

HISTIOCYTOSIS ASSOCIATION, INC.

FINANCIAL STATEMENTS

FOR THE YEARS ENDED
December 31, 2024 AND 2023

HISTIOCYTOSIS ASSOCIATION, INC.

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December 31, 2024 and 2023

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
of Histiocytosis Association, Inc.

Opinion

We have audited the accompanying financial statements of Histiocytosis Association, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities, changes in net assets, 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 Histiocytosis Association, Inc. as of December 31, 2024, and 2023, 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 Histiocytosis Association, Inc. 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 Histiocytosis Association, Inc.'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 Histiocytosis Association, Inc.'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 Histiocytosis Association, Inc.'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.



Bowman & Company LLP
Certified Public Accountants

Voorhees, New Jersey
August 18, 2025

HISTIOCYTOSIS ASSOCIATION, INC.
Statements of Financial Position
As of December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 644,886	\$ 1,184,882
Contributions receivable	31,100	24,882
Prepaid expenses	46,488	10,670
Investments	<u>1,336,876</u>	<u>927,571</u>
Total current assets	2,059,350	2,148,005
Property and equipment, net	<u>281,837</u>	<u>290,342</u>
	<u>\$ 2,341,187</u>	<u>\$ 2,438,347</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued expenses	\$ 315,230	\$ 278,625
Deferred revenue	<u>-</u>	<u>50,000</u>
Total current liabilities	<u>315,230</u>	<u>328,625</u>
Net assets		
Without donor restrictions		
Undesignated	1,714,215	1,380,783
Designated by the board	<u>94,016</u>	<u>546,060</u>
	1,808,231	1,926,843
With donor restrictions	<u>217,726</u>	<u>182,879</u>
Total net assets	<u>2,025,957</u>	<u>2,109,722</u>
	<u>\$ 2,341,187</u>	<u>\$ 2,438,347</u>

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

HISTIOCYTOSIS ASSOCIATION, INC.
Statements of Activities
For the Years Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Revenue and other support		
Contributions and fundraising	\$ 1,007,707	\$ 1,047,993
In-kind contributions	13,965	-
Investment income	136,653	29,544
Employee retention credit	-	98,000
Miscellaneous revenue	334	429
Program service revenue	20,000	50,580
Net assets released from restriction	<u>22,655</u>	<u>22,818</u>
Total revenue and other support	<u>1,201,314</u>	<u>1,249,364</u>
Expenses		
Program services expenses		
Research and scientific initiatives	618,724	568,049
Outreach and education initiatives	<u>500,883</u>	<u>463,803</u>
Total program services expenses	<u>1,119,607</u>	<u>1,031,852</u>
Supporting services expenses		
Management and general	59,179	52,741
Fundraising	<u>103,240</u>	<u>89,913</u>
Total supporting services expenses	<u>162,419</u>	<u>142,654</u>
Total expenses	<u>1,282,026</u>	<u>1,174,506</u>
Excess (shortage) of revenue and other support over expenses	(80,712)	74,858
Unrealized gain (loss) on investments	<u>(37,900)</u>	<u>73,180</u>
Change in net assets without donor restrictions	(118,612)	148,038
Net assets without donor restrictions, beginning of year	<u>1,926,843</u>	<u>1,778,805</u>
Net assets without donor restrictions, ending of year	<u>\$ 1,808,231</u>	<u>\$ 1,926,843</u>

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

HISTIOCYTOSIS ASSOCIATION, INC.
Statements of Changes in Net Assets
For the Years Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Net assets without donor restrictions		
Excess (shortage) of revenue and other support over expenses	\$ (80,712)	\$ 74,858
Unrealized gain (loss) on investments	<u>(37,900)</u>	<u>73,180</u>
Change in net assets without donor restrictions	<u>(118,612)</u>	<u>148,038</u>
Net assets with donor restrictions		
Contributions	57,502	-
Net assets released from restrictions	<u>(22,655)</u>	<u>(22,818)</u>
Change in net assets with donor restrictions	<u>34,847</u>	<u>(22,818)</u>
Change in net assets	<u>(83,765)</u>	<u>125,220</u>
Net assets, beginning	<u>2,109,722</u>	<u>1,984,502</u>
Net assets, ending	<u>\$ 2,025,957</u>	<u>\$ 2,109,722</u>

