

**National Foundation for Cancer Research
Consolidated Financial Statements
December 31, 2024 and 2023
With Independent Auditor's Report**

National Foundation for Cancer Research
Table of Contents
December 31, 2024 and 2023

Independent Auditor's Report	1
Consolidated Statements of Financial Position	3
Consolidated Statements of Activities and Changes in Net Assets	4
Consolidated Statements of Functional Expenses	5
Consolidated Statements of Cash Flows	7
Notes to Consolidated Financial Statements	8

Independent Auditor's Report

To the Board of Directors of
National Foundation for Cancer Research:

Opinion

We have audited the consolidated financial statements of National Foundation for Cancer Research and its subsidiary (the "Foundation"), which comprise the consolidated statements of financial position as of December 31, 2024 and 2023, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of National Foundation for Cancer Research and its subsidiary as of December 31, 2024 and 2023, and the changes in their net assets and their 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 ("GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the National Foundation for Cancer Research and its subsidiary 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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 the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 GAAS 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 consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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.

Withum Smith+Brown, PC

August 12, 2025

National Foundation for Cancer Research
Consolidated Statements of Financial Position
December 31, 2024 and 2023

	2024	2023
Assets		
Cash and cash equivalents	\$ 1,996,581	\$ 1,756,768
Accounts receivable	20,803	51,727
Prepaid expenses and other assets	199,259	373,196
Fixed assets, net of accumulated depreciation and amortization	17,518	20,192
Investments, at fair value	6,479,464	4,826,903
Amounts held in trusts by others, at fair value	2,923,041	2,658,016
Investment, at cost	200,000	-
Convertible note receivable	-	200,000
Right-of-use asset, operating lease	445,881	649,897
Total assets	\$ 12,282,547	\$ 10,536,699
Liabilities and Net Assets		
Liabilities		
Accounts payable	\$ 462,790	\$ 438,670
Research contracts and grants payable	1,681,280	1,393,836
Accrued compensation and benefits	350,582	283,500
Operating lease liability	511,638	736,957
Total liabilities	3,006,290	2,852,963
Net assets		
Net assets without donor restrictions	5,662,385	4,302,131
Net assets with donor restrictions	3,613,872	3,381,605
Total net assets	9,276,257	7,683,736
Total liabilities and net assets	\$ 12,282,547	\$ 10,536,699

The Notes to Consolidated Financial Statements are an integral part of these statements.

National Foundation for Cancer Research
Consolidated Statements of Activities and Changes in Net Assets
Years Ended December 31, 2024 and 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenues						
Public support	\$ 6,440,134	\$ 5,989	\$ 6,446,123	\$ 7,183,362	\$ 15,565	\$ 7,198,927
Bequests	3,908,420	-	3,908,420	1,469,533	-	1,469,533
Mailing list rental	36,168	-	36,168	102,377	-	102,377
Net investment return	680,952	-	680,952	773,689	-	773,689
Change in value of split-interest agreements	(3,548)	265,025	261,477	19,617	230,332	249,949
Other revenue	13,498	-	13,498	21,009	-	21,009
Net assets released from restriction	38,747	(38,747)	-	194,143	(194,143)	-
Total support and revenues	11,114,371	232,267	11,346,638	9,763,730	51,754	9,815,484
Expenses						
Program services						
Cancer Research	5,045,821	-	5,045,821	4,781,528	-	4,781,528
Public education and information	2,232,674	-	2,232,674	2,400,563	-	2,400,563
Supporting services						
Fundraising	1,806,312	-	1,806,312	1,766,660	-	1,766,660
Management and general	669,310	-	669,310	793,604	-	793,604
Total expenses	9,754,117	-	9,754,117	9,742,355	-	9,742,355
Changes in net assets	1,360,254	232,267	1,592,521	21,375	51,754	73,129
Net assets						
Beginning of year	4,302,131	3,381,605	7,683,736	4,280,756	3,329,851	7,610,607
End of year	\$ 5,662,385	\$ 3,613,872	\$ 9,276,257	\$ 4,302,131	\$ 3,381,605	\$ 7,683,736

The Notes to Consolidated Financial Statements are an integral part of these statements.

