



National Brain Tumor Society

**AND SUBSIDIARIES**

**CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023**

## NATIONAL BRAIN TUMOR SOCIETY, INC. AND SUBSIDIARIES

Contents  
December 31, 2024 and 2023

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## Independent Auditor's Report

To the Board of Directors of  
National Brain Tumor Society, Inc. and Subsidiaries:

### **Opinion**

We have audited the consolidated financial statements of National Brain Tumor Society, Inc. (a Massachusetts corporation, not for profit) and Subsidiaries (collectively, the Organization) which comprise the consolidated statements of financial position as of December 31, 2024 and 2023, and the related consolidated statements of activities and changes in net assets, cash flows and functional expenses for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of National Brain Tumor Society, Inc. and Subsidiaries as of December 31, 2024 and 2023, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization 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 these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, which raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance, and therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

## **Auditor's Responsibilities for the Audit of the Financial Statements (Continued)**

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, which raise substantial doubt about the Organization'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.

*AAFCPA, Inc.*

Westborough, Massachusetts  
May 21, 2025

# NATIONAL BRAIN TUMOR SOCIETY, INC. AND SUBSIDIARIES

Consolidated Statements of Financial Position  
December 31, 2024 and 2023

<b>Assets</b>	<b>2024</b>	<b>2023</b>
Current Assets:		
Cash and cash equivalents	\$ 4,963,750	\$ 12,469,607
Certificates of deposit	3,387,862	-
Current portion of investments	4,678,916	214,803
Employee retention credit receivable	313,754	276,180
Current portion of pledges receivable, net of allowance for doubtful accounts	303,000	403,750
Prepaid expenses and other assets	321,815	280,305
Total current assets	<u>13,969,097</u>	<u>13,644,645</u>
 Pledges Receivable, net of current portion	 40,000	 70,000
 Convertible Notes and Interest Receivable	 376,893	 401,775
 Non-Marketable Investments in Life Science Companies	 650,014	 709,224
 Investments, net of current portion	 1,721,594	 668,664
 Property and Equipment, net	 74,556	 155,168
 Right-of-Use Assets - Operating	 143,588	 260,404
 Intangible Asset, net	 <u>34,728</u>	 <u>52,091</u>
 Total assets	 <u><u>\$ 17,010,470</u></u>	 <u><u>\$ 15,961,971</u></u>
<b>Liabilities and Net Assets</b>		
Current Liabilities:		
Accounts payable	\$ 297,527	\$ 218,714
Accrued expenses and other	211,907	180,053
Research grants payable	250,000	-
Current portion of operating lease liabilities	<u>115,116</u>	<u>113,244</u>
Total current liabilities	<u>874,550</u>	<u>512,011</u>
 Operating Lease Liabilities, net of current portion	 <u>38,272</u>	 <u>163,130</u>
 Total liabilities	 <u><u>912,822</u></u>	 <u><u>675,141</u></u>
Net Assets:		
Without donor restrictions	10,577,674	10,148,462
With donor restrictions	<u>5,519,974</u>	<u>5,138,368</u>
Total net assets	<u><u>16,097,648</u></u>	<u><u>15,286,830</u></u>
 Total liabilities and net assets	 <u><u>\$ 17,010,470</u></u>	 <u><u>\$ 15,961,971</u></u>

The accompanying notes are an integral part of these consolidated statements.

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**NATIONAL BRAIN TUMOR SOCIETY, INC. AND SUBSIDIARIES**

Consolidated Statements of Activities and Changes in Net Assets  
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
<b>Operating Revenue:</b>						
Fundraising and special events	\$ 5,367,776	\$ 1,883,021	\$ 7,250,797	\$ 7,141,994	\$ 497,324	\$ 7,639,318
Grants and contributions	3,604,665	974,442	4,579,107	1,888,346	2,658,241	4,546,587
Bequests	609,592	-	609,592	575,529	-	575,529
Interest, dividends and other	499,961	-	499,961	373,625	-	373,625
Donated goods and services	86,508	-	86,508	60,496	-	60,496
Net assets released from purpose restrictions	2,475,857	(2,475,857)	-	3,331,940	(3,331,940)	-
Total operating revenue	12,644,359	381,606	13,025,965	13,371,930	(176,375)	13,195,555
<b>Operating Expenses:</b>						
Program	10,442,772	-	10,442,772	10,320,599	-	10,320,599
Fundraising	1,233,459	-	1,233,459	1,133,653	-	1,133,653
General and administrative	899,198	-	899,198	796,002	-	796,002
Total operating expenses	12,575,429	-	12,575,429	12,250,254	-	12,250,254
Changes in net assets from operations	68,930	381,606	450,536	1,121,676	(176,375)	945,301
<b>Non-Operating Revenue (Losses):</b>						
Net gain on investments	380,489	-	380,489	5,411	-	5,411
Realized gain on sale of non-marketable investments in life science companies	85,426	-	85,426	-	-	-
Recovery of grant expense	65,000	-	65,000	153,810	-	153,810
Impairment loss on convertible notes and interest receivable	(15,000)	-	(15,000)	-	-	-
Impairment loss on non-marketable investments in life science companies	(155,633)	-	(155,633)	-	-	-
Total non-operating revenue (losses)	360,282	-	360,282	159,221	-	159,221
Changes in net assets	429,212	381,606	810,818	1,280,897	(176,375)	1,104,522
<b>Net Assets:</b>						
Beginning of year	10,148,462	5,138,368	15,286,830	8,867,565	5,314,743	14,182,308
End of year	\$ 10,577,674	\$ 5,519,974	\$ 16,097,648	\$ 10,148,462	\$ 5,138,368	\$ 15,286,830

The accompanying notes are an integral part of these consolidated statements.

