

American Brain Tumor Association

Financial Statements and Independent Auditors' Report

December 31, 2024 and 2023

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MILLER COOPER & Co., Ltd

ACCOUNTANTS AND CONSULTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
American Brain Tumor Association
Chicago, Illinois

Opinion

We have audited the financial statements of American Brain Tumor Association (the ABTA), which comprise the statements of financial position as of December 31, 2024 and 2023, the related statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the ABTA as of December 31, 2024 and 2023, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the ABTA 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 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.

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 ABTA's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

(Continued)

Auditors' 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 auditors' 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 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 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 ABTA'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 ATBA'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.

MILLER, COOPER & CO., LTD.



Certified Public Accountants

Deerfield, Illinois
July 30, 2025

FINANCIAL STATEMENTS

American Brain Tumor Association
STATEMENTS OF FINANCIAL POSITION
December 31, 2024 and 2023

<u>ASSETS</u>	<u>2024</u>	<u>2023</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 4,470,437	\$ 5,489,761
Investments	3,463,856	3,108,929
Accounts receivable		
Grants receivable, current portion	559,984	469,874
Trade receivable	23,866	16,711
Prepaid expenses and deposits	218,182	214,216
	<u>8,736,325</u>	<u>9,299,491</u>
Total current assets		
	<u>8,736,325</u>	<u>9,299,491</u>
PROPERTY AND EQUIPMENT, net	<u>254,977</u>	<u>315,637</u>
OTHER ASSETS		
Grants receivable, net, less current portion	440,976	580,799
Right-of-use asset, operating lease	395,512	465,755
Security deposits	16,437	10,937
	<u>852,925</u>	<u>1,057,491</u>
	<u>\$ 9,844,227</u>	<u>\$ 10,672,619</u>

(Continued)

The accompanying notes are an integral part of these statements.

American Brain Tumor Association
STATEMENTS OF FINANCIAL POSITION (Continued)
December 31, 2024 and 2023

<u>LIABILITIES AND NET ASSETS</u>	<u>2024</u>	<u>2023</u>
CURRENT LIABILITIES		
Accounts payable	\$ 50,205	\$ 71,287
Accrued expenses	181,357	218,293
Current portion of grants payable	725,000	581,500
Current maturities of operating lease liability	112,816	51,007
Unearned revenues	154,559	68,477
	<u>1,223,937</u>	<u>990,564</u>
Total current liabilities		
	<u>1,223,937</u>	<u>990,564</u>
LONG-TERM LIABILITIES		
Grants payable, less current portion	100,000	150,000
Operating lease liability, less current maturities	507,589	620,405
	<u>607,589</u>	<u>770,405</u>
Total long-term liabilities		
	<u>607,589</u>	<u>770,405</u>
NET ASSETS		
Without donor restrictions	5,713,335	7,159,024
With donor restrictions	2,299,366	1,752,626
	<u>8,012,701</u>	<u>8,911,650</u>
Total net assets		
	<u>8,012,701</u>	<u>8,911,650</u>
	<u>\$ 9,844,227</u>	<u>\$ 10,672,619</u>

The accompanying notes are an integral part of these statements.

American Brain Tumor Association
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
Revenues						
Contributions	\$ 2,104,789	\$ 1,884,515	\$ 3,989,304	\$ 3,820,750	\$ 2,122,293	\$ 5,943,043
Contributed non-financial assets	20,000	-	20,000	20,253	-	20,253
Contributions from fundraising activities	2,292,577	-	2,292,577	1,797,616	-	1,797,616
Fundraising activities, net of direct costs of \$763,886 and \$594,993 in 2024 and 2023, respectively	150,527	-	150,527	129,911	-	129,911
Investment return, net	441,586	-	441,586	487,421	-	487,421
Other income	21,467	-	21,467	80,598	-	80,598
Net assets released from restrictions	1,337,775	(1,337,775)	-	1,209,467	(1,209,467)	-
Total revenues	6,368,721	546,740	6,915,461	7,546,016	912,826	8,458,842
Expenses						
Program services	6,271,826	-	6,271,826	5,896,321	-	5,896,321
Fundraising	557,099	-	557,099	599,435	-	599,435
Management and general	985,485	-	985,485	958,616	-	958,616
Total expenses	7,814,410	-	7,814,410	7,454,372	-	7,454,372
CHANGE IN NET ASSETS	(1,445,689)	546,740	(898,949)	91,644	912,826	1,004,470
Net assets, beginning of year	7,159,024	1,752,626	8,911,650	7,067,380	839,800	7,907,180
Net assets, end of year	\$ 5,713,335	\$ 2,299,366	\$ 8,012,701	\$ 7,159,024	\$ 1,752,626	\$ 8,911,650

The accompanying notes are an integral part of these statements.