National Foundation for Cancer Research
Consolidated Statement of Functional Expenses
Year Ended December 31, 2024

	Cancer Research	Public Education and Information	Fundraising	Management and General	Total
Accounting and auditing	\$ -	\$ -	\$ -	\$ 54,833	\$ 54,833
Bank and payroll service fees	-	-	-	97,551	97,551
Creative fees	-	4,023	3,327	-	7,350
Data services	16,269	226,667	142,617	4,724	390,277
Depreciation and amortization	3,640	1,345	1,168	870	7,023
Dues and subscriptions	6,961	-	-	16,162	23,123
Federal campaign	-	-	1,469	-	1,469
Insurance	10,524	3,890	3,378	2,515	20,307
Legal fees and expenses	-	-	-	19,500	19,500
Licenses and permits	-	-	-	13,881	13,881
Listing processing fees	-	7,947	4,909	-	12,856
List rental	-	101,840	47,207	-	149,047
Lockbox and data entry	-	56,254	35,249	-	91,503
Mail shop fees	-	85,805	229,632	-	315,437
Occupancy	119,251	44,090	38,207	34,169	235,717
Office supplies and expenses	8,514	3,127	2,712	2,032	16,385
Other professional fees	268,981	167,970	116,483	92,758	646,192
Personnel	1,055,098	389,887	339,455	278,055	2,062,495
Planned giving	-	-	146,000	560	146,560
Postage	-	544,705	363,889	631	909,225
Printing and publication	-	508,153	278,465	6,467	793,085
Public education and website	2,493	81,022	41,939	222	125,676
Research contracts and grants	3,536,355	-	-	-	3,536,355
Telephone services	9,589	3,549	3,089	2,290	18,517
Travel and business meetings	8,146	-	6,142	14,709	28,997
Miscellaneous	-	2,400	975	27,381	30,756
	\$ 5,045,821	\$ 2,232,674	\$ 1,806,312	\$ 669,310	\$ 9,754,117

The Notes to Consolidated Financial Statements are an integral part of this statement.

National Foundation for Cancer Research
Consolidated Statement of Functional Expenses
Year Ended December 31, 2023

	Cancer Research	Public Education and Information	Fundraising	Management and General	Total
Accounting and auditing	\$ -	\$ -	\$ -	\$ 53,151	\$ 53,151
Bank and payroll service fees	-	-	-	98,613	98,613
Creative fees	-	3,553	4,347	-	7,900
Data services	15,245	224,892	151,742	5,402	397,281
Depreciation and amortization	4,462	1,934	923	1,558	8,877
Dues and subscriptions	3,973	-	-	15,653	19,626
Federal campaign	-	-	8,883	-	8,883
Insurance	12,132	5,230	2,516	4,239	24,117
Legal fees and expenses	8,209	-	-	31,120	39,329
Licenses and permits	-	-	-	16,698	16,698
Listing processing fees	-	9,338	6,498	-	15,836
List rental	-	93,454	42,840	-	136,294
Lockbox and data entry	-	54,300	36,336	-	90,636
Mail shop fees	-	89,207	272,759	-	361,966
Occupancy	118,427	50,901	24,579	41,357	235,264
Office supplies and expenses	10,037	4,307	2,086	3,475	19,905
Other professional fees	254,184	178,260	123,713	128,956	685,113
Personnel	975,075	420,563	202,584	351,121	1,949,343
Planned giving	-	-	96,000	650	96,650
Postage	74	524,548	365,537	1,468	891,627
Printing and publication	-	600,745	382,956	-	983,701
Public education and website	-	134,778	18,188	-	152,966
Research contracts and grants	3,324,823	-	-	-	3,324,823
Telephone services	8,384	3,613	1,741	2,929	16,667
Travel and business meetings	46,503	688	22,432	20,596	90,219
Miscellaneous	-	252	-	16,618	16,870
	\$ 4,781,528	\$ 2,400,563	\$ 1,766,660	\$ 793,604	\$ 9,742,355

The Notes to Consolidated Financial Statements are an integral part of this statement.

