

**THE MESOTHELIOMA APPLIED
RESEARCH FOUNDATION, INC.**

AUDITED FINANCIAL STATEMENTS

For the years ended December 31, 2024 and 2023



THE MESOTHELIOMA APPLIED RESEARCH FOUNDATION, INC.

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
The Mesothelioma Applied Research Foundation, Inc.
Washington, DC

Opinion

We have audited the accompanying financial statements of The Mesothelioma Applied Research Foundation, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities, functional expenses and cash flows for the years 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 The Mesothelioma Applied Research Foundation, Inc. as of December 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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 The Mesothelioma Applied Research Foundation, Inc. (the Foundation) and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 Foundation'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 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 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 the Foundation'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 Foundation'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.

UHY LLP

Columbia, Maryland
August 25, 2025

**THE MESOTHELIOMA APPLIED
RESEARCH FOUNDATION, INC.
STATEMENTS OF FINANCIAL POSITION
December 31, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents:		
Checking and savings accounts	\$ 1,278,091	\$ 1,911,324
Cash equivalents held by investment manager	<u>1,260,386</u>	<u>1,031,327</u>
Total cash and cash equivalents	2,538,477	2,942,651
Contributions receivable	23,364	115,918
Certificates of deposit - current	897,733	1,628,902
Due from employees	2,738	27,572
Prepaid expenses	<u>19,915</u>	<u>992</u>
Total current assets	<u>3,482,227</u>	<u>4,716,035</u>
NON-CURRENT ASSETS		
Investments	7,153,922	4,819,300
Certificates of deposit - non-current	-	430,799
Property and intangible assets - net	2,699	1,243
Security deposit	<u>-</u>	<u>4,077</u>
Total non-current assets	<u>7,156,621</u>	<u>5,255,419</u>
TOTAL ASSETS	<u><u>\$ 10,638,848</u></u>	<u><u>\$ 9,971,454</u></u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 34,893	\$ 80,497
Grants payable - current portion	221,250	196,250
Deferred symposium	<u>52,215</u>	<u>77,215</u>
Total current liabilities	308,358	353,962
NON-CURRENT LIABILITIES		
Grants payable - non-current portion	<u>246,250</u>	<u>192,500</u>
Total liabilities	<u>554,608</u>	<u>546,462</u>
NET ASSETS		
Without donor restrictions	<u>10,084,240</u>	<u>9,424,992</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 10,638,848</u></u>	<u><u>\$ 9,971,454</u></u>

See notes to financial statements.

**THE MESOTHELIOMA APPLIED
RESEARCH FOUNDATION, INC.**

STATEMENTS OF ACTIVITIES

For the years ended December 31, 2024 and 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Support, and Other Income						
Contributions	\$ 477,690	\$ 25,855	\$ 503,545	\$ 906,607	\$ 37,854	\$ 944,461
Donated securities	243,100	-	243,100	-	-	-
Sponsorships	575,000	-	575,000	460,450	-	460,450
Symposium events	15,735	-	15,735	16,497	-	16,497
Other income	1,417	-	1,417	3,232	-	3,232
Net investment income (loss)	662,886	-	662,886	413,804	-	413,804
Net assets released from restrictions	25,855	(25,855)	-	37,854	(37,854)	-
Total revenue, support, and other income	2,001,683	-	2,001,683	1,838,444	-	1,838,444
Expenses						
Program services:						
Research	390,648	-	390,648	488,101	-	488,101
Education, support and symposium	518,110	-	518,110	588,785	-	588,785
Advocacy	20,952	-	20,952	47,517	-	47,517
Total program services	929,710	-	929,710	1,124,403	-	1,124,403
Supporting services:						
Management and general	274,352	-	274,352	205,713	-	205,713
Fundraising	138,373	-	138,373	145,890	-	145,890
Total expenses	1,342,435	-	1,342,435	1,476,006	-	1,476,006
Change in Net Assets	659,248	-	659,248	362,438	-	362,438
Net Assets, Beginning	9,424,992	-	9,424,992	9,062,554	-	9,062,554
Net Assets, Ending	\$ 10,084,240	\$ -	\$ 10,084,240	\$ 9,424,992	\$ -	\$ 9,424,992

