

**Chordoma Foundation**

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**FINANCIAL STATEMENTS**

**for the year ended December 31, 2023**

# CHORDOMA FOUNDATION

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**Langdon & Company** <sup>LLP</sup>  
Certified Public Accountants

**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of  
Chordoma Foundation

***Opinion***

We have audited the accompanying financial statements of Chordoma Foundation (the “Foundation”), which comprise the statement of financial position as of December 31, 2023, 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 Chordoma Foundation as of December 31, 2023, and the changes in their net assets and their 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 Chordoma Foundation 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 Chordoma 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 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.

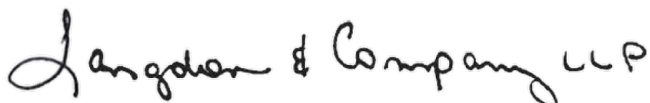
In performing an audit in accordance with generally accepted auditing standards, we:

- 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 Chordoma 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 Chordoma 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.

#### ***Report on Summarized Comparative Information***

We have previously audited the Foundation's 2022 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated July 19, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.



Garner, North Carolina

August 2, 2024

# CHORDOMA FOUNDATION

## STATEMENT OF FINANCIAL POSITION

**December 31, 2023**  
with comparative totals as of December 31, 2022

	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 3,797,952	\$ 4,121,718
Investments	5,925,137	2,247,573
Unconditional promises to give (less allowance for doubtful accounts of \$95,000 and \$105,000 at December 31, 2023 and 2022, respectively)	498,767	412,855
Other current assets	105,102	35,039
Total current assets	<u>10,326,958</u>	<u>6,817,185</u>
Fixed assets:		
Computer equipment and furniture	28,549	56,342
Website	63,560	63,560
Leasehold improvements	-	7,540
Lab equipment	127,473	-
Less accumulated depreciation	<u>(74,431)</u>	<u>(49,111)</u>
	<u>145,151</u>	<u>78,331</u>
Other assets:		
Unconditional promises to give in one to five years, net	<u>565,803</u>	<u>703,995</u>
Total other assets	<u>565,803</u>	<u>703,995</u>
Total assets	<u>\$ 11,037,912</u>	<u>\$ 7,599,511</u>
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities:		
Accounts payable	\$ 97,549	\$ 101,006
Grants payable to other organizations - current	787,875	664,806
Contract research payable	170,473	329,859
Accrued wages and payroll taxes	201,971	106,397
Accrued vacation	40,657	39,611
Total current liabilities	<u>1,298,525</u>	<u>1,241,679</u>
Grants payable to other organizations - long-term, net	<u>531,499</u>	<u>111,628</u>
Total other liabilities	<u>531,499</u>	<u>111,628</u>
Total liabilities	<u>\$ 1,830,024</u>	<u>\$ 1,353,307</u>
Net assets:		
Without donor restrictions:		
Undesignated	3,141,462	2,035,527
Board-designated fund	1,016,729	1,016,729
Net assets without donor restrictions	<u>4,158,191</u>	<u>3,052,256</u>
With donor restrictions	<u>5,049,697</u>	<u>3,193,948</u>
Total net assets	<u>9,207,888</u>	<u>6,246,204</u>
Total liabilities and net assets	<u>\$ 11,037,912</u>	<u>\$ 7,599,511</u>

*The accompanying notes are an integral  
part of the financial statements.*

# CHORDOMA FOUNDATION

## STATEMENT OF ACTIVITIES

for the year ended December 31, 2023

with comparative totals for 2022

	2003			2022
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Total</u>
Public support and revenue:				
Contributions	\$ 2,113,385	\$ 4,934,975	\$ 7,048,360	\$ 4,655,275
In-kind contributions	266,343	-	266,343	204,336
Investment income	311,301	-	311,301	15,406
Employee Retention Credit	-	-	-	21,475
Other income	34,046	-	34,046	36,952
Total public support and revenue	<u>2,725,075</u>	<u>4,934,975</u>	<u>7,660,050</u>	<u>4,933,444</u>
Net assets released from restrictions	<u>3,079,226</u>	<u>(3,079,226)</u>	<u>-</u>	<u>-</u>
Total public support and revenue	<u>5,804,301</u>	<u>1,855,749</u>	<u>7,660,050</u>	<u>4,933,444</u>
Expenses:				
Program services	3,825,297	-	3,825,297	2,316,902
Management and general	444,860	-	444,860	328,060
Fundraising	441,946	-	441,946	491,001
Total expenses	<u>4,712,103</u>	<u>-</u>	<u>4,712,103</u>	<u>3,135,963</u>
Change in net assets from operations	1,092,198	1,855,749	2,947,947	1,797,481
Other changes in net assets:				
Foreign currency gain (see Note 4)	<u>13,737</u>	<u>-</u>	<u>13,737</u>	<u>50,692</u>
Change in net assets	1,105,935	1,855,749	2,961,684	1,848,173
Net assets, beginning of year	<u>3,052,256</u>	<u>3,193,948</u>	<u>6,246,204</u>	<u>4,398,031</u>
Net assets, end of year	<u>\$ 4,158,191</u>	<u>\$ 5,049,697</u>	<u>\$ 9,207,888</u>	<u>\$ 6,246,204</u>