National Foundation for Cancer Research
Consolidated Statements of Cash Flows
Years Ended December 31, 2024 and 2023

	2024	2023
Operating activities		
Changes in net assets	\$ 1,592,521	\$ 73,129
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities		
Net unrealized and realized (gain)	(433,827)	(575,797)
Donated investment securities	(129,870)	(11,849)
Depreciation and amortization	7,023	8,877
Change in value of split interest agreements	(265,025)	(230,332)
Amortization of right-of-use asset	204,016	198,007
Change in operating assets and liabilities		
Accounts and notes receivable	30,924	6,596
Prepaid expenses and other assets	173,937	110,128
Accounts payable	24,120	(193,099)
Research contracts and grants payable	287,444	108,704
Accrued compensation and benefits	67,082	38,699
Operating lease liability	(225,319)	(212,837)
Net cash provided by (used in) operating activities	<u>1,333,026</u>	<u>(679,774)</u>
Investing activities		
Purchases of investments	(1,612,598)	(375,638)
Sales of investments	523,734	831,614
Purchases of fixed assets	(4,349)	-
Net cash (used in) provided by investing activities	<u>(1,093,213)</u>	<u>455,976</u>
Net change in cash and cash equivalents	239,813	(223,798)
Cash and cash equivalents		
Beginning of year	1,756,768	1,980,566
End of year	<u><u>\$ 1,996,581</u></u>	<u><u>\$ 1,756,768</u></u>

The Notes to Consolidated Financial Statements are an integral part of these statements.

National Foundation for Cancer Research
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

1. Organization

The National Foundation for Cancer Research, Inc. ("NFCR") was incorporated in Massachusetts in 1973 to support basic science cancer research projects including the theories of Dr. Albert Szent-Gyorgyi, who discovered Vitamin C. NFCR is dedicated to supporting "high risk/high reward" cancer research and public education relating to prevention, early diagnosis, better treatments and, ultimately, a cure for cancer.

The Darwin Foundation (formerly, the Consortium for Clinical Diagnostics "CCDx") was established by NFCR and is a partnership of scientists at research institutions and biopharmaceutical companies dedicated to facilitating genomic research and developing new diagnostic tools. CCDx provides a centralized infrastructure and expertise in genomics and molecular imaging as well as translational medicine. On July 25, 2016, the name of CCDx was legally changed to Darwin Foundation. The Darwin Foundation had no activity for the years ended December 31, 2024 and 2023 and has \$3,025 of net assets. The Darwin Foundation was formally dissolved in July 2025.

2. Summary of Significant Accounting Policies

a. Principles of Consolidation

The consolidated financial statements include the accounts and transactions of NFCR and the Darwin Foundation (collectively, the "Foundation"). All significant intercompany accounts and transactions have been eliminated in consolidation.

b. Basis of Accounting

The consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP").

Financial reporting by not-for-profit organizations requires that resources be classified for accounting and reporting purposes into net asset categories according to donor-imposed restrictions.

The net assets of the Foundation are reported as follows:

Without Donor Restrictions: Net assets that are not restricted by donor-imposed stipulations and are available for the general operations of the Foundation. Net assets without donor restrictions may be designated for specific purposes by the Foundation or may be limited by contractual agreements with outside parties.

