American Brain Tumor Association

Financial Statements and Independent Auditors' Report

December 31, 2022 and 2021

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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 accompanying financial statements of American Brain Tumor Association (the "ABTA"), which comprise the statements of financial position as of December 31, 2022 and 2021, 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, 2022 and 2021, 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.

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.

Emphasis of Matter - Change in Accounting Principle

As discussed in Note B-14 and Note I to the financial statements, the ABTA changed its method of accounting for leases effective January 1, 2022, due to the adoption of Accounting Standards Codification Topic 842, *Leases.* Our opinion is not modified with respect to this matter.

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 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)

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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.

Miller, Cooper & Co., LTD.

Certified Public Accountants

Deerfield, Illinois
August 4, 2023

FINANCIAL STATEMENTS

American Brain Tumor Association

STATEMENTS OF FINANCIAL POSITION

December 31, 2022 and 2021

ASSETS	2022	2021
CURRENT ASSETS		
Cash and cash equivalents	$ 4,433,320	$ 3,832,235
Investments	2,870,662	3,394,860
Receivables		
Grants, net of discount of $0 and $453 in 2022 and 2021, respectively	600,000	9,547
Employee Retention Credit receivable (Note D)	356,598	356,598
Trade Receivable	32,610	55,439
Prepaids and deposits	221,789	194,397
Total current assets	8,514,979	7,843,076
PROPERTY AND EQUIPMENT, net	135,374	167,404
OTHER ASSETS		
Right-of-use asset, operating leases	178,386	-
Security deposits	12,225	12,225
	190,611	12,225
	$ 8,840,964	$ 8,022,705

The accompanying notes are an integral part of these statements.

LIABILITIES AND NET ASSETS		2022		2021
CURRENT LIABILITIES				
Accounts payable	$	129,371	$	79,485
Accrued expenses		154,272		164,039
Grants payable		326,500		276,500
Current portion of deferred rent		-		32,992
Current maturities of operating lease liability		163,612		-
Unearned revenues		90,534		27,441
Total current liabilities		864,289		580,457
LONG-TERM LIABILITIES				
Deferred rent, less current portion		-		55,504
Operating lease liability, less current maturities		69,495		-
Total long-term liabilities		69,495		55,504
NET ASSETS				
Without donor restrictions		7,067,380		7,232,549
With donor restrictions		839,800		154,195
Total net assets		7,907,180		7,386,744
	$	8,840,964	$	8,022,705

American Brain Tumor Association

STATEMENTS OF ACTIVITIES

For the years ended December 31, 2022 and 2021

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues						
Contributions	$ 3,693,642	$ 1,425,189	$ 5,118,831	$ 2,792,620	$ 645,086	$ 3,437,706
In-kind contributions	20,000	-	20,000	40,000	-	40,000
Contributions from fundraising activities	1,728,060	-	1,728,060	1,205,441	-	1,205,441
Fundraising activities, net of direct costs of $560,472 and $121,907 in 2022 and 2021, respectively	97,245	-	97,245	413,390	-	413,390
Interest income	104,887	-	104,887	99,880	-	99,880
Net realized and unrealized (loss) gain on investments	(587,917)	-	(587,917)	136,300	-	136,300
Grant income (Note K)	-	-	-	442,000	-	442,000
Employee Retention Credits (Note D)	-	-	-	356,598		356,598
Other income	50,295	-	50,295	51,192	-	51,192
Net assets released from restrictions	739,584	(739,584)	-	745,021	(745,021)	-
Total revenues	5,845,796	685,605	6,531,401	6,282,442	(99,935)	6,182,507
Expenses						
Program services	4,564,494	-	4,564,494	3,813,727	-	3,813,727
Fundraising	576,920	-	576,920	488,186	-	488,186
Management and general	869,551	-	869,551	780,479	-	780,479
Total expenses	6,010,965	-	6,010,965	5,082,392	-	5,082,392
CHANGE IN NET ASSETS	(165,169)	685,605	520,436	1,200,050	(99,935)	1,100,115
Net assets, beginning of year	7,232,549	154,195	7,386,744	6,032,499	254,130	6,286,629
Net assets, end of year	$ 7,067,380	$ 839,800	$ 7,907,180	$ 7,232,549	$ 154,195	$ 7,386,744

The accompanying notes are an integral part of these statements.