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**NATIONAL BRAIN TUMOR SOCIETY, INC. AND SUBSIDIARIES**

## Consolidated Statements of Cash Flows

For the Years Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
<b>Cash Flows from Operating Activities:</b>		
Changes in net assets	\$ 810,818	\$ 1,104,522
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	80,612	73,747
Amortization	17,363	17,364
Bad debt	37,500	-
Impairment loss on non-marketable investments in life science companies	155,633	-
Impairment loss on convertible notes and interest receivable	15,000	-
Realized gain on sale of non-marketable investments in life science companies	(85,426)	-
Noncash lease expense	(6,170)	15,970
Recovery of grant expense	(65,000)	(153,810)
Net gain on investments	(380,489)	(5,411)
Changes in operating assets and liabilities:		
Employee retention credit receivable	(37,574)	506,928
Pledges receivable	93,250	395,731
Prepaid expenses and other assets	(41,510)	(84,632)
Accrued interest	-	(1,775)
Accounts payable	78,813	50,832
Accrued expenses and other	31,854	20,736
Research grants payable	315,000	(394,940)
Net cash provided by operating activities	<u>1,019,674</u>	<u>1,545,262</u>
<b>Cash Flows from Investing Activities:</b>		
Proceeds from sales of investments	71,007	-
Purchases of certificates of deposit	(3,387,862)	-
Purchases of investments and dividends reinvested	(5,207,561)	(36,141)
Purchases of non-marketable investments in life science companies	(350,000)	(200,013)
Proceeds from sales of non-marketable investments in life science companies	439,003	-
Issuance of notes receivable	(90,118)	(300,000)
Acquisition of property and equipment	-	(47,435)
Net cash used in investing activities	<u>(8,525,531)</u>	<u>(583,589)</u>
<b>Net Change in Cash and Cash Equivalents</b>	<u>(7,505,857)</u>	<u>961,673</u>
<b>Cash and Cash Equivalents:</b>		
Beginning of year	<u>12,469,607</u>	<u>11,507,934</u>
End of year	<u><u>\$ 4,963,750</u></u>	<u><u>\$ 12,469,607</u></u>
<b>Supplemental Disclosure of Non-cash Transactions:</b>		
Unrealized (gain) loss on investments	<u><u>\$ (394,121)</u></u>	<u><u>\$ (14,275)</u></u>
Notes receivable and interest converted to non-marketable investments in pharmaceutical companies	<u><u>\$ 100,000</u></u>	<u><u>\$ -</u></u>

**NATIONAL BRAIN TUMOR SOCIETY, INC. AND SUBSIDIARIES**

## Consolidated Statement of Functional Expenses

For the Year Ended December 31, 2024

(With Summarized Comparative Totals for the Year Ended December 31, 2023)

	2024				2023
	Program	Fundraising	General and Administrative	Total	Total
<b>Expenses:</b>					
Personnel:					
Salaries	\$ 4,126,456	\$ 841,481	\$ 406,390	\$ 5,374,327	\$ 4,807,882
Payroll taxes and fringe benefits	734,909	146,266	82,126	963,301	841,367
Total personnel	4,861,365	987,747	488,516	6,337,628	5,649,249
Research grants	1,905,000	-	-	1,905,000	2,467,750
Other:					
Special events	1,233,829	14,780	-	1,248,609	1,089,287
Professional services	687,348	13,565	80,794	781,707	859,342
Systems and technology	290,016	55,128	49,539	394,683	369,549
Travel	300,916	10,507	24,717	336,140	415,554
Bank fees	174,553	59,118	61,873	295,544	249,524
Advertising	274,269	14,852	-	289,121	219,903
Merchandise	224,744	3,759	1,891	230,394	170,601
Technology	111,202	20,989	15,784	147,975	156,558
Occupancy	67,536	18,897	39,545	125,978	116,476
Depreciation and amortization	84,488	10,510	2,977	97,975	91,111
Donated goods and services	80,858	5,650	-	86,508	60,496
Public relations	55,200	4,800	-	60,000	83,618
Office	5,376	1,196	41,783	48,355	53,927
Training and recruiting	3,794	1,129	39,324	44,247	91,921
Insurance	22,281	6,077	12,153	40,511	35,707
Dues and subscriptions	36,130	2,265	1,003	39,398	39,571
Bad debt	-	-	37,500	37,500	-
Postage and shipping	22,597	2,475	1,775	26,847	28,736
Miscellaneous	1,270	15	24	1,309	1,374
Total other	3,676,407	245,712	410,682	4,332,801	4,133,255
Total expenses	\$ 10,442,772	\$ 1,233,459	\$ 899,198	\$ 12,575,429	\$ 12,250,254



