

**THE T.J. MARTELL FOUNDATION FOR
CANCER RESEARCH**

**Financial Statements
For the Year Ended
December 31, 2024**

THE T.J. MARTELL FOUNDATION FOR CANCER RESEARCH

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For the Year Ended December 31, 2024**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
the T.J. Martell Foundation
for Cancer Research

Opinion

We have audited the accompanying financial statements of the T.J. Martell Foundation for Cancer Research (a nonprofit 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 T.J. Martell Foundation for Cancer Research 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 T.J. Martell Foundation for Cancer Research 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 T.J. Martell Foundation for Cancer Research'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 the 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 the 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.



Borland Benefield, P.C.
Birmingham, Alabama
November 18, 2025

THE T.J. MARTELL FOUNDATION FOR CANCER RESEARCH

Statement of Financial Position
As of December 31, 2024

Assets

Cash and cash equivalents	\$ 2,957,773
Investments	2,663,723
Accounts receivable	85,000
Prepaid expenses	83,191
Property and equipment, net	<u>489</u>

Total Assets	<u>\$ 5,790,176</u>
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Liabilities

Accounts payable and accrued expenses	\$ 171,395
Deferred sponsorships	322,193
Grants payable, net	1,296,090
PPP loan	<u>46,274</u>
Total Liabilities	<u>1,835,952</u>

Net Assets

Without donor restrictions	<u>3,954,224</u>
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Total Liabilities and Net Assets	<u>\$ 5,790,176</u>
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See accompanying notes to financial statements.

THE T.J. MARTELL FOUNDATION FOR CANCER RESEARCH

**Statement of Activities
For the Year Ended December 31, 2024**

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total</u>
Revenue and Support			
Grants and contributions	\$ 651,912	\$ -	\$ 651,912
Special events, net of direct expenses	2,705,413	-	2,705,413
Investment income, net	171,275	-	171,275
Other income	30,696	-	30,696
Net assets released from restrictions	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenue and Support	<u>3,559,296</u>	<u>-</u>	<u>3,559,296</u>
Expenses			
Program service	1,680,542	-	1,680,542
Supporting services			
Management and general	51,125	-	51,125
Fundraising	<u>306,751</u>	<u>-</u>	<u>306,751</u>
Total Expenses	<u>2,038,418</u>	<u>-</u>	<u>2,038,418</u>
Change in Net Assets	1,520,878	-	1,520,878
Net Assets, Beginning of Year	<u>2,433,346</u>	<u>-</u>	<u>2,433,346</u>
Net Assets, End of Year	<u>\$ 3,954,224</u>	<u>\$ -</u>	<u>\$ 3,954,224</u>

See accompanying notes to financial statements.

THE T.J. MARTELL FOUNDATION FOR CANCER RESEARCH

**Statement of Functional Expenses
For the Year Ended December 31, 2024**

	Program Service Expenses	Supporting Services		Total Supporting Services	Total Expenses
		Management and General	Fundraising		
Personnel Costs					
Salaries	\$ 247,787	\$ 19,061	\$ 114,363	\$ 133,424	\$ 381,211
Payroll taxes and benefits	58,097	4,469	26,814	31,283	89,380
Total Personnel Costs	<u>305,884</u>	<u>23,530</u>	<u>141,177</u>	<u>164,707</u>	<u>470,591</u>
Grants	1,015,918	-	-	-	1,015,918
Professional fees	87,188	6,707	40,241	46,948	134,136
Human resources	121,714	9,362	56,176	65,538	187,252
Public relations	34,125	2,625	15,750	18,375	52,500
Bank and credit card processing fees	61,686	4,745	28,471	33,216	94,902
Dues and subscriptions	19,833	1,526	9,153	10,679	30,512
Insurance	13,296	1,023	6,136	7,159	20,455
Office rent, utilities, and supplies	7,980	614	3,683	4,297	12,277
Meetings and travel	7,985	614	3,686	4,300	12,285
Miscellaneous	4,928	379	2,275	2,654	7,582
Depreciation and amortization	<u>5</u>	<u>-</u>	<u>3</u>	<u>3</u>	<u>8</u>
Total Expenses	<u>\$ 1,680,542</u>	<u>\$ 51,125</u>	<u>\$ 306,751</u>	<u>\$ 357,876</u>	<u>\$ 2,038,418</u>

See accompanying notes to financial statements.