American Brain Tumor Association

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended December 31, 2022

	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	$ -	$ -	$ 56,000	$ -	$ 56,000	$ -	$ -	$ 56,000
Grants and other assistance to individuals	660,826	68,158	35,000	546	764,530	-	-	764,530
Employee expenses								
Compensation of current officers	175,776	27,042	-	27,042	229,861	13,521	27,042	270,423
Other salaries and wages	511,237	780,810	56,428	331,509	1,679,984	251,552	457,287	2,388,824
Employee benefit plans	14,756	17,351	1,212	7,701	41,020	5,693	10,403	57,116
Health insurance	113,717	133,719	9,340	59,349	316,124	43,876	80,167	440,168
Payroll taxes	48,235	56,720	3,962	25,174	134,091	18,611	34,005	186,707
Fees for services	64,077	67,275	3,561	28,376	163,289	41,096	65,079	269,463
Advertising and promotion	22,156	319,309	159	624	342,247	84,604	-	426,851
Office expenses	112,129	154,921	7,864	50,346	325,260	48,077	71,563	444,900
Information technology	80,708	112,876	-	31,847	225,430	34,510	43,018	302,958
Travel	53,050	35,505	3,121	22,704	114,380	9,789	17,887	142,056
Conferences/conventions/meetings	7,761	6,695	457	9,252	24,166	1,904	3,480	29,550
Special events	-	-	-	-	-	560,472	-	560,472
Depreciation	17,707	19,241	-	8,540	45,487	6,313	11,535	63,336
Other expenses	39,528	44,152	-	18,944	102,625	17,373	48,085	168,083
	1,921,663	1,843,773	177,105	621,953	4,564,494	1,137,392	869,551	6,571,437
Less special events netted with revenues	-	-	-	-	-	(560,472)	-	(560,472)
Total expenses on Statement of Activities	$ 1,921,663	$ 1,843,773	$ 177,105	$ 621,953	$ 4,564,494	$ 576,920	$ 869,551	$ 6,010,965

The accompanying notes are an integral part of this statement.

Miller Cooper & Co., Ltd.

American Brain Tumor Association

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended December 31, 2021

	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	$ -	$ -	$ 42,000	$ -	$ 42,000	$ -	$ -	$ 42,000
Grants and other assistance to individuals	780,800	8,983	35,000	-	824,783	-	-	824,783
Employee expenses								
Compensation of current officers	169,015	26,002	-	26,002	221,019	13,001	26,002	260,022
Other salaries and wages	627,810	621,575	43,956	139,087	1,432,428	205,508	422,536	2,060,472
Employee benefit plans	10,232	8,316	564	2,120	21,232	2,806	5,760	29,798
Health insurance	116,301	94,518	6,416	24,096	241,331	31,893	65,466	338,690
Payroll taxes	59,837	48,629	3,301	12,397	124,164	16,409	33,682	174,255
Fees for services	122,195	99,156	-	10,361	231,712	38,990	66,937	337,639
Advertising and promotion	7,591	80,528	-	-	88,119	18,349	-	106,468
Office expenses	130,217	137,344	-	25,005	292,566	46,047	74,083	412,696
Information technology	70,247	87,044	-	12,997	170,288	100,369	35,310	305,967
Travel	7,351	4,179	-	2,811	14,341	678	1,391	16,410
Conferences/conventions/meetings	3,267	2,122	-	1,037	6,426	632	1,297	8,355
Special events	-	-	-	-	-	121,907	-	121,907
Depreciation	28,076	21,624	-	5,513	55,213	7,297	14,978	77,488
Other expenses	24,477	18,873	-	4,755	48,105	6,207	33,037	87,349
	2,157,416	1,258,893	131,237	266,181	3,813,727	610,093	780,479	5,204,299
Less special events netted with revenues	-	-	-	-	-	(121,907)	-	(121,907)
Total expenses on Statement of Activities	$ 2,157,416	$ 1,258,893	$ 131,237	$ 266,181	$ 3,813,727	$ 488,186	$ 780,479	$ 5,082,392

The accompanying notes are an integral part of this statement.