# NATIONAL BRAIN TUMOR SOCIETY, INC. AND SUBSIDIARIES

## Consolidated Statement of Functional Expenses For the Year Ended December 31, 2023

	Program	Fundraising	General and Adminis- trative	Total
<b>Expenses:</b>				
Personnel:				
Salaries	\$ 3,684,391	\$ 766,552	\$ 356,939	\$ 4,807,882
Payroll taxes and fringe benefits	642,062	126,283	73,022	841,367
Total personnel	4,326,453	892,835	429,961	5,649,249
Research grants	2,467,750	-	-	2,467,750
Other:				
Special events	1,073,728	15,559	-	1,089,287
Professional services	785,543	11,074	62,725	859,342
Systems and technology	274,194	50,818	44,537	369,549
Travel	387,750	13,017	14,787	415,554
Bank fees	144,703	51,678	53,143	249,524
Advertising	203,852	16,051	-	219,903
Merchandise	168,804	1,130	667	170,601
Technology	107,920	23,161	25,477	156,558
Occupancy	62,491	17,471	36,514	116,476
Depreciation and amortization	78,902	9,723	2,486	91,111
Donated goods and services	54,361	6,135	-	60,496
Public relations	75,256	8,362	-	83,618
Office	14,948	2,962	36,017	53,927
Training and recruiting	11,757	3,293	76,871	91,921
Insurance	20,179	5,176	10,352	35,707
Dues and subscriptions	35,549	3,341	681	39,571
Postage and shipping	25,083	1,869	1,784	28,736
Miscellaneous	1,374	-	-	1,374
Total other	3,526,396	240,818	366,041	4,133,255
Total expenses	<u>\$ 10,320,599</u>	<u>\$ 1,133,653</u>	<u>\$ 796,002</u>	<u>\$ 12,250,254</u>

## NATIONAL BRAIN TUMOR SOCIETY, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements  
December 31, 2024 and 2023

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### 1. OPERATIONS AND NONPROFIT STATUS

National Brain Tumor Society, Inc. (NBTS) (a Massachusetts corporation, not for profit) unrelentingly invests in, mobilizes, and unites the brain tumor community to discover a cure, deliver effective treatments and advocate for patients and care partners. NBTS advances its charitable mission through funding and enabling innovative medical research, public policy advocacy, brain tumor community health initiatives, providing patient and caregiver education, support and health care navigation, and through convening thousands of people affected by brain tumors throughout the United States. NBTS is headquartered in Newton, Massachusetts.

NBTS has subsidiary corporations in which it is the sole member:

**Cure GBM, LLC** (Cure GBM) is a Delaware limited liability company organized on October 3, 2012, for the purpose of operating the Defeat GBM Research Collaborative, a multi-year initiative leveraging team science among world-class research institutes and fostering collaboration in order to direct research and to accelerate drug discovery and development activities so as to advance efficacious therapies for Glioblastoma Multiforme to the clinic as quickly as possible.

**Pediatric Cancer Cure, LLC** (PCC) was a Delaware limited liability company organized on October 1, 2014, for the purpose of carrying out, and operating the Defeat Pediatric Brain Tumor Research Collaborative. It was a multi-year initiative leveraging team science among world-class research institutions and fostering collaboration in order to direct research related to pediatric brain tumors. PCC was dissolved in 2024.

**NBTS Venture Fund, LLC d/b/a Brain Tumor Investment Fund** (BTIF) is a Delaware limited liability company organized on March 10, 2020, for the purpose of funding research and making investments in biopharmaceutical, device and technology companies seeking to develop potentially transformative treatments for brain tumor patients. BTIF received contributions of approximately \$429,000 and \$168,000 in 2024 and 2023, respectively. The contributions are pooled to be invested in a portfolio of various life science companies in the form of convertible notes (see Note 9) or direct shares of stock (see Note 10).

**TDG, LLC** (TDG) is a Delaware limited liability company organized on February 16, 2021, for the purpose of carrying out and operating NBTS's DNA Damage Response Consortium (DDR-C). The DDR-C is grant funded multi-institutional consortium of leading medical academic centers working collaboratively to develop a class of treatments for patients with brain tumors targeting the DNA Damage Response Network. TDG received contributions totaling approximately \$1,304,000 and \$1,667,000 in 2024 and 2023, respectively.

NBTS is exempt from Federal income taxes as an organization (not a private foundation) formed for charitable purposes under Section 501(c)(3) of the Internal Revenue Code (IRC). NBTS is also exempt from state income taxes. Donors may deduct contributions made to NBTS within the requirements of the IRC. Cure GBM, PCC (through the date of dissolution), BTIF, and TDG are disregarded for the tax purposes and the activities of these entities are included in the informational returns of NBTS.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### Principles of Consolidation

The consolidated financial statements include the accounts of NBTS, Cure GBM, PCC, BTIF, and TDG. All material intercompany balances and transactions have been eliminated in the accompanying consolidated financial statements. NBTS, Cure GBM, PCC, BTIF, and TDG are collectively referred to as the Organization in these consolidated financial statements.

## NATIONAL BRAIN TUMOR SOCIETY, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements  
December 31, 2024 and 2023

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### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Basis of Accounting

The Organization prepares its consolidated financial statements in accordance with generally accepted accounting principles (U.S. GAAP) established by the Financial Accounting Standards Board (FASB). References to U.S. GAAP in these notes are to the FASB Accounting Standards Codification (ASC).

