

St. Baldrick's Foundation

Financial Statements

June 30, 2025 and 2024



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
St. Baldrick's Foundation

Opinion

We have audited the accompanying financial statements of St. Baldrick's Foundation, which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years 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 St. Baldrick's Foundation as of June 30, 2025 and 2024, and the changes in its net assets 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. 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 St. Baldrick's Foundation 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 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 St. Baldrick's Foundation'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. 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, including omissions, 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 St. Baldrick's Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about St. Baldrick's Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Armanino LLP

St. Louis, Missouri

October 23, 2025

St. Baldrick's Foundation
Statements of Financial Position
June 30, 2025 and 2024

	2025	2024
ASSETS		
Cash and cash equivalents	\$ 3,764,167	\$ 3,521,683
Investments	20,460,032	21,719,855
Contributions receivable, net	3,255,725	1,414,509
Prepaid expenses and other assets	207,754	229,980
Website and software development costs, net	1,323,856	1,087,322
Property and equipment, net	22,689	33,252
Operating lease right-of-use asset	633,665	935,663
Security deposits	34,355	34,355
Total assets	\$ 29,702,243	\$ 28,976,619
LIABILITIES AND NET ASSETS		
Liabilities		
Grants payable	\$ 17,163,908	\$ 15,421,079
Accounts payable and accrued expenses	431,617	468,861
Other liabilities	66,480	80,576
Operating lease liability	716,562	1,043,532
Total liabilities	18,378,567	17,014,048
Net assets		
Without donor restrictions	9,269,157	11,090,126
With donor restrictions	2,054,519	872,445
Total net assets	11,323,676	11,962,571
Total liabilities and net assets	\$ 29,702,243	\$ 28,976,619

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

St. Baldrick's Foundation
Statement of Activities
For the Year Ended June 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains, and other support			
Contributions	\$ 18,642,158	\$ 4,428,144	\$ 23,070,302
Contributed services and assets	409,213	-	409,213
Net investment return	811,716	-	811,716
Net assets released from restriction	3,246,070	(3,246,070)	-
Total revenues, gains and other support	23,109,157	1,182,074	24,291,231
Functional expenses			
Childhood cancer research and advocacy	17,365,370	-	17,365,370
Support services			
Management and general	1,827,713	-	1,827,713
Fundraising	5,737,043	-	5,737,043
Total support services	7,564,756	-	7,564,756
Total functional expenses	24,930,126	-	24,930,126
Change in net assets	(1,820,969)	1,182,074	(638,895)
Net assets, beginning of year	11,090,126	872,445	11,962,571
Net assets, end of year	\$ 9,269,157	\$ 2,054,519	\$ 11,323,676

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

St. Baldrick's Foundation
Statement of Activities
For the Year Ended June 30, 2024

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues, gains, and other support			
Contributions	\$ 20,065,592	\$ 2,084,523	\$ 22,150,115
Contributed services and assets	404,488	-	404,488
Net investment return	829,561	-	829,561
Net assets released from restriction	2,483,036	(2,483,036)	-
Total revenues, gains and other support	<u>23,782,677</u>	<u>(398,513)</u>	<u>23,384,164</u>
Functional expenses			
Childhood cancer research and advocacy	<u>15,340,550</u>	<u>-</u>	<u>15,340,550</u>
Support services			
Management and general	1,797,091	-	1,797,091
Fundraising	<u>6,026,969</u>	<u>-</u>	<u>6,026,969</u>
Total support services	<u>7,824,060</u>	<u>-</u>	<u>7,824,060</u>
Total functional expenses	<u>23,164,610</u>	<u>-</u>	<u>23,164,610</u>
Change in net assets from operations	618,067	(398,513)	219,554
Employee retention tax credit	<u>268,956</u>	<u>-</u>	<u>268,956</u>
Change in net assets	887,023	(398,513)	488,510
Net assets, beginning of year	<u>10,203,103</u>	<u>1,270,958</u>	<u>11,474,061</u>
Net assets, end of year	<u>\$ 11,090,126</u>	<u>\$ 872,445</u>	<u>\$ 11,962,571</u>

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

St. Baldrick's Foundation
Statement of Functional Expenses
For the Year Ended June 30, 2025