American Brain Tumor Association

STATEMENTS OF CASH FLOWS

For the years ended December 31, 2022 and 2021

		2022		2021
Cash flows from operating activities				
Change in net assets	$	520,436	$	1,100,115
Adjustments to reconcile change in net assets to net cash provided by operating activities				
Depreciation		63,336		77,487
Noncash component of operating lease expense		123,465		-
Net realized and unrealized (gain) loss on investments		587,917		(136,300)
Grant contribution		-		(442,000)
(Increase) decrease in assets				
Grants receivable		(590,453)		174,063
Employee Retention Credit receivable		-		(356,598)
Trade receivables		22,829		5,682
Prepaids and deposits		(27,392)		(95,099)
Increase (decrease) in liabilities				
Accounts payable		49,886		(9,711)
Accrued expenses		(9,767)		(70,516)
Grants payable		50,000		45,500
Deferred rent		-		(29,904)
Unearned revenues		63,093		(3,067)
Operating lease liability		(157,240)		-
Net cash provided by operating activities		696,110		259,652
Cash flows from investing activities				
Sales of investments		388,369		1,008,764
Purchases of investments		(452,088)		(1,100,714)
Purchases of property and equipment		(31,306)		(16,888)
Net cash used in investing activities		(95,025)		(108,838)

(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, 2022 and 2021

	2022	2021
Cash flows from financing activities		
Proceeds from refundable advance - PPP loan	$ -	$ 442,000
Net cash provided by financing activities	-	442,000
NET CHANGE IN CASH AND CASH EQUIVALENTS	601,085	592,814
Cash and cash equivalents, beginning of the year	3,832,235	3,239,421
Cash and cash equivalents, end of the year	$ 4,433,320	$ 3,832,235
Supplemental disclosure of cash flow information		
Cash paid for amounts included in the measurement of lease liability:		
Operating cash flows used for operating lease	$ 160,419	$ -
Right-of-use assets, net of prior year deferred rent of $88,496, obtained in exchange for incurring lease liabilities, including new leases and remeasurements or modifications of existing leases:		
Operating lease	$ 301,851	$ -

The accompanying notes are an integral part of these statements.

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 ("US 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, 2022 and 2021, 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.

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 fixed income and equity securities and mutual funds that are primarily stated at fair values using quoted prices in active markets in the statements of financial position. Interest and dividends earned and realized and unrealized gains and losses on investments are included in operating revenues in the statement of activities. Net realized and unrealized gain on investments is reported net of management fees of $31,434 and $31,942 for the years ended December 31, 2022 and 2021, respectively.

4. Grants and Other Receivables

Grants and other receivables, which include unconditional promises to give, are measured at their fair values and are reported as increases in net assets and receivables if not yet received. Management deems all receivables 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 discounts on those amounts are 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.

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.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 this 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 against the related fundraising activity expenses.

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 was insignificant to the financial statements for the years ended December 31, 2022 and 2021, and 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, 2022	December 31, 2021	January 1, 2021
Contract liabilities	$ 90,534	$ 27,441	$ 30,508

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

7. Advertising

   The ABTA expenses advertising costs as incurred. Total advertising expense was $308,585 and $67,032 for the years ended December 31, 2022 and 2021, respectively.