#### Estimates

The preparation of consolidated financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### Revenue Recognition

In accordance with *Not-for-Profit Entities (Topic 958)*, the Organization must determine whether a contribution (or a promise) is conditional or unconditional for transactions deemed to be a contribution. A contribution is considered to be a conditional contribution if an agreement includes a barrier that must be overcome and either a right of return of the assets or a right of release of a promise to transfer assets exists. Indicators of a barrier include a measurable performance-related barrier or another measurable barrier, a stipulation that limits discretion by the recipient on the conduct of an activity, and stipulations that are related to the purpose of the agreement. Topic 958 prescribes that the Organization should not consider probability of compliance with the barrier when determining if such awards are conditional and should be reported as conditional grant advance liabilities until such conditions are met.

Revenue from grants and contributions without restrictions is recorded as without donor restrictions revenue and net assets when unconditionally pledged or received. Fundraising and special events revenue represent contributions raised for the general support of the Organization and are not tied to nor conditional upon the special events taking place. Revenue from restricted grants is recorded as with donor restrictions revenue and net assets when unconditionally pledged or received. Transfers are made to without donor restrictions revenue and net assets as costs are incurred or time restrictions or program restrictions have lapsed.

The Organization is and may be named beneficiary of trusts and wills. The amounts to be received, if any, cannot be determined and are therefore not reflected in the accompanying consolidated financial statements until received. During 2024 and 2023, the Organization received bequests totaling \$609,592 and \$575,529, respectively, which are shown as bequests in the accompanying consolidated statements of activities and changes in net assets.

#### Expense Allocation

Expenses related directly to a program are allocated to that program, while other expenses are allocated based upon management's estimate of the percentage attributable to each program. Certain categories of expenses are attributable to more than one program or supporting function and are allocated on a reasonable basis that is consistently applied. The Organization allocates personnel expense based on time and effort, and occupancy and depreciation, based on square footage.

## NATIONAL BRAIN TUMOR SOCIETY, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements  
December 31, 2024 and 2023

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### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Net Assets

##### *Net Assets Without Donor Restrictions*

Net assets without donor restrictions are those net resources that bear no external restrictions and are generally available for use by the Organization.

##### *Net Assets With Donor Restrictions*

Net assets with donor restrictions represent amounts received or committed with donor restrictions which have not yet been expended for their designated purpose (purpose restricted) or amounts for use in future periods (time restricted), unspent appreciation on the endowment, and amounts received from donors with the stipulation that the principal will be held in perpetuity and only the investment income can be spent.

Net assets with donor restrictions are restricted as follows as of December 31:

	<u>2024</u>	<u>2023</u>
Subject to expenditure for specific purposes:		
Research initiatives	\$ 4,733,315	\$ 4,065,929
Community initiatives	174,113	506,991
Unspent appreciation on endowment	<u>65,892</u>	<u>18,794</u>
	4,973,320	4,591,714
Subject to the Organization's endowment spending policy:		
Investment in perpetuity	<u>546,654</u>	<u>546,654</u>
	<u>\$ 5,519,974</u>	<u>\$ 5,138,368</u>

The Organization manages the endowment, with a balance of \$546,654, under the prudent-management standards as outlined in the Uniform Prudent Management of Institutional Funds Act (UPMIFA). The Organization benchmarks the investment returns of the endowment investment portfolio using the ninety-day Treasury Bill index. The Organization targets a 100% fixed income allocation, with a duration less than or equal to three years.

Income earned on the original endowment of \$296,654 is restricted to support the costs of producing and distributing *The Essential Guide to Brain Tumors* and to fund research projects. Distributions are made annually as funds are available and costs are incurred relating to the restriction. The Organization has a second endowment of \$250,000 which is restricted to fund brain tumor research. Distributions are made annually as funds are available and costs are incurred relating to the restriction.

#### Cash and Cash Equivalents

Cash and cash equivalents for consolidated statements of cash flow purposes consist of checking and money market accounts, excluding those held in the investment portfolio.

#### Certificates of Deposit

Certificates of deposit at December 31, 2024, earn interest at rates ranging between 4.4% and 5.0% per annum and mature in April 2025 through July 2025.

## NATIONAL BRAIN TUMOR SOCIETY, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements  
December 31, 2024 and 2023

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### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Pledges Receivable and Allowance for Doubtful Accounts

Pledges receivable consist of amounts committed by donors which have not been received by the end of the year. These pledges are expected to be collected as follows at December 31:

	<u>2024</u>	<u>2023</u>
Less than one year	\$ 315,500	\$ 428,750
One to five years	<u>40,000</u>	<u>70,000</u>
	355,500	498,750
Less - allowance for doubtful accounts	<u>12,500</u>	<u>25,000</u>
Net pledges receivable	343,000	473,750
Less - current portion of pledges receivable, net of allowance for doubtful accounts	<u>303,000</u>	<u>403,750</u>
Long-term pledges receivable, net	<u>\$ 40,000</u>	<u>\$ 70,000</u>

An allowance for doubtful accounts is management's best estimate of the amount of probable bad debt in pledges receivable. The allowance is based upon specific identification of probable losses and an estimate of additional losses based on historical experience. Account balances are charged off against the allowance when it is probable the receivable will not be recovered.

#### Convertible Notes and Interest Receivable

Periodically, the Organization invests through BTIF, in life science companies seeking to develop potentially transformative treatments for brain tumor patients. Generally, these notes accrue interest at a stated rate and have the option to convert into equity at a discount based on a specified future event. The Organization considers a convertible note receivable as impaired when it is probable that interest and/or principal will not be collected according to the contractual terms of the convertible note receivable agreement, or the underlying shares for which the notes would convert have a decrease in value. One convertible note receivable (Note C) was fully impaired during 2024 (see Note 9).

