(750,000)</u>
Net cash provided by (used in) investing activities	(7,183,039)

Cash flow from financing activities:

Proceeds from PPP Loan Payable	<u>371,588</u>
Net cash provided by (used in) financing activities	<u>371,588</u>

Net increase (decrease) in cash	(6,827,145)
Cash at beginning of year	<u>24,556,650</u>
Cash at end of year	<u>\$ 17,729,505</u>

Supplemental disclosure of cash flow information:

Cash paid during the year for:

Interest	\$ -
Income taxes	\$ 14,498

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

Cure Duchenne & Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2020

Note 1: GENERAL AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Activities

Cure Duchenne and Subsidiaries ("the Organization") was incorporated on October 6, 2003 as a California Nonprofit Public Benefit Corporation. The Organization is exempt from federal income tax under Internal Revenue Code, Section 501(c)(3) and from state income tax under the related California Revenue and Taxation Code section, and is not organized for the private gain of any person.

The Organization is dedicated to finding a cure for Duchenne Muscular Dystrophy ("DMD") by determining the most viable research projects, accelerating the clinical trial process, and bringing potential life-saving drugs to this generation of Duchenne boys. The Organization is also dedicated to creating public awareness for DMD and connecting patients and scientists through technology.

The accompanying consolidated financial statements include the accounts of Cure Duchenne (the "Parent") and its wholly-owned subsidiaries Cure Duchenne Ventures, LLC and Pro200, LLC. All significant intercompany accounts and transactions have been eliminated in consolidation.

Basis of Accounting

The Organization's financial statements are prepared on the accrual basis of accounting. 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 reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

Basis of Presentation

The financial statements are presented in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 958 dated August 2016, and the provisions of the American Institute of Certified Public Accountants ("AICPA") "Audit and Accounting Guide for Not-for-Profit Organizations" (the "Guide"). ASC 958-205 was effective January 1, 2018.

Under the provisions of the Guide, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified as follows:

Net assets without donor restrictions : Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. The Organization's board may designate assets without restrictions for specific operational purposes from time to time.

Cure Duchenne & Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2020

Note 1: GENERAL AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Net assets with donor restrictions : Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Contributions

Unconditional contributions are recognized when pledged and recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Gifts of cash and other assets are reported with donor restricted support if they are received with donor stipulations that limit the use of the donated assets.

When a restriction expires, that is, when a stipulated time restriction ends or a 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 restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as net assets without donor restriction support.

Donated Materials and Services

The Organization records the value of donated goods or services when there is an objective basis available to measure their value. Donated materials and equipment are reflected as contributions in the accompanying statements at their estimated values at date of receipt. During the year ended December 31, 2020 the Organization received \$0 in contributed professional services.

Consistent with generally accepted accounting principles for not-for-profit organizations, the value of contributed time by unpaid volunteers is not reflected on these statements because the services received did not enhance non-financial assets and the organization would not pay for the services if they were not donated.

Valuation of Investments in Securities

Investments in marketable securities that have a readily determinable fair value are stated at their market value based on quoted market prices. Net appreciation (depreciation) in the fair value of investments, which consists of realized and unrealized gains and losses on those investments is shown in the statement of activities.

Cure Duchenne & Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2020

Note 1: GENERAL AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Valuation of Investments in Private Companies

Investments in Private Companies are valued at fair value as determined by the Organization's management. The estimated value does not necessarily represent the amount that may be ultimately realized due to the occurrence of future circumstances that cannot be reasonably determined.

Valuation of Investments in Promissory Note Receivable

Promissory note receivable is valued at fair value as determined by the Organization's management. The estimated value does not necessarily represent the amount that may be ultimately realized due to the occurrence of future circumstances that cannot be reasonably determined.