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

HISTIOCYTOSIS ASSOCIATION, INC.
Statement of Functional Expenses
For the Year Ended December 31, 2024

	<u>Program Services</u>		<u>Supporting Services</u>		<u>Total</u>
	<u>Research and Scientific Initiatives</u>	<u>Outreach and Education Initiatives</u>	<u>Management and General</u>	<u>Fundraising</u>	
Advertising	\$ 1,074	\$ 2,148	\$ -	\$ 1,074	\$ 4,296
Board Activities	2,095	2,095	4,190	-	8,380
Database/Internet Maint. & Serv.	3,504	52,567	-	14,018	70,089
Depreciation	3,572	4,253	255	425	8,505
Donor/Relationship Cultivation	808	1,270	-	231	2,309
Dues and Subscriptions	1,636	7,090	545	1,636	10,907
Education/Outreach	-	9,268	-	-	9,268
Estore Shipping	80	209	-	32	321
Estore Supplies	87	226	-	35	348
Event Support - NY Dinner	20,749	41,498	4,150	16,599	82,996
Event Support - Special Events	5,860	23,439	2,930	26,369	58,598
Event Support - YEG	174	694	87	781	1,736
Financial Services Fees - Other	4,812	5,012	6,816	3,408	20,048
Furniture and Equipment	352	2,200	29	352	2,933
Honorarium Awards	16,500	-	-	-	16,500
In-kind Special Event	3,491	3,491	698	6,284	13,964
Insurance - Health and Life	41,714	44,376	2,663	-	88,753
Insurance - Liab, Prop, Auto, D&O	5,156	6,997	2,210	4,051	18,414
Licenses and Fees	-	3,181	-	3,182	6,363
Maintenance and Repairs	2,268	3,491	58	-	5,817
Payroll Taxes	16,645	16,645	2,219	1,480	36,989
Payroll Expense	4,525	4,525	603	402	10,055
Pension Expense	4,850	8,559	428	428	14,265
Postage/Shipping	87	137	-	25	249
Prof. Development/Contin. Ed.	498	593	36	59	1,186
Professional Services	12,271	15,339	3,068	-	30,678
Program service expense	1,328	3,983	-	-	5,311
Regional Meetings	877	7,017	-	877	8,771
Research Grants	251,000	-	-	-	251,000
Salaries and Wages	204,745	204,745	27,299	18,200	454,989
Scholarship	-	10,388	-	-	10,388
Jr. Investigator Scholarship	2,000	-	-	-	2,000
Supplies	79	492	7	79	657
Telephone	-	-	-	19	19
Travel	2,395	9,581	798	3,194	15,968
Utilities	3,492	5,374	90	-	8,956
	<u>\$ 618,724</u>	<u>\$ 500,883</u>	<u>\$ 59,179</u>	<u>\$ 103,240</u>	<u>\$ 1,282,026</u>

The accompanying notes are an integral part of this financial statement.

HISTIOCYTOSIS ASSOCIATION, INC.
Statement of Functional Expenses
For the Year Ended December 31, 2023