**THE MESOTHELIOMA APPLIED
RESEARCH FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the year ended December 31, 2024**

	Program Services			Total Program Services	Supporting Services		Total
	Research	Education, Support and Symposium	Advocacy		Management and General	Fundraising	
Personnel costs:							
Salaries	\$ 59,454	\$ 240,245	\$ 13,905	\$ 313,604	\$ 55,122	\$ 76,255	\$ 444,981
Employee benefits	15,118	61,477	3,638	80,233	26,402	19,635	126,270
Payroll taxes	4,712	19,000	1,087	24,799	3,572	6,015	34,386
Total personnel costs	79,284	320,722	18,630	418,636	85,096	101,905	605,637
Accounting	4,576	18,778	1,064	24,418	26,451	5,982	56,851
Advertising and marketing	1,526	6,164	354	8,044	7,289	1,954	17,287
Bank and credit card fees	-	-	-	-	9,203	1,391	10,594
Computer and internet	1,201	5,729	567	7,497	3,109	13,427	24,033
Conferences and seminars	-	475	-	475	10,000	-	10,475
Depreciation and amortization	-	-	-	-	908	-	908
Dues and subscriptions	-	-	-	-	2,917	-	2,917
Events	-	71,329	-	71,329	27,908	12,190	111,427
Gifts	-	-	-	-	656	-	656
Grants - travel	348	90,776	166	91,290	1,112	592	92,994
Grants - research	300,000	-	-	300,000	-	-	300,000
Insurance	246	1,032	61	1,339	5,624	340	7,303
Legislative counsel	-	-	-	-	-	-	-
Meals	14	51	2	67	1,751	15	1,833
Rent and storage	273	1,078	55	1,406	4	330	1,740
Office expenses and supplies	22	105	10	137	33,398	37	33,572
Payroll services	-	-	-	-	2,311	-	2,311
Postage	-	-	-	-	2,787	-	2,787
Printing	-	-	-	-	1,487	-	1,487
Professional development	-	-	-	-	400	-	400
Professional fees	3,000	-	-	3,000	29,705	-	32,705
Repairs and maintenance	-	-	-	-	-	-	-
Telephone	5	596	3	604	1,727	9	2,340
Travel and entertainment	37	826	18	881	20,430	64	21,375
Utilities	-	-	-	-	-	-	-
Workers compensation	116	449	22	587	79	137	803
Total expenses	\$ 390,648	\$ 518,110	\$ 20,952	\$ 929,710	\$ 274,352	\$ 138,373	\$ 1,342,435

See notes to financial statements.

**THE MESOTHELIOMA APPLIED
RESEARCH FOUNDATION, INC.**
STATEMENT OF FUNCTIONAL EXPENSES
For the year ended December 31, 2023