THE T.J. MARTELL FOUNDATION FOR CANCER RESEARCH

**Statement of Cash Flows
For the Year Ended December 31, 2024**

Reconciliation of Change in Net Assets to Net Cash Flows From

Operating Activities

Change in net assets	\$ 1,520,878
Adjustments to reconcile net assets to net cash flows from operating activities:	
Depreciation and amortization	8
Unrealized investment (gain)	(22,399)
Changes in operating assets and liabilities:	
(Increase) Decrease in:	
Accounts receivable	(31,800)
Prepaid expenses	(42,990)
Increase (Decrease) in:	
Grants payable	736,816
Accounts payable and accrued expenses	90,551
Deferred revenue	<u>(71,236)</u>

Net Cash Flows Provided By Operating Activities	<u>2,179,828</u>
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Cash Flows From Investing Activities

Purchase of property and equipment	(497)
Purchase of investments	<u>(1,760,537)</u>

Net Cash Flows Used By Investing Activities	<u>(1,761,034)</u>
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Cash Flows from Financing Activities

PPP principal payments	<u>(37,019)</u>
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Net Increase in Cash and Cash Equivalents	381,775
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Cash and Cash Equivalent, Beginning of Year	<u>2,575,998</u>
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Cash and Cash Equivalent, End of Year	<u><u>\$ 2,957,773</u></u>
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See accompanying notes to financial statements.

THE T.J. MARTELL FOUNDATION FOR CANCER RESEARCH

Notes to Financial Statements For the Year Ended December 31, 2024

Note 1 – Nature of the Foundation

The T.J. Martell Foundation for Cancer Research (the Foundation), founded in 1975, is a New York nonprofit organization. The Foundation is dedicated to raising funds for the innovative initial and ongoing research of the treatments and cures for cancer. The Foundation's board of directors authorizes grants to various institutions for the purpose of cancer research. All fundraising, management and general expenses are in support of the Foundation's sole mission to provide grants.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation – The financial statements of the Foundation have been prepared in accordance with U.S. generally accepted accounting principles (U.S. GAAP), which require the Foundation to report information regarding its financial position and activities according to the following net asset classifications:

Net Assets without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Foundation. These net assets may be used at the discretion of the Foundation's management and the board of directors.

Net Assets with Donor Restrictions – Net assets subject to stipulations imposed by donors and granters. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated that the funds be maintained in perpetuity.

Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Measure of Operations – The statement of activities reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to the Foundation's ongoing services and interest and dividends earned on investments. Non-operating activities are limited to realized and unrealized gains (losses) on investments, and other activities considered to be of a more unusual or nonrecurring nature.

Estimates – The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents – For purposes of the statement of cash flows, the Foundation considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Investments – Investments in marketable securities with readily determinable fair values, and all investments in debt securities are valued at their fair values based on quoted market prices on the statement of financial position. Unrealized gains and losses are included in the changes in net assets without donor restrictions for the gains and losses that are not donor restricted, and in the changes in net assets with donor restrictions for the gains and losses that are restricted for the support of certain of the Foundation's programs. Investment fees are netted against the investment income.

See accompanying independent auditor's report.

THE T.J. MARTELL FOUNDATION FOR CANCER RESEARCH

Notes to Financial Statements (continued) For the Year Ended December 31, 2024

Note 2 – Summary of Significant Accounting Policies (continued)

Accounts Receivable and Credit Losses – Accounts receivable consist of amounts unpaid from special events. All accounts receivable are expected to be collected in one year. The Foundation adheres to the guidance of FASB ASC 326 in its measurement of credit losses for financial assets. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the Foundation that are subject to the guidance in FASB ASC 326 were trade accounts receivable. The Organization has not established an allowance for credit losses at December 31, 2024.

Contributions Receivable – Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Discount amortization is included in contribution revenue. Conditional promises to give are not included as support until the conditions are met.

Property and Equipment – Property and equipment are stated at cost, or for donated items, at the fair market value of the asset on the date of the gift. Depreciation is provided principally on the straight-line method at rates based on the following estimated useful lives.

