THE DESMOID TUMOR RESEARCH FOUNDATION, INC.

Financial Statements
For the Fiscal Year Ended December 31, 2025

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INDEPENDENT AUDITOR'S REPORT

April 16th, 2026

To the Board of Directors
The Desmoid Tumor Research Foundation, Inc.
c/o CliftonLarsonAllen LLP
50 Tice Blvd, Suite 175
Woodcliff Lake, NJ 07677

Opinion

I have audited the accompanying financial statements of The Desmoid Tumor Research Foundation, Inc. (“DTRF”), which comprise the statement of financial position as of December 31, 2025, 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 my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Desmoid Tumor Research Foundation, Inc. as of December 31, 2025, 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

I conducted my audit in accordance with auditing standards generally accepted in the United States of America (GAAS). My responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the Organization and to meet my other ethical responsibilities in accordance with the relevant ethical requirements relating to my audit.
I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 Organization’s ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor’s Responsibilities for the Audit of the Financial Statements

My 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 my 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. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

As part of an audit in accordance with GAAS, I:

- 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.
- 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 Organization’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management.
- Conclude whether, in my judgment, there are conditions or events that raise substantial doubt about the Organization’s ability to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures.

I am 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 identified during the audit.

Nathan E. Katz, CPA

Certified Public Accountant
1499 Lively Ridge Rd NE,
Atlanta, GA 30329

Nathan Katz

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4/16/2026

Statement of Financial Position
THE DESMOID TUMOR RESEARCH FOUNDATION
As of December 31, 2025

Assets-	
Cash and Cash Equivalents	80,134
Pledge Receivable	25,000
Prepaid Expenses	4,054
Investments	1,211,398
Total Assets	**$1,320,586**
Liabilities and Net Assets-	
Liabilities-	
Current Liabilities	19,241
Grants Payable	376,502
Total Liabilities	**395,743**
Net Assets-	
Without Donor Restrictions	874,843
With Donor Restrictions	50,000
Total Net Assets	**924,843**
Total for Liabilities and Net Assets	**$1,320,586**

Statement of Activities
THE DESMOID TUMOR RESEARCH FOUNDATION
For the Year Ended December 31, 2025

	Without Donor Restriction	With Donor Restriction	Total
Revenues			
Organizational Support	263,141	0	263,141
Individual Support	250,471	0	250,471
Sponsorship and Contract	151,630	0	151,630
Net Assets Released from Restriction	25,000	-25,000	0
Total Revenue	**$690,242**	**-$25,000**	**$665,242**
Expenses			
Programming	717,616	0	717,616
Fundraising	156,816	0	156,816
Management and General	150,508	0	150,508
Total Expenses	**$1,024,940**	**$0**	**$1,024,940**
Change in Net Assets from Operating Activities	-$334,698	-$25,000	-$359,698
Other Income			
Interest Income	6,817	0	6,817
Investment Income	35,159	0	35,159
Other Income	1,282	0	1,282
Total Other Income	**$43,258**	**$0**	**$43,258**
Total Change in Net Assets	-$291,440	- $25,000	-$316,440
Net Assets - January 1, 2025	**$1,166,283**	**$75,000**	**$1,241,283**
Net Assets - December 31, 2025	**$874,843**	**$50,000**	**$924,843**

Statement of Functional Expenses
THE DESMOID TUMOR RESEARCH FOUNDATION
For the Year Ended December 31, 2025

Expenses	Programming	Fundraising	General	Total
Wages	$ 176,985	$ 99,426	$ 57,928	$334,339
Other Personnel	14,883	8,144	5,262	28,289
Payroll Expense	0	0	2,687	2,687
Professional Services	8,233	1,452	57,591	67,276
Event Expense	26,356	20,632	0	46,988
Travel and Meeting	25,800	1,841	0	27,641
Data Management	3,834	11,094	5,388	20,316
Grant Expense	453,779	0	0	453,779
Operations	6,923	5,675	9,445	22,043
Insurance	0	0	8,882	8,882
Miscellaneous Expense	821	8,553	3,324	12,698
Total Expenses	**$ 717,614**	**$ 156,817**	**$ 150,509**	**$ 1,024,940**