American Brain Tumor Association
STATEMENT OF FUNCTIONAL EXPENSES
For the year ended December 31, 2024

	Program Services							
	Medical & Scientific Research Grants	Patient & Caregiver Support	Public Education & Awareness	Healthcare / Professional Outreach	Total	Fundraising	Management and General	Total
Grants and other assistance to organizations	\$ -	\$ -	\$ 167,500	\$ -	\$ 167,500	\$ -	\$ -	\$ 167,500
Grants and other assistance to individuals	1,283,327	341,095	-	-	1,624,422	-	-	1,624,422
Employee expenses								
Compensation of current officers	195,636	30,098	-	30,098	255,832	15,049	30,098	300,979
Other salaries and wages	586,815	993,608	62,434	474,773	2,117,629	253,667	532,085	2,903,381
Employee benefit plans	18,261	23,892	1,457	11,783	55,393	6,271	13,051	74,715
Health insurance	145,828	190,791	11,636	94,094	442,350	50,082	104,221	596,653
Payroll taxes	56,228	73,565	4,487	36,281	170,561	19,310	40,186	230,057
Fees for services	73,709	109,091	4,771	46,671	234,243	44,959	84,511	363,713
Advertising and promotion	17,076	256,142	-	-	273,218	68,304	-	341,522
Office expenses	137,185	96,150	1,560	30,486	265,380	29,513	37,283	332,176
Information technology	78,160	120,011	-	45,656	243,827	31,635	50,584	326,046
Travel	87,478	40,064	2,029	30,325	159,896	8,733	18,174	186,803
Conferences/conventions/meetings	26,438	11,210	1,108	18,255	57,010	2,630	5,475	65,115
Special events	-	-	-	-	-	763,886	-	763,886
Depreciation	19,650	23,810	-	11,743	55,203	6,250	13,008	74,461
Other expenses	53,364	64,509	-	31,489	149,362	20,696	56,809	226,867
	2,779,155	2,374,036	256,982	861,654	6,271,826	1,320,985	985,485	8,578,296
Less special events netted with revenues	-	-	-	-	-	(763,886)	-	(763,886)
Total expenses on Statement of Activities	\$ 2,779,155	\$ 2,374,036	\$ 256,982	\$ 861,654	\$ 6,271,826	\$ 557,099	\$ 985,485	\$ 7,814,410

The accompanying notes are an integral part of this statement.

American Brain Tumor Association
STATEMENT OF FUNCTIONAL EXPENSES
For the year ended December 31, 2023

	Program Services							
	Medical & Scientific Research Grants	Patient & Caregiver Support	Public Education & Awareness	Healthcare / Professional Outreach	Total	Fundraising	Management and General	Total
Grants and other assistance to organizations	\$ -	\$ -	\$ 92,100	\$ -	\$ 92,100	\$ -	\$ -	\$ 92,100
Grants and other assistance to individuals	1,310,546	275,965	-	-	1,586,511	-	-	1,586,511
Employee expenses								
Compensation of current officers	186,322	28,665	-	28,665	243,652	14,332	28,665	286,649
Other salaries and wages	547,684	910,772	59,503	432,945	1,950,904	269,564	503,174	2,723,642
Employee benefit plans	15,764	20,178	1,278	9,915	47,136	5,987	11,357	64,480
Health insurance	126,522	161,932	10,257	79,569	378,280	48,044	91,139	517,463
Payroll taxes	53,658	68,676	4,350	33,744	160,428	20,376	38,652	219,456
Fees for services	71,125	92,257	4,660	42,467	210,509	46,221	85,621	342,351
Advertising and promotion	18,463	276,941	-	-	295,404	73,851	-	369,255
Office expenses	80,650	176,124	5,899	47,377	310,050	49,900	57,560	417,510
Information technology	74,764	104,844	-	42,801	222,409	30,572	49,023	302,004
Travel	64,649	46,391	3,509	32,354	146,903	11,962	22,692	181,557
Conferences/conventions/meetings	37,790	11,883	761	11,346	61,781	3,239	5,656	70,676
Special events	-	-	-	-	-	594,993	-	594,993
Depreciation	14,819	17,543	-	8,620	40,982	5,204	9,872	56,058
Insurance	-	-	609	-	609	-	-	609
Other expenses	51,580	56,826	-	40,257	148,663	20,183	55,205	224,051
	2,654,336	2,248,998	182,927	810,060	5,896,321	1,194,428	958,616	8,049,365
Less special events netted with revenues	-	-	-	-	-	(594,993)	-	(594,993)
Total expenses on Statement of Activities	\$ 2,654,336	\$ 2,248,998	\$ 182,927	\$ 810,060	\$ 5,896,321	\$ 599,435	\$ 958,616	\$ 7,454,372

The accompanying notes are an integral part of this statement.