Furniture and fixtures	7-10 years
Computer equipment	5 years
Website costs	5 years
Leasehold improvements	15 years

The cost of assets sold or otherwise disposed of and the accumulated depreciation thereon are eliminated from the accounts and the resulting gain or loss is reflected in income, except for assets traded where no cash is received. Expenditures for maintenance and repairs are charged to expenses as incurred; replacements and betterments in excess of \$500 that extend the useful lives are capitalized.

Grants Payable – Grants are recognized at the date of a formal, unconditional promise to give commitment. Grants that are expected to be paid in future years are recorded at the present value of expected future payments. The grants payable balance at December 31, 2024 of \$1,100,000 is expected to be paid in full during 2025 and requires no discount. Grants payable of \$200,000 are discounted at 4.25% and are expected to be paid in one to three years. See Note 6.

Contributions – Contributions, including unconditional pledges, are recorded when received as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. When a restriction expires (that is, when 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 statement of activities as net assets released from restrictions.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions. Otherwise, the contributions are recorded as net assets without donor restrictions.

See accompanying independent auditor's report.

THE T.J. MARTELL FOUNDATION FOR CANCER RESEARCH

Notes to Financial Statements (continued) For the Year Ended December 31, 2024

Note 2 – Summary of Significant Accounting Policies (continued)

Donated Services – The Foundation receives donated services from specialized providers and others that create or enhance non-financial assets and allow the Foundation to fulfill its mission. The donated services are recorded in the financial statements at their estimated fair market value.

Functional Allocation of Expenses – The costs of providing various programs and support services have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, natural expenses attributable to more than one functional expense category are allocated using a variety of cost allocation techniques, such as time and effort and square footage.

Income Taxes – The Foundation is a tax-exempt entity as defined by Section 501(c)(3) of the Internal Revenue Code, though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. The Foundation has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. The Foundation has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

Deferred sponsorships – During 2024, the Organization received several sponsorship registration payments for fundraising events to be held in early 2025. This income will be recognized upon completion of the event. Deferred sponsorships totaled \$322,193 as of December 31, 2024.

Revenue from Contracts with Customers – The Foundation recognizes revenue from special events in accordance with FASB ASC Topic 606, *Revenue from Contracts with Customers*. The guidance requires recognition of revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration that it expects to be entitled to receive in exchange for those goods or services recognized as performance obligations are satisfied. The majority of the Foundation's revenue-generating transactions are excluded from the scope of ASC 606, including revenue generated from financial instruments, such as securities, and from donor contributions. The Foundation did not have an aggregate effect of modification resulting from the application of ASC 606, and no financial statement line items were affected by this new accounting standard. Revenue-generating transactions that are within the scope of ASC 606 are described as follows:

Special Events Revenue – revenue from special events is recognized when the event occurs.

Special event income consisted of the following at December 31, 2024:

	<u>Income</u>	<u>Expenses</u>	<u>Net</u>
New York	\$ 2,097,283	\$ 504,369	\$ 1,592,914
Los Angeles	1,067,583	312,885	754,698
Nashville	483,607	125,806	357,801
	<u>\$ 3,648,473</u>	<u>\$ 943,060</u>	<u>\$ 2,705,413</u>

See accompanying independent auditor's report.

THE T.J. MARTELL FOUNDATION FOR CANCER RESEARCH

Notes to Financial Statements (continued) For the Year Ended December 31, 2024

Note 3 – Concentration of Credit Risk

Financial instruments that potentially subject the Foundation to concentrations of credit risk consist principally of cash and cash equivalents and investments. The Foundation maintains its cash in demand deposit accounts, the balances of which, at times, may exceed federally insured limits. Exposure to credit risk is reduced by placing such deposits in high-quality financial institutions in the near term.