The Desmoid Tumor Research Foundation
Statement of Cash Flows
For the Year Ended December 31, 2025

		Total
OPERATING ACTIVITIES		
Change in Net Assets	$	(316,440)
Adjustments to reconcile Net Revenue to Net Cash provided by operations:		
Pledges Receivable		50,000
Accounts Payable		(25,548)
Grants Payable		376,502
Credit Cards		10,504
Accrued Expense		(1,487)
Prepaid Expenses		(78)
Adjustments to reconcile Change in Net Assets		**409,894**
Net cash provided by operating activities		**93,454**
INVESTING ACTIVITIES		
Charles Schwab Investment		(14,801)
Wells Fargo Brokerage		(52,168)
Net cash provided by investing activities		**(66,968)**
Net cash increase for period		**26,486**
Cash at beginning of period		53,648
Cash at end of period	**$**	**80,134**

The Desmoid Tumor Research Foundation, Inc

Notes to the Financial Statements

For Year Ended December 31, 2025

Note A- Nature of Organization

The Desmoid Tumor Research Foundation, Inc. was organized under the laws of the State of Connecticut on September 15, 2005. Its purpose is to raise funds to support medical research for desmoid tumors. The organization is fully funded by public donations from individuals, partnerships and corporations. They are a tax exempt organization under Section 501(c)(3) of the Internal Revenue Code. Amounts received by the organization are tax deductible under Section 2055, 2106 and 2522 of the code.

Note B- Summary of Significant Accounting Policies

1. Basis of Accounting
The financial statements of DTRF have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The accrual basis of accounting is used for financial reporting, recognizing revenues when earned and expenses when incurred.

2. Financial Statement Presentation
The financial statements have been presented in accordance with the guidelines established for nonprofit organizations under GAAP. The financial statements include a Statement of Financial Position, Statement of Activities, Statement of Functional Expenses, and Statement of Cash Flows.

3. Revenue Recognition
Revenue is recognized when earned. Contributions, including unconditional promises to give, are recognized as revenue when pledged. Donor-restricted contributions are recognized as increases in net assets with donor restrictions, depending on the nature of the restriction. When a donor restriction is satisfied, the corresponding restricted net assets are reclassified to net assets without donor restrictions.

4. Functional Allocation of Expenses
The Organization allocates expenses on a functional basis among its program services, management and general, and fundraising activities. Expenses that can be identified with a specific program or supporting service are allocated directly. Other expenses are allocated based on estimates of time and effort.

5. Investments
Investments in equity securities with readily determinable fair values and all investments in debt securities are reported at fair value. Realized and unrealized gains and losses are recognized in the statement of activities.

6. Use of Estimates
The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues, and expenses. Actual results could differ from those estimates.

7. Income Taxes
DTRF is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. As such, it is generally exempt from federal income taxes on income related to its exempt purpose. However, income from activities unrelated to its exempt purpose may be subject to taxation.

8. Subsequent Events
The Organization has evaluated subsequent events through 4/16/2026, which is the date the financial statements were available to be issued. No material events have occurred that require disclosure other than the grant payment disclosed in Note D.

Note C- Pledges Receivable

Pledges Receivable are recorded at their face value when awarded and with present value disclosed below with 3% rate of inflation assumed. If the difference between recorded amount and present value is deemed by management to be material then an adjustment will be made to pledges receivable. As of December 31, 2025 there was determined to be $25,000 of pledges not yet received due to time-based restrictions according to the following schedule:

Fiscal Year of Restriction	Recorded Pledge	Present Value
2027	$25,000	$23,500

Management determined that the discount of $1,500 was immaterial to the financial statements taken as a whole; therefore, no adjustment was recorded.