#### Property and Equipment and Depreciation

Property and equipment (see Note 3) are recorded at cost when purchased or at fair value at the time of donation. Renewals and betterments are capitalized, while repairs and maintenance are expensed as they are incurred. The Organization's policy is to capitalize assets greater than \$5,000 with a useful life greater than one year.

Depreciation is computed using the straight-line method over the following estimated useful lives:

	<u>Estimated Useful Lives</u>
Website	3 years
Leasehold improvements	Shorter of remaining term of lease or 5 years
Furniture and fixtures	5 years

## NATIONAL BRAIN TUMOR SOCIETY, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements  
December 31, 2024 and 2023

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### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Intangible Asset

Intangible asset consists of costs incurred related to the Organization's new logo and rebrand, totaling \$86,819 at December 31, 2024 and 2023. The logo and rebrand costs were placed in service in 2022. Amortization is computed using the straight-line method over the five-year expected useful life of the intangible asset. Amortization expense was \$17,363 and \$17,364 for 2024 and 2023, respectively. Accumulated amortization was \$52,091 and \$34,728 at December 31, 2024 and 2023, respectively.

#### Consolidated Statements of Activities and Changes in Net Assets

Transactions deemed by management to be ongoing, major, or central to brain tumor research are reported as operating revenue and operating expenses in the accompanying consolidated statements of activities and changes in net assets. Non-operating revenue (losses) includes investment activity, forgiveness of debt and recovery of grant expense.

#### Research Grant Commitments

Research grants are recorded when awarded by the Organization when substantial conditions are met by the grantee. Research grants payable at December 31, 2024, are expected to be paid during the subsequent year and are shown as current liabilities in the accompanying 2024 consolidated statement of financial position. There were no research grants committed but not paid as of December 31, 2023. There was recovery of research grant expense of \$65,000 and \$153,810 for the years ended December 31, 2024 and 2023, respectively, related to research grants awarded in a prior year, which is shown as recovery of grant expense in the accompanying consolidated statements of activities and changes in net assets.

#### Advertising Costs

The Organization expenses advertising costs as incurred. Total advertising costs for the years ended December 31, 2024 and 2023, were \$289,121 and \$219,903, respectively, which are reflected as advertising in the accompanying consolidated statements of functional expenses.

#### Income Taxes

The Organization accounts for uncertainty in income taxes in accordance with ASC Topic, *Income Taxes*. This standard clarifies the accounting for uncertainty in tax positions and prescribes a recognition threshold and measurement attribute for the consolidated financial statements regarding a tax position taken or expected to be taken in a tax return. The Organization has determined that there are no uncertain tax positions which qualify for either recognition or disclosure in the consolidated financial statements at December 31, 2024 and 2023. The Organization's information returns are subject to examination by Federal and state jurisdictions.

#### Fair Value Measurements

The Organization follows the accounting and disclosure standards pertaining to ASC Topic, *Fair Value Measurements*, for qualifying assets and liabilities. Fair value is defined as the price that the Organization would receive upon selling an asset or pay to settle a liability in an orderly transaction between market participants.

## NATIONAL BRAIN TUMOR SOCIETY, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements  
December 31, 2024 and 2023

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### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Fair Value Measurements (Continued)

The Organization uses a framework for measuring fair value that includes a hierarchy that categorizes and prioritizes the sources used to measure and disclose fair value. This hierarchy is broken down into three levels based on inputs that market participants would use in valuing the financial instruments based on market data obtained from sources independent of the Organization. Inputs refer broadly to the assumptions that market participants would use in pricing the financial instrument, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the financial instrument developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset developed based on the best information available.

The three-tier hierarchy of inputs is summarized in the three broad levels as follows:

Level 1 - Inputs that reflect unadjusted quoted prices in active markets for identical assets at the measurement date.

Level 2 - Inputs other than quoted prices that are observable for the asset either directly or indirectly, including inputs in markets that are not considered to be active.

Level 3 - Inputs that are unobservable, and which require significant judgment or estimation.

An asset or liability's level within the framework is based upon the lowest level of any input that is significant to the fair value measurement.

#### *Cash Equivalents*

Cash equivalents are considered Level 1 in the fair value hierarchy.

#### *Investments*

The Organization records investments at fair value. Investment gains and losses are reflected in the accompanying consolidated statements of activities and changes in net assets as realized upon sale or as unrealized based on changes in fair value of securities held. Interest and dividends are recorded when earned.

If an investment is directly held by the Organization and an active market with quoted prices exists, the market price of an identical security is used to report fair value. Reported fair values of shares in mutual funds are based on share prices reported by the funds as of the last business day of the fiscal year. The Organization records its bond investments using quoted prices for identical or similar assets in non-active markets (Level 2 inputs).

#### **Non-Marketable Investments in Life Science Companies**

The Organization accounts for non-marketable investments in life science companies using the measurement alternative under Accounting Standards Update (ASU) 2016-01 (see Note 10), which is defined as cost, less impairment, plus or minus changes resulting from observable price changes for identical or similar investments of the same issuer. These estimated values may differ significantly from the values that would have been used had a ready market existed for the underlying investments.