	Childhood Cancer Research and Advocacy	Management and general	Fundraising	Total
Grants	\$ 15,470,639	\$ -	\$ -	\$ 15,470,639
Salaries and benefits	1,224,691	1,001,328	2,501,379	4,727,398
Technology and information systems	335,337	503,150	1,282,811	2,121,298
Depreciation and amortization	17,079	78,257	428,168	523,504
Event promotion costs	-	-	479,570	479,570
Donation processing and bank fees	-	7,044	402,683	409,727
Marketing and publicity	100,637	95	302,193	402,925
Occupancy	92,285	74,384	185,853	352,522
Other operating costs	45,587	60,579	86,121	192,287
Professional fees and consultants	6,183	87,344	27,625	121,152
Meetings, conventions and travel	66,806	14,000	17,664	98,470
Printing costs	6,126	1,532	22,976	30,634
	<u>\$ 17,365,370</u>	<u>\$ 1,827,713</u>	<u>\$ 5,737,043</u>	<u>\$ 24,930,126</u>

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

St. Baldrick's Foundation
Statement of Functional Expenses
For the Year Ended June 30, 2024

	Childhood Cancer Research and Advocacy	Management and general	Fundraising	Total
Grants	\$ 13,695,672	\$ -	\$ -	\$ 13,695,672
Salaries and benefits	1,036,150	1,042,856	2,463,403	4,542,409
Technology and information systems	280,365	499,573	1,564,552	2,344,490
Depreciation and amortization	3,442	19,571	454,677	477,690
Event promotion costs	-	-	432,040	432,040
Donation processing and bank fees	-	7,596	394,335	401,931
Marketing and publicity	117,355	30	351,414	468,799
Occupancy	79,464	79,727	187,184	346,375
Other operating costs	48,539	68,007	86,598	203,144
Professional fees and consultants	7,734	59,425	43,203	110,362
Meetings, conventions and travel	67,073	19,117	31,728	117,918
Printing costs	4,756	1,189	17,835	23,780
	<u>\$ 15,340,550</u>	<u>\$ 1,797,091</u>	<u>\$ 6,026,969</u>	<u>\$ 23,164,610</u>

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

St. Baldrick's Foundation
Statements of Cash Flows
For the Years Ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities		
Change in net assets	\$ (638,895)	\$ 488,510
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation and amortization	523,504	477,690
Donated securities	(26,164)	(33,859)
Amortization of operating lease right-of-use asset	301,998	292,878
Changes in operating assets and liabilities		
Contributions receivable, net	(1,815,052)	(95,535)
Prepaid expenses and other assets	22,226	126,497
Grants payable	1,742,829	3,019,942
Accounts payable and accrued expenses	(37,244)	58,688
Other liabilities	(14,096)	23,146
Operating lease liability	<u>(326,970)</u>	<u>(308,085)</u>
Net cash provided by (used in) operating activities	<u>(267,864)</u>	<u>4,049,872</u>
Cash flows from investing activities		
Proceeds from sale of investments	-	6,749,257
Purchases of investments	(810,134)	(9,727,680)
Net cash and cash equivalent activity within investment accounts	2,069,957	-
Purchases of property and equipment	(8,594)	(18,689)
Payments on website and software development costs	<u>(740,881)</u>	<u>(625,401)</u>
Net cash provided by (used in) investing activities	<u>510,348</u>	<u>(3,622,513)</u>
Net increase in cash and cash equivalents	242,484	427,359
Cash and cash equivalents, beginning of year	<u>3,521,683</u>	<u>3,094,324</u>
Cash and cash equivalents, end of year	<u>\$ 3,764,167</u>	<u>\$ 3,521,683</u>

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

St. Baldrick's Foundation
Notes to Financial Statements
June 30, 2025 and 2024

1. NATURE OF OPERATIONS

St. Baldrick's Foundation (the "Foundation"), a charitable entity, was established in 2004 with the ultimate goal of finding cures for childhood cancers and giving survivors long and healthy lives. The Foundation pursues its mission by funding the most promising childhood cancer research and advocating for increased federal funding and improved policies around childhood cancer issues. A rigorous scientific review process is used to determine which projects will be funded, and the St. Baldrick's Foundation is proud to have received the National Cancer Institute Peer Review Funder designation for selection of grants.

The Foundation has played a role in virtually every advancement in the field of childhood cancer research for more than 25 years, by training the next generation of researchers; supporting key medical, technical and data infrastructure which enables greater collaboration between researchers and institutions; and supporting every phase of research, from basic science and translational research to clinical trials.

