



**SARCOMA FOUNDATION OF AMERICA, INC.**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2024**

**SARCOMA FOUNDATION OF AMERICA, INC.**

**TABLE OF CONTENTS  
DECEMBER 31, 2024**

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	<u>Pages</u>
Independent Auditor’s Report .....	3-4
Financial Statements	
Statement of Financial Position .....	5
Statement of Activities .....	6
Statement of Functional Expenses .....	7
Statement of Cash Flows .....	8
Notes to Financial Statements .....	9-17



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## **Independent Auditor's Report**

The Board of Directors  
Sarcoma Foundation of America, Inc.  
Damascus, Maryland

### ***Opinion***

We have audited the accompanying financial statements of Sarcoma Foundation of America, Inc. (the Organization), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists.

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

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that 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.

***Report on Summarized Comparative Information***

We have previously audited the Organization's 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 2, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Councilor, Buchanan + Mitchell, P.C.*

Bethesda, Maryland  
June 11, 2025

Certified Public Accountants

**SARCOMA FOUNDATION OF AMERICA, INC.**

**STATEMENT OF FINANCIAL POSITION  
AS OF DECEMBER 31, 2024  
(WITH COMPARATIVE TOTALS AS OF DECEMBER 31, 2023)**

	2024	2023
<b>Assets</b>		
<b>Assets</b>		
Cash and Cash Equivalents	\$ 2,661,896	\$ 2,265,812
Contributions Receivable	124,126	190,921
Investments	8,392,537	8,331,569
Prepaid Expenses	60,725	143,442
Fixed Assets, Net	74,983	53,446
Operating Right-of-Use Asset	87,227	155,504
Other Assets	21,634	13,116
<b>Total Assets</b>	<b>\$ 11,423,128</b>	<b>\$ 11,153,810</b>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts Payable and Accrued Expenses	\$ 233,287	\$ 253,251
Operating Lease Liability	108,486	190,798
Grants Payable	57,035	204,248
Total Liabilities	398,808	648,297
<b>Net Assets</b>		
Without Donor Restrictions	8,954,255	8,554,729
With Donor Restrictions		
Purpose Restricted	1,768,187	1,673,906
Endowment	301,878	276,878
Total Net Assets With Donor Restrictions	2,070,065	1,950,784
Total Net Assets	11,024,320	10,505,513
<b>Total Liabilities and Net Assets</b>	<b>\$ 11,423,128</b>	<b>\$ 11,153,810</b>

*See accompanying Notes to Financial Statements.*

**SARCOMA FOUNDATION OF AMERICA, INC.**

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2023)**

	Without Donor Restrictions	With Donor Restrictions	2024 Total	2023 Total
<b>Revenues</b>				
Contributions	\$ 1,794,423	\$ 400,000	\$ 2,194,423	\$ 1,945,909
Donated Services	56,125	-	56,125	61,060
Special Events	1,499,968	-	1,499,968	2,122,835
Less Costs of Direct Benefits to Donors	(438,667)	-	(438,667)	(378,834)
Other Income	29,727	-	29,727	20,184
Net Assets Released from Restrictions	357,153	(357,153)	-	-
<b>Total Revenues</b>	<b>3,298,729</b>	<b>42,847</b>	<b>3,341,576</b>	<b>3,771,154</b>
<b>Expenses</b>				
Program Services	2,735,273	-	2,735,273	2,415,446
Management and General	495,779	-	495,779	506,590
Fundraising	541,331	-	541,331	519,933
<b>Total Expenses</b>	<b>3,772,383</b>	<b>-</b>	<b>3,772,383</b>	<b>3,441,969</b>
Change in Net Assets from Operations	(473,654)	42,847	(430,807)	329,185
Nonoperating Activities				
Net Investment Income	873,180	76,434	949,614	909,902
Change in Net Assets	399,526	119,281	518,807	1,239,087
Net Assets, Beginning of Year	8,554,729	1,950,784	10,505,513	9,266,426
<b>Net Assets, End of Year</b>	<b>\$ 8,954,255</b>	<b>\$ 2,070,065</b>	<b>\$ 11,024,320</b>	<b>\$ 10,505,513</b>