Furniture, Fixtures and Equipment, Net

Furniture, fixtures and equipment are stated at cost. Repairs and maintenance to these assets are charged to expense as incurred; major improvements enhancing the function and/or useful life are capitalized. When items are sold or retired, the related cost and accumulated depreciation are removed from the accounts and any gains or losses arising from such transactions are recognized. Donations of property and equipment are recorded as contributions at their estimated fair value at the date of donation. Such donations are reported as contributions without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as contributions with donor restrictions. Absent donor stipulations regarding how long those assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service.

The Organization capitalizes fixed asset purchases in excess of \$200 and depreciation of fixed assets is provided for over an estimated useful life ranging from five (5) to ten (10) years.

Functional Allocation of Expenses

The costs of providing the various program services and supporting activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs, such as supplies and payroll, have been allocated among the program and supporting activities benefited. Such allocations are determined by management on an equitable basis.

Advertising

Advertising costs are expensed as incurred. For the year ended December 31, 2020, the Organization expensed \$26,782, in advertising costs.

Cure Duchenne & Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2020

Note 1: GENERAL AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Income Taxes

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and is classified by the Internal Revenue Service as a publicly supported organization, and not as a private foundation.

Subsequent Events

The Organization has evaluated events subsequent to the statement of financial position date for items requiring recording or disclosure in the financial statements. The evaluation was performed through the date the financial statements were available to be issued. Based upon this review, the Organization has determined that there was an event which took place that would have a material impact on its financial statements. The Organization incurred indebtedness under the SBA Paycheck Protection Program Second Draw Loans established CARES Act which will be subject to review, may not be forgivable in whole or in part, and may eventually have to be repaid, potentially with interests, fines, and/or other penalties. The Organization signed the loan documents under the SBA Paycheck Protection Program of the CARES Act on February 8, 2021 and received the loan proceeds of \$435,367 on February 9, 2021.

Note 2: INVESTMENTS IN SECURITIES, AT MARKET VALUE

The Organization has invested in various publicly held companies whose purpose aligns with the Organizations mission. Investments in publicly held companies totaled \$19,268,169 as of December 31, 2020. As discussed in Note 1, these investments are carried at fair value based on quoted market prices. The net realized gain of \$510,590 from these investments is classified as Investment income under Without Donor Restrictions on the Consolidated Statement of Activities. The net unrealized gain of \$11,768,365 from these investments is classified as Unrealized investment returns under Without Donor Restrictions on the Consolidated Statement of Activities.

Note 3: INVESTMENTS IN PRIVATE COMPANIES

As discussed in Note 1, investments in private companies are recorded at fair value as determined by the Organization's management. As of December 31, 2020, these investments are carried at their fair market value of \$2,400,170 and are classified in Level 3 of the fair value hierarchy (See Note 8). The estimated value does not necessarily represent the amounts that may be ultimately realized due to the occurrence of future circumstances that cannot be readily determined. Because of the inherent uncertainty of valuation, those estimated values may be materially higher or lower than the values that would have been used had a ready market for the investments existed.

Cure Duchenne & Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2020

Note 3: INVESTMENTS IN PRIVATE COMPANIES
(Continued)

The net unrealized gain of \$101,877 from these investments is classified as Unrealized investment returns under Without Donor Restrictions on the Consolidated Statement of Activities.

Pursuant to a merger agreement with a private company investment disposed of in prior years, the Organization is entitled to additional consideration for the achievement of certain pharmaceutical trials and regulatory approval of DMD drugs (“Milestone payments”). Milestone payments do not represent any equity ownership in the private company, nor do they entitle the Organization to voting rights, dividend payments, or liquidation rights. During the year ended December 31, 2020, the Organization received milestone payments totaling \$306,000 classified as Investment income on the Consolidated Statement of Activities.

Note 4: INVESTMENTS IN PROMISSORY NOTE RECEIVABLE

As discussed in Note 1, investments in promissory note receivable is recorded at fair value as determined by the Organization's management. As of December 31, 2020, the face value and carrying amount of accrued interest approximates fair market value for these investment at \$1,294,907 and is classified in Level 3 of the fair value hierarchy (See Note 8). The estimated value does not necessarily represent the amounts that may be ultimately realized due to the occurrence of future circumstances that cannot be readily determined.