	Program Services		Supporting Services		Total
	Research and Scientific Initiatives	Outreach and Education Initiatives	Management and General	Fundraising	
Advertising	\$ 2,297	\$ 4,595	\$ -	\$ 2,297	\$ 9,189
Board activities	386	386	772	-	1,544
Database/internet maint. & serv.	2,804	42,059	-	11,216	56,079
Depreciation	3,572	4,253	255	425	8,505
Donor/relationship cultivation	898	1,411	-	257	2,566
Dues and subscriptions	2,014	8,725	671	2,014	13,424
Education/outreach	-	5,842	-	-	5,842
Estore shipping	127	331	-	51	509
Estore supplies	81	210	-	32	323
Event support - NY Dinner fees	19,173	38,346	3,835	15,339	76,693
Event support - special events	5,252	21,007	2,626	23,633	52,518
Event support - YEG	303	1,214	152	1,366	3,035
Financial services fees - other	4,710	4,906	6,673	3,336	19,625
Honorarium awards	2,546	-	-	-	2,546
Insurance - health and life	40,092	42,652	2,559	-	85,303
Insurance - liab, prop, auto, d&o	4,753	6,450	2,037	3,734	16,974
Licenses and fees	-	1,865	-	1,866	3,731
Maintenance and repairs	3,544	5,454	91	-	9,089
Payroll taxes	17,016	17,017	2,269	1,513	37,815
Payroll expense	4,140	4,141	552	368	9,201
Pension expense	4,408	7,778	389	389	12,964
Postage/shipping	134	211	-	38	383
Prof. development/contin. ed.	771	917	55	92	1,835
Professional services	5,539	6,924	1,385	-	13,848
Program service expense	1,504	4,511	-	-	6,015
Regional meetings	283	2,266	-	283	2,832
Rent - equipment	88	135	2	-	225
Research grants	226,000	-	-	-	226,000
Salaries and wages	206,803	206,803	27,575	18,383	459,564
Scholarship	-	8,600	-	-	8,600
Jr. investigator scholarship	3,500	-	-	-	3,500
Supplies	227	1,416	19	227	1,889
Telephone	-	-	-	44	44
Travel	2,257	9,029	752	3,010	15,048
Utilities	2,827	4,349	72	-	7,248
	<u>\$ 568,049</u>	<u>\$ 463,803</u>	<u>\$ 52,741</u>	<u>\$ 89,913</u>	<u>\$ 1,174,506</u>

The accompanying notes are an integral part of this financial statement.

HISTIOCYTOSIS ASSOCIATION, INC.
Statements of Cash Flows
For the Years Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities		
Change in net assets	\$ (83,765)	\$ 125,220
Adjustments to reconcile change in net assets to net cash used in operating activities		
Depreciation	8,505	8,505
Net realized and unrealized (gain) loss on investments	37,900	(75,218)
(Increase) decrease in		
Contributions receivable	(6,218)	(6,725)
Prepaid expenses	(35,818)	2,859
Increase (decrease) in		
Accounts payable and accrued expenses	36,605	137,100
Deferred revenue	(50,000)	49,850
	<u>(92,791)</u>	<u>241,591</u>
Cash flows from investing activities		
Investment fees	(5,113)	(4,488)
Proceeds from investments	985,644	1,979,677
Purchase of investments	(1,427,736)	(1,458,843)
	<u>(447,205)</u>	<u>516,346</u>
Net cash provided by (used in) investing activities		
	<u>(447,205)</u>	<u>516,346</u>
Net change in cash and cash equivalents	(539,996)	757,937
Cash and cash equivalents - beginning of year	<u>1,184,882</u>	<u>426,945</u>
Cash and cash equivalents - end of year	<u>\$ 644,886</u>	<u>\$ 1,184,882</u>

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

HISTIOCYTOSIS ASSOCIATION, INC.

Notes to Financial Statements

Note 1: ASSOCIATION AND ACTIVITY

Histiocytosis Association, Inc. (the "Association") is a global nonprofit association dedicated to addressing the unique needs of patients and families dealing with the effects of histiocytic disorders while leading the search for a cure.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of financial statement presentation – The financial statements have been prepared on the accrual basis of accounting and in conformity with the standards promulgated by the American Institute of Certified Public Accountants in its audit guide for nonprofit organizations. Financial statement presentation also follows the recommendations of relevant accounting standards which require the Association to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

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

Operating activities – Operating activities reflect all transactions increasing or decreasing net assets except those items associated with long-term investments such as contributions for endowment and facilities and equipment, investment returns in excess of amounts designated for current operations, and unrealized gains and losses on investments.

Cash and cash equivalents – The Association considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Contributions receivable – Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. As of December 31, 2024 and 2023, the Association's contributions receivable consisted of unconditional promises to give in the amount of \$33,895, respectively, all of which are expected to be collected within one year. As of December 31, 2024, contributions receivable consisted of unconditional promises to give in the amount of \$33,895.