Unlike many organizations that are funded by a wealthy individual or family, the Foundation's research is funded by the efforts of thousands of volunteers who lead community-based and online fundraising events. The Foundation also raises funds through other traditional fundraising efforts such as annual, major and planned gifts.

Recent years have seen significant changes in the American appetite for volunteerism, a shift that has also been recognized internationally since the pandemic. That, combined with economic uncertainty, which has changed donor behaviors also, has prompted the Foundation to invest in the development of new volunteer recruitment and fundraising efforts to reach new audiences and provide donors more and different opportunities to give. Foundation leadership believes this is essential to establish new growth trajectories that will sustain the childhood cancer research pipeline.

The Foundation is committed to supporting the most promising research in communities where its volunteers live and work, through America's hospitals that treat America's children with cancer, and salutes the leaders, communities and industries who sustain the mission to support lifesaving research to Conquer Kids' Cancer.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial statement presentation

The financial statements of the Foundation have been prepared on the accrual basis of accounting in conformity with generally accepted accounting principles in the United States of America. Net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Foundation and changes therein have been classified and are reported as follows:

- *Net assets without donor restrictions* - Net assets not subject to donor-imposed stipulations; donor-restricted contributions whose restrictions are met in the same reporting period; and net assets designated by the Board of Directors of management for specific purposes.

St. Baldrick's Foundation
Notes to Financial Statements
June 30, 2025 and 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial statement presentation (continued)

- *Net assets with donor restrictions* - Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Foundation and/or by the expiration of stipulated time. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on assets and liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is explicit donor restriction or by law. Expirations of restrictions on net assets (i.e., the donor-stipulated purposes has been fulfilled and/or the stipulated time period has elapsed) are reported as transfers between the applicable classes of net assets. Investment income (loss) (e.g. interest and dividends and realized and unrealized gains (losses)) with donor-imposed restrictions that are met in the same year as earned are also reported as net assets without donor restrictions.

Income tax status

The Foundation is a qualified organization exempt from federal income and California franchise taxes under the provisions of Sections 501(c)(3) of the Internal Revenue Code and 23701d of the California Revenue and Taxation Code, respectively. Accordingly, no provision for income taxes has been made in the accompanying financial statements.

The Foundation has evaluated uncertain tax positions and concluded that there are no material uncertain tax positions as of June 30, 2025 and 2024.

Use of estimates

Management uses estimates and assumptions in preparing the financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from these estimates.

Cash and cash equivalents

The Foundation considers all highly-liquid financial instruments with an original maturity of three months or less to be cash equivalents, except those which have been classified as investments.

St. Baldrick's Foundation
Notes to Financial Statements
June 30, 2025 and 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Concentration of risk

The Foundation's bank balances generally exceed the Federal Deposit Insurance Corporation insured limits. The Foundation has not experienced and does not anticipate any losses related to these balances.

Reserves

The Foundation's policy is to fully reserve funding for grants awarded at the time the grant commitment is made. This policy provides the financial commitment to its researchers so these vital research projects can be completed without concern that future unforeseen events will impact funding.

As of June 30, 2025 and 2024, outstanding grants awarded were \$17,163,908 and \$15,421,079, respectively. Investments exceed the reserves needed to satisfy the grant commitments.

Investments

Investments are monitored by the Board of Directors' finance and compensation committee and are stated at fair value. Unrealized gains and losses are recognized aggregately. Realized gains and losses are recognized immediately and are computed using the specific identification method.

The Foundation's Board of Directors (the "Board") adopted an investment policy whereas all investments will be made through highly liquid investments, invested with the view towards preservation of capital, with a weighted average life no longer than three years, and will be made only through the permissible asset mix as defined in the policy. Currently, the Foundation is holding only cash equivalents in treasury trust funds.

Accounting Standards Codification ("ASC") Topic 842 *Fair Value Measurements and Disclosures*, which defines fair value, establishes a framework for measuring fair value in accordance with accounting principles generally accepted in the U.S., and expands disclosures about fair value measurements. Under this topic, the Foundation must report its investments at fair value among three categories of price inputs available. These categories of inputs are quoted prices in active markets for identical assets (Level 1); significant other observable inputs (Level 2); and significant unobservable inputs (Level 3).