With Donor Restrictions: Net assets subject to donor-imposed restrictions that will be met either by the actions of the Foundation or through the passage of time. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. All donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities and changes in net assets as net assets released from donor restrictions.

c. Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP 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 consolidated financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

d. Cash and Cash Equivalents

The Foundation considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

National Foundation for Cancer Research
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

The Foundation maintains cash balances at U.S. banks, which are insured by the Federal Deposit Insurance Corporation ("FDIC") for up to \$250,000 for each institution. The Foundation's cash balances at times exceeded federally insured limits. Any loss incurred or lack of access to such funds could have a significant adverse impact on the Foundation's financial condition, results of operations, and cash flows. At December 31, 2024, the Foundation's cash accounts exceeded federally insured limits by approximately \$1,496,581.

e. Accounts Receivable

Receivables represent unsecured noninterest-bearing obligations and are carried at original invoice amounts less an estimate made for credit losses based on a monthly review of all outstanding amounts due. Receivables consist mainly of amounts due from the rental of the Foundation's mailing list. Management determines the allowance for credit losses by identifying troubled accounts and by using historical experience applied to an aging of accounts as well as future analysis. Receivables are written off when deemed uncollectible. Management believes the amounts in accounts receivable at December 31, 2024 and 2023, are fully collectible.

f. Convertible Note Receivable

On June 28, 2022, in exchange for value received, a U.S. based therapeutics company (the "Company") promised to pay the Foundation \$200,000 in the form of a note receivable, with simple interest of 7% per year. Interest began accruing upon execution of the note and all outstanding principal and interest shall be due and payable upon request of the Foundation on or after July 1, 2024, unless the note has or will be otherwise converted to equity securities.

On September 26, 2024, the amount of the note and all accrued unpaid interest was converted into equity securities at a conversion price agreed upon by the Foundation and the Company. The Foundation records the investment at cost due to lack of significant influence over the Company.

g. Bequests

The Foundation is the beneficiary under various wills and trust agreements. The Foundation records such amounts at fair value when notified that the estate has cleared probate.

h. Prepaid Expenses

Prepaid expenses generally include insurance, rent, and unused postage paid prior to December 31, 2024 but relate to future periods.

i. Fixed Assets

Fixed assets are capitalized at cost. Depreciation and amortization are computed using the straight-line method over the following estimated useful lives:

	Estimated Life (Years)
Office furniture and equipment	5-10
Computers, software and equipment	3-10

Leasehold improvements are amortized over the remaining term of the lease.

j. Investments and Investment Income

Investments in equity and debt securities are stated at fair value. The gains and losses (unrealized and realized) in the fair value of investments are comprised of the net changes in the fair values of investments bought, sold and held during the year and are recognized in the year in which they occur. Purchases and sales of investments are reflected on a trade date basis. Dividend income is recognized as of the ex-dividend date. All other income from Investments is recognized as earned on the accrual basis.

National Foundation for Cancer Research
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

k. Amounts Held in Trust by Others

Amounts held in trust by others include perpetual trusts and interests in charitable remainder trusts. The perpetual trusts are stated at fair value of the assets using the closing price reported of like assets, corroborated market data, indices and/or yield curves. The Foundation's interests in charitable remainder trusts are stated at fair value using the closing price reported of like assets, corroborated market data, indices and/or yield curves, representing the estimated amount to be received at the termination of the trusts.

l. Mailing List Rental Revenue

Revenue from mailing list rentals is recognized at the time these client lists are mailed out to the entities that requested them. Mailing list rental revenue is recorded net of the fee charged by the mailing list broker.

m. Leases

The Foundation is a lessee in a noncancelable operating lease. Right-of-use ("ROU") assets and lease liabilities are recognized at the lease commencement date based on the present value of the future lease payments over the expected lease term. The ROU asset is also adjusted for any lease prepayments made, lease incentives received, and initial direct costs incurred.

The majority of leases entered into include one or more options to renew or terminate. The renewal terms can extend the lease term from e.g., "one to twenty-five" years. The exercise of lease renewal and termination options is at the Foundation's sole discretion. Renewal option periods and termination options are included in the expected lease term and the measurement of the ROU asset and lease liability when exercise of the options is reasonably certain to occur.

