



The MPN Research Foundation

Financial Statements

December 31, 2024 and 2023

THE MPN RESEARCH FOUNDATION
FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

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Board of Directors
The MPN Research Foundation
Chicago, Illinois

INDEPENDENT AUDITORS' REPORT

Opinion

We have audited the accompanying financial statements of The MPN Research Foundation (an Illinois nonprofit organization), which comprise the statements of financial position as of December 31, 2024 and 2023, 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 The MPN Research Foundation 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 The MPN Research 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 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 MPN Research 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 The MPN Research 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 MPN Research 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.

Oak Brook, Illinois
October 29, 2025

THE MPN RESEARCH FOUNDATION
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2024 AND 2023

ASSETS	2024	2023
Cash and cash equivalents	\$ 1,219,790	\$ 1,001,070
Investments	6,571,399	6,218,511
Accounts receivable	158,666	99,912
Pledges receivable	20,439	521,939
Prepaid expenses	20,292	7,601
Security deposits	9,500	9,500
Right-of-use asset	23,582	58,113
Property and equipment, net of accumulated depreciation of \$41,959 and \$41,884, respectively	<u>-</u>	<u>75</u>
Total Assets	<u><u>\$ 8,023,668</u></u>	<u><u>\$ 7,916,721</u></u>
LIABILITIES		
Accounts payable	\$ 545,467	\$ 377,981
Grants payable	684,889	1,034,584
Lease liability	<u>23,995</u>	<u>58,437</u>
Total Liabilities	<u>1,254,351</u>	<u>1,471,002</u>
NET ASSETS		
Without donor restrictions	5,243,645	4,275,258
With donor restrictions	<u>1,525,672</u>	<u>2,170,461</u>
Total Net Assets	<u>6,769,317</u>	<u>6,445,719</u>
Total Liabilities and Net Assets	<u><u>\$ 8,023,668</u></u>	<u><u>\$ 7,916,721</u></u>

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

THE MPN RESEARCH FOUNDATION

STATEMENTS OF ACTIVITIES

YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Totals	Without Donor Restrictions	With Donor Restrictions	Totals
REVENUES AND OTHER SUPPORT						
Contributions	\$ 1,892,873	\$ 1,467,809	\$ 3,360,682	\$ 2,106,078	\$ 189,273	\$ 2,295,351
Investment income	722,403	-	722,403	737,151	-	737,151
Miscellaneous income	2,489	-	2,489	-	-	-
Contributions of nonfinancial assets	115,839	-	115,839	143,276	-	143,276
Net assets released from restrictions	2,112,598	(2,112,598)	-	1,376,777	(1,376,777)	-
Total Revenues and Other Support	4,846,202	(644,789)	4,201,413	4,363,282	(1,187,504)	3,175,778
EXPENSES						
Program	3,215,426	-	3,215,426	2,689,052	-	2,689,052
General and administrative	252,866	-	252,866	377,626	-	377,626
Fundraising	409,523	-	409,523	334,614	-	334,614
Total Expenses	3,877,815	-	3,877,815	3,401,292	-	3,401,292
CHANGE IN NET ASSETS						
	968,387	(644,789)	323,598	961,990	(1,187,504)	(225,514)
NET ASSETS						
Beginning of year	4,275,258	2,170,461	6,445,719	3,313,268	3,357,965	6,671,233
End of year	\$ 5,243,645	\$ 1,525,672	\$ 6,769,317	\$ 4,275,258	\$ 2,170,461	\$ 6,445,719

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

THE MPN RESEARCH FOUNDATION
STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024				2023			
	Program	General and Administrative	Fundraising	Totals	Program	General and Administrative	Fundraising	Totals
Research grants	\$ 599,634	\$ -	\$ -	\$ 599,634	\$ 770,278	\$ -	\$ -	\$ 770,278
Research advancement	519,718	-	-	519,718	344,948	-	-	344,948
Patient and scientific engagement	33,352	-	-	33,352	26,364	-	-	26,364
Marketing and communications	218,071	4,681	35,420	258,172	92,997	2,640	30,633	126,270
Salaries, related taxes, and benefits	1,008,209	154,182	128,318	1,290,709	947,170	299,176	55,481	1,301,827
Legal, accounting, and compliance	311,418	67,058	171,571	550,047	185,119	24,332	177,880	387,331
Scientific and medical professional services	127,000	-	25,500	152,500	123,000	-	4,154	127,154
Office expenses	124,115	15,558	-	139,673	120,395	31,666	-	152,061
Uncollectible pledges	250,000	-	27,526	277,526	-	-	43,677	43,677
Miscellaneous	23,909	11,387	-	35,296	78,781	19,812	-	98,593
			21,188	56,484			22,789	79,273
	\$ 3,215,426	\$ 252,866	\$ 409,523	\$ 3,877,815	\$ 2,689,052	\$ 377,626	\$ 334,614	\$ 3,401,292