## NATIONAL BRAIN TUMOR SOCIETY, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements  
December 31, 2024 and 2023

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### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Non-Marketable Investments in Life Science Companies (Continued)

The Organization periodically assesses the carrying value for all investments in non-marketable companies for possible impairment. One investment (Company C) was fully impaired during 2024 (see Note 10).

#### Leases

Leases are accounted for in accordance with ASU 2016-02, *Leases* (Topic 842). The Organization determines if an arrangement is a lease at inception. Operating leases are included in right-of-use (ROU) assets - operating lease and operating lease obligations in the accompanying 2024 and 2023 consolidated statements of financial position. Leases with an initial term of twelve months or less are not recorded in the consolidated statements of financial position.

ROU assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent the Organization's obligation to make lease payments arising from the lease. ROU lease assets and lease liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As the Organization's current leases do not provide an implicit rate, the Organization uses the U.S. Treasury risk-free rate of return based on the information available at the commencement date in determining the present value of lease payments. The operating lease ROU assets also include any lease payments made. The Organization's lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Rent expense for lease payments is recognized on a straight-line basis over the lease term.

The Organization may enter into lease agreements with lease and non-lease components. The Organization accounts for the lease and non-lease components as a single lease component except for non-lease components for which there is variability in future lease payments. The variable lease payments, which are primarily comprised of utilities and real estate taxes, are recognized in the period in which the obligation for those payments was incurred.

#### Subsequent Events

Subsequent events have been evaluated through May 21, 2025, which is the date the consolidated financial statements were available to be issued. There were no events that met the criteria for disclosure in the consolidated financial statements.

### 3. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31:

	<u>2024</u>	<u>2023</u>
Website	\$ 179,644	\$ 179,644
Leasehold improvements	39,894	39,894
Furniture and fixtures	<u>29,337</u>	<u>29,337</u>
	248,875	248,875
Less - accumulated depreciation	<u>174,319</u>	<u>93,707</u>
Net property and equipment	<u>\$ 74,556</u>	<u>\$ 155,168</u>



## NATIONAL BRAIN TUMOR SOCIETY, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements  
December 31, 2024 and 2023

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### 4. INVESTMENTS

The primary investment objective is to balance the protection of asset values while earning a return. Investment allocations are periodically reviewed by the Finance Committee and adjustments are made. The Board of Directors will review and make changes as necessary on an annual basis.

Investments are presented in the accompanying consolidated financial statements at fair value using Level 1 and Level 2 inputs (see Note 2) and are comprised of the following as of December 31:

<u>2024</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash and money market	\$ 492,838	\$ -	\$ -	\$ 492,838
Corporate bonds	-	1,562,054	-	1,562,054
Mutual funds	284,150	-	-	284,150
Exchange traded funds	<u>4,061,468</u>	<u>-</u>	<u>-</u>	<u>4,061,468</u>
Total	<u>\$ 4,838,456</u>	<u>\$ 1,562,054</u>	<u>\$ -</u>	<u>\$ 6,400,510</u>
<u>2023</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash and money market	\$ 479,019	\$ -	\$ -	\$ 479,019
Corporate bonds	-	219,045	-	219,045
Exchange traded funds	96,782	-	-	96,782
U.S. Treasuries	<u>-</u>	<u>88,621</u>	<u>-</u>	<u>88,621</u>
Total	<u>\$ 575,801</u>	<u>\$ 307,666</u>	<u>\$ -</u>	<u>\$ 883,467</u>

Investments are not insured and are subject to ongoing market fluctuations. The corporate bonds mature at various times between January 2025 and August 2034.

Restricted investments are classified as long-term in the accompanying consolidated statements of financial position as of December 31, 2024 and 2023, regardless of maturity, as well as any investments with a maturity date greater than one year from the consolidated statements of financial position date as management intends to hold these investments for long-term purposes.

### 5. DONATED GOODS AND SERVICES

The Organization recognizes in-kind contribution revenue for certain services that would be purchased if not donated, at the fair value of those items. The Organization recognizes the fair value of contributed services received if such services a) create or enhance nonfinancial assets or b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not contributed.

Volunteers and other organizations contribute goods and services to the Organization in support of various aspects of its programs. These goods and services are reflected in the accompanying consolidated financial statements based upon the estimated value assigned to them by the donating volunteers, agencies, or by management and consist of various raffle gifts and donated food for the Organizations' events.

Donated goods totaled \$86,508 and \$60,496 for the years ended December 31, 2024 and 2023, respectively.

## NATIONAL BRAIN TUMOR SOCIETY, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements  
December 31, 2024 and 2023

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### 6. OPERATING LEASES

The Organization entered into a lease agreement for office space effective from January 2023 through December 2025. Monthly lease payments of approximately \$1,400 commence in January 2023 and escalate annually as defined in the agreement.

In November 2022, the Organization entered into an operating lease in Boston, Massachusetts from February 2023 through March 2026. The lease required a security deposit of \$18,494. As part of the agreement, the Organization received two months of free rent for February and March 2023. Monthly lease payments of approximately \$8,800 commence in April 2023 and escalate annually as defined in the agreement.