The discount rate used is the implicit rate in the lease contract when readily determinable; however, most of the leases do not provide an implicit rate, and in those cases the discount rate is the Foundation's incremental borrowing rate. The Foundation's incremental borrowing rate for a lease is the rate of interest it would have to pay on a collateralized basis to borrow an amount equal to the lease payments under similar terms and in a similar economic environment.

The lease liability is initially and subsequently recognized based on the present value of future lease payments. Variable payments are included in the future lease payments when those variable payments depend on an index or a rate. Changes to variable lease payments due to subsequent changes in an index or rate and variable lease payments not dependent on an index or a rate are recorded as variable lease expense in the period in which they are incurred.

The ROU asset for operating leases is subsequently measured throughout the lease term at the amount of the remeasured lease liability (i.e., present value of the remaining lease payments), plus unamortized initial direct costs, plus (less) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received, and any impairment recognized.

For all underlying classes of assets, the Foundation has elected to not recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less at lease commencement and do not include an option to purchase the underlying asset that the Foundation is reasonably certain to exercise. The Foundation recognizes short-term lease cost on a straight-line basis over the lease term.

n. Contributions

Public support is recorded as revenue when contributions, which include unconditional promises to give (pledges), are unconditionally committed. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as revenues without donor restrictions.

National Foundation for Cancer Research
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

o. Research Contracts and Grants

The Foundation awards both research contracts and grants.

Research Contracts

The Foundation enters into agreements with universities and other institutions to conduct scientific research on their premises, in accordance with policies established by the board of directors of the Foundation. Research contracts payable represents research expenses incurred during the years ended December 31, 2024 and 2023 under these contracts, but not yet paid to the institutions by December 31, 2024 and 2023. The Foundation recognizes grants made, including unconditional promises, as expenses in the period made. Conditional promises, that is, those with a measurable performance or other barrier, and a right of return, are not recognized in expense until the conditions on which they depend have been substantially met. Conditional research contracts (would only be paid if contracts are met) were \$1,841,355 and \$1,136,716, at December 31, 2024 and 2023, respectively.

Grants

The Foundation awards certain research grants to selected scientists to fund their research programs in accordance with policies established by the board of directors of the Foundation. The Foundation records these as expenses once the grants are awarded. Grants payable represent such awards that have not yet been paid to the respective scientists by December 31, 2024 and 2023.

p. Functional Allocation of Expenses

The costs of providing various programs and supporting services have been summarized on a functional basis in the consolidated statements of activities and changes of net assets and the consolidated statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The allocation is based on management's estimate of time spent on each program or directly identifying the cost at the transactional level.

The consolidated financial statements report certain categories of expenses that are attributed to more than one program or supporting function (management and general and fundraising). Therefore, expenses require allocation on a reasonable basis that is consistently applied. The indirect expenses allocated include occupancy, utilities, and other office expenses, which use the weighted average of staff and contractors and their time and effort spent in specific program areas. Direct expenses including salaries and wages, benefits, payroll taxes, professional services, office expenses, and other, are allocated based on estimates of time and effort.

3. Tax Status

The Foundation has been recognized by the Internal Revenue Service ("IRS") as exempt from income tax under Internal Revenue Code Section 501(c)(3) and related state statutes, except for income tax on unrelated business income, if any. It qualifies as a public charity under Section 509(a)(1). The Darwin Foundation has been recognized by the IRS as exempt from income tax under Section 501(c)(3) and related state statutes, except for income tax on unrelated business income, if any. It is a supporting organization to NCFR under Section 509(a)(3).