The accrued interest income of \$35,220 from these investments is included in Interest income under Without Donor Restrictions on the Consolidated Statement of Activities.

Note 5: FURNITURE, FIXTURES AND EQUIPMENT, NET

Furniture, fixtures and equipment are recorded at cost and summarized by major classifications as follows:

		<u>Useful life</u>
Furniture and fixtures	\$ 2,234	5-10
Equipment and computers	<u>14,828</u>	5-10
	\$ 17,062	
Less: accumulated depreciation	<u>(17,062)</u>	
Furniture, fixtures and equipment, net	<u>\$ -</u>	

Depreciation expense for the year ended December 31, 2020 was \$0. The depreciation policies followed by the Organization are described in Note 1.

Cure Duchenne & Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2020

Note 6: BANK LOANS PAYABLE

The Organization has incurred indebtedness under the CARES Act which will be subject to review, may not be forgivable in whole or in part, and may eventually have to be repaid, potentially with interests, fines, and/or other penalties. The Organization signed the loan documents under the SBA Paycheck Protection Program of the CARES Act on April 24, 2020 and received the loan proceeds of \$371,588 on April 25, 2020. The balance of this loan is due after the six-month deferral period in monthly installments, including interest at 1%, and matures in two years during April 2022. There are no prepayment penalties on the loan. The receipt of these funds, and the forgiveness of the loan attendant to these funds, is dependent on the Organization having initially qualified for the loan and qualifying for the forgiveness of such loan based on our future adherence to the forgiveness criteria.

Under the terms of the CARES Act and the corresponding promissory note, the use of the proceeds of the loan is restricted to payroll costs (as defined in the CARES Act), covered rent, covered utility payments and certain other expenditures that, while permitted, would not result in forgiveness of a corresponding portion of the loan. Following recent amendments to the Paycheck Protection Program, after an eight- or twenty-four-week period starting with the disbursement of the respective loan proceeds, the Organization may apply for forgiveness of some or all of their loans, with the amount which may be forgiven equal to the sum of eligible payroll costs, covered rent, and covered utility payments, in each case incurred during the eight- or twenty-four-week period following the date of first disbursement. Certain reductions in the Organization payroll costs or full-time equivalent employees (when compared against the applicable measurement period) may reduce the amount of their loan eligible for forgiveness.

Note 7: INCOME TAXES

As discussed in Note 1, The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and is classified by the Internal Revenue Service as other than a private foundation.

The Organization is required to file exempt organization information returns in both federal and state tax jurisdictions. The Organization's tax returns are subject to examination by taxing authorities in the jurisdictions in which it operates in accordance with the normal statutes of limitations in the applicable jurisdiction. For federal purposes, the statute of limitations is three years. Accordingly, the company is no longer subject to examination of federal returns filed more than three years prior to the date of these financial statements. The statute of limitations for state purposes is generally three years, but may exceed this limitation depending upon the jurisdiction involved. Returns that were filed within the applicable statute remain subject to examination. As of December 31, 2020, the IRS has not proposed any adjustment to the Organization's tax position.

Cure Duchenne & Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2020

Note 8: FAIR VALUE MEASUREMENT

The Organization follows FASB ASC 820, Fair Value Measurements and Disclosures, which defines fair value, establishes a framework for measuring fair value, and establishes a fair value hierarchy which prioritizes the inputs to valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income, or cost approach, as specified by FASB ASC 820, are used to measure fair value.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

Level 1 - Quoted prices in an active market for identical assets or liabilities;

Level 2 - Observable inputs other than Level 1, quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, and model derived prices whose inputs are observable or whose significant value drivers are observable;

Level 3 - Assets and liabilities whose significant value drivers are unobservable.