*The accompanying notes are an integral part of the financial statements.*

**CHORDOMA FOUNDATION**

**STATEMENT OF FUNCTIONAL EXPENSES**

**for the year ended December 31, 2023  
with comparative totals for 2022**

	2023					2022		
	Program Services			Supporting Services		Grand Total	Grand Total	
	Research	Patient Services	Total Program Services	Management and General	Fundraising			Total Supporting Services
Compensation, taxes and benefits	\$ 806,294	\$ 368,782	\$ 1,175,076	\$ 64,619	\$ 297,230	\$ 361,849	\$ 1,536,925	\$ 1,193,090
Research grants and contracts	1,909,372	97,730	2,007,102	-	-	-	2,007,102	1,199,414
In-kind contributions	82,091	49,237	131,328	105,147	29,869	135,016	266,344	204,337
Events and conferences	152,560	93,537	246,097	-	5,361	5,361	251,458	25,249
Advertising and promotion	7,629	3,318	10,947	7,938	5,603	13,541	24,488	14,590
Information technology	71,956	42,923	114,879	30,524	33,127	63,651	178,530	123,183
Office and occupancy	10,490	5,356	15,846	15,616	24,076	39,692	55,538	89,009
Travel and meetings	25,369	17,193	42,562	13,106	41,178	54,284	96,846	61,307
Contracted services	33,135	20,119	53,254	106,623	4,824	111,447	164,701	145,905
Insurance	13,222	5,189	18,411	6,386	678	7,064	25,475	20,775
Depreciation	9,795	-	9,795	42,372	-	42,372	52,167	9,104
Bad debt expense	-	-	-	52,529	-	52,529	52,529	50,000
<b>Total expenses</b>	<b>\$ 3,121,913</b>	<b>\$ 703,384</b>	<b>\$ 3,825,297</b>	<b>\$ 444,860</b>	<b>\$ 441,946</b>	<b>\$ 886,806</b>	<b>\$ 4,712,103</b>	<b>\$ 3,135,963</b>

*The accompanying notes are an integral part of the financial statements.*

# CHORDOMA FOUNDATION

## STATEMENT OF CASH FLOWS

for the year ended December 31, 2023  
with comparative totals for 2022

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Cash received from contributors, grantors and programs	\$ 6,970,293	\$ 4,154,364
Cash paid to employees, grantees and suppliers	(3,810,403)	(3,602,653)
Interest and dividends received	91,713	13,748
Net cash provided by operating activities	<u>3,251,603</u>	<u>565,459</u>
Cash flows from investing activities:		
Purchases of investments	(4,642,977)	(2,245,915)
Sale of investments	1,185,000	-
Purchases of fixed assets	(118,986)	(67,588)
Sale of fixed assets	1,594	-
Net cash used in investing activities	<u>(3,575,369)</u>	<u>(2,313,503)</u>
Net decrease in cash	(323,766)	(1,748,044)
Cash at beginning of year	4,121,718	5,869,762
Cash at end of year	<u>\$ 3,797,952</u>	<u>\$ 4,121,718</u>

*The accompanying notes are an integral  
part of the financial statements.*



# CHORDOMA FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

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### 1. OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Foundation

Chordoma Foundation (the “Foundation”) is a not-for-profit Foundation formed under the General Statutes of North Carolina. The Foundation was incorporated in February 2007 to work to improve the lives of chordoma patients by accelerating the development of effective treatments and by helping patients get the best care possible.