GAAP requires management to evaluate income tax positions taken and accrue an income tax liability if the organization has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. Management has evaluated the income tax positions taken and concluded that as of December 31, 2024 there are no uncertain positions taken or expected to be taken that would require recognition in the consolidated financial statements. The Foundation is subject to routine audits by taxing jurisdictions; however, there are currently no audits in progress for any tax periods. In addition, there have been no tax related interest or penalties for the periods presented in these consolidated financial statements. Should such penalties and interest be incurred, the Foundation's policy is to recognize them as general and administrative expenses on the consolidated statements of activities and changes in net assets.

National Foundation for Cancer Research
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

4. Net Assets With Donor Restrictions

Net assets with donor restrictions are composed of the following at December 31, 2024 and 2023:

	2024	2023
Net assets subject to time restrictions imposed by charitable trusts	\$ 584,659	\$ 511,850
Net assets subject to restrictions on use	604,879	637,641
Net assets perpetual in nature	2,424,334	2,232,114
	<u>\$ 3,613,872</u>	<u>\$ 3,381,605</u>

Net assets released from restriction for the years ended December 31, 2024 and 2023 represent expenditures for specific types of cancer research that have accomplished the imposed restrictions.

Perpetual in nature, net assets consist of perpetual trusts for which the Foundation is named as a beneficiary and values are based upon the fair market value of the securities on the 2024 and 2023 year end statements.

5. Investments

At December 31, 2024 and 2023, all value of the Foundation's consolidated investments consisted of the following:

	2024	2023
Money market funds	\$ 1,317,524	\$ 211,614
Corporate bonds	316,434	348,719
U.S. government bonds	609,502	567,689
Common and preferred stocks	2,531,136	2,339,016
Mutual funds	446,217	462,701
Exchange traded funds	1,258,651	897,164
	<u>\$ 6,479,464</u>	<u>\$ 4,826,903</u>

The Foundation's consolidated net investment return for the years ended December 31, 2024 and 2023, consisted of the following:

	2024	2023
Interest and dividend income	\$ 292,098	\$ 246,068
Realized gains	399,389	124,528
Unrealized gains	34,438	451,269
Investment management fees	(44,973)	(48,176)
	<u>\$ 680,952</u>	<u>\$ 773,689</u>

Investment management fees for the years ended December 31, 2024 and 2023, are all external investment fees.

National Foundation for Cancer Research
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

6. Fair Value Measurements

Generally accepted accounting principles in the United States of America define fair value as 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, establish a fair value reporting hierarchy and define three broad levels of inputs (the assumptions that market participants would use in pricing the asset or liability) as noted below:

Level 1 - Inputs are unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level 2 - Inputs are quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active or inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's 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 maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

The valuation methodology was not changed during the years ended December 31, 2024 and 2023.

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the end of the reporting period. For the years ended December 31, 2024 and 2023, there were no transfers in or out of Levels 1, 2 or 3.

The following is a description of the valuation methodologies used for assets measured at fair value:

U.S. Government Bonds, Exchange Traded Funds, Mutual Funds and Common and Preferred Stocks: Valued based on quoted market prices.

Corporate Bonds: Valued using the closing price reported of like assets, corroborated market data, indices and/or yield curves.

Money Market Funds: Valued at cost, which approximated fair value.

Amounts held in trust are valued at the fair value of the underlying investments held by the trust.

As of December 31, 2024 and 2023, assets measured at fair value on a recurring basis are summarized by level within the fair value hierarchy as follows:

	December 31, 2024			
	Level 1	Level 2	Level 3	Total Fair Value
Money market funds	\$ 1,317,524	\$ -	\$ -	\$ 1,317,524
Corporate bonds	-	316,434	-	316,434
U.S. government bonds	609,502	-	-	609,502
Common and preferred stocks	2,531,136	-	-	2,531,136
Mutual funds	446,217	-	-	446,217
Exchange traded funds	1,258,651	-	-	1,258,651
Amounts held in trust by others	-	2,923,041	-	2,923,041
	\$ 6,163,030	\$ 3,239,475	\$ -	\$ 9,402,505

National Foundation for Cancer Research
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

