THE DESMOID TUMOR RESEARCH FOUNDATION, INC.

Financial Statements

For the Fiscal Year Ended December 31, 2024

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INDEPENDENT AUDITOR'S REPORT

April 7th, 2025

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

I have audited the accompanying financial statements of the Desmoid Tumor Research Foundation, Inc. (the "Foundation"), 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 fiscal year then ended, and the related notes to the financial statements.

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 (GAAP), 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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on the audit. I conducted the audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 Foundation'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 Foundation's internal control. 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

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, 2024, and the changes in its net assets and its cash flows for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Nathan E. Katz, CPA

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

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Statement of Financial Position
THE DESMOID TUMOR RESEARCH FOUNDATION
As of December 31, 2024

Current Assets-	
Cash and Cash Equivalents	53,648.63
Pledge Receivable	75,000.00
Prepaid Expenses	3,975.70
Investments	1,144,430.13
Total Current Assets	**$1,277,054.46**
Liabilities and Equity-	
Liabilities-	
Current Liabilities	15,307.98
Grants Payable	20,464.00
Net Assets-	
Without Donor Restrictions	1,166,282.48
With Donor Restrictions	75,000.00
Total for Liabilities and Equity	**$1,277,054.46**

Statement of Activities

THE DESMOID TUMOR RESEARCH FOUNDATION

For the Year Ended December 31, 2024

	Without Donor Restriction	With Donor Restriction	Total
Revenues			
Organizational Support	392,378.45	75,000	467,378.45
Individual Support	303,820.66	0	303,820.66
Total Revenue	**$696,199.11**	**$75,000**	**$771,199.11**
Expenses			
Programming	391,051.43	0	391,051.43
Fundraising	172,580.82	0	172,580.82
Management and General	67,697.67	0	67,697.67
Total Expenses	**$631,329.92**	**$0**	**$631,329.92**
Change in Net Assets from Operating Activities	$64,869.19	$75,000	$139,869.19
Other Income			
Interest Income	21,525.87	0	21,525.87
Investment Income	33,992.65	0	33,992.65
Other Income	17,512.09	0	17,512.09
Total Other Income	**$73,030.61**	**$0**	**$73,030.61**
Total Change in Net Assets	$137,899.80	$75,000	$212,899.80
Net Assets - January 1, 2024	**$1,028,382.68**	**$0**	**$1,028,382.68**
Net Assets - December 31, 2024	**$1,166,282.48**	**$75,000**	**$1,241,282.48**

Statement of Functional Expenses
THE DESMOID TUMOR RESEARCH FOUNDATION
For the Year Ended December 31, 2024

Expenses	Programming	Fundraising	General	Total
Wages	$ 217,466.83	$ 103,976.64	$ 29,939.71	$ 351,383.18
Other Personnel	18,019.94	8,150.07	2,523.63	28,693.64
Payroll Expense	0	0	564.99	0
Professional Services	18,443.44	2,687.23	26,011.51	47,142.18
Event Expense	64,924.87	23,471.17	388.5	88,784.54
Travel and Meeting	800.94	800.94	298	1,899.88
Data Management	10,505.07	3,041.21	0	13,475.42
Entertainment	6,221.39	9,755.87	1046	17,023.26
Grant Expense	50,628	0	0	50,628
Operations	3,362.02	6,438.3	2,959.03	12,759.35
Insurance	0	0	1,825.42	1,825.42
Miscellaneous Expense	678.93	10,830.63	226.92	11,807.34
Total Expenses	**$ 391,051.43**	**$ 172,580.82**	**$ 67,697.67**	**$ 631,329.92**

THE DESMOID TUMOR RESEARCH FOUNDATION

Statement of Cash Flows

For the Year Ended December 31, 2024

		Total
OPERATING ACTIVITIES		
Change in Net Assets		$ 212,899.80
Adjustments to reconcile Net Revenue to Net Cash provided by operations:		
Accounts Receivable	(75,000.00)	
Accounts Payable	22,256.83	
Credit Cards	2,391.67	
Accrued Expense	5,016.57	
Prepaid Expenses	5,919.80	
Total Adjustments to reconcile Change in Net Assets		**(39,415.13)**
Net cash provided by operating activities		**173,484.67**
INVESTING ACTIVITIES		
Investment &Marketable Security:Charles Schwab Investment		(36,994.77)
Investment &Marketable Security:Wells Fargo Brokerage		(130,462.84)
Net cash provided by investing activities		**(167,457.61)**
Net cash increase for period		**6,027.06**
Cash at beginning of period		47,621.57
Cash at end of period		**$ 53,648.63**

The Desmoid Tumor Research Foundation, Inc

Notes to the Financial Statements

For Year Ended December 31, 2024

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 4/7/2025, which is the date the financial statements were available to be issued. No material events have occurred that require disclosure.

Note C- Pledges Receivable

Pledges Receivable are recorded at their approximate fair value when awarded with present value noted with 3% rate of inflation assumed. As of December 31, 2024 there was determined to be $75,000 of pledges not yet received due to time-based restrictions according to the following schedule:

Fiscal Year of Restriction	Recorded Pledge	Present Value
2025	$25,000	$24,272
2026	$25,000	$23,548
2027	$25,000	$22,874

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 2024 it was determined that one awarded grant had still yet to be fully paid- $20,464 to ALL India Institute of Medical Services, due to be paid in Fiscal Year 2025.

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, 2024:

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 $1,144,430, 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 $1,144,430 and are categorized as follows:

Investment Detail	**Fair Market Value**
Cash and Short-Term CDs	$285,207
US Treasuries	$288,435
Mutual Funds	$570,788

<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. Net assets with donor restrictions are further divided into two categories:

   - **Temporarily Restricted Net Assets**
     These are resources subject to donor-imposed restrictions that will be met either by the passage of time or through specific actions of the organization. Once the conditions are fulfilled, temporarily restricted net assets are reclassified as net assets without donor restrictions. As of year-end 2024 DTRF only has time restricted Net Assets. (See Note C)

- **Permanently Restricted Net Assets**
  These are resources that are subject to donor-imposed restrictions requiring that the principal be maintained in perpetuity. The income generated from these assets may be used for specific purposes as defined by the donor. DTRF currently does not have any permanently restricted net assets; however, if such funds arise, the organization will report them in accordance with ASC 958.

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. Temporarily restricted net assets 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.