The Foundation initiates and funds research, facilitates information exchange and collaboration among researchers, and provides scientific resources necessary for research. Through the efforts of the Foundation, research projects are proactively funded as strategic priorities for advancing the development of new treatments for chordoma. The Foundation also helps to create, collect, store, and distribute the information and biological materials that researchers need in order to study chordoma and develop new treatments. The Foundation further enhances the study of chordoma by connecting physicians, scientists, and companies from across the world to share information and collaborate on projects they can only achieve together. Finally, the Foundation is committed to patients dealing with the diagnosis of chordoma by providing accurate information about treatment options and clinical trials, referring patients to experienced doctors, and matching patients with trained peer-support mentors.

#### Cash and Cash Equivalents

For purposes of the statement of cash flows, the Foundation considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents. The Foundation maintains its cash accounts with various financial institutions which, at times, may exceed federally insured limits. The Foundation has not experienced any losses in such accounts.

#### Investments

Investments in marketable securities with readily determinable fair values are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the changes in net assets.

#### Fixed Assets

Fixed assets, which consist of computer equipment, office furniture and a website, are recorded at cost if purchased or at estimated fair value at the date of the gift, if donated, less accumulated depreciation. Maintenance and repairs are expensed as incurred. Gains or losses on dispositions are included in the statement of activities. Purchases of \$500 or more are capitalized and depreciated. Assets are depreciated using the straight-line method over the estimated useful lives, which range from 3 – 7 years.

# CHORDOMA FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

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### 1. OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Estimates

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

#### Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor restrictions. As discussed in Note 6, the governing board has designated, from net assets without donor restrictions, net assets for an operating reserve.

*Net Assets With Donor Restrictions* – Net assets subject to donor-imposed restrictions. 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.

#### Revenue and Receivables

*Contributions, gifts, and cash from special events* received are recorded as net assets with donor restrictions or net assets without donor restrictions depending on the existence and/or nature of any donor-imposed restrictions. When a restriction expires, such as a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

*Conditional promises to give* – that is, those with a measurable performance or other barrier and a right of return – are recognized when the conditions on which they depend are substantially met.

*Unconditional promises to give* due in the next year are recorded at their net realizable value, less an allowance for uncollectible accounts. The allowance is based on prior experience, donor history and management's best estimate. It is the Foundation's policy to charge off accounts receivable when management determines the receivable will not be collected. Unconditional promises to give due in subsequent years are reported at the present value of their net realizable value using a risk adjusted discount rate.

# CHORDOMA FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

### 1. OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Revenue and Receivables (Continued)

The Foundation's revenue primarily consists of contributions from individuals, corporations and foundations. As of December 31, 2023 and 2022, 60% and 71%, respectively, of the unconditional promises to give was due from one donor.

Donated goods are recorded at their estimated fair market value at the date of donation, which is based on researching the price for similar items or based on fair market value provided by the donor. Donations of marketable securities are recognized at fair value on the date received and monetized promptly upon receipt.

The Foundation recognizes the fair value of contributed services received if such services a) create or enhance nonfinancial assets or b) required specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not contributed.

Volunteers and members of the community perform various services for the Foundation and these services are significant and form an integral part of the efforts of the Foundation. The Foundation does not control the activities of the volunteers as it would paid employees and there is no clearly measurable basis for an amount of contributed services to be recorded. Therefore, the Foundation does not record the amount of volunteer services rendered as contributions and a corresponding amount as expense.

The Foundation received the following donated goods and services for the years ending:

	<u>2023</u>	<u>2022</u>
Donated Software	\$ 29,304	\$ 28,147
Donated Advertising	111,916	128,995
Professional Services	125,124	47,194
	<u>\$ 266,344</u>	<u>\$ 204,336</u>

#### Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied.

Expenses that are allocated include compensation, taxes and benefits, contracted services, events, information technology, office and occupancy, travel and meetings, advertising and promotion, and insurance, which are all allocated on the basis of estimates of time and effort.

# CHORDOMA FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

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### 1. OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

#### Advertising Expenses

The cost of advertising is expensed as incurred. The Foundation incurred \$24,488 and \$14,590 in advertising costs for the year ended December 31, 2023 and 2022, respectively.

#### Income Taxes

The Foundation is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and is classified as a publicly supported Foundation. During the years ended December 31, 2023 and 2022, the Foundation did not have income subject to taxation as unrelated business income.

The Foundation evaluates any uncertain tax positions. Accordingly, the Foundation's policy is to record a liability for any tax position taken that is beneficial to the Foundation, including any related interest and penalties, when it is more likely than not the position of management with respect to a transaction or class of transactions will be overturned by a taxing authority upon examination. Management does not believe any significant income tax uncertainties exist as of December 31, 2023 or 2022.