	Program Services			Total Program Services	Supporting Services		Total
	Research	Education, Support and Symposium	Advocacy		Management and General	Fundraising	
Personnel costs:							
Salaries	\$ 63,539	\$ 261,050	\$ 30,604	\$ 355,193	\$ 60,057	\$ 88,125	\$ 503,375
Employee benefits	10,545	42,789	5,127	58,461	11,523	14,957	84,941
Payroll taxes	5,368	22,136	2,604	30,108	7,827	7,509	45,444
Total personnel costs	79,452	325,975	38,335	443,762	79,407	110,591	633,760
Accounting	3,266	13,563	1,471	18,300	19,083	4,472	41,855
Advertising and marketing	1,228	6,480	542	8,250	8,571	1,656	18,477
Bank and credit card fees	-	-	-	-	13,991	1,573	15,564
Computer and internet	345	1,512	180	2,037	4,573	15,167	21,777
Conferences and seminars	-	-	-	-	9,283	-	9,283
Depreciation and amortization	-	-	-	-	710	-	710
Dues and subscriptions	-	-	-	-	3,744	271	4,015
Events	52	129,463	30	129,545	11,136	58	140,739
Gifts	-	-	-	-	527	-	527
Grants - travel	45	72,207	26	72,278	37	50	72,365
Grants - research	400,000	-	-	400,000	-	-	400,000
Insurance	352	1,713	172	2,237	7,027	433	9,697
Legislative counsel	-	11,000	-	11,000	-	-	11,000
Meals	13	45	7	65	2,558	18	2,641
Rent and storage	3,093	13,611	1,527	18,231	4,344	4,043	26,618
Office expenses and supplies	-	798	4,420	5,218	5,298	-	10,516
Payroll services	-	-	-	-	2,395	-	2,395
Postage	-	1,645	-	1,645	1,879	583	4,107
Printing	-	5,248	-	5,248	1,325	6,577	13,150
Professional development	-	150	-	150	9,379	-	9,529
Professional fees	-	2,067	680	2,747	5,606	-	8,353
Repairs and maintenance	83	380	42	505	120	104	729
Telephone	27	423	15	465	1,316	38	1,819
Travel and entertainment	6	1,977	3	1,986	13,041	9	15,036
Utilities	54	211	28	293	142	73	508
Workers compensation	85	317	39	441	221	174	836
Total expenses	\$ 488,101	\$ 588,785	\$ 47,517	\$ 1,124,403	\$ 205,713	\$ 145,890	\$ 1,476,006

See notes to financial statements.

**THE MESOTHELIOMA APPLIED
RESEARCH FOUNDATION, INC.**
STATEMENTS OF CASH FLOWS
For the years ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Cash Flows from Operating Activities		
Cash received from:		
Contributions	\$ 839,339	\$ 828,683
Sponsorships	565,735	476,947
Interest and dividends	395,343	269,826
Symposium	-	77,215
Other income	1,277	3,092
Cash paid for:		
Payments to and on behalf of employees	(578,940)	(640,218)
Payments for goods and services	(465,899)	(404,860)
Payments for grants and patient travel	(314,244)	(429,905)
	<u>442,611</u>	<u>180,780</u>
Cash Flows from Investing Activities		
Purchases of investments	(6,472,393)	(3,750,779)
Proceeds from sales of investments	5,627,972	2,677,937
Purchase of equipment	(2,364)	-
	<u>(846,785)</u>	<u>(1,072,842)</u>
Net Change in Cash and Cash Equivalents	(404,174)	(892,062)
Cash and Cash Equivalents, Beginning	<u>2,942,651</u>	<u>3,834,713</u>
Cash and Cash Equivalents, Ending	<u>\$ 2,538,477</u>	<u>\$ 2,942,651</u>
Reconciliation of Change in Net Assets to Net Cash From Operating Activities		
Change in net assets	\$ 659,248	\$ 362,438
Reconciliation adjustments:		
Depreciation and amortization	908	710
Realized losses (gains) on investments	(284,061)	147,597
Unrealized losses (gains) on investments	(44,172)	(347,792)
Changes in operating assets and liabilities:		
Contributions receivable	92,554	(115,918)
Due from employees	24,834	(27,572)
Prepaid expenses and deposits	(14,846)	2,180
Accounts payable and accrued expenses	(45,604)	43,172
Deferred symposium revenue	(25,000)	77,215
Grants payable	78,750	38,750
	<u>\$ 442,611</u>	<u>\$ 180,780</u>

THE MESOTHELIOMA APPLIED RESEARCH FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
For the years ended December 31, 2024 and 2023

NOTE 1 - DESCRIPTION OF ORGANIZATION

The Mesothelioma Applied Research Foundation, Inc. (the Foundation) is a nonprofit organization dedicated to eradicating mesothelioma and easing the suffering caused by this cancer. The Foundation funds peer-reviewed mesothelioma research, provides support services and education to patients and their families, and advocates for increased federal funding for mesothelioma research.