American Brain Tumor Association
STATEMENTS OF CASH FLOWS
For the years ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities		
Change in net assets	\$ (898,949)	\$ 1,004,470
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities		
Depreciation	74,461	56,058
Noncash component of operating lease expense	70,243	79,443
Realized and unrealized gain on investments	(163,577)	(292,335)
(Increase) decrease in assets		
Grants receivable	49,713	(450,673)
Employee Retention Credit receivable	-	356,598
Trade receivables	(7,155)	15,899
Prepaid expenses and deposits	(9,466)	8,861
Increase (decrease) in liabilities		
Accounts payable	(21,082)	(58,084)
Accrued expenses	(36,936)	64,021
Grants payable	93,500	405,000
Unearned revenues	86,082	(22,057)
Operating lease liability	(51,007)	(120,046)
Net cash (used in) provided by operating activities	<u>(814,173)</u>	<u>1,047,155</u>
Cash flows from investing activities		
Sale of investments	625,301	2,281,242
Purchase of investments	(816,651)	(2,227,174)
Purchase of property and equipment	(13,801)	(44,782)
Net cash (used in) provided by investing activities	<u>(205,151)</u>	<u>9,286</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	<u>(1,019,324)</u>	<u>1,056,441</u>
Cash and cash equivalents, beginning of the year	<u>5,489,761</u>	<u>4,433,320</u>
Cash and cash equivalents, end of the year	<u>\$ 4,470,437</u>	<u>\$ 5,489,761</u>

(Continued)

The accompanying notes are an integral part of these statements.

American Brain Tumor Association
STATEMENTS OF CASH FLOWS (Continued)
For the years ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
<u>Supplemental disclosure of cash flow information</u>		
Cash paid for amounts included in the measurement of lease liability:		
Operating cash flows used for operating lease	\$ <u>74,339</u>	\$ <u>141,112</u>
Right-of-use assets, obtained in exchange for incurring lease liabilities, including modifications of existing leases including lease incentives of \$191,539:		
Operating lease	\$ <u>-</u>	\$ <u>366,812</u>

The accompanying notes are an integral part of these statements.

American Brain Tumor Association
NOTES TO THE FINANCIAL STATEMENTS
For the years ended December 31, 2024 and 2023

NOTE A - NATURE OF ASSOCIATION

The American Brain Tumor Association (the ABTA), a not-for-profit association, is a national independent organization dedicated to funding brain tumor research and providing patient services and education. The ABTA solicits contributions and grants from individuals, trusts, corporations, and other not-for-profit organizations throughout the United States of America.

In order to attain the above stated goals, the ABTA awards basic research fellowships, discovery grants, medical student summer fellowships and collaborative research grants based on the recommendations of its distinguished Scientific Advisory Council. The ABTA provides patient services, including educational literature that explains relevant medical terms, basic information about the brain and brain tumors and treatment options.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Accounting

The financial statements of the ABTA have been prepared in accordance with U.S. generally accepted accounting principles (GAAP), which require the ABTA to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the ABTA. These net assets may be used at the discretion of the ABTA's management and board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature: those restrictions will be met by actions of the ABTA or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. At December 31, 2024 and 2023, all of the ABTA's net assets with donor restrictions were temporary in nature.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

American Brain Tumor Association
NOTES TO THE FINANCIAL STATEMENTS
For the years ended December 31, 2024 and 2023

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Cash Equivalents

For purposes of the statement of cash flows, the ABTA considers all highly liquid investments with a maturity of three months or less at the date of purchase to be cash equivalents.

3. Investments

Investments consist of government securities, mortgage-backed securities, exchange-traded funds, equity securities and mutual funds that are valued as described in Note B-12. Net investment return is included in operating revenues in the statement of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less investment expenses. Net realized and unrealized gain on investments is reported net of management fees of \$38,430 and \$32,632 for the years ended December 31, 2024 and 2023, respectively.