Investments – The Association carries investments in marketable securities at their fair values. Purchases and sales of securities are reflected on a trade-date basis. Gains and losses on sales of securities are based on average cost and are recorded in the statements of activities in the period in which the securities are sold. Interest is recorded when earned. Dividends are accrued as of the ex-dividend date.

Property and equipment – Property and equipment is carried at cost, other than contributions of property and equipment which is recognized at fair market value at the date of the contribution. When retired or otherwise disposed of, the related carrying value and accumulated depreciation are removed from the respective accounts and the net difference, less any amount realized from dispositions, is charged or credited to income.

Major additions and betterments in excess of \$2,000 are charged to the property and equipment accounts while replacements, maintenance, and repairs, which do not improve or extend the life of the respective assets, are expensed currently. Depreciation is computed on the straight-line method over the estimated useful lives of the assets.

HISTIOCYTOSIS ASSOCIATION, INC.
Notes to Financial Statements (continued)

Note 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Net assets – Net assets, revenues, gains, and losses are classified based on the existence of absence of donor or grantor-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, or designated by the board for specific purposes, and not subject to donor (or certain grantor) restrictions.

Net assets with donor restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. 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.

Functional expense allocation – The costs of providing program and other activities have been summarized on a functional basis in the statements of functional expenses. Accordingly, certain costs have been allocated among program services and support services. Such allocations are determined by management on an equitable basis, based on estimates of time and effort.

Advertising – Advertising costs are charged to expense when incurred. Advertising expense amounted to \$4,296 and \$9,189 as of December 31, 2024 and 2023, respectively.

Income taxes – The Association claims exemption from federal and state income taxes under section 501(c)(3) of the Internal Revenue Code, and accordingly, do not record a provision for income taxes on related income.

The Association regularly reviews and evaluates its tax positions taken in previously filed information returns and as reflected in its financial statements, with regard to issues affecting its tax-exempt status, unrelated business income, and related matters. The Association believes that in the event of an examination by taxing authorities, the Association's position would prevail based upon the technical merits of such positions. Therefore, the Association has concluded that no tax benefits or liabilities are required to be recognized in accordance with the new requirements.

HISTIOCYTOSIS ASSOCIATION, INC.
Notes to Financial Statements (continued)

Note 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Revenue recognition

- Contributions – Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements 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.

- In-kind contributions – In-kind contributions are recorded at their estimated fair value determined on the date of contribution and are reported as in-kind contributions and in-kind fundraising expense on the accompanying statements of activities and statements of functional expenses. The Association benefited from a variety of donated door prizes used during fundraising events. In-kind contributions were valued at \$13,964 and \$0 during the years ended December 31, 2024 and 2023, respectively.

The Association recognizes the fair value of contributed services received if such services a.) create or enhance nonfinancial assets or b.) require specialized skills that are provided by individuals possessing those skills that would typically need to be purchased if not contributed. The Association receives donated services from a variety of unpaid volunteers assisting the Association in programs and fundraising events. No amounts have been reflected in the financial statements since the recognition criteria were not met.

Note 3: **RESEARCH GRANTS**

Applications for research grants are evaluated and scored by the Scientific Committee of the Histiocyte Society based upon predetermined criteria. Applications are then ranked by score and submitted to the Chairperson and to the scientific members of the Histiocytosis Association, Inc. Board of Trustees. Applications are reviewed and prioritized by the scientific members and submitted to the full Board of the Association for final approval. Successful applicants are required to substantiate qualified nonprofit status. Follow-up reports are required at 6 month and one year and are submitted to the scientific committee of the Society and to the full Board of Trustees of the Association for review and evaluation.