*See accompanying Notes to Financial Statements.*

**SARCOMA FOUNDATION OF AMERICA, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2023)**

	Program Services	Management and General	Fundraising	2024 Total	2023 Total
Salaries	\$ 1,014,370	\$ 251,990	\$ 175,505	\$ 1,441,865	\$ 1,322,022
Employee Benefits and Payroll Taxes	226,749	56,329	39,232	322,310	279,358
Professional Fees	90,230	92,130	1,152	183,512	68,146
Travel	-	3,685	-	3,685	12,502
Office Expenses	33,703	7,872	9,843	51,418	47,049
Occupancy	58,144	14,444	10,060	82,648	83,827
Conferences and Meetings	58,389	321	-	58,710	18,939
Depreciation and Amortization	15,942	3,961	2,758	22,661	19,759
Grants	934,210	-	-	934,210	995,248
Educational Conferences	4,559	-	-	4,559	-
Advertising	63,071	15,122	10,532	88,725	91,141
Repairs and Maintenance	14,535	3,611	2,515	20,661	22,511
Telephone, Website, and Database	129,218	32,100	22,357	183,675	39,534
Software	35,371	7,452	5,190	48,013	49,810
Miscellaneous	647	159	112	918	28,373
Insurance	8,173	2,030	1,414	11,617	10,815
Registration Fees	9,093	2,259	1,573	12,925	14,415
Printing and Reproduction	13,424	2,314	3,496	19,234	18,996
Special Events	-	-	255,592	255,592	302,032
Sponsorship	10,000	-	-	10,000	5,000
Dues and Subscriptions	15,445	-	-	15,445	12,492
<b>Total Expenses</b>	<b>\$ 2,735,273</b>	<b>\$ 495,779</b>	<b>\$ 541,331</b>	<b>\$ 3,772,383</b>	<b>\$ 3,441,969</b>

*See accompanying Notes to Financial Statements.*

**SARCOMA FOUNDATION OF AMERICA, INC.**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2023)**

	2024	2023
<b>Cash Flows from Operating Activities</b>		
Change in Net Assets	\$ 518,807	\$ 1,239,087
Adjustments to Reconcile Change in Net Assets to Net Cash (Used in) Provided by Operating Activities		
Depreciation and Amortization	22,661	19,759
Gain on Investments	(701,277)	(736,790)
Operating Lease Expense	70,589	70,595
<u>(Increase) Decrease in Assets</u>		
Contributions Receivable	66,795	(26,793)
Event Refund Receivable	-	44,871
Prepaid Expenses	82,717	(97,921)
Other Assets	(8,518)	300
<u>Increase (Decrease) in Liabilities</u>		
Accounts Payable and Accrued Expenses	(19,964)	89,897
Operating Lease Liability	(84,624)	(82,164)
Grants Payable	(147,213)	97,799
Net Cash (Used in) Provided by Operating Activities	(200,027)	618,640
<b>Cash Flows from Investing Activities</b>		
Purchases of Fixed Assets	(44,198)	(11,936)
Proceeds from the Sales of Investments	2,864,676	2,747,025
Purchases of Investments	(2,224,367)	(3,280,697)
Net Cash Provided by (Used in) Investing Activities	596,111	(545,608)
Net Increase in Cash and Cash Equivalents	396,084	73,032
Cash and Cash Equivalents, Beginning of Year	2,265,812	2,192,780
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$ 2,661,896</b>	<b>\$ 2,265,812</b>

*See accompanying Notes to Financial Statements.*

SARCOMA FOUNDATION OF AMERICA, INC.

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024

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1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

*Organization*

Sarcoma Foundation of America, Inc. (the Organization), was incorporated on August 10, 2000, under the laws of the State of Maryland.

The mission of the Organization is to advocate for sarcoma patients by funding research and by increasing awareness about the disease. The Organization raises money to privately fund grants for sarcoma researchers and conducts education and advocacy efforts on behalf of sarcoma patients.

*Basis of Accounting*

The accompanying financial statements are presented on the accrual basis of accounting.

*Cash and Cash Equivalents*

The Organization considers all amounts in checking and money market accounts to be cash and cash equivalents, excluding amounts held as investments.

*Contributions Receivable*

Contributions receivable consist primarily of pledges from corporations, foundations and individuals. The management of the Organization reviews the collectability of the contributions receivable on a regular basis. No reserve for doubtful accounts has been established since management expects to collect all contributions receivable in full.