4. Grants Receivable

Grants receivable, which include unconditional promises to give, are measured at their fair values and are reported as increases in net assets and accounts receivable if not yet received. Management deems all accounts receivable to be fully collectible.

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected over periods in excess of one year are recorded at the present value of the estimated cash flows beyond one year. The discount on those amounts is computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue.

American Brain Tumor Association
NOTES TO THE FINANCIAL STATEMENTS
For the years ended December 31, 2024 and 2023

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Property and Equipment

Property and equipment is stated at cost if purchased. Contributed assets are calculated at their estimated fair market value on the date of receipt. Depreciation is provided on a straight-line basis over the estimated useful lives of three to fifteen years.

Leasehold improvements are amortized over the shorter of its lease term or useful life.

6. Revenue and Contribution Recognition

Contributions

The ABTA reports gifts of cash and other assets as with donor restriction support if they are received with donor stipulations that limit the use of the donated assets. Gifts of cash and other assets that are received without donor stipulations limiting the use of the donated assets are reported as without donor restriction support.

Fundraising Activities

The ABTA recognizes revenue upon delivery of goods or services in an amount that reflects the consideration the ABTA expects to receive in exchange for those goods or services. The ABTA's revenue streams that fall under Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers* (Topic 606), are derived primarily from sponsorships, registration fees, and other revenues received from ABTA and non-ABTA sponsored events, which are included in the statement of activities as fundraising activities and are presented as net of the related fundraising activity expenses.

American Brain Tumor Association
NOTES TO THE FINANCIAL STATEMENTS
For the years ended December 31, 2024 and 2023

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

6. Revenue and Contribution Recognition (Continued)

Fundraising Activities (Continued)

Sponsorships and registration fees, which are nonrefundable, are generally collected in advance of the event and are initially recorded as unearned revenue. Revenue is recognized when the event occurs. Sponsorships and registration fees are comprised of an exchange element based on the benefits provided, and a contribution element for the difference between the sponsorship and registration fee and the exchange element. Sponsorship and registration fee revenue approximated \$914,000 and \$725,000 for the years ended December 31, 2024 and December 31, 2023, respectively. Sponsorship and registration fee revenue continues to be recognized as revenue at a point in time when substantially all benefits have been provided, as an exchange transaction.

The ABTA records a contract liability when cash is received or due in advance of the ABTA's performance and is recognized into revenue as the ABTA fulfills the respective performance obligation. The ABTA's contract liabilities are included in unearned revenue in the statements of financial position. Contract liabilities were as follows as of:

	December 31, 2024	December 31, 2023	January 1, 2023
Contract liabilities	\$ <u>154,559</u>	\$ <u>68,477</u>	\$ <u>90,534</u>

7. Advertising

The ABTA expenses advertising costs as incurred. Total advertising expense was \$298,869 and \$304,905 for the years ended December 31, 2024 and 2023, respectively.

8. Tax Status

The ABTA is exempt from income taxes under 501(c)(3) of the Internal Revenue Code.

American Brain Tumor Association
NOTES TO THE FINANCIAL STATEMENTS
For the years ended December 31, 2024 and 2023

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

8. Tax Status (Continued)

GAAP requires management to evaluate tax positions by the ABTA and recognize a tax liability if the ABTA has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS or other applicable taxing authorities.

Management has analyzed the tax position taken by the ABTA, and has concluded that as of December 31, 2024 and 2023, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The ABTA is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

9. Donated Items and Services

Donated services and assets are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the ABTA. The ABTA recognizes contributed nonfinancial asset revenue and a corresponding expense in an amount approximating the estimated fair value at the time of the donation. Donated services from volunteers who have devoted their time for administrative tasks and others who have contributed their time for assistance with the Organization's programs are not reflected in the financial statements since these services do not meet the criteria for recognition as contributed services. For the years ended December 31, 2024 and 2023, donated items and service revenues of \$20,000 and \$20,253, respectively, were recognized as contributed non-financial assets in the accompanying statements of activities related to marketing and campaign services. These services were valued at the fair value of the services provided if they had been purchased.

American Brain Tumor Association
NOTES TO THE FINANCIAL STATEMENTS
For the years ended December 31, 2024 and 2023

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

10. Grants Payable

Grants payable represent unconditional promises to give cash and are recorded as liabilities when they are authorized by the Board of Directors. Grants that are payable in one year or less are recorded at their net settlement value. Grants that are payable in greater than one year are recorded at fair value using the net present value of their corresponding future cash flows. Discounts on grants payable, based on risk-adjusted interest rates, are amortized over the term of those grants and are recorded as grant expense and included in program expenses in the statements of activities. See Note J related to conditional promises to give.