HISTIOCYTOSIS ASSOCIATION, INC.
Notes to Financial Statements (continued)

Note 4: LIQUIDITY AND AVAILABILITY

The Association strives to maintain financial assets to meet 90 days of operating expenses. As part of its liquidity plan, excess cash is invested in mutual funds. The Association financial assets available within one year to meet cash needs for general expenditures are as follows:

	<u>2024</u>	<u>2023</u>
Financial assets:		
Cash and cash equivalents	\$ 644,886	\$ 1,184,882
Contributions receivable	31,100	24,882
Investments	<u>1,336,876</u>	<u>927,571</u>
Total financial assets	2,012,862	2,137,335
Less amounts not available to be used within one year:		
Designated by the board – purpose restricted	94,016	546,060
Net assets with donor restrictions – purpose restricted	<u>217,726</u>	<u>182,879</u>
Financial assets available within one year to meet cash needs for general expenditures within one year	<u>\$ 1,701,120</u>	<u>\$ 1,408,396</u>

Note 5: PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	December 31	
	<u>2024</u>	<u>2023</u>
Building and land	\$ 463,405	\$ 463,405
Furniture, fixtures and equipment	<u>96,116</u>	<u>96,116</u>
	559,521	559,521
Less: accumulated depreciation and amortization	<u>277,684</u>	<u>269,179</u>
Net property and equipment	<u>\$ 281,837</u>	<u>\$ 290,342</u>

HISTIOCYTOSIS ASSOCIATION, INC.
Notes to Financial Statements (continued)

Note 6: **INVESTMENTS**

Investments consist of various equity mutual funds, U.S. equities, fixed income mutual funds, certificates of deposit, and money market funds in the amount of \$1,336,876 and \$927,571 as of December 31, 2024 and 2023, respectively.

Investments at fair value consist of the following as of December 31:

	<u>2024</u>	<u>2023</u>	
Equity U.S mutual funds	\$ 275,775	\$ 250,570	
US equities	-	2,888	
Certificate of Deposit	155,357	-	
Fixed income mutual funds	656,515	672,434	
Money market funds	<u>249,229</u>	<u>1,679</u>	
	<u>\$ 1,336,876</u>	<u>\$ 927,571</u>	

Investment return is summarized as follows:

	December 31	
	<u>2024</u>	<u>2023</u>
Interest and dividends	\$ 141,766	\$ 31,994
Realized gains	-	2,038
Unrealized gain/(loss)	(37,900)	73,180
Investment fees	<u>(5,113)</u>	<u>(4,488)</u>
	<u>\$ 98,753</u>	<u>\$ 102,724</u>

HISTIOCYTOSIS ASSOCIATION, INC.
Notes to Financial Statements (continued)

Note 7: FAIR VALUE MEASUREMENT

Fair value is the exchange price that would be received to sell an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. A three-level disclosure hierarchy has been established to indicate the level of judgment used to estimate fair value measurements:

Level 1 – Uses unadjusted quoted prices that are available in active markets for identical assets or liabilities as of the reporting date.

Level 2 – Uses inputs other than Level 1 that are either directly or indirectly observable as of the reporting date through correlation with market data, including quoted prices for similar assets and liabilities in active markets and quoted prices in markets that are not active. Level 2 also includes assets and liabilities valued using models or other pricing methodologies that do not require significant judgment because the input assumptions used in the models, such as interest rates and volatility factors, are corroborated by readily observable data.

Level 3 – Uses inputs that are unobservable, supported by little or no market activity and reflect significant management judgment. These values are generally determined using pricing models that utilize management’s estimates of market participant assumptions.

In general, and where applicable, the Association uses quoted prices in active markets for identical assets or liabilities to determine fair value. This pricing methodology applies to our Level 1 investments such as domestic and international equities, U.S. treasuries, exchange-traded mutual funds, and agency securities. If quoted prices in active markets for identical assets or liabilities are not available to determine fair value, then we use quoted prices for similar assets and liabilities or inputs other than the quoted prices that are observable either directly or indirectly. These investments are included in Level 2 and consist primarily of corporate notes and bonds, foreign government bonds, mortgage-backed securities, commercial paper, and certain agency securities.

The tables below set forth, by level, our financial assets and liabilities that were accounted for at fair value as of December 31, 2024 and 2023. The table does not include either cash on hand or assets that are measured at historical cost or any basis other than fair value.