	December 31, 2023			
	Level 1	Level 2	Level 3	Total Fair Value
Money market funds	\$ 211,614	\$ -	\$ -	\$ 211,614
Corporate bonds	-	348,719	-	348,719
U.S. government bonds	567,689	-	-	567,689
Common and preferred stocks	2,339,016	-	-	2,339,016
Mutual funds	462,701	-	-	462,701
Exchange traded funds	897,164	-	-	897,164
Amounts held in trust by others	-	2,658,016	-	2,658,016
	<u>\$ 4,478,184</u>	<u>\$ 3,006,735</u>	<u>\$ -</u>	<u>\$ 7,484,919</u>

7. Fixed Assets

The historical costs of the Foundation's fixed assets and related accumulated depreciation balances at December 31, 2024 and 2023, were as follows:

	2024	2023
Office furniture and equipment	\$ 45,382	\$ 45,382
Computer equipment and software	158,632	154,284
Leasehold improvements	26,890	26,890
	<u>230,904</u>	<u>226,556</u>
Less: Accumulated depreciation and amortization	(213,386)	(206,364)
	<u>\$ 17,518</u>	<u>\$ 20,192</u>

Depreciation and amortization expense was \$7,023 and \$8,877 for the years ended December 31, 2024 and 2023.

8. Amounts Held in Trust by Others

The Foundation is the beneficiary of several split-interest agreements, including irrevocable perpetual trusts and charitable remainder trusts. The Foundation does not exercise control over the trusts' assets, which are held and administered by third-party trustees.

Under the perpetual trusts, the donors established and funded trusts whereby the Foundation is the beneficiary of the income on the trust assets as earned in perpetuity with no restrictions on use. Under the charitable trusts, the donors established and funded trusts whereby the Foundation receives income distributions from the trust and will receive a percentage of trust assets at the termination of the trust.

The fair value of perpetual trusts at December 31, 2024 and 2023 is \$2,404,328 and \$2,212,114, respectively. The change in the beneficial interest in perpetual trusts for the years ended December 31, 2024 and 2023 is \$192,214 and \$177,399, respectively, and is included in the change in value of split-interest agreements on the consolidated statements of activities and changes in net assets.

The Foundation's interests in charitable remainder trusts at December 31, 2024 and 2023 are \$518,713 and \$445,903, respectively. The change in the beneficial interest in charitable remainder trusts for the years ended December 31, 2024 and 2023 is \$72,811 and \$52,933, respectively, and is included in the change in value of split-interest agreements on the consolidated statements of activities and changes in net assets.

National Foundation for Cancer Research
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

9. Designated for Research Contracts

At December 31, 2024 and 2023, the board of directors has designated net assets without donor restrictions, in order to fulfill contract commitments to universities and institutions, for research amounting to \$3,662,000 and \$3,390,000 respectively.

10. Leases

Beginning March 1, 2018, the Foundation leased office space under a noncancellable operating lease that expires January 31, 2027. Under this lease, base monthly rent is \$17,232 and increases each year by 2.75%.

Information regarding lease terms and discount rates as of December 31, 2024 and 2023, is as follows:

	2024	2023
Weighted-average remaining lease term (years)		
Operating leases	2.10	3.10
Weighted-average discount rate (%)		
Operating leases	2.75	2.75

Total cash paid for operating lease liabilities for the years ended December 31, 2024 and 2023, totaled \$242,767 and \$236,293, respectively.

Maturities of lease liabilities are as follows as of December 31, 2024:

2025	\$ 249,433
2026	256,298
2027	21,406
Total operating lease payments	527,137
Less: Imputed interest	15,499
Total operating lease liabilities	\$ 511,638

Occupancy expense for the years ended December 31, 2024 and 2023, was \$235,717 and \$235,264, respectively.