Note 4 – Availability and Liquidity of Financial Resources

The following represents the Foundation's financial assets at December 31, 2024:

Financial assets at year-end	
Cash	\$ 2,957,773
Investments	2,663,723
Accounts receivable	<u>85,000</u>
Financial assets available to meet general expenditures within one year	<u>\$ 5,706,496</u>

Note 5 – Investments

To increase consistency and comparability in reporting fair value measurements, ASC 820-10-35-37 establishes the fair value hierarchy to prioritize the inputs used in valuation techniques. There are three levels to the fair value hierarchy:

Level 1: observable inputs that reflect quoted prices for identical assets or liabilities in active markets

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: unobservable inputs (e.g., a reporting entity's or other entity's own data)

The Foundation's investment balance totaled \$2,663,723 at December 31, 2024 and consists of:

	Level 1	Level 2	Level 3	Total
Money market	\$ 757,586	\$ -	\$ -	\$ 757,586
Fixed income	<u>1,906,137</u>	<u>-</u>	<u>-</u>	<u>1,906,137</u>
	<u>\$ 2,663,723</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,663,723</u>

The following schedule summarizes the investment return for the year ended December 31, 2024. All investment earnings are available for the unrestricted use of the Foundation.

Interest income from cash accounts	\$ 77,560
Dividends and interest income on investments	71,316
Unrealized holding gain	<u>22,399</u>
Total investment income	<u>\$ 171,275</u>

See accompanying independent auditor's report.

THE T.J. MARTELL FOUNDATION FOR CANCER RESEARCH

Notes to Financial Statements (continued) For the Year Ended December 31, 2024

Note 6 – Program Grants

The following grants were authorized and payable by the Foundation in support of cancer research as of and for the year ended December 31, 2024:

Grantee:		
Emory Winship Cancer Institute	\$	300,000
Less: Discount		<u>(3,910)</u>
Emory Winship Cancer Institute, net	\$	296,090
Memorial Sloan Kettering Cancer Center		125,000
Helen Diller Family Comprehensive Cancer Center, UCSF		125,000
Vanderbilt University, School of Medicine		125,000
Herbert Irving Comprehensive Cancer Center, Columbia University		125,000
MD Anderson Cancer Center - University of Texas		125,000
City of Hope		125,000
Children's Hospital Los Angeles		125,000
Icahn School of Medicine at Mount Sinai		<u>125,000</u>
Program grants payable, net	\$	<u>1,296,090</u>

The following summarizes grant activity for the years ended December 31, 2024:

Grants payable, beginning of year	\$	578,500
Grants awarded		
Memorial Sloan Kettering Cancer Center		125,000
Helen Diller Family Comprehensive Cancer Center, UCSF		125,000
Vanderbilt University, School of Medicine		125,000
Herbert Irving Comprehensive Cancer Center, Columbia University		125,000
MD Anderson Cancer Center - University of Texas		125,000
City of Hope		125,000
Children's Hospital Los Angeles		125,000
Icahn School of Medicine at Mount Sinai		125,000
Payments made		<u>(278,500)</u>
Total Grants Payable, December 31, 2024		1,300,000
Less: Discount amortization		<u>(3,910)</u>
Grants Payable, net	\$	<u>1,296,090</u>

Future minimum payments are as follows for years ending December 31:

2025	\$	1,100,000
2026		100,000
2027		<u>100,000</u>
	\$	<u>1,300,000</u>

See accompanying independent auditor's report.

THE T.J. MARTELL FOUNDATION FOR CANCER RESEARCH

Notes to Financial Statements (continued) For the Year Ended December 31, 2024

Note 7 – Paycheck Protection Program Loan

On March 15, 2021 the Foundation applied for and received PPP loan funds in the amount of \$236,652 under the second iteration of the Paycheck Protection Program. The PPP, established as part of the Coronavirus Act, Relief and Economic Security Act (“CARES Act”), provides for loans to qualifying entities for amounts up to 2.5 times their average monthly payroll expenses. The loans and accrued interest are forgivable as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent, and utilities, and maintains its payroll levels.

The Foundation’s second PPP loan was partially forgiven in June 2022, and repayment began in July 2022. The loan’s interest rate is set at 1% per annum, and monthly payments of interest and principal are \$3,085. The loan matures on March 15, 2026, by which date the loan must be repaid in full.

The remaining loan principal balance of \$46,274 is shown as a note payable on the Statement of Financial Position as of December 31, 2024.

Note 8 – Subsequent Events

Subsequent events have been evaluated through November 18, 2025, which is the date the financial statements were available to be issued.