Fair Value Measurements as of December 31, 2024

	Total	Quoted prices in active markets for identical assets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Equity U.S Mutual Funds	\$ 275,775	\$ 191,606	\$ 84,169	\$ -
Fixed income mutual funds	656,515	656,515	-	-
Certificate of Deposit	155,357	155,357	-	-
	<u>\$ 1,087,647</u>	<u>\$ 1,003,478</u>	<u>\$ 84,169</u>	<u>\$ -</u>

HISTIOCYTOSIS ASSOCIATION, INC.
Notes to Financial Statements (continued)

Note 7: **FAIR VALUE MEASUREMENT (continued)**

Fair Value Measurements as of December 31, 2023

	Total	Quoted prices in active markets for identical assets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Equity U.S Mutual Funds	\$ 250,571	\$ 173,686	\$ 76,885	\$ -
U.S. Equities	2,888	2,888	-	-
Fixed income mutual funds	672,434	672,434	-	-
	<u>\$ 925,893</u>	<u>\$ 849,008</u>	<u>\$ 76,885</u>	<u>\$ -</u>

Investments include \$249,229 and \$1,679 in money market funds at December 31, 2024 and 2023, respectively.

Note 10: **NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are for the following purposes and/or periods:

	December 31	
	2024	2023
Permanent restrictions on use	\$ 151,500	\$ 151,500
Various donor restrictions for specific purposes	66,226	31,379
	<u>\$ 217,726</u>	<u>\$ 182,879</u>

Net assets were released from donor restrictions by incurring expenses and satisfying the restricted purposes.

Note 11: **BOARD DESIGNATED FUNDS**

The Board of Trustees designated an amount of funds to be used for operating expenses at their discretion. These assets are classified in the statement of financial position as a portion of the cash balance. They amounted to \$94,016 and \$546,060 at December 31, 2024 and 2023, respectively.

Note 12: **PENSION PLAN**

The Association has a salary reduction agreement plan referred to as a 401(k) plan, administered by Paychex, covering full-time employees with at least one full year of tenure with the Association. Under the plan, the Association contributes up to 3% of each eligible employee's salary. Employees are fully vested in both their own elective contributions and the employer's contributions at all times. The employer contributions were \$14,265 and \$12,964 for the years ended December 31, 2024 and 2023, respectively.

HISTIOCYTOSIS ASSOCIATION, INC.
Notes to Financial Statements (continued)

Note 13: CONCENTRATION OF CREDIT RISK

The Association maintains its cash in bank accounts, which, at times may exceed federally insured limits. The Association has not experienced any loss in such accounts. The Association had uninsured cash balances of \$0 and \$298,525 for the years ended December 31, 2024 and 2023, respectively.

The Association applied for Employee Retention Credits (“ERC”) totaling \$98,000 under the CARES Act. The organizations received a refund in June 2023. This amount is included in employee retention credit income in the consolidated statements of operations.

The Organization’s ERC claims are subject to audit by the Internal Revenue Service through April 23, 2028.

Note 14: CONCENTRATION OF INCOME SOURCES

Histiocytosis Association, Inc. received approximately 34% and 30% of its total revenue from fundraising for the year ended December 31, 2024 and 2023, respectively.

Investments are made by diversified investment managers whose performance is monitored by us and the Finance Committee of the Board of Directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis, we and the executive committee believe that the investment policies and guidelines are prudent for the long-term welfare of the organizations.

Note 15: RELATED PARTY TRANSACTIONS

The Histiocytosis Association, Inc., the Histiocytosis Association of Canada, and the Artemis Association contribute to support Histiocyte Society’s annual meeting. The Histiocyte Society is a group of 187 physicians from around the world who study Histiocytosis. For the years ended December 31, 2024 and 2023, the Association did not provide any financial support to the Society, although support was provided in prior years. Histiocytosis Association, Inc. also provides services and assistance to the Histiocyte Society.

Note 16: SUBSEQUENT EVENTS

Management of Histiocytosis Association, Inc. has evaluated subsequent events through August 18, 2025, the date the financial statements were available to be issued.