11. Retirement Plan

The Foundation offers a 401(k) Savings Plan for the benefit of its employees. Employees are eligible to participate in the plan after 3 months of employment. Under the plan, the Foundation makes a 3% annual safe harbor contribution and an annual discretionary contribution for eligible employees. The discretionary contribution percentage for officers is determined by the board of directors, for senior managers is 12% and for all other employees is 9% of their respective base salaries. Effective December 14, 2017, the discretionary contributions for all new hires was reduced to 5% of their respective base salaries.

The safe harbor and discretionary contribution that the Foundation makes to the plan is unrelated to whether an employee makes an elective deferral in a particular year. For the years ended December 31, 2024 and 2023, retirement expense was \$180,319 and \$172,479, respectively.

National Foundation for Cancer Research
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

12. Allocation of Joint Costs

For more than 50 years, the Foundation has been communicating with supporters, donors and prospective donors by postal mail, email, website and other means, to educate the public about cancer and uphold its mission, and at the same time to provide fundraising opportunities. The costs related to these joint activities are allocated in part to program expenses and in part to fundraising expenses, in accordance with AICPA's Statement of Position ("SOP") 98-2, *Accounting for Costs of Activities of Not-for-Profit Organizations and State and Local Governmental Entities That Include Fund Raising, which is now part of FASB ASC Subtopic 958-720, Not-for-Profit Entities—Other Expenses*.

To properly allocate joint costs, the Foundation used a rational and systematic method, that was applied consistently. All joint costs are proportionally allocated to the program and fundraising based on the content of informational materials and fundraising appeal, such as lines or square inches of the two components.

For the years ended December 31, 2024 and 2023, the Foundation incurred joint costs of \$2,662,805 and \$2,879,259, respectively, which were allocated as follows:

	2024	2023
Cancer research	\$ 2,493	\$ -
Public education and information	1,658,984	1,775,267
Fundraising	1,001,106	1,103,992
Management and general	222	-
	<u>\$ 2,662,805</u>	<u>\$ 2,879,259</u>

13. Concentrations

Due to various risks (e.g., interest rate, market, credit) associated with certain investments and the level of uncertainty related to changes in the value of investments, it is at least reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the consolidated statements of financial position.

14. Liquidity and Availability of Resources

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the consolidated statement of financial position date, total the following at December 31, 2024 and 2023:

	December 31, 2024			
	Consolidated Statement of Financial Position	Restricted Funds	Board Designated Funds	Financial Assets Available for General Expenditure
Cash	\$ 1,996,581	\$ 604,879	\$ -	\$ 1,391,702
Investments	6,479,464	85,952	3,662,000	2,731,512
Amounts held in trust by others	2,923,041	2,923,041	-	-
	<u>\$ 11,399,086</u>	<u>\$ 3,613,872</u>	<u>\$ 3,662,000</u>	<u>\$ 4,123,214</u>

National Foundation for Cancer Research
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

	December 31, 2023			
	Consolidated Statement of Financial Position	Restricted Funds	Board Designated Funds	Financial Assets Available for General Expenditure
Cash	\$ 1,756,768	\$ 637,641	\$ -	\$ 1,119,127
Investments	4,826,903	85,948	3,390,000	1,350,955
Amounts held in trust by others	2,658,016	2,658,016	-	-
	<u>\$ 9,241,687</u>	<u>\$ 3,381,605</u>	<u>\$ 3,390,000</u>	<u>\$ 2,470,082</u>

The Foundation endeavors to structure its financial assets to be available and liquid as its general expenditures, liabilities, and other obligations come due. The Foundation receives significant contributions restricted by donors, and considers contributions restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. The Foundation regularly monitors the availability of resources required to meet its operating needs and other contractual commitments. In addition to financial assets available to meet general expenditures over the next 12 months, the Foundation operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources.

15. Subsequent Events

The Foundation has evaluated subsequent events occurring after the consolidated statement of financial position date through the date of August 12, 2025, the date the consolidated financial statements were available for release. The Darwin Foundation was formally dissolved in July 2025.