The following table presents the Organization's fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis as of December 31, 2020:

<u>Assets</u>	<u>Fair Value</u>	<u>Level 1 Inputs</u>	<u>Level 2 Inputs</u>	<u>Level 3 Inputs</u>
Investments in securities	\$19,268,169	\$ 19,268,169	\$ -	\$ -
Investments in private companies	2,400,170	-	-	2,400,170
Investment in promissory note	1,294,907	-	-	1,294,907
	<u>\$22,963,246</u>	<u>\$ 19,268,169</u>	<u>\$ -</u>	<u>\$ 3,695,077</u>

The following is a reconciliation of the beginning and ending balances for assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) during the year ended December 31, 2020:

	<u>Amounts</u>
Beginning balance at December 31, 2019	\$ 3,056,581
Unrealized gains and (losses)	138,610
Realized gains and (losses)	289,941
Purchases, issuances and settlements	3,550,458
Sales proceeds	(564,939)
Transfers to Level 1	<u>(2,775,574)</u>
Ending balance at December 31, 2020	<u>\$ 3,695,077</u>

Cure Duchenne & Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2020

Note 9: LIQUIDITY

The Organization's financial assets available within one year of the balance sheet date for general expenditure are as follows:

Cash	\$ 17,729,505
Other receivable	45,349
Other assets	<u>160,165</u>
Total	<u>\$ 17,935,019</u>

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Organization invests cash in excess of daily requirements in interest-bearing bank accounts. To help manage unanticipated liquidity needs, the Organization has marketable securities that it can readily liquidate, if necessary.

Note 10: COMMITMENTS AND CONTINGENCIES

The Organization leases office space for its operation under a lease through May 31, 2024. Rent expense under this lease was \$135,393 for the year ended December 31, 2020. Future minimum lease payments under this lease for the years ending December 31, are:

2021	132,509
2022	135,518
2023	140,502
2024	<u>59,652</u>
Total	<u>468,181</u>

The Organization maintains several bank accounts at financial institutions. These accounts are insured by the Federal Deposit Insurance Commission ("FDIC"), up to \$250,000. At times during the year ended December 31, 2020, cash balances held at these financial institution were in excess of the FDIC insured limits. The Organization has not experienced any losses in such accounts and management believes that it has placed its cash on deposit with financial institutions which are financially stable.

The worldwide outbreak of coronavirus (COVID-19) may lead to an adverse impact on the financial markets and the overall economy. In the event such an impact was to occur and last for a sustained period, the operations and financial performance of the Organization may be adversely affected. At this point, however, the severity of such an event is highly uncertain and cannot be predicted.

Cure Duchenne & Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2020

Note 11: INTANGIBLE ASSETS

Intangible assets with an original cost of \$750 are trademarks that have been fully amortized using the straight-line method over 10 years. Amortization cost for the year ended December 31, 2020, was \$0.

Note 12: DONOR RESTRICTIONS ON NET ASSETS

There were no net assets with donor restrictions as of December 31, 2020.

Note 13: RECENTLY ISSUED ACCOUNTING STANDARDS

The FASB has established the ASC (or “Codification”) as the authoritative source of generally accepted accounting principles (“GAAP”) recognized by the FASB. The principles embodied in the Codification are to be applied by nongovernmental entities in the preparation of financial statements in accordance with GAAP in the United States. New accounting pronouncements are incorporated into the ASC through the issuance of Accounting Standards Updates (“ASU’s”).

For the year ending December 31, 2020, various ASU's issued by the FASB were either newly issued or had effective implementation dates that would require their provisions to be reflected in the financial statements for the year then ended.

The Organization has either evaluated or is currently evaluating the implications, if any, of each of these pronouncements and the possible impact they may have on the Organization's financial statements. In most cases, management has determined that the pronouncement has either limited or no application to the Organization and, in all cases, implementation would not have a material impact on the financial statements taken as a whole.