Note D- Grants Payable

DTRF awards several research grants throughout each year, some of which span fiscal years on a cash basis. At year end 2025 it was determined that four awarded grants had still yet to be fully paid:

Recipient	Year Due	Amount	Status as of 4/16/2026
Fondazione IRCCS Istituto Nazionale dei Tumori	2025	60,000	Paid 2/2/2026
Fondazione IRCCS Istituto Nazionale dei Tumori	2026	60,000	Open
Fondazione IRCCS Istituto Nazionale dei Tumori	2027	60,000	Open
Duke University	2026	65,000	Open
Duke University	2027	65,000	Open
Shaare Tzedek Medical Center	2026	33,251	Open
Shaare Tzedek Medical Center	2027	33,251	Open
Total:		$376,502	$316,502 open

Note E- Accounting Treatment of Investments

DTRF follows the accounting guidance for investments in accordance with generally accepted accounting principles (GAAP). The following outlines the accounting treatment of investments for the year ended December 31, 2025:

1. **Investments**
   The Organization's investments are recorded at fair value on the Statement of Financial Position. As of year-end, DTRF holds investments totaling $1,211,398, which are measured using Level 1 fair value inputs. Level 1 inputs refer to quoted prices in active markets for identical assets or liabilities, which provide the most reliable and transparent measure of fair value. The fair value of these investments is determined based on publicly available market prices for the securities held.

2. **Recognition of Gains and Losses**
   Unrealized gains and losses are recognized in the Statement of Activities and represent changes in the fair value of the investments that have not been realized through sale or other dispositions. Realized gains and losses are recognized when the investments are sold or otherwise disposed of and are calculated as the difference between the proceeds from the sale and the carrying value of the investments at the time of sale.

3. **Investment Income**
   Investment income, including dividends and interest earned, is recognized when earned and included in the Statement of Activities. Investment income is classified in the appropriate net asset category depending on any donor-imposed restrictions, if applicable.

4. **Donor-Restricted Investments**
   If any of the investments are subject to donor-imposed restrictions, income earned on those investments will be classified in accordance with the donor's restrictions. In the absence of any specific donor restrictions, investment income is reported as unrestricted revenue.

5. **Investment Strategy and Risk**
   DTRF's investments are managed with a focus on capital preservation, income generation, and supporting the Organization's long-term objectives. The investments are subject to market risks, including interest rate and price fluctuations, which are mitigated by maintaining a diversified portfolio.

The investments recorded at fair value as of year-end reflect a fair value of $1,211,398 and are categorized as follows:

Investment Detail	**Fair Market Value**
Cash and Short-Term CDs	$428,620
US Treasuries	$159,822
Mutual Funds	$622,956

<u>Note F- Restrictions of Net Assets</u>

In accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, the net assets of DTRF are classified into two categories: Net Assets Without Donor Restrictions and Net Assets With Donor Restrictions. These classifications reflect the presence or absence of donor-imposed restrictions on the use of resources.

1. **Net Assets Without Donor Restrictions**
   Net assets without donor restrictions represent resources that are available for general use in the activities and operations of the organization. These assets are not subject to any donor-imposed restrictions and can be used at the discretion of the board of directors for any lawful purpose.

2. **Net Assets With Donor Restrictions**
   Net assets with donor restrictions are subject to restrictions imposed by donors, either temporarily or permanently. The restrictions may be based

on time or purpose, and the organization must meet these conditions before the assets can be used.

Note G- Liquidity and Availability of Resources

The organization is committed to maintaining a healthy level of liquidity to meet its obligations and support its programs. Net assets without donor restrictions are generally available to support the organization's ongoing operations and provide the flexibility needed to respond to unforeseen circumstances.

The following describes the availability of resources to meet general expenditures within one year of the statement of financial position date:

- **Financial assets available for general expenditure:**
  These include unrestricted cash, grants receivable, and other resources available to support day-to-day operations.
- **Donor-restricted resources:**
  While donor-restricted funds are designated for specific purposes, such funds are only unavailable for general operating expenses until the donor restrictions are satisfied. Net assets with donor restrictions may be used for designated programmatic expenses or capital projects in the future, based on donor stipulations.

The board of directors has established policies for managing liquidity, including maintaining sufficient unrestricted net assets and access to credit, in order to meet short-term financial obligations.

The organization follows the policy of applying expenses first against net assets without donor restrictions and then, when applicable, against net assets with donor restrictions. When donor restrictions are met, the amount is reclassified from net assets with donor restrictions to net assets without donor restrictions in the period the restriction is fulfilled.

Financial Assets	**Amount**
Cash & cash equivalents	$80,134
Pledges receivable (current)	$25,000
Investments available for operations	$1,211,398
Total available for general expenditure	**$1,316,532**