11. Use of Estimates

In preparing financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

12. Fair Value of Financial Instruments

The ABTA adopted the accounting standard that establishes a framework for measuring fair value. The 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 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 the accounting standard are described below:

Level 1	Inputs to the valuation methodology are unadjusted quoted market prices for identical assets or liabilities in active markets that the ABTA has the ability to access.
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American Brain Tumor Association
NOTES TO THE FINANCIAL STATEMENTS
For the years ended December 31, 2024 and 2023

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

12. Fair Value of Financial Instruments (Continued)

- Level 2 Inputs to the valuation methodology include the following:
- * Quoted prices for similar assets or liabilities in active markets;
 - * Quoted prices for identical or similar assets or liabilities in inactive markets;
 - * Inputs other than quoted prices that are observable for the asset or liability;
 - * Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

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

The asset's or liability'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 used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for the ABTA's financial instruments measured at fair value. There have been no changes in the methodologies used at December 31, 2024 and 2023.

Cash equivalents, accounts receivable, accounts payable, and accrued expenses: Approximate fair value due to the nature or short maturity of these instruments.

Grants receivable and grants payable: Approximate fair value because the discount rate used to calculate the discounts is based on current market rates on similar financing arrangements.

Individual equity securities: Valued at the closing price reported on the active market on which the individual equity securities are traded.

American Brain Tumor Association
NOTES TO THE FINANCIAL STATEMENTS
For the years ended December 31, 2024 and 2023

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

12. Fair Value of Financial Instruments (Continued)

Government securities: Valued using pricing models that maximize the use of observable inputs for similar securities. This includes basing values on yields currently available on comparable securities of issuers with similar credit ratings.

Mutual funds and exchange-traded funds: Valued at the daily closing price as reported by the fund. Mutual funds are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds and exchange-traded funds held by the ABTA are deemed to be actively traded.

Mortgage-backed securities: Valued at fair value using discounted cash flow models and inputs related to interest rates, prepayment speeds, loss curves and market discount rates that would be required by investors in the current market given the specific characteristics and inherent credit risk of underlying collateral.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the ABTA believes that its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

American Brain Tumor Association
NOTES TO THE FINANCIAL STATEMENTS
For the years ended December 31, 2024 and 2023

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

12. Fair Value of Financial Instruments (Continued)

The following tables set forth by level, within the fair value hierarchy, the ABTA's investments at fair value as of December 31, 2024 and 2023.

		2024			
		Level 1	Level 2	Level 3	Total
Government securities	\$	-	\$ 198,145	\$ -	\$ 198,145
Mortgage-backed securities		-	24,868	-	24,868
Exchange-traded funds		584,190	-	-	584,190
Individual equity securities		1,350,625	-	-	1,350,625
Mutual funds		1,306,028	-	-	1,306,028
Investments, at fair value	\$	<u>3,240,843</u>	<u>\$ 223,013</u>	<u>\$ -</u>	<u>\$ 3,463,856</u>
		2023			
		Level 1	Level 2	Level 3	Total
Government securities	\$	-	\$ 171,903	\$ -	\$ 171,903
Mortgage-backed securities		-	27,378	-	27,378
Exchange-traded funds		509,106	-	-	509,106
Individual equity securities		1,163,405	-	-	1,163,405
Mutual funds		1,237,137	-	-	1,237,137
Investments, at fair value	\$	<u>2,909,648</u>	<u>\$ 199,281</u>	<u>\$ -</u>	<u>\$ 3,108,929</u>

It is the ABTA's policy, in general, to measure nonfinancial assets and liabilities at fair value on a nonrecurring basis. These items are not measured at fair value on an ongoing basis, but are subject to fair value adjustments in certain circumstances (such as evidence of impairment) which, if material, are disclosed in the notes to these financial statements.

American Brain Tumor Association
NOTES TO THE FINANCIAL STATEMENTS
For the years ended December 31, 2024 and 2023

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

13. Functional Allocation of Expenses

The cost of providing the ABTA's programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, costs associated with a specific program are charged directly to that program. Costs that benefit more than one program have been allocated among the programs and supporting services benefited based on a systematic and rational method.