Research - The Foundation funds the most promising mesothelioma research projects globally, as determined by a rigorous peer-review process.

Education, Support and Symposium - Patient support services offered by the Foundation include personalized consultations and guidance through treatment with mesothelioma experts. This includes providing patients with information about treatment options, connecting them with mesothelioma treatment specialists when needed, and facilitating access to the Foundation's support groups.

Advocacy - The Foundation advocates on behalf of its patients and families for increased funding of mesothelioma research through federal investment.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements have been prepared using the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (GAAP), whereby revenue is recognized when the performance obligation is met, and expenses are recognized when incurred.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Foundation considers all checking, money market, cash held by investment brokers, and short-term investments with original maturity of three months or less, to be cash and cash equivalents.

Contributions Receivable and Allowance for Credit Losses

Contributions receivables consist of unconditional commitments to the Foundation and are recorded at the earlier of the date received or the date of receipt of a donor's non-contingent promise or pledge. Unconditional contributions receivable that are expected to be collected in one year are recorded at their net realizable value. Unconditional contributions receivable that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The balances of contribution receivable as of December 31, 2024 and 2023 were \$23,364 and \$115,918, respectively.

THE MESOTHELIOMA APPLIED RESEARCH FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
For the years ended December 31, 2024 and 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions Receivable and Allowance for Credit Losses (Continued)

The Foundation treats uncollectible contribution receivable as credit losses. Methods, inputs, and assumptions used to evaluate when contributions are considered uncollectible include closely monitoring of outstanding receivable balances by management, and susceptibility to factors outside the Foundation's control. No allowance for credit losses is deemed necessary as of December 31, 2024.

Investments and Donated Securities

Investments are reported at fair value on the date of the statements of financial position, which may differ from the amount ultimately realized at the time of sale. Interest and dividend income, realized and unrealized gains and losses, and less investment management fees are reflected in net investment income on the statements of activities. Donated securities are recorded at fair value and sold immediately upon receipt to establish fair market value.

Fair Value Measurements

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*, established a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to the unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

- *Level 1*: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that are accessible at the measurement date (e.g., equity securities traded on the New York Stock Exchange).
- *Level 2*: Inputs are from other than quoted market prices included in Level 1 that are observable for the asset or liability, either directly or indirectly (e.g., quoted market prices of similar assets or liabilities in active markets, or quoted market prices for identical or similar assets or liabilities in markets that are not active).
- *Level 3*: Inputs are unobservable (e.g., a company's own data) and are used to measure fair value to the extent that observable inputs are not available.

THE MESOTHELIOMA APPLIED RESEARCH FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
For the years ended December 31, 2024 and 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value Measurements (Continued)

The fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used should maximize the use of the observable inputs and minimize the use of the unobservable inputs. There have been no changes in the methodology used at December 31, 2024 and 2023. The following is a description of the valuation methodologies used for instruments measured at fair value and their classification in the valuation hierarchy:

Mutual Funds and Exchange-Traded Funds - The securities that are listed on a national market or exchange are valued at the last sales price, or if there is no sale and the market is still considered active, at the last transaction priced before year-end. Such securities are classified within Level 1 of the valuation hierarchy.

Certificates of Deposit - The certificates of deposit are held in a brokerage account and offer an interest rate for a certain period of time. The fair value reported includes the accrued interest. The brokered certificates of deposit are subject to market/interest rate risk if sold prior to maturity and the value can decline due to rising interest rates. These investments are classified within Level 2 of the valuation hierarchy.

Property and Intangible Assets

Property and equipment acquisitions with a useful life greater than one year and cost in excess of \$500 (including major renewals, replacements, and betterments) are capitalized and stated at cost. Depreciation of computer equipment is provided for under the straight-line method over the estimated useful lives of the assets of approximately five years. Website costs are amortized using the straight-line basis over an estimated useful life of three years. Intangibles are recorded at cost and are amortized using the straight-line method over an estimated useful life of fifteen years. Expenditures for ordinary maintenance and repair items are charged to operations as incurred.