St. Baldrick's Foundation
Notes to Financial Statements
June 30, 2025 and 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Website and software development costs

The Foundation recognizes the costs incurred in the development of the Foundation's custom website, which includes the public website, the member's management portal, the Foundation's staff's management tool, and proprietary contribution and event software in accordance with ASC Topic 350 *Intangibles-Goodwill and Other*. Accordingly, direct costs incurred during the application stage of development are capitalized and amortized over the estimated useful life, which is 36 months or less. Fees for website hosting and costs of operating the website are expensed as incurred.

Property and equipment

Property and equipment are recorded at cost. Property and equipment are being depreciated using the straight-line method over estimated lives of three years for equipment to and five years for furniture and fixtures. Repairs and maintenance are charged to expenses as incurred.

Grants

Complex research projects can require a commitment of up to three to five years of funding. The Foundation records appropriations for grants as a liability and expense after approval by the Board, based upon a professional review system.

The following grant categories are currently being funded:

Fellowships (funded for 2-3 years) fund the training of new medical doctors to specialize in pediatric cancer research. During these years, the Fellow engages in a specific research project under the guidance of a mentor, who supervises their research project and ensures they emerge a qualified researcher.

Scholar Awards (funded for 3-5 years) are for early career pediatric oncology researchers conducting specific research projects. These younger professionals might otherwise be unable to pursue their new ideas, as they must compete with more established experts for extremely scarce funding.

Cooperative research funding is granted to the Children's Oncology Group ("COG"), with funds distributed across 200+ member institutions to support clinical trials, thereby funding virtually every institution qualified to treat childhood cancers in the United States and Canada.

International Scholar Awards (funded for 3-5 years) are for researchers from low- to middle-income countries to train in the United States or other developed countries, then return to pursue research and offer a higher quality of care to patients in their home countries.

St. Baldrick's Foundation
Notes to Financial Statements
June 30, 2025 and 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Grants (continued)

International beneficiary grants (1 year) are for Foundations outside the U.S., supporting research or funds to help patients in these countries where the Foundation has a fundraising presence.

Infrastructure grants (1 year) are for resources to make more research possible, funding clinical research associates who ensure more options are available for patients to participate in clinical trials.

The EPICC Grant (Empowering Pediatric Immunotherapies for Childhood Cancer), building on the success of the **St. Baldrick's - Stand Up To Cancer Pediatric Cancer Dream Team**, bringing together the fields of immunotherapy and genomics to find cures for multiple types of pediatric cancer.

Research grants (2 years) are awarded to researchers at any stage of their career to find new and better cures for childhood cancers.

Strategic Research Partnership Grants are supported with contributions from individuals and charity partners and administered by the Foundation. The Foundation works with major donors or groups of major donors with \$1 million or more to issue special RFA's to seek out grant applications, conduct a scientific review, and fund research in a specific disease or area of research interest.

Summer Fellowships cover a small stipend for medical school or college students to spend a summer conducting research under expert guidance in a pediatric oncology research laboratory. The objective is for these students to accomplish meaningful work while also inspiring them to choose pediatric cancer research as their specialty.

The St. Baldrick's Robert J. Arceci Innovation Award (funded for 3 years) is in memory of Dr. Robert J. Arceci, an internationally renowned childhood leader and innovator and Foundation leader. These awards are based on nominations of early- to mid-career scientists, whose work reflects his values of creativity, collaboration, and impact. While this category is suspended in the U.S. and Canada, the St. Baldrick's Foundation is partnering with a childhood cancer Foundation in Europe, Fight Kids Cancer (FKC) to fund a similar award for research in Europe. The Foundation manages the nomination and selection process, with the award of one million Euros being made and managed by FKC.

Contributions and promises to give

Contributions received are reported as net assets with or without donor restrictions, depending upon the absence or presence of donor restrictions, if any.

St. Baldrick's Foundation
Notes to Financial Statements
June 30, 2025 and 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributions and promises to give (continued)

Contributions, including unconditional promises to give, are recognized as revenues in the period the promise is received. Conditional promises to give are not recognized until they become unconditional; that is when the donor imposed barriers have been met by the Foundation and there is no longer a right of return or release. Contributions that are promised in one year but are not expected to be collected until after the end of that year are discounted at an appropriate discount rate commensurate with the risks involved. Amortization of any such discounts is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. An allowance for doubtful contributions receivable is provided based upon management's judgment including such factors as prior collection history, type of contribution, current aging of contributions receivable and changes in current economic conditions. No allowance for doubtful contributions receivable was recorded as of June 30, 2025 and 2024.