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

THE MPN RESEARCH FOUNDATION

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 323,598	\$ (225,514)
Adjustment to reconcile change in net assets to net cash provided by (used in) operating activities -		
Depreciation	75	-
Realized and unrealized gain on securities	(503,684)	(579,580)
Donated stocks	(38,602)	(59,978)
Noncash operating lease expense	31,990	61,658
Uncollectible pledges	250,000	-
(Increase) decrease in operating assets -		
Prepaid expenses	(12,691)	(1,160)
Accounts receivable	(58,754)	75,088
Pledges receivable	251,500	(15,939)
Security deposits	-	(4,050)
Increase (decrease) in operating liabilities -		
Accounts payable	167,486	108,290
Lease liability	(31,715)	(59,098)
Grants payable	(349,695)	(715,416)
Net Cash Provided by (Used in) Operating Activities	29,508	(1,415,699)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(210,788)	(157,571)
Sale of investments	400,000	600,000
Net Cash Provided by Investing Activities	189,212	442,429
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	218,720	(973,270)
CASH AND CASH EQUIVALENTS		
Beginning of year	1,001,070	1,974,340
End of year	\$ 1,219,790	\$ 1,001,070
Supplemental disclosure of non-cash operating activities:		
Right-of-use asset obtained in exchange for new operating lease liability	\$ -	\$ 60,923

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

THE MPN RESEARCH FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Foundation - The MPN Research Foundation (Foundation), a not-for-profit corporation, supports innovative efforts to advance scientific understanding and potential treatments for Myeloproliferative Neoplasms (MPNs). The primary mission of MPN Research Foundation is to promote, fund and support the most innovative and effective research into the causes, treatments, and potentially the cure for three specific MPNs: essential thrombocythemia, polycythemia vera, and myelofibrosis.

Basis of Presentation - As required by the generally accepted accounting principles in the United States (U.S. GAAP) for Not-for-Profit accounting, the Foundation is required to report information regarding its financial position and activities according to two classes of net assets:

- Net assets without donor restrictions are for use at the discretion of the Board of Directors and/or management as general operating purposes.
- Net assets with donor restrictions consist of assets whose use is limited by donor-imposed time and/or purpose restrictions. The Foundation reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, the net assets are reclassified as net assets without donor restriction and reported in the statements of activities as net assets released from restrictions.

Accounts and Pledges Receivable – Receivables are stated at the amount management expects to collect from outstanding balances. Unconditional promises/pledges to give are recognized as revenue in the period pledged. The Foundation reviews receivables and determines the need for an allowance for doubtful accounts based on management's experience and information. As of December 31, 2024 and 2023, no allowance for uncollectible accounts was considered necessary.

Property and Equipment - Property and equipment are valued at cost, or if donated, at the fair market value at the date of donation. The Foundation capitalizes equipment and other fixed assets with a cost greater than \$2,500.

Depreciation - Property and equipment are being depreciated over their estimated useful lives, from their date of acquisition, using straight-line depreciation. Useful lives are estimated to be 5 years for equipment and 7 years for furniture and fixtures.

Use of Accounting Estimates - The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

THE MPN RESEARCH FOUNDATION
NOTES TO FINANCIAL STATEMENTS
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Expense Allocation – In the statements of functional expenses, the costs which are directly associated with a particular program or supportive service are allocated directly to that functional category. Additionally, certain costs have been allocated among the programs and support services benefited based on staff time devoted to the functional area. Allocated expenses include salaries, insurance, rent, and utilities.

Income Taxes - The Foundation is exempt from federal income taxes under the provision of Section 501(c)(3) of the Internal Revenue Code; thus, no provision for income tax has been provided for in the financial statements. The Foundation's Forms 990, Return of Organization Exempt from Income Tax, are subject to examination by the IRS, generally for three years after they were filed.