Contributed property and equipment are recorded at fair value at the date of donation and utilized for program and support services. If donors stipulate how long the assets must be used, the contributions are recorded as restricted support. In the absence of such stipulations, contributions of property and equipment are recorded as unrestricted support.

Grants Payable

Grants awarded by the Foundation are recorded in the financial statements at the time the unconditional grants are approved by the Board of Directors, which are payable within one to two years. The Foundation records the rescission of grants in the year the grant is cancelled.

THE MESOTHELIOMA APPLIED RESEARCH FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
For the years ended December 31, 2024 and 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Assets

Net assets, revenue, gains, and losses are classified based on the existence or absence of contributions with donor-imposed restrictions. Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

Net assets without donor restrictions - Net assets without donor restrictions are available for use at the discretion of the Board and committees (the Board) and/or management for general operating purposes.

Net assets with donor restrictions - Net assets with donor restrictions consist of assets whose use is limited by donor-imposed time and/or purpose restrictions. The Foundation reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated asset. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is completed, the net assets are reclassified as net assets without donor restriction and reported in the statements as net assets released from restrictions.

There were no net assets with donor restrictions remaining as of December 31, 2024 and 2023.

Revenue Recognition

The Foundation recognizes contributions received and made, including unconditional contributions receivable, as revenue in the period received or made. Contributions received are reported as either revenue without donor restrictions or revenue with donor restrictions. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. There were no conditional promises to give for the years ended December 31, 2024 and 2023.

The Foundation recognizes sponsorships from the symposium as revenue in the period in which the event takes place. Sponsorships and registration fees received prior to the annual symposium event are included in deferred revenue. The Foundation recognizes other income when earned.

Donated Services and Materials

The Foundation relies heavily on volunteers to perform certain services for its programs. Because these services do not meet specified criteria for recognition as income and expenses, the value of these services has not been included in the statements of activities.

In accordance with GAAP, contributions of donated services that require specialized skills are provided by individuals possessing those skills, and the services would typically need to be purchased if not provided by donation. Donated services and materials are recorded as contributions at their estimated fair value at the date of donation and are utilized for program and support services. Such donations are reported as increases in contributions without donor restrictions unless the donor has restricted the donated asset to a specific purpose.

THE MESOTHELIOMA APPLIED RESEARCH FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
For the years ended December 31, 2024 and 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Such estimates affect the reported amounts of revenue and expenses during the reporting period. Actual results may differ from those estimates.

Expense Allocation

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying statements of activities and functional expenses. Expenses that can be identified with a specific program or supporting service are charged directly to that program or supporting service.

Supporting services are comprised of management and general and fundraising expenses and include those costs that are not directly identifiable with any specific program but provide for the overall support and direction of the Foundation. Accordingly, certain overhead expenses have been allocated based on time spent by the Foundation's personnel in such functions.

Income Taxes

The Foundation is exempt from federal and state income taxes (except taxes on unrelated business income) under 501(c)(3) of the Internal Revenue Code. No provision for income taxes is required for the years ended December 31, 2024 and 2023 since the Foundation did not have any taxable income from unrelated business activities.

The income tax positions taken by the Foundation for any years open under the various statutes of limitations are that the Foundation continues to be exempt from income taxes and that they have properly reported unrelated business income that is subject to income taxes. Management believes that there are no tax positions taken or expected to be taken that would significantly increase unrecognized tax liabilities within 12 months of the reporting date. The Foundation's federal and state income tax returns are not currently under examination.

Advertising Expenses

Advertising costs are expensed as incurred. Advertising expense for the years ended December 31, 2024 and 2023 totaled \$17,287 and \$18,477, respectively, and is included with advertising and marketing in the statements of functional expenses.

Reclassification

Certain reclassifications have been made for presentation purposes. The reclassifications have no effect on net assets or changes in net assets.