*Investments*

Investments are reported at the fair value based on quoted market prices on national exchanges for money market, mutual, and exchange traded funds. Realized and unrealized gains and losses are included with investment income in the statement of activities. Investment income is reported as an increase or decrease in net assets without donor restrictions, unless restricted by donor or law. The certificates of deposit are reported at cost plus accrued interest.

*Fixed Assets*

The Organization capitalizes all fixed asset acquisitions of \$500 and above. Fixed assets are recorded at cost, if purchased, or at fair market value at date of donation, if contributed. Depreciation is provided using the straight-line method over the estimated useful life of the asset. Expenditures for fixed assets and related betterments that extend the useful lives of the assets are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

*Donated Services*

Donated services 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 Organization. Volunteers also provided services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria were not met.

SARCOMA FOUNDATION OF AMERICA, INC.

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024

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**1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*Net Assets Classification*

Net assets consist of the following categories:

*Net Assets Without Donor Restrictions* - Resources that are available for general operations and resources designated by the Organization's Board of Directors for approved expenditures.

*Net Assets With Donor Restrictions* - Resources that are subject to donor-imposed restrictions. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

*Revenue Recognition*

Contributions are recognized when the donor makes a promise to give that is, in substance, unconditional. The Organization reports gifts of cash and other assets as net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. Contributions received with donor-imposed conditions and restrictions that are met in the same reporting period are reported as unrestricted contributions.

Special events revenue is recognized in the period the event occurs.

*Grant Expenses*

Grant expense is recognized in the period the grant is awarded, provided the grant is not subject to significant future conditions. Conditional grants are recognized as grant expense and as a grant payable in the period which the grantee meets the terms of the conditions. Grants payable that are expected to be paid in future years are recorded at the present value of expected future payments.

*Functional Expense Allocation*

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. These expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and related employee benefits and payroll taxes, office expenses, occupancy, depreciation and amortization, and other expenses. These expenses are allocated on the basis of estimates of time and effort by employees. Expenses directly identifiable to specific programs and supporting activities are presented accordingly.

SARCOMA FOUNDATION OF AMERICA, INC.

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024

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1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

*Right-of-Use Assets and Lease Liabilities*

The determination of whether an arrangement is a lease is made at the lease's inception. Under the Financial Accounting Standards Board's (FASB) Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*, a contract is (or contains) a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined under the standard as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset. Management only reassesses its determination if the terms and conditions of the contract are changed.

Lease liabilities are initially measured at the present value of minimum lease payments using a risk-free discount rate that approximates the remaining term of the lease. The right-of-use assets are the lease liabilities adjusted for other lease-related accounts. Management considers the likelihood of exercising renewal or termination clauses (if any) in measuring the Organization's right-of-use assets and lease liabilities. Operating lease expense is allocated over the remaining lease term on a straight-line basis.

The Organization considers leases with initial terms of twelve months or less, and no option to purchase the underlying asset, to be short-term leases. Accordingly, short-term lease costs are expensed over the remaining lease term, with no corresponding right-of-use asset or lease liability. In addition, the Organization does not separate non-lease components from lease components (if any) when determining the payments for leases of office equipment.

*Use of Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

*Tax Status*

The Organization is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code except on net income derived from unrelated business activities and is not considered a "private foundation" by the Internal Revenue Service.

The Organization requires that a tax position be recognized or derecognized based on a "more-likely-than-not" threshold. This applies to positions taken or expected to be taken in a tax return. The Organization does not believe its financial statements include, or reflect, any uncertain tax positions.

The Organization's Form 990, *Return of Organization Exempt from Income Tax*, is subject to examination by the taxing authorities generally for three years after filing.

*Advertising Costs*

The Organization follows a policy of charging the costs of advertising to expense as incurred.

SARCOMA FOUNDATION OF AMERICA, INC.

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

*Prior Year Information*

The financial statements include certain prior year summarized comparative totals as of and for the year ended December 31, 2023. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the financial statements for the year ended December 31, 2023, from which the summarized information was derived.

*Reclassifications*

Certain 2023 amounts have been reclassified for comparative purposes.

2. LIQUIDITY AND AVAILABLE RESOURCES

The Organization's cash flows have seasonal variations due to the timing of receipt of grant and other service revenues, and vendor payments. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Board designated funds can be utilized for general operating purposes with board approval.