The expenses that are allocated include the following:

Expense	Method of Allocation
Grants and other assistance to organizations	Direct
Grants and other assistance to individuals	Direct
Employee expenses	Time and Effort
Fees for services	Direct & Time and Effort
Advertising and promotion	Direct
Office expenses	Direct & Time and Effort
Information technology	Direct & Time and Effort
Travel	Direct & Time and Effort
Conferences/conventions/meetings	Direct & Time and Effort
Special events	Direct
Depreciation	Time and Effort
Insurance	Direct
Other expenses	Direct

14. Leases

The ABTA follows the guidance under Accounting Standards Codification (ASC) 842, *Leases*, which requires lessees to recognize, at the commencement date, a lease liability representing the lessee's obligation to make payments arising from the lease and a right of use asset representing the lessee's right to use or control the use of a specific asset for the lease term. The ABTA has made an accounting policy election to only apply the standard to lease agreements with terms that are greater than twelve months. ASC 842 distinguishes leases as either a finance lease or an operating lease, which affects how the leases are measured and presented in the statements of activities and statements of cash flows.

American Brain Tumor Association
NOTES TO THE FINANCIAL STATEMENTS
For the years ended December 31, 2024 and 2023

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

14. Leases (Continued)

The ABTA determines if an arrangement is a lease or contains a lease at commencement of the contract. Operating leases are presented in operating lease ROU assets, current portion of operating lease liabilities, and long-term portion of operating lease liabilities in the accompanying statements of financial position as of December 31, 2024 and 2023.

Operating lease ROU assets and lease liabilities are initially measured based on the present value of future lease payments over the lease term as determined at each lease's commencement date.

Operating lease cost for operating leases is recognized as lease expense using the straight-line method over the term of the lease, which includes the noncancelable period under the lease.

Operating lease ROU assets include all fixed contractual lease payments and initial direct costs, less any lease incentives received from the lessor. Real estate leases generally include a lease cost, nonlease reimbursements to the lessor of the proportionate share of common area maintenance (CAM), and non-component reimbursements to the lessor of certain of the lessor's costs such as real estate taxes and lessor insurance premiums. Lease agreements do not contain any material variable lease payments, residual value guarantees, options to purchase leased assets, or restrictive covenants.

NOTE C - AVAILABILITY AND LIQUIDITY

The following tables shows the total financial assets held by the ABTA and the amounts of those financial assets could be readily be made available within one year of the statement of financial position date to meet general expenditures:

	<u>2024</u>	<u>2023</u>
Financial assets at year end:		
Cash and cash equivalents	\$ 4,470,437	\$ 5,489,761
Investments	3,463,856	3,108,929
Accounts receivable, net	<u>583,850</u>	<u>486,585</u>
 Total financial assets	 <u>8,518,143</u>	 <u>9,085,275</u>

American Brain Tumor Association
NOTES TO THE FINANCIAL STATEMENTS
For the years ended December 31, 2024 and 2023

NOTE C - AVAILABILITY AND LIQUIDITY (Continued)

	<u>2024</u>	<u>2023</u>
Less amounts not available to be used within one year:		
Net assets with donor restrictions	\$ 2,299,366	\$ 1,752,626
Other current liabilities to be settled in cash	344,378	340,587
Grants payable (Note J)	<u>725,000</u>	<u>581,500</u>
	<u>3,368,744</u>	<u>2,674,713</u>
 Financial assets available to meet general expenditures over the next twelve months	 \$ <u>5,149,399</u>	 \$ <u>6,410,562</u>

The ABTA receives significant contributions restricted by donors, and considers contributions restricted for programs which are ongoing, major, and central to its annual operations. The ABTA manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. The ABTA strives to maintain liquid financial assets sufficient to cover 6-12 months of general expenditures. The ABTA also has \$250,000 line of credit (see Note I) available to meet cash flow needs.

In addition to financial assets available to meet general expenditures over the next 12 months, the ABTA operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources. Refer to the Statements of Cash Flows which identify the sources and uses of the ABTA's cash and shows cash used and generated by operations for the years ended December 31, 2024 and 2023.