The following summarizes operating lease costs included in occupancy in the accompanying consolidated statements of functional expenses, for the years ended December 31:

	<u>2024</u>	<u>2023</u>
Operating lease cost	\$ 125,136	\$ 111,989
Short-term lease cost	<u>842</u>	<u>4,487</u>
Total lease costs	<u>\$ 125,978</u>	<u>\$ 116,476</u>

Following is a schedule of future minimum lease payments in accordance with the agreements as of December 31, 2024:

2025	\$ 129,401
2026	<u>27,741</u>
	157,142
Less - present value discount	(3,754)
Less - current portion	<u>(115,116)</u>
Operating lease obligations, net of current portion	<u>\$ 38,272</u>

Additional information about the Organization's leases is as follows for December 31:

	<u>2024</u>	<u>2023</u>
Weighted-average remaining lease term	1 year	2 years
Weighted-average discount rate	4.21%	4.16%

### 7. CONCENTRATIONS

The Organization maintains its operating cash and money market balances in various banks. The Federal Deposit Insurance Corporation (FDIC) or the National Credit Union Share Insurance Fund (NSCUSIF) insures balances at each institution up to certain amounts. At certain times during the years ended December 31, 2024 and 2023, cash balances exceeded the insured amounts. The Organization has not experienced any losses in such accounts. The Organization believes it is not exposed to any significant credit risk on its operating cash balance.

Approximately 76% and 94% of pledges receivable were from two and six donors as of December 31, 2024 and 2023, respectively.

## NATIONAL BRAIN TUMOR SOCIETY, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements  
December 31, 2024 and 2023

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### 8. EMPLOYMENT BENEFIT PLANS

The Organization has a tax deferred pension plan under Section 401(k) of the Internal Revenue Service (IRS) (the 401(k) Plan) for all employees. The Organization can elect to make a discretionary matching contribution to the 401(k) Plan. The Organization's contributions for the years ended December 31, 2024 and 2023, totaled \$138,562 and \$118,217, respectively, which are included in payroll taxes and fringe benefits in the accompanying consolidated statements of functional expenses.

### 9. CONVERTIBLE NOTES AND INTEREST RECEIVABLE

BTIF has entered into unsecured note agreements with life science companies to invest in research. Notes and interest receivable consist of the following at December 31:

	<u>2024</u>		<u>2023</u>	
	<u>Notes Receivable</u>	<u>Interest Receivable</u>	<u>Notes Receivable</u>	<u>Interest Receivable</u>
Note A	\$ -	\$ -	\$ 100,000	\$ -
Note E	50,000	-	-	-
Note F	<u>300,000</u>	<u>26,893</u>	<u>300,000</u>	<u>1,775</u>
	<u>\$ 350,000</u>	<u>\$ 26,893</u>	<u>\$ 400,000</u>	<u>\$ 1,775</u>

The Note A agreement has an automatic conversion of the note to shares of the life science company's (Company A) preferred stock upon Company A closing on qualified financing. This note bears no interest. The mechanics of conversion are dependent upon the facts and circumstances of the financing as defined in the convertible note agreement. In February 2024, Company A issued stock and Note A was converted into 927,962 shares of preferred stock. At the time of issuance, BTIF purchased an additional 394,384 shares of preferred stock at \$0.13 per share (see Note 10), for \$50,000.

Note C was issued on March 15, 2024, for \$15,000 and bears no interest. This note was fully impaired during 2024 due to poor results in the company's clinical trial (see Company C, Note 10).

Note E was issued on February 1, 2024, and was set to mature on March 31, 2025. Note E has an automatic conversion of the note to shares of the life science company's (Company E) conversion shares upon the closing of qualified financing. The note has not converted as of May 21, 2025, which is the date the consolidated financial statements were available to be issued. This note bears no interest. The mechanics of conversion are dependent upon the facts and circumstances of the financing as defined in the convertible note agreement.

Note F bears interest at 8% per annum and is set to mature in October 2025. The agreement has an automatic conversion of the note to shares of the life science company's preferred stock upon Company F closing on qualified financing. The mechanics of conversion are dependent upon the facts and circumstances of the financing as defined in the convertible note agreement.

### 10. NON-MARKETABLE INVESTMENTS IN LIFE SCIENCE COMPANIES

Investments in life science companies are recorded on the measurement alternative method based upon BTIF's lack of significant influence over the companies as it holds less than 2% of total shares in the respective companies.

## NATIONAL BRAIN TUMOR SOCIETY, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements  
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### 10. NON-MARKETABLE INVESTMENTS IN LIFE SCIENCE COMPANIES (Continued)

In February 2024, Company A issued stock and Note A was converted into 927,962 shares of preferred stock. At the time of issuance, BTIF purchased an additional 394,384 shares preferred stock at \$0.13 per share (see Note 9), for \$50,000

In June 2021, BTIF's note receivable with Company C and related interest of \$105,632 converted to 151,708 shares of preferred stock at a discount of 40% of the purchase price of the shares. Additionally, on July 1, 2021, BTIF purchased an additional 11,848 shares. On March 25, 2022, BTIF purchased an additional 31,236 of shares priced at \$1.16 per share. Total shares in Company C were 194,792. The investment was valued at cost of \$155,632 as of December 31, 2023. During 2024, the investment in Company C was fully impaired due to poor results in obtained in its clinical trials.