Cash Flow Information - For purposes of the statements of cash flows, the Foundation considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents. No cash was paid for income taxes or interest during the years ended December 31, 2024 and 2023.

Grants Payable - Accounting for grants requires that promises to give be recognized as expenditures in the year of the commitment by donor.

Consistent with U.S. GAAP, for Not-for-Profit accounting, the Foundation has not recognized the conditional portion of grants as liabilities or expenses in the financial statements. Conditional amounts will be recognized only in the period in which the grantee substantially meets the conditions specified in the grant agreement.

Contributions of Nonfinancial Assets - Contributions of donated nonfinancial assets are recorded at their fair values, and contributions of donated services that create or enhance nonfinancial assets or those that require specialized skills which would normally be purchased by the Foundation if not provided by donation are recorded at their fair market value in the period received.

Advertising - The costs of advertising are expensed as incurred. Advertising costs were allocated to the following natural classifications on the statements of functional expenses for the years ending December 31, 2024 and 2023:

	2024	2023
Marketing and communications	\$ 161,886	\$ 139,153
Patient and scientific engagement	359,894	170,899
Total	<u>\$ 521,780</u>	<u>\$ 310,052</u>

Subsequent Events – The Foundation has evaluated subsequent events through October 29, 2025, the date which the financial statements were available to be issued.

THE MPN RESEARCH FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

2. PLEDGES RECEIVABLE

Pledges receivable consist of the following at December 31, 2024 and 2023:

	2024	2023
Receivable in less than one year	\$ 20,439	\$ 52,000
Receivable in one to five years	-	469,939
Total	<u>\$ 20,439</u>	<u>\$ 521,939</u>

3. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31, 2024 and 2023, stated at cost:

	2024	2023
Furniture and equipment	\$ 41,959	\$ 41,959
Less accumulated depreciation	(41,959)	(41,884)
	<u>\$ -</u>	<u>\$ 75</u>

4. GRANTS PAYABLE

Grants payable consist of amounts pledged to both individuals and other organizations, totaling \$684,889 and \$1,034,584 at December 31, 2024 and 2023, respectively.

Future grant liabilities are contingent upon the approval of the Scientific Steering Committee. Under the terms of the grant agreements, only the current year's installment is considered unconditional and recognized as an expense and liability upon approval and communication to the grantee.

Future installments of the grant are conditional and dependent upon the grantee meeting specific requirements as outlined in the grant agreement. As of December 31, 2024, the total remaining conditional grant commitments are \$964,668.

Management regularly reviews the status of conditional grants and monitors grantee progress toward meeting the stipulated conditions. Any change in the likelihood of payment or grantee performance is assessed and disclosed as appropriate.

5. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following components as of December 31, 2024 and 2023:

	2024	2023
Research fund	<u>\$ 1,525,672</u>	<u>\$ 2,170,461</u>

THE MPN RESEARCH FOUNDATION
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6. LEASE

The Foundation entered into a lease agreement for office space from May 1, 2022 through January 31, 2024. The lease required monthly payments of \$4,658.

The Foundation entered into a lease agreement for office space that commenced October 1, 2023 and expired September 30, 2025. The lease required monthly payments of \$2,620 through September 30, 2024 and payments of \$2,712 through September 30, 2025. The Foundation renewed this lease agreement starting December 1, 2025 and expiring November 30, 2027. The renewed agreement will require monthly payments of \$2,685.

Operating lease-related expenses for the years ended December 31, 2024 and 2023 was \$31,990 and \$61,658, respectively, and is included in office expense on the statements of functional expenses.

Future minimum lease payments under non-cancellable leases with a term of one year or greater as of December 31, 2024 are as follows:

2026	<u>\$ 24,405</u>
Total undiscounted cash flow	24,405
Less: present value discount	<u>(410)</u>
Total lease liabilities	<u><u>\$ 23,995</u></u>

The following table provides additional information related to the Foundation's lease as of December 31, 2024:

Remaining lease term in years for operating lease	0.75
Discount rate for operating lease	5.12%

The lease asset and liability were calculated utilizing the risk-free discount rate of 5.12%, the rate at the time the lease agreement commenced.

7. CONTRIBUTED NONFINANCIAL ASSETS

Contributions of services are required to be recognized if the services received (a) create or enhance non-financial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchases if not provided by donation. Contributed services are generally related to professional services that benefited the Foundation. The Foundation valued the services based on the estimated costs as determined by the service providers, based on their rates and hours of service provided.