American Brain Tumor Association
NOTES TO THE FINANCIAL STATEMENTS
For the years ended December 31, 2024 and 2023

NOTE D - INVESTMENTS

Investments consisted of the following as of December 31:

	2024		2023	
	Cost	Fair Value	Cost	Fair Value
Mortgaged-backed securities	\$ 216,189	\$ 223,013	\$ 183,922	\$ 199,281
Exchange-traded funds	316,210	584,190	307,816	509,106
Individual equity securities	1,134,868	1,350,625	1,018,547	1,163,405
Mutual funds	1,227,439	1,306,028	1,173,345	1,237,137
	<u>\$ 2,894,706</u>	<u>\$ 3,463,856</u>	<u>\$ 2,683,630</u>	<u>\$ 3,108,929</u>

\$180,667 and \$248,862 of cash and cash equivalents are included in the investment brokerage account, which is included in cash and cash equivalents on the statements of financial position at December 31, 2024 and 2023, respectively. Fixed income investments mature through 2053.

Investments are exposed to various risks such as interest rate, market, and credit risk. Due to the level of risk associated with such investments, it is at least reasonably possible that changes in risks in the near-term would affect investment balances and the amounts reported in the financial statements.

NOTE E - PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of December 31:

	2024	2023
Furniture and fixtures	\$ 114,581	\$ 114,581
Computer software and equipment	634,795	622,740
Leasehold improvements	483,646	483,646
	1,233,022	1,220,967
Less accumulated depreciation	<u>978,045</u>	<u>905,330</u>
Property and equipment, net	<u>\$ 254,977</u>	<u>\$ 315,637</u>

American Brain Tumor Association
NOTES TO THE FINANCIAL STATEMENTS
For the years ended December 31, 2024 and 2023

NOTE F - GRANTS RECEIVABLE

Outstanding grants receivable totaled \$1,000,960 and \$1,050,673 as of December 31, 2024 and 2023, respectively.

The following table sets forth future collections of grants receivable at December 31:

	<u>2024</u>	<u>2023</u>
Amounts due in less than one year	\$ 596,053	\$ 469,874
Between one to five years	506,000	658,792
Discount	<u>(101,093)</u>	<u>(77,993)</u>
	<u>\$ 1,000,960</u>	<u>\$ 1,050,673</u>

The discount rate used was 3.92% for contributions received during the years ended December 31, 2024 and 2023.

NOTE G - CONDITIONAL GRANT RECEIVABLE

In 2021, the ABTA was awarded a conditional grant, to be used for the Discovery Grant Program, in an amount up to \$430,000 for the period November 11, 2021 through November 11, 2023. For every \$1 of donations from new private donors, and every \$1 of incremental donations from current private donors, the grantor awarded \$1 to the ABTA, up to a maximum of \$50,000 per donor per year and up to a maximum of \$215,000 per year for two years in total. Contribution revenue of \$215,000 related to this grant was recorded in 2024 and 2023.

In 2023, the ABTA was awarded a conditional grant, to be used for the Discovery Grant Program and AARN Meeting, in an amount up to \$450,000 for the period December 5, 2023 through December 4, 2025. For every \$1 of donations from new private donors, and every \$1 of incremental donations from current private donors, the grantor will award \$1 to the ABTA, up to a maximum of \$56,250 per donor per year and up to a maximum of \$225,000 per year for two years in total. Contribution revenue of 225,000 related to this grant was recorded and invoiced in 2024 and 2023.

American Brain Tumor Association
NOTES TO THE FINANCIAL STATEMENTS
For the years ended December 31, 2024 and 2023

NOTE G - CONDITIONAL GRANT RECEIVABLE (Continued)

In 2023, the ABTA was awarded a conditional grant, to be used for GBM research, in an amount up to \$500,000 for the period January 1, 2023 through December 31, 2027. Conditions of this pledge include that the primary investigator of the grant be employed by a Chicago, IL based academic institution, the grantee will be mutually agreed upon by ABTA and the donor. Contribution revenue of \$100,000 related to this grant was recorded in 2024 and 2023.

NOTE H - LEASES

The ABTA leases office space under an operating lease arrangement that was set to mature in May 2024, in Illinois. The lease required escalating monthly rental payments ranging from \$13,130 to \$13,923 over the lease term. In March 2023, the lease arrangement was amended to reduce the square footage leased, extend the term through October 2029 and provide a tenant improvement allowance, which was accounted for as a lease modification. The amended lease requires escalating monthly rental payments ranging from \$10,493 to \$12,415 over the lease term. Additionally, the ABTA is responsible for its share of real estate taxes, common area charges, and any direct expenses as defined in the lease agreements. The lease is classified as an operating lease and reported in right-of-use assets and broken out in the non-current asset section of the ABTA's statements of financial position as of December 31, 2024 and 2023.