As of December 31, 2024, the following financial assets and liquidity sources are available for general operating expenditures in the year ending December 31, 2025:

*Financial Assets*

Cash and Cash Equivalents	\$ 2,661,896
Contributions Receivable	124,126
Investments	8,392,537
Less Net Assets Restricted for Purpose	<u>(2,070,065)</u>
Financial Assets Available to Meet Cash Needs for General Expenditures within One Year	<u>\$ 9,108,494</u>

3. FIXED ASSETS

As of December 31, 2024, fixed assets consisted of the following:

Leasehold Improvements	\$ 78,190
Furniture, Fixtures, and Office Equipment	77,187
Website	<u>81,308</u>
Total Fixed Assets	236,685
Less Accumulated Depreciation and Amortization	<u>(161,702)</u>
Fixed Assets, Net	<u>\$ 74,983</u>

4. FAIR VALUE MEASUREMENTS

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels as follows:

*Level 1* - inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets (examples include equity securities or mutual funds);

**SARCOMA FOUNDATION OF AMERICA, INC.**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**4. FAIR VALUE MEASUREMENTS (CONTINUED)**

*Level 2* - inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability other than quoted prices, either directly or indirectly, including inputs in markets that are not considered to be active (examples include corporate or municipal bonds);

*Level 3* - inputs to the valuation methodology are unobservable and significant to the fair value measurement. The inputs to the determination of fair value require significant management judgment (examples include certain private equity securities and split-interest agreements).

The following presents the Organization's assets and liabilities measured at fair value as of December 31, 2024:

Description	Level 1	Level 2	Level 3	Total
Money Market	\$ 309,118	\$ -	\$ -	\$ 309,118
Mutual Funds	4,066,372	-	-	4,066,372
Exchange Traded Funds	2,747,782	-	-	2,747,782
Total Investments at Fair Value	7,123,272	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,123,272</u>
Certificates of Deposit	1,269,265			
Total Investments	<u>\$ 8,392,537</u>			

**5. PENSION PLAN**

The Organization maintains a defined contribution retirement plan pursuant to Section 403(b) of the Internal Revenue Code which is available to all eligible employees. Employees are eligible to make elective deferrals following the date of hire. The plan provides for a discretionary employer contribution which is determined as a uniform percentage of compensation for all eligible participants. During 2024, the Organization provided a discretionary contribution of 4% to all eligible employees. Total discretionary employer contributions were approximately \$57,000 for the year ended December 31, 2024.

**6. JOINT COSTS**

The Organization incurred joint costs in 2024 for informational materials that included direct mail campaigns. The costs were allocated as follows:

	Amount
Program Services	\$ 13,757
Management and General	1,897
Fundraising	1,934
Total	<u>\$ 17,588</u>

**7. COMMITMENTS AND CONTINGENCIES**

The Organization has entered into agreements for services to provide accommodations for its events to be held in the future. The agreements contain clauses whereby the Organization is liable to liquidated damages in the event of cancellation. Management does not believe any cancellations under these contracts will occur.

**SARCOMA FOUNDATION OF AMERICA, INC.**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

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**8. NET ASSETS WITH DONOR RESTRICTIONS**

At December 31, 2024, the Organization's net assets with donor restrictions for purpose and timing consisted of the following:

	<u>Amount</u>
Aronsohn Memorial Fund	\$ 1,301,950
John O'Brien Memorial Research Fund	275,000
Singer Jordan's Dream Fund	59,348
Donor Restricted Endowment	<u>433,767</u>
Total Net Assets Restricted for Purpose or Time	<u>\$ 2,070,065</u>

Net assets released from restrictions for the year ended December 31, 2024, were as follows:

	<u>Amount</u>
Aronsohn Memorial Fund	\$ 200,000
Steven Vanover Foundation	50,000
John O'Brien Memorial Research Fund	50,000
Jay Vernon Jackson Memorial Research Fund	50,000
Singer Jordan's Dream Fund	<u>7,153</u>
Total Releases	<u>\$ 357,153</u>

**9. ENDOWMENT**

The Organization's endowment funds consist of funds established for supporting innovative research proposals whose results could lead to the development of new and better drugs or biologic agents for the treatment of sarcoma. As required by US GMP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Organization has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment fund, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as net assets with donor restrictions - endowment (a) the original value of gifts donated to endowment funds, (b) the original value of subsequent gifts to the endowments, and (c) accumulations to the endowments made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in net assets with donor restrictions - endowment is classified as net assets with donor restrictions purpose or timing restricted until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standards of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the fund, (2) the purposes of the donor-restricted endowment fund, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Organization, (7) the investment policies of the Organization.