In April 2022, Company B and related interest were converted to 20,959 shares of preferred stock at a discount of 25% of the purchase price of the shares. Additionally, in April 2022, BTIF purchased 22,765 additional shares of preferred stock valued at \$6.59 per share (see Note 9). In July 2023, BTIF purchased 15,176 additional shares of preferred stock valued at \$6.59 per share. Total shares in Company B were 58,900, which was valued at cost of \$353,578 as of December 31, 2023. During August 2024, Company B was acquired by a third party in a merger agreement and was liquidated. All 58,900 shares were sold for \$439,004, resulting in a realized gain of \$85,425 on the sale. There were no outstanding shares as of December 31, 2024.

In June 2021, BTIF invested \$99,999 in a life science company (Company D) to purchase 53,390 shares of preferred stock in Company D priced at \$1.87 per share. The investment is valued at cost of \$99,999 as of December 31, 2024 and 2023.

In February 2023, BTIF invested \$100,015 in a life science company (Company E) to purchase 3,218 shares of preferred stock in Company E priced at \$31.08 per share. The investment is valued at cost of \$100,015 as of December 31, 2024.

In February 2024, BTIF invested \$200,000 in a life science company (Company G) to purchase 1,580 shares of preferred stock in Company G priced at \$126.58 per share. The investment is valued at cost of \$200,000 as of December 31, 2024.

In February 2024, BTIF invested \$100,000 in a life science company (Company H) to purchase 99,453 shares of preferred stock in Company H priced at \$1.01 per share. The investment is valued at cost of \$100,000 as of December 31, 2024.

Non-marketable investments in life science companies consist of:

	<u>2024</u>	<u>2023</u>
Company A	\$ 150,000	\$ -
Company B	-	353,578
Company C	-	155,632
Company D	99,999	99,999
Company E	100,015	100,015
Company G	200,000	-
Company H	<u>100,000</u>	<u>-</u>
	<u>\$ 650,014</u>	<u>\$ 709,224</u>

## NATIONAL BRAIN TUMOR SOCIETY, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements  
December 31, 2024 and 2023

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### 10. NON-MARKETABLE INVESTMENTS IN LIFE SCIENCE COMPANIES (Continued)

On the adoption of ASU 2016-01, the Organization elected to measure all non-marketable investments using the measurement alternative in which these investments are measured at cost, less impairment, plus or minus changes resulting from observable price changes for identical or similar investments of the same issuer. The values presented herein are not necessarily indicative of the amount that the Organization could realize in a current transaction. The values may differ significantly from the values that would have been used had a ready market value for the underlying assets existed and the differences could be material. Future confirming events will also affect the estimates of the value, and the effect of such events on those estimates of the value could be material.

### 11. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization's financial assets available within one year from the consolidated statements of financial position date for general operating purposes are as follows as of December 31:

	<u>2024</u>	<u>2023</u>
Cash	\$ 4,963,750	\$ 12,469,607
Certificates of deposit	3,387,862	-
Current portion of investments	4,678,916	214,803
Current portion of pledges receivable, net of allowance for doubtful accounts	303,000	403,750
Employee retention credit receivable	<u>313,754</u>	<u>276,180</u>
	13,647,282	13,364,340
Less - contractual or donor-imposed restrictions	<u>(4,848,375)</u>	<u>(4,502,920)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 8,798,907</u>	<u>\$ 8,861,420</u>

The Organization is substantially supported by restricted grants and contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of the Organization's liquidity management, the Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

### 12. EMPLOYER RETENTION TAX CREDIT

The Employee Retention Tax Credit (ERTC) was first established by the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) and was extended and expanded by the Consolidated Appropriations Act (CAA) and American Rescue Plan (ARP). ERTC provides a refundable tax credit against certain employment taxes equal to 70% of the first \$10,000, per quarter, in qualified wages paid to each employee between January 1, 2021 and September 30, 2021. To be eligible, the Organization must meet certain conditions as described in applicable laws and regulations.

## **NATIONAL BRAIN TUMOR SOCIETY, INC. AND SUBSIDIARIES**

Notes to Consolidated Financial Statements  
December 31, 2024 and 2023

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### **12. EMPLOYER RETENTION TAX CREDIT (Continued)**

The Organization determined that it qualified for the ERTC, and therefore, accounted for them as conditional grants under ASC Subtopic 958-605. These grants were conditional upon certain performance requirements and the incurrence of eligible expenses. Eligibility for the credit and the credit calculations are subject to review and approval by the Federal government. The Organization recognized \$783,108 of revenue in 2021 related to ERTCs. Unpaid ERTCs incur interest at the IRS rate for overpayments (7% at December 31, 2024 and 2023). Interest income of \$37,007 was recognized on the unpaid ERTC balance for the year ended December 31, 2024, and is included in interest, dividends and other in the accompanying 2024 consolidated statement of activities and changes in net assets. As of December 31, 2024 and 2023, \$313,754 and \$276,180, respectively, of ERTCs and interest incurred were unpaid and are shown as employee retention credit receivable in accompanying the consolidated statements of financial position.

### **13. CONDITIONAL GRANTS**

At December 31, 2024, the Organization had grants and contributions of \$1,000,000 which contained donor-imposed conditions that represent a barrier that must be overcome, as well as a right of return of assets or releases from obligations. No amounts have been received in advance, and no amounts have been recognized in the accompanying consolidated financial statements because the conditions have not been met. The Organization recognizes these grants and contributions when donor-imposed conditions are substantially met.