THE MPN RESEARCH FOUNDATION
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The Foundation was the recipient of the following contributed services during the years ended December 31, 2024 and 2023:

Type of Contributed Nonfinancial Asset or Service	2024	2023	Utilization in Programs/Activities	Donor Imposed Restrictions
Professional fees:				
Advertising	\$ 115,839	\$ 140,936	All programs	None
Legal	-	2,340	All programs	None
Total	<u>\$ 115,839</u>	<u>\$ 143,276</u>		

8. CONCENTRATIONS

The Foundation deposits its cash funds at various financial institutions. At various times, the balances may exceed federally insured limits.

9. BENEFIT PLAN

The Foundation contributes up to 3% of each employee's salary to the defined contribution plan for its employees. All full-time employees are eligible for these benefits. Plan expenses totaled \$19,141 and \$30,961 and for the years ended December 31, 2024 and 2023, respectively.

10. INVESTMENTS AND FAIR VALUE MEASUREMENTS

Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the value of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position.

Investment income consists of the following components for the years ended December 31, 2024 and 2023:

	2024	2023
Interest income	\$ 127,542	\$ 48,856
Dividend income	91,177	108,717
Realized income	3,555	-
Unrealized income on securities	500,129	579,578
	<u>\$ 722,403</u>	<u>\$ 737,151</u>

U.S. GAAP defines fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities required to be recorded at fair value, the Foundation considers the principal or most advantageous market in which it would transact and considers assumptions that market participants would use when pricing the asset or liability, such as inherent risk, transfer restrictions, and risk of nonperformance.

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Generally accepted accounting principles also establish a fair value hierarchy that requires the Foundation to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

- Level 1 Quoted prices in active markets for identical assets or liabilities;
- Level 2 Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices in active markets for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; or
- Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The following tables summarize the classification of these investments by classification and method of valuation in accordance with the requirements of generally accepted accounting principles at December 31, 2024 and 2023:

2024	Fair Value Measurements Using Input Type			
	Level 1	Level 2	Level 3	Total
Treasury bills	\$ 979,775	\$ -	\$ -	\$ 979,775
Mutual funds	167,813	-	-	167,813
Equity securities	3,583,627	-	-	3,583,627
Total investments in fair value hierarchy	<u>\$ 4,731,215</u>	<u>\$ -</u>	<u>\$ -</u>	4,731,215
Cash held for investments				1,840,184
Total investments				<u>\$ 6,571,399</u>

2023	Fair Value Measurements Using Input Type			
	Level 1	Level 2	Level 3	Total
Treasury bills	\$ 1,444,506	\$ -	\$ -	\$ 1,444,506
Mutual funds	164,506	-	-	164,506
Equity securities	3,343,811	-	-	3,343,811
Total investments in fair value hierarchy	<u>\$ 4,952,823</u>	<u>\$ -</u>	<u>\$ -</u>	4,952,823
Cash held for investments				1,265,688
Total investments				<u>\$ 6,218,511</u>

11. LIQUIDITY AND AVAILABLE RESOURCES

The Foundation regularly monitors liquidity required to meet its operating needs and other contractual commitments.

For purposes of analyzing resources available to meet general expenditure over the next twelve-month period, the Foundation considers all expenditures related to its ongoing activities as well as the conduct

THE MPN RESEARCH FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

of services undertaken to support those activities to be general expenditures. General expenditures include payroll and related benefits, occupancy, grant expenses and professional services.

The Foundation's financial assets available for general expenditure within one year of the statements of financial position as of December 31, 2024 and 2023, respectively, are as follows:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 1,219,790	\$ 1,001,070
Investments	6,571,399	6,218,511
Accounts receivable	158,666	99,912
Pledges receivable within one year	20,439	521,939
Total financial assets available within one year	<u>7,970,294</u>	<u>7,841,432</u>
Less: Amounts unavailable for general expenditure within one year, due to:		
Grant awards	(684,889)	(1,034,584)
Net assets with donor restrictions	<u>(1,525,672)</u>	<u>(2,170,461)</u>
Total amounts unavailable for general expenditure within one year	<u>(2,210,561)</u>	<u>(3,205,045)</u>
Total financial assets available to management for general expenditure within one year	<u><u>\$ 5,759,733</u></u>	<u><u>\$ 4,636,387</u></u>