#### Comparative Totals

The financial statements include certain prior year summarized comparative information in total but not by net asset class. 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 Foundation's financial statements for the year ended December 31, 2022, from which the summarized information was derived.

#### Reclassifications

Certain items included in the 2022 financial statements have been reclassified to conform to the 2023 presentation. Change in net assets as previously reported for 2022 was not affected by these reclassifications.

### 2. LIQUIDITY AND AVAILABILITY

The Foundation is substantially supported by restricted contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Foundation must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. The Foundation considers all expenditures related to its ongoing activities of research and patient education as well as the conduct of services undertaken to support those activities to be general expenditures. As part of the Foundation's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

# CHORDOMA FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

### 2. LIQUIDITY AND AVAILABILITY (Continued)

In accordance with the Foundation's liquidity plan, the board of directors internally designates funds with a targeted goal of maintaining six months of operating expenses in reserves, which was \$1,016,729 as of December 31, 2023 and 2022. The Foundation can access reserve funds by obtaining approval from the board of directors.

The following reflects the Foundation's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date. Amounts not available include the board-designated contingency fund, which could be drawn upon if the governing board approves that action.

	<u>2023</u>	<u>2022</u>
Financial assets at year-end:		
Cash and cash equivalents	\$ 3,797,952	\$ 4,121,718
Investments	5,925,137	2,247,573
Unconditional promises to give	498,767	412,855
	<u>10,221,856</u>	<u>6,782,146</u>
Less amounts not available to be used within one year, due to:		
Donor-imposed restrictions	(4,936,267)	(2,785,838)
Time restrictions (pledges 2-5 years)	(93,291)	(23,507)
Board-designated fund	(1,016,729)	(1,016,729)
	<u>(6,046,287)</u>	<u>(3,826,074)</u>
Financial assets available to meet general expenditures within one year	<u>\$ 4,175,569</u>	<u>\$ 2,956,072</u>

### 3. INVESTMENTS AND FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

Financial assets valued using Level 1 inputs are based on unadjusted quoted market prices within active markets. Level 2 inputs are those inputs that are observable, either directly or indirectly, for the assets or liabilities other than quoted market prices included in Level 1. Level 3 inputs are unobservable and apply only when there is little or no market activity for the asset or liability.

The Foundation recognizes transfers of assets into and out of levels as of the date an event or change in circumstances causes the transfer. There were no transfers between levels in the years ended December 31, 2023 and 2022

# CHORDOMA FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

### 3. INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

Fair values for assets measured on a recurring basis at December 31, 2023 and 2022 are as follows:

		<u>Fair Value Measurements at Reporting Date Using</u>		
<u>December 31, 2023</u>	<u>Fair Value</u>	<u>Quoted Prices In Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Investments held at fair value:				
Equities	\$ 10,964	\$ 10,964	\$ -	\$ -
US Treasury Bills	5,914,173	5,914,173	-	-
	<u>\$ 5,925,137</u>	<u>\$ 5,925,137</u>	<u>\$ -</u>	<u>\$ -</u>
<u>December 31, 2022</u>	<u>Fair Value</u>	<u>Quoted Prices In Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Investments held at fair value:				
US Treasury Bills	\$ 2,247,573	\$ 2,247,573	\$ -	\$ -
	<u>\$ 2,247,573</u>	<u>\$ 2,247,573</u>	<u>\$ -</u>	<u>\$ -</u>

The following schedule summarizes the net investment earnings for the years ended December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Interest and dividends	\$ 218,994	\$ 13,748
Net realized and unrealized gains	102,403	1,658
Investment fees	(10,096)	-
Net investment earnings	<u>\$ 311,301</u>	<u>\$ 15,406</u>

### 4. UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give are summarized as follows:

	<u>2023</u>	<u>2022</u>
Unconditional promises to give in less than one year	<u>\$ 498,767</u>	<u>\$ 412,855</u>
Unconditional promises to give in greater than one year	\$ 619,500	\$ 755,000
Less discounts to net present value (rates ranging from 1% to 4.2%)	53,697	51,005
Total unconditional promises to give in greater than one year	<u>\$ 565,803</u>	<u>\$ 703,995</u>

Foreign currency transaction gains (losses) resulting from exchange rate fluctuations on transactions denominated in a currency other than the functional currency totaled approximately \$13,737 and \$50,692

# CHORDOMA FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

### 4. UNCONDITIONAL PROMISES TO GIVE (Continued)

in 2023 and 2022, respectively, and have been reported separately in the accompanying statement of activities.