Contributed services and assets

Contributed services are reported at the estimated fair value in the financial statements for voluntary donations of services when those services (1) create or enhance nonfinancial assets, or (2) require specialized skills provided by individuals possessing those skills, and (3) are services which would typically be purchased if not provided by donation. The Foundation recorded contributed services primarily relating to advertising and attorney service. Contributed services recognized are valued at the estimated fair value of current rates for similar professional services.

Contributed assets consist of items for fundraising events and other items for operations which are recorded at fair value at the date of the gift, as contributions. Contributed assets are valued based on estimates of retail values that would be received for selling similar products. The Foundation's policy related to contributed assets is to utilize the assets given to carry out the mission of the Foundation. All contributed assets received by the Foundation for the years ended June 30, 2025 and 2024 were considered without donor restrictions and able to be used by the Foundation as determined by management.

Contributed services and assets consisted of the following:

	<u>2025</u>	<u>2024</u>
Professional services	\$ 401,048	\$ 355,493
Donated goods	<u>8,165</u>	<u>48,995</u>
	<u>\$ 409,213</u>	<u>\$ 404,488</u>

St. Baldrick's Foundation
Notes to Financial Statements
June 30, 2025 and 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Volunteers

A number of volunteers, including members of the Board, have made significant contributions of time to the Foundation's policymaking, program, fundraising and support functions. In particular, for the years ended June 30, 2025 and 2024, the Foundation's grant applications were reviewed by a team of medical doctors and researchers who contributed approximately 1,920 and 1,539 hours, respectively. The number varies based upon the number of grant applications and the specific expertise required to review each. The value of this contributed time does not meet the criteria for recognition of contributed services as detailed above and, therefore, is not reflected in the accompanying statements of activities.

Partnerships with foreign organizations

Recognizing that childhood cancer knows no boundaries, the Foundation carefully partners with pediatric cancer nonprofits worldwide in order to ensure that research needs in countries participating in pediatric cancer research are supported or that other needs of pediatric cancer patients are addressed in countries not participating in research. The Foundation provides support and expertise in fundraising in order to maximize fundraising efforts in the countries that want assistance.

In countries where the Foundation's events are held, the Foundation partners with vetted and approved foreign Foundations to direct funds to what the Foundation views as the best research available in that country or the next best need if research is not performed in that country. The Foundation's support and partnerships generated approximately \$156,858 and \$91,628 of grant support for the years ended June 30, 2025 and 2024, respectively. During the year ended June 30, 2025, the Foundation partnered with Foundations from Bermuda, the Netherlands, Hong Kong, Japan, and Singapore. Revenue generated by foreign partner organizations for the year ended June 30, 2025 was \$69,208.

Functional allocation of expenses

The costs of providing program and other activities have been summarized on a functional basis in the statement of functional expenses. Expenses that can be directly identified with a program or other supporting services are charged accordingly. Expenses such as salaries and benefits have been allocated among program services and supporting services based upon the employees' estimated time spent by function. Other expenses allocated based on the estimated employees' time allocation are occupancy and indirect other operating costs.

Subsequent events

The Foundation has evaluated subsequent events through October 23, 2025, the date the financial statements were available to be issued. Other than as described at Note 9, no subsequent events have occurred that would have material impact on the presentation of the Foundation's financial statements.

St. Baldrick's Foundation
Notes to Financial Statements
June 30, 2025 and 2024

3. INVESTMENTS

The Foundation's investment policy allows for investments in equities which are components of the Standard & Poor's 500 or Dow Jones Industrial Average, fixed-income securities generally rated investment grade or better, certificates of deposit and bankruptcy-remote money market funds. As of June 30, 2025 and 2024, the Foundation is holding only cash equivalents in treasury trust funds.

Investments consisted of the following:

	2025	2024
Cash and cash equivalents - treasury trust funds	<u>\$ 20,460,032</u>	<u>\$ 21,719,855</u>

Net investment return consisted of the following:

	2025	2024
Interest and dividend income	\$ 827,449	\$ 844,390
Less: investment fees	<u>(15,733)</u>	<u>(14,829)</u>
	<u>\$ 811,716</u>	<u>\$ 829,561</u>

4. CONTRIBUTIONS RECEIVABLE

Unconditional promises to give, which are not expected to be collected until after the year promised, are reflected in the accompanying financial statements as contributions receivable and revenue in the appropriate net asset category. Contributions receivable are recorded using a discount rate that approximates 3.7%.