8. Tax Status

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

   US 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, 2022 and 2021, 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, 2022 and 2021, donated items and service revenues of $20,000 and $40,000, respectively, were recognized as donated services 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.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

9. Donated Items and Services (Continued)

In September 2020, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* (ASU 2020-07). ASU 2020-07 is intended to clarify the presentation and disclosure of contributed nonfinancial assets. ASU 2020-07 requires not-for-profits to present contributed nonfinancial assets as a separate line item in the statement of activities and provide additional disclosures about contributions of nonfinancial assets. Contributed nonfinancial assets, commonly referred to as gifts-in-kind, include fixed assets (such as land, buildings, and equipment), use of fixed assets or utilities, materials and supplies, intangible assets, services, and unconditional promises of those assets. The ABTA adopted ASU 2020-07 effective January 1, 2022, using the modified retrospective approach.

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 O 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.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

12. Fair Value of Financial Instruments (Continued)

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, 2022 and 2021.

Cash equivalents, other receivables, 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.

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.

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, 2022 and 2021.

	2022			
	Level 1	Level 2	Level 3	Total
Mortgage-backed securiti	$ -	$ 111	$ -	$ 111
Exchange-traded funds	1,417,047	-	-	1,417,047
Mutual funds	1,453,504	-	-	1,453,504
Investments, at fair value	$ 2,870,551	$ 111	$ -	$ 2,870,662

	2021			
	Level 1	Level 2	Level 3	Total
Mortgage-backed securiti	$ -	$ 125	$ -	$ 125
Exchange-traded funds	1,746,091	-	-	1,746,091
Mutual funds	1,648,644	-	-	1,648,644
Investments, at fair value	$ 3,394,735	$ 125	$ -	$ 3,394,860

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.

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.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

13. Functional Allocation of Expenses (Continued)

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
Other expenses	Direct

14. New Accounting Pronouncement and Leases

The FASB issued ASU 2016-02, Leases, (Topic 842) in February 2016, and it subsequently issued amendments to the initial guidance (collectively referred to as Topic 842). Under Topic 842, lessees are required to recognize, at 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. Under the new guidance, lessor accounting is largely unchanged. Topic 842 is effective for annual financial statements of private companies issued for fiscal years beginning after December 15, 2021. Topic 842 became effective for the ABTA's December 31, 2022 financial statements.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

14. New Accounting Pronouncement and Leases (Continued)

The ABTA adopted Topic 842 as of January 1, 2022, using a transition method that applied Topic 842 to reporting periods beginning on January 1, 2022, while prior periods continue to be reported and disclosed in accordance with the ABTA's historical accounting treatment under ASC Topic 840, Leases ("Topic 840"). As such, prior periods presented were not retrospectively adjusted. Topic 842 supersedes all existing lease accounting guidance under GAAP issued by the FASB, including prior lease accounting under Topic 840. Topic 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.

For operating leases in place at the transition date, the ABTA calculates right of use ("ROU") assets and lease liabilities based on the present value of the remaining lease payments as of the date of adoption.

The adoption of Topic 842 resulted in recording a non-cash transitional adjustment to operating lease ROU assets and operating lease liabilities of $301,851 and $390,347, respectively as of January 1, 2022. The difference between the operating ROU assets and operating lease liabilities at transition represented existing deferred rent expense and prepaid rent that was derecognized upon implementation as a reduction to the ROU asset as of January 1, 2022. The adoption of Topic 842 did not result in a cumulative effect adjustment to opening net assets, nor did it materially impact the results of operations, cash flows, or presentation thereof.

The ABTA adopted the following transitional practical expedients upon implementation: transition package of practical expedients which eliminates the requirements to reassess prior conclusions regarding lease identification, classification, and initial direct costs associated with leases in place at the date of implementation. The ABTA did not reassess whether any contracts entered into prior to adoption are leases.