### 5. GRANTS PAYABLE

All research grants are recognized when they are unconditionally promised to the recipient. Those expenses are recorded in the statement of functional expenses as program expenses. Grants to be paid in more than one year are discounted using interest rates ranging between 7.5% - 8.5% for 2023 and 2022.

Grants payable are summarized as follows:

	<u>2023</u>	<u>2022</u>
2023	-	664,806
2024	787,875	120,000
2025	280,000	-
2026	150,000	-
2027	187,656	-
Total grants payable	1,405,531	784,806
Less allowance on grants payable	-	-
Less discount on long-term grants	86,157	8,372
Less current portion	787,875	664,806
Net grants payable - long-term	<u>\$ 531,499</u>	<u>\$ 111,628</u>

Amortization of discounts on grants payable is reported in the statement of activities in the same program service functional expense classification in which the promise to give was initially reported.

### 6. BOARD OPERATING RESERVE

The Board of Directors has designated \$1,016,729 of the Foundation's net assets without donor restrictions as of December 31, 2023 and 2022, to be used in the event of a downturn in donations or an increase in expenses due to an unforeseen circumstance.

### 7. NET ASSETS WITH DONOR RESTRICTIONS

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

	<u>2023</u>	<u>2022</u>
Subject to the passage of time	\$ 113,430	\$ 408,110
Patient services	3,115	25,584
Research	4,933,152	2,760,254
Total	<u>\$ 5,049,697</u>	<u>\$ 3,193,948</u>

# CHORDOMA FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

### 7. NET ASSETS WITH DONOR RESTRICTIONS (Continued)

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the years ended December 31:

	<u>2023</u>	<u>2022</u>
Subject to the passage of time	\$ 374,679	\$ 97,500
Subject to expenditure for specified purpose:		
Research	2,578,922	1,181,894
Patient services	125,625	64,980
Total	<u>\$ 3,079,226</u>	<u>\$ 1,344,374</u>

### 8. OPERATING LEASES

The Foundation's non-cancelable lease agreement for office space in a building owned by an unrelated party expired on May 31, 2023. Rental expense under this lease for the years ended December 31, 2023 and 2022 is \$15,817 and \$35,769, respectively.

On April 15, 2021, the Foundation transitioned to a virtual office environment and subleased the space previously occupied by the Foundation. The sublease expired on May 30, 2023. Rental income under this sublease for the years ended December 31, 2023 and 2022, is \$11,567 and \$34,192, respectively.

On January 1, 2022, the Foundation entered into a month-to-month lease agreement for lab space. Rental expense paid for this rental agreement for the year ended December 31, 2023 and 2022 is \$83,690 and \$49,696, respectively.

### 9. RELATED PARTY TRANSACTIONS

The Foundation received an in-kind donation of legal services from a law firm in which one of the partners is also a member of the Board of Directors of the Foundation. The donation of services was estimated to be \$125,124 and \$47,194 for the years ended December 31, 2023 and 2022, respectively. The donation is included in in-kind contributions on the Foundation's statement of activities and a corresponding expense has been recorded as in-kind contributions on the statement of functional expenses.

The Foundation also receives significant contributions from Board members. Contributions received from Board members were \$62,200 and \$95,138 for the years ended December 31, 2023 and 2022, respectively. Included in accounts receivable is \$50,000 and \$110,000 from board members for the years ended December 31, 2023 and 2022, respectively.



# CHORDOMA FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

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### 10. RETIREMENT PLAN

The Foundation offers a simple IRA plan which allows all employees who receive at least \$5,000 in compensation during the calendar year to participate. The Foundation matches up to 3% of the employee's compensation. Employee contributions are subject to certain limitations. Employer contributions for the year ended December 31, 2023 and 2022 totaled \$30,023 and \$22,825, respectively.

### 11. SUBSEQUENT EVENTS

On January 1, 2024, the Foundation implemented a new 401K retirement plan that allows all employees over the age of 18 to participate. Under the new plan, the Foundation will match up to 4% of the employees' compensation. The simple IRA retirement plan (Note 10) previously offered was terminated as of December 31, 2023.

Management has evaluated subsequent events through August 2, 2024, the date which the financial statements are available for issue.