Future collections of contributions receivable are expected as follows:

<u>Year ending June 30,</u>	
2026	\$ 2,182,247
2027	1,094,134
2028	10,000
2029	<u>10,000</u>
	3,296,381
Less: discounts to net present value	<u>(40,656)</u>
	<u>\$ 3,255,725</u>

St. Baldrick's Foundation
Notes to Financial Statements
June 30, 2025 and 2024

5. WEBSITE AND SOFTWARE DEVELOPMENT COSTS

Website and software development costs, net consist of the following:

	2025	2024
Website development	\$ 10,793,075	\$ 10,162,194
Salesforce implementation costs	583,201	473,201
Accumulated amortization	(10,052,420)	(9,548,073)
	\$ 1,323,856	\$ 1,087,322

Amortization expense for the years ended June 30, 2025 and 2024 was \$504,347 and \$458,685, respectively.

6. PROPERTY AND EQUIPMENT

Property and equipment, net consisted of the following:

	2025	2024
Equipment	\$ 461,298	\$ 452,704
Furniture and fixtures	22,550	22,550
	483,848	475,254
Accumulated depreciation	(461,159)	(442,002)
	\$ 22,689	\$ 33,252

Depreciation expense for the years ended June 30, 2025 and 2024 was \$19,157 and \$19,005, respectively.

7. GRANTS PAYABLE

The highest quality research projects often require a commitment of two to five years of funding. All continuing grant recipients are subject to discretionary renewal, based on the fulfillment of the administrative requirements that accompany performing the childhood cancer research approved through the review process, including evidence of meaningful scientific progress and impact. The grant recipient provides appropriate and timely grant reports and complies with Foundation policies regarding the use of funds.

Grants are expensed when the unconditional promise to give is approved by the Board. At June 30, 2025 and 2024, the Foundation has committed to continuing grants for Research, Fellows, Scholars, International Scholars, and Consortia aggregating \$17,398,995 and \$15,621,773, respectively, that are scheduled to be disbursed through June 30, 2028.

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7. GRANTS PAYABLE (continued)

Grant commitments that are expected to be paid within one year are recorded at net realizable value. Grant commitments that are expected to be paid in future years are recorded at the present value of their future cash flows. Grant commitments are recorded using a discount rate that approximates 3.7%.

Future maturities of grants payable are as follows:

<u>Year ending June 30,</u>	
2026	\$ 12,529,633
2027	3,084,369
2028	<u>1,784,993</u>
	17,398,995
Less: discounts to net present value	<u>(235,087)</u>
	<u>\$ 17,163,908</u>

8. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following:

	<u>2025</u>	<u>2024</u>
Purpose restricted	\$ 1,311,075	\$ 630,700
Purpose restricted for 18 months	25,176	241,745
Time restricted	<u>718,268</u>	<u>-</u>
	<u>\$ 2,054,519</u>	<u>\$ 872,445</u>

Net assets with donor restrictions released from restriction during the year were as follows:

	<u>2025</u>	<u>2024</u>
Purpose restricted	\$ 2,482,001	\$ 2,152,169
Purpose restricted for 18 months	432,337	80,867
Time restricted	<u>331,732</u>	<u>250,000</u>
	<u>\$ 3,246,070</u>	<u>\$ 2,483,036</u>

Purpose-restricted net assets consist primarily of contributions in support of research for specific types of cancer. The Foundation has certain agreements with donors that provide for the expiration of a donor restriction at the end of 18 months if a suitable research project has not been identified. These contributions are classified as restricted until the funds are used for the restricted purpose or the restriction has lapsed.

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9. LEASES

In July 2022, the Foundation adopted the new lease accounting guidance under ASC 842. The most significant change requires lessees to record the present value of the operating lease payments as right-of-use assets and liabilities on the accompanying statement of financial position. The new guidance continues to require lessees to classify leases between operating and financing leases, formerly "capital leases."

The Foundation leases its facility under an operating lease agreement which expires in June 2027. The lease requires the Foundation to make monthly lease payments, which are fixed for the term of the lease and are subject to annual escalations.