The ABTA determines if an arrangement is a lease or contains a lease at the inception 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 statement of financial position as of December 31, 2022.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

14. New Accounting Pronouncement and Leases (Continued)

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

As of December 31, 2022 and 2021, 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:

	2022	2021
Financial assets at year end:		
Cash and cash equivalents	$ 4,433,320	$ 3,832,235
Investments	2,870,662	3,394,860
Employee Retention Credit receivable	356,598	356,598
Receivables, net	632,610	64,986
Total financial assets	8,293,190	7,648,679
Less amounts not available to be used within one year:		
Net assets with donor restrictions	839,800	154,195
Other current liabilities to be settled in cash	537,789	303,957
Grants payable (Note L)	326,500	276,500
	1,704,089	734,652
Financial assets available to meet general expenditures over the next twelve months	$ 6,589,101	$ 6,914,027

NOTE C - AVAILABILITY AND LIQUIDITY (Continued)

The ABTA 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 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 J) 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 Statement of Cash Flows which identifies the sources and uses of the ABTA's cash and shows cash used and generated by operations for the years ended December 31, 2022 and 2021.

NOTE D - EMPLOYEE RETENTION CREDITS

In March 2020, the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") was signed into law, which includes provisions for the Employee Retention Credit ("ERC"). The provisions of the ERC were later amended by the Consolidated Appropriations Act, 2021, the American Rescue Plan Act, and the Infrastructure Investment and Jobs Act (collectively, the "Acts"). The ERC is a refundable tax credit taken against certain payroll taxes equal to a specified percentage of qualified wages paid after March 12, 2020 and before October 1, 2021 by an eligible employer, as defined in the Acts. The credit is claimed through the ABTA's quarterly Form 941 payroll tax filings, or other means as prescribed by the IRS. The IRS has extended the statute of limitations on ERC claims from three to five years.

As of December 31, 2022 and 2021, claimed credits totaling $356,958 are included as "Employee Retention Credit receivable" on the statements of financial position and the amount was recognized as income for the year ended December 31, 2022. Subsequent to year end, the ABTA received $184,259 of refunds from the IRS.

NOTE E - INVESTMENTS

Investments consisted of the following as of December 31, 2022 and 2021:

	2022		2021	
	Cost	Fair Value	Cost	Fair Value
Mortgage-backed securiti	$ 115	$ 111	$ 127	$ 125
Exchange-traded funds	1,119,561	1,417,047	1,312,308	1,746,091
Mutual funds	1,539,168	1,453,504	1,555,309	1,648,644
	$ 2,658,844	$ 2,870,662	$ 2,867,744	$ 3,394,860

At December 31, 2022 and 2021, $108,356 and $74,000, respectively, of cash and cash equivalents were included in the investment brokerage account, which is included in cash and cash equivalents on the statement of financial position. Fixed income investments mature in 2024.

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 F - PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of December 31, 2022 and 2021:

	2022	2021
Furniture and fixtures	$ 145,594	$ 145,594
Computer software and equipment	600,079	568,774
Leasehold improvements	280,991	280,991
	1,026,664	995,359
Less accumulated depreciation	891,290	827,955
Property and equipment, net	$ 135,374	$ 167,404

NOTE G - GRANTS RECEIVABLE

Outstanding grants receivable totaled $600,000 and $9,547 as of December 31, 2022 and 2021, respectively.

The following table sets forth future collections of grants receivable at December 31, 2022 and 2021:

	2022	2021
Amounts due in less than one year	$ 600,000	$ 10,000
Discount	-	(453)
	$ 600,000	$ 9,547

The discount rate used was 4.75% for contributions received during the year ended December 31, 2021.

NOTE H - CONDITIONAL GRANT RECEIVABLE

In 2021, the ABTA was awarded a one year conditional grant, to be used to support the GBM Awareness Day Campaign, in an amount of $50,000 for the period through December 31, 2021. For donations raised by the ABTA totaling $100,000, the ABTA will be awarded $50,000. Contribution revenue of $50,000 related to this grant was recorded and invoiced in 2021.

In 2020, the ABTA was awarded a conditional grant, to be used for the Discovery Grant Program, in an amount up to $400,000 for the period November 11, 2019 through November 11, 2021. 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 $50,000 per donor per year and up to a maximum of $200,000 per year for two years in total. Contribution revenue of $200,000 related to this grant was recorded and invoiced in 2021.

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 will award $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 and invoiced in 2022.