**SARCOMA FOUNDATION OF AMERICA, INC.**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**9. ENDOWMENT (CONTINUED)**

*Spending Policy*

The Organization has a policy of appropriating for distribution as research grants when income and earnings from the principal exceed the sum of \$50,000. If the income and earnings have not exceeded \$50,000, appropriations may be made for partial grants supplemented with other funding sources. When the total assets of the endowment reach the sum of \$1,000,000, the endowment annually distributes a management fee of one percent of the total assets in the endowment. In establishing this policy, the Organization considered the long-term expected return on its investment assets, the nature and duration of the endowment funds, and the possible effects of inflation.

The Organization is authorized to reduce the corpus by the amount of net realized and unrealized losses incurred by the endowment in any year in which there are such losses.

The Organization had the following changes in the endowment during the year ended December 31, 2024:

	With Donor Restrictions		Total
	Purpose Restricted	Invested in Perpetuity	
Endowment Net Assets, Beginning of Year	\$ 55,455	\$ 276,878	\$ 332,333
Contributions	-	25,000	25,000
Investment Income, Net	76,434	-	76,434
Endowment Net Assets, End of Year	\$ 131,889	\$ 301,878	\$ 433,767

**10. DONATED SERVICES**

The Organization was provided advertising at no cost. Based on current market rates, the Organization would have paid approximately \$56,000 for the year ended December 31, 2024. These costs were included in advertising on the accompanying statement of functional expenses and are allocated as follows:

	Amount
Program Services	\$ 39,485
Management and General	9,809
Fundraising	6,831
Total	\$ 56,125

All donated services received by the Organization for the year ended December 31, 2024, were considered without donor restrictions and able to be used by the Organization as determined by the Board of Directors and management.

**11. OPERATING LEASE**

The Organization leases its office space under a non-cancelable operating lease which expires on March 31, 2026. The lease calls for an annual rent escalation of 3.0%. The Organization was also provided a tenant allowance toward leasehold improvements. Total rent expense under this operating lease was \$70,589 for the year ended and is included in occupancy expense on the statement of functional expenses for the year ended December 31, 2024.

SARCOMA FOUNDATION OF AMERICA, INC.

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024

**11. OPERATING LEASE (CONTINUED)**

Under accounting principles generally accepted in the United States of America (GAAP), operating lease expense is recognized on a straight-line basis over the remaining lease term.

Maturity of the operating lease liability as of December 31, 2024, is as follows:

<u>For the Years Ending December 31,</u>	<u>Total</u>
2025	\$ 87,158
2026	22,337
Total Undiscounted Minimum Lease Payments	109,495
Less Discount to Present Value	(1,009)
Total Operating Lease Liability	<u>\$ 108,486</u>

The supplementary qualitative operating lease information is as follows:

<u>Supplementary Qualitative Operating Lease Information</u>	<u>Amount</u>
Weighted-Average Remaining Lease Term (Years)	1.25
Weighted-Average Discount Rate	1.58%

**12. EMPLOYEE RETENTION CREDIT**

The Employee Retention Credit (ERC) was created as part of the CARES Act in response to COVID-19 and provides employers a refundable tax credit against certain employment taxes after March 12, 2020. The Taxpayer Certainty and Disaster Tax Relief Act of 2020 extended the ERC through September 30, 2021.

During the year ended December 31, 2024, the Organization applied for ERC retroactively for the second and third quarters of 2021, totaling approximately \$97,000. The Organization has determined that the ERC is considered a conditional contribution since payment is subject to government approval. No revenue or receivable has been recorded as of December 31, 2024. Subsequent to year end, the entire amount of the ERC was received.

**13. CONCENTRATIONS**

As of December 31, 2024, one donor comprised 28% of contributions receivable. The amount was paid subsequent to year end.

The Organization maintains cash balances at a financial institution located in Washington, DC, which at times during the year exceeded the Federal Deposit Insurance Corporation insurance limit. Management believes the risk in these situations to be minimal.

The Organization invests in various securities. Investment securities are exposed to various risks such as interest rates, markets, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying financial statements.

**SARCOMA FOUNDATION OF AMERICA, INC.**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

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**14. SUBSEQUENT EVENTS**

Subsequent events were evaluated through June 11, 2025, which is the date the financial statements were available to be issued.