Additional information related to leases is as follows:

Lease cost	\$	327,758
Cash paid for amounts included in the measurement of lease liabilities	\$	352,730
Weighted-average discount rate - operating lease		2.9 %
Weighted-average remaining lease term - operating lease		2 years

Future maturities of lease liabilities are as follows:

<u>Year ending June 30,</u>		
2026	\$	363,715
2027		374,700
		<u>738,415</u>
Less: Imputed interest		<u>(21,853)</u>
	<u>\$</u>	<u>716,562</u>

Subsequent to year end, the Foundation amended its operating lease to downsize its office space. The new lease agreement extends the lease term to June 2030 and reduces the monthly rent payments to approximately \$14,300, with escalating rent payments over the term of the lease.

10. EMPLOYEE RETENTION TAX CREDIT

The Employee Retention Tax Credit ("ERC"), a refundable tax credit against certain employment taxes allowed to an eligible employer for qualifying wages, was established by the Coronavirus Aid, Relief, and Economic Security ("CARES") Act and was subsequently amended through additional legislation. The tax credit is equal to 50% of the qualified wages, up to \$10,000 per employee, that an employer whose business has been financially impacted by COVID-19 pays to employees after March 12, 2020 and before January 1, 2022.

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10. EMPLOYEE RETENTION TAX CREDIT (continued)

In the year ended June 30, 2024, the Foundation determined it was eligible to file for the ERC for the wages paid during the period July 1, 2021 through September 30, 2021 and calculated a total ERC of \$268,956. As the Foundation has "substantially met" the program's eligibility conditions, the Foundation recognized this ERC credit as income on the accompanying statement of activities during the year end June 30, 2024 and as contributions receivable on the statement of financial position as of June 30, 2025 and 2024.

The ERC program is subject to inspection and audit by the IRS. The purpose of such audits is to determine whether entities met eligibility requirements under the program and that funds were used in accordance with guidelines and regulations. While management believes the Foundation met the ERC requirements, it is possible that ERC funds recognized could ultimately be disallowed. The ultimate liability, if any, which may result from a governmental audit cannot be reasonably estimated and, accordingly, no provision for the possible disallowance of ERC funds has been recorded on the Organization's financial statements.

11. RETIREMENT PLAN

The Foundation sponsors a defined contribution retirement 401(k) plan available to eligible employees. Upon meeting the eligibility requirements, an employee may elect to contribute a percentage of base salary up to the maximum permitted by law and the Foundation agrees to contribute a matching amount. The Foundation contributes 3% of employees' salaries, regardless of their contributions. Employees become immediately vested in the 3% contribution. The Foundation also matches employee contributions, up to 3%. Employees are vested in these contributions over a five-year vesting period. The Foundation made safe harbor contributions of \$107,403 and \$103,056 to the plan for the years ended June 30, 2025 and 2024, respectively.

12. RELATED PARTIES

For the year ended June 30, 2025, the Foundation received approximately \$257,000 in contributions from members of the Board and approximately \$17,000 in contributions from employees. For the year ended June 30, 2024, the Foundation received approximately \$209,000 in contributions from members of the Board and approximately \$15,000 in contributions from employees. As the Foundation's CEO also serves as a member of the Board, her contributions are included with board member contributions.

13. LIQUIDITY AND AVAILABILITY

As part of the Foundation's liquidity management, it structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. To meet liquidity needs, the Foundation maintains investments largely in liquid investments. The Foundation has also sought to maintain approximately twelve months of operating expenses (excluding grants) in liquid assets.

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13. LIQUIDITY AND AVAILABILITY (continued)

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the date of the statement of financial position, comprise the following:

	2025	2024
Cash and cash equivalents	\$ 3,764,167	\$ 3,521,683
Contributions receivable, net	3,255,725	1,414,509
Investments	20,460,032	21,719,855
	27,479,924	26,656,047
Less:		
Grants payable	(17,163,908)	(15,421,079)
Net assets with donor restrictions	(2,054,519)	(872,445)
	(19,218,427)	(16,293,524)
	\$ 8,261,497	\$ 10,362,523

Assets available for general expenditure represent approximately ten months of operating expenditures at June 30, 2025 and twelve months of operating expenditures at June 30, 2024.

14. RISKS AND UNCERTAINTIES

Fiscal year 2025 saw modest year-over-year growth in the Foundation, reflecting in the national decline in volunteerism overall, election year drain on charitable giving and a sluggish economy. While the Foundation is developing new ways for volunteers and donors to support its work, it is closely monitoring the economic climate for its continued impact on volunteer fundraising efforts. Foundation staff are in close contact with key audiences to ascertain their priorities within their professional and personal environments during this time of austerity.