NOTE I - LEASES

The ABTA leases office space under operating lease arrangements through May, 2024 in Illinois. The leases require escalating monthly rental payments ranging from $13,139 to $13,923 over the term of the leases. 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 leases are classified as operating leases and reported in right-of-use assets and broken out in the non-current asset section of the ABTA's statement of financial position as of December 31, 2022.

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 inception 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 the transition date was 1.04%.

Operating lease cost is recognized on a straight-line basis over the lease term.

Future undiscounted cash flows for the next five years and thereafter and a reconciliation to the lease liabilities recognized on the balance sheet are as follows as of December 31, 2022:

Years Ending December 31:	Operating Leases
2023	$ 165,121
2024	69,615
Total lease payments	234,736
Less: imputed interest	(1,629)
Total present value of lease liabilities	233,107
Less: current lease liabilities	(163,612)
Non-current lease liabilities	$ 69,495

NOTE I - LEASES (Continued)

As of December 31, 2022, the weighted-average remaining lease term and the weighted-average discount rate is as follows:

	Operating Leases
Weighted average remaining lease term	1.42 years
Weighted average discount rate	1.04%

As of December 31, 2022, future minimum lease commitments, as determined under Topic 840, for all non-cancellable leases in effect as of December 31, 2021 were as follows:

Years Ending December 31:		Operating Leases
2023	$	165,121
2024		69,615
Total	$	234,736

NOTE J - 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, 2022) plus 0.25%, which expires on November 26, 2023. 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, 2022 and 2021.

NOTE K - NOTE PAYABLE, PAYCHECK PROTECTION PROGRAM

In April 2021, the Organization entered into a PPP loan agreement that totaled $442,000, bore interest at 1.00%, was set to mature in April 2026, was not collateralized, and was eligible for forgiveness subject to provisions of the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"). The ABTA met requirements, applied for forgiveness in the year ended December 31, 2021, and received forgiveness in December 2021. The ABTA accounted for the advance in accordance with ASC 958-605, in which the advance was treated as a conditional contribution, and was included in revenue as government grant income on the statement of activities as of December 2021.

NOTE K - NOTE PAYABLE, PAYCHECK PROTECTION PROGRAM (Continued)

As part of the PPP, the ABTA is required to retain all records relating to the loan for six years from the date the loan was forgiven and permit authorized representatives of the SBA to access such records upon request. Although forgiveness of the loan has been granted, the SBA may undertake a review at any time at the SBA's discretion.

NOTE L - GRANTS PAYABLE COMMITMENTS

The ABTA provides grants for brain tumor research. Approximately $327,000 is expected to be paid during the year ended December 31, 2023.

NOTE M - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were available for the following purposes as of December 31, 2022 and 2021:

	2022	2021
Research	$ 797,993	$ 133,333
Patient services	33,807	20,862
Others	8,000	-
	$ 839,800	$ 154,195

Net assets with donor restrictions were released from restrictions for the following purposes during the years ended December 31, 2022 and 2021:

	2022	2021
Research	$ 693,637	$ 672,683
Patient Services	29,652	51,969
Others	16,295	20,369
	$ 739,584	$ 745,021

NOTE N - 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 $57,116 and $29,798 to the plan for the years ended December 31, 2022 and 2021, respectively.

NOTE O - 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, 2022 and 2021. The ABTA expects to pay $126,000, $95,000, and $5,000 during the years ending December 31, 2023, 2024, and 2025, respectively.

NOTE P - CONCENTRATION OF CREDIT RISK AND UNCERTAINTIES

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, 2022 and 2021, the ABTA had cash balances in excess of these insured deposit limits.

NOTE Q - SUBSEQUENT EVENTS

Management has evaluated subsequent events through August 4, 2023, the date that these financial statements were available to be issued. Management has determined that no events or transactions, other than those described below, have occurred subsequent to the statement of financial position date that require disclosure in the financial statements.

Subsequent to year end, the office space lease was amended to reduce the rentable square footage and monthly rent to $10,493 to $12,415 and extend the maturity date from May 31, 2024 to October 31, 2029.