The ABTA has elected the practical expedient available to non-public business entities which allows a ABTA to use the risk-free rate to discount its leases when the rate implicit in the lease is not readily determinable. The risk-free rate represents the nominal yield at the later of lease commencement or the transition date applicable to U.S. Treasury instruments with a maturity of similar length to the lease term. The risk-free rate applied to operating leases in place at December 31, 2024 and 2023 was 3.67%.

Operating lease cost is recognized on a straight-line basis over the lease term. Operating lease cost for the years ended December 31, 2024 and 2023 approximated \$166,000 and \$214,000, respectively.

American Brain Tumor Association
NOTES TO THE FINANCIAL STATEMENTS
For the years ended December 31, 2024 and 2023

NOTE H - LEASES (Continued)

Future undiscounted cash flows for the next five years and a reconciliation to the lease liabilities recognized on the statement of financial position are as follows as of December 31, 2024:

Years Ending December 31:	<u>Operating Leases</u>
2025	\$ 133,308
2026	136,855
2027	140,402
2028	143,949
2029	<u>122,667</u>
Total lease payments	677,181
Less: imputed interest	<u>56,776</u>
Total present value of lease liabilities	620,405
Less: current lease liabilities	<u>(112,816)</u>
Non-current lease liabilities	<u>\$ 507,589</u>

The weighted-average remaining lease term and the weighted-average discount rate is as follows at December 31:

	<u>2024</u>	<u>2023</u>
Weighted average remaining lease term - operating leases	4.83 years	5.83 years
Weighted average discount rate - operating leases	3.67%	3.67%

NOTE I - NOTE PAYABLE, BANK

The ABTA has an agreement with a bank for a \$250,000 line of credit, with interest at the prime rate (7.50% at December 31, 2024) plus 0.25%, which expires on November 26, 2026. The line of credit is collateralized by all assets of the ABTA. There was no outstanding balance on the line of credit at December 31, 2024 and 2023.

American Brain Tumor Association
NOTES TO THE FINANCIAL STATEMENTS
For the years ended December 31, 2024 and 2023

NOTE J - GRANTS PAYABLE COMMITMENTS

The ABTA provides grants for brain tumor research. Approximately \$725,000 and \$100,000 is expected to be paid through the years ended December 31, 2025 and 2026, respectively.

NOTE K - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were available for the following purposes as of December 31:

	<u>2024</u>	<u>2023</u>
Research	\$ 1,079,829	\$ 1,048,971
Patient services	545,755	37,427
Time restricted	664,784	665,464
Others	<u>8,998</u>	<u>764</u>
	<u>\$ 2,299,366</u>	<u>\$ 1,752,626</u>

Net assets with donor restrictions were released from restrictions for the following purposes during the years ended December 31:

	<u>2024</u>	<u>2023</u>
Research	\$ 1,177,329	\$ 1,150,070
Patient Services	158,960	47,161
Others	<u>1,486</u>	<u>12,236</u>
	<u>\$ 1,337,775</u>	<u>\$ 1,209,467</u>

NOTE L - RETIREMENT PLAN

The ABTA maintains a 401(k) defined contribution plan for all eligible employees. Contributions are made solely through elective deferrals by the employee through salary reduction agreements. The ABTA matches 50% of employee contributions up to a maximum of 6% of the employee's compensation. The ABTA contributed \$74,716 and \$64,480 to the plan for the years ended December 31, 2024 and 2023, respectively.

American Brain Tumor Association
NOTES TO THE FINANCIAL STATEMENTS
For the years ended December 31, 2024 and 2023

NOTE M - COMMITMENTS AND CONTINGENCIES

Fellowships

The ABTA is committed to fund fellowships for brain tumor research. Most commitments are payable semiannually over a two-year period and are contingent on the respective recipients continuing the research for which they originally were awarded the fellowship. As the commitments are contingent, no related liability has been recorded at December 31, 2024 and 2023. The ABTA expects to pay \$241,000 and \$65,000 during the years ending December 31, 2025 and 2026, respectively.

NOTE N - UNINSURED CASH AND CASH EQUIVALENTS

The ABTA maintains its cash balances at various financial institutions located in Illinois. Accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to certain limits. The ABTA may, from time to time, have balances in excess of FDIC insured deposit limits. At December 31, 2024, the ABTA had cash balances in excess of these insured deposit limits.

NOTE O - SUBSEQUENT EVENTS

Management has evaluated subsequent events through July 30, 2025, the date that these financial statements were available to be issued. Management has determined that no events or transactions have occurred subsequent to the statement of financial position date that require disclosure in the financial statements.