THE MESOTHELIOMA APPLIED RESEARCH FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
For the years ended December 31, 2024 and 2023

NOTE 3 - INVESTMENTS

As of December 31, 2024, investments consist of the following, at fair value:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds	\$ 6,504,583	\$ -	\$ -	\$ 6,504,583
Exchange-traded funds	649,339	-	-	649,339
Certificates of deposit	-	897,733	-	897,733
 Total	 <u>\$ 7,153,922</u>	 <u>\$ 897,733</u>	 <u>\$ -</u>	 <u>\$ 8,051,655</u>

As of December 31, 2023, investments consist of the following, at fair value:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds	\$ 3,328,660	\$ -	\$ -	\$ 3,328,660
Exchange-traded funds	1,490,640	-	-	1,490,640
Certificates of deposit	-	2,059,701	-	2,059,701
 Total	 <u>\$ 4,819,300</u>	 <u>\$ 2,059,701</u>	 <u>\$ -</u>	 <u>\$ 6,879,001</u>

Net investment income consisted of the following for the years ended December 31:

	<u>2024</u>	<u>2023</u>
Interest and dividends	\$ 395,288	\$ 269,826
Realized gains (losses)	284,061	(147,597)
Unrealized gains (losses)	44,172	347,792
	<u>723,521</u>	<u>470,021</u>
Less, investment expenses	(60,635)	(56,217)
 Total net investment income	 <u>\$ 662,886</u>	 <u>\$ 413,804</u>

THE MESOTHELIOMA APPLIED RESEARCH FOUNDATION, INC.
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NOTE 4 - PROPERTY AND INTANGIBLE ASSETS

Property and intangible assets consisted of the following as of December 31:

	<u>2024</u>	<u>2023</u>
Computer equipment	\$ 13,005	\$ 10,641
Intangible asset - logo	<u>6,000</u>	<u>6,000</u>
	19,005	16,641
Less, accumulated depreciation and amortization	<u>(16,306)</u>	<u>(15,398)</u>
Net value of property and intangible assets	<u><u>\$ 2,699</u></u>	<u><u>\$ 1,243</u></u>

For the years ended December 31, 2024 and 2023, depreciation and amortization expense totaled \$908 and \$710, respectively.

NOTE 5 - RETIREMENT PLAN

All Foundation employees are eligible to participate in a deferred salary savings plan under Section 403(b) of the Internal Revenue Code. The Foundation matches up to 6% of the eligible salary upon participation. For the years ended December 31, 2024 and 2023, employer contributions totaled \$17,700 and \$20,855, respectively, which are included in employee benefits in the statements of functional expenses.

NOTE 6 - CONCENTRATIONS OF CREDIT RISK

Market Risk

The Foundation has placed its investments in a professionally managed portfolio that contains equity and fixed income mutual funds and exchange-traded funds. Such investments are exposed to various risks such as interest rate, market, and credit risk. Due to the level of risk associated with such investments and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in risks in the near term would materially affect investment balances and the amounts reported in the financial statements.

Credit Risk

The Foundation's assets that are expected to create risk consist primarily of cash and cash equivalents, which are held by two separate banks. These balances may, from time to time, exceed amounts insured by the Federal Deposit Insurance Corporation. As of December 31, 2024, the Foundation had approximately \$1,451,683 of uninsured cash and cash equivalents.

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NOTE 7 - LIQUIDITY

The Foundation's financial assets available for operating expenditures within one year of the statement of financial position date are as follows:

	<u>2024</u>	<u>2023</u>
Cash	\$ 1,278,091	\$ 1,911,324
Contributions receivable	23,364	115,918
Investments		
Cash equivalents held by investment manager	1,260,386	1,031,327
Certificates of deposit, current	897,733	1,628,902
Investments	<u>7,153,922</u>	<u>4,819,300</u>
 Total financial assets available within one year	 <u>\$ 10,613,496</u>	 <u>\$ 9,506,771</u>

The Foundation maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations become due.

NOTE 8 - SUBSEQUENT EVENTS

Subsequent events have been evaluated through August 25, 2025, which is the date the financial statements are available to be issued.