

**MYASTHENIA GRAVIS FOUNDATION OF
AMERICA, INC.**

FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

**MYASTHENIA GRAVIS FOUNDATION OF
AMERICA, INC.**

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Desmond & Ahern, Ltd.

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

Independent Auditor's Report

To the Board of Directors
Myasthenia Gravis Foundation of America, Inc.
Westborough, MA

Opinion

We have audited the accompanying financial statements of Myasthenia Gravis Foundation of America, Inc. (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 Myasthenia Gravis Foundation of America, Inc. 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 Myasthenia Gravis Foundation of America, 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 Myasthenia Gravis Foundation of America, 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 Responsibility 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 Myasthenia Gravis Foundation of America, 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 Myasthenia Gravis Foundation of America, Inc.'s ability to continue as a going concern for a reasonable period.

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 Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The statement of program activities is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the audit procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Report on Summarized Comparative Information

We have previously audited Myasthenia Gravis Foundation of America Inc's 2023 financial statements, and we have expressed an unmodified audit opinion on those audited financial statements in our report dated May 1, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Desmond & Ahern, Ltd

April 23, 2025
Chicago, IL

MYASTHENIA GRAVIS FOUNDATION OF AMERICA, INC.
STATEMENT OF FINANCIAL POSITION
December 31, 2024
(with summarized comparative information for December 31, 2023)

	<u>2024</u>	<u>2023</u>
<u>ASSETS</u>		
Assets:		
Cash and cash equivalents	\$ 1,530,427	\$ 938,058
Investments	11,347,757	10,529,675
Accounts receivable	41,600	200,329
Unconditional promises to give	2,000	96,500
Prepaid expenses	<u>473,373</u>	<u>161,419</u>
Total current assets	13,395,157	11,925,981
Capitalized software costs, net of amortization of \$319,272 in 2024 and \$288,366 in 2023	<u>157,578</u>	<u>85,670</u>
Total assets	\$ <u><u>13,552,735</u></u>	\$ <u><u>12,011,651</u></u>
<u>LIABILITIES AND NET ASSETS</u>		
Liabilities:		
Accounts payable	\$ 159,545	\$ 157,095
Research grant awards payable	832,500	755,364
Accrued expenses	155,833	161,001
Refundable advances	<u>700,617</u>	<u>327,081</u>
Total liabilities	<u>1,848,495</u>	<u>1,400,541</u>
Net assets:		
Without donor restrictions		
Unrestricted funds	4,849,089	3,758,458
Board Designated	<u>1,784,633</u>	<u>1,902,678</u>
Total without donor restrictions	<u>6,633,722</u>	<u>5,661,136</u>
With donor restrictions:		
Purpose restrictions	153,721	228,721
Endowment	<u>4,916,797</u>	<u>4,721,253</u>
Total with donor restrictions	5,070,518	4,949,974
Total net assets	<u>11,704,240</u>	<u>10,611,110</u>
Total liabilities and net assets	\$ <u><u>13,552,735</u></u>	\$ <u><u>12,011,651</u></u>

MYASTHENIA GRAVIS FOUNDATION OF AMERICA, INC.
STATEMENT OF ACTIVITIES
For The Year Ended December 31, 2024
(with summarized comparative information for December 31, 2023)

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS			2024 TOTAL	2023 TOTAL
		ENDOWMENT	PURPOSE RESTRICTIONS	SUBTOTAL		
Public support and revenue:						
Grants and contributions	\$ 4,600,868	-	20,000	20,000	4,620,868	2,702,628
Bequests	203,417	-	-	-	203,417	259,478
Special events, net of direct benefit	(114,831)	-	-	-	(114,831)	(23,580)
Research contract revenue	133,332	-	-	-	133,332	56,668
Investment return (loss)	438,382	437,753	-	437,753	876,136	903,033
Other revenue	71,341	-	-	-	71,341	76,042
Net assets released from restrictions	337,210	(242,210)	(95,000)	(337,210)	-	-
Total public support and revenue	<u>5,669,718</u>	<u>195,543</u>	<u>(75,000)</u>	<u>120,543</u>	<u>5,790,262</u>	<u>3,974,269</u>
Expenses:						
Program activities:						
Community and patient services	522,810	-	-	-	522,810	377,411
Research	1,652,360	-	-	-	1,652,360	1,067,875
Education and advocacy	1,372,862	-	-	-	1,372,862	922,537
Total program services	<u>3,548,032</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,548,032</u>	<u>2,367,823</u>
Supporting activities:						
Management and general	616,598	-	-	-	616,598	504,747
Fundraising	532,503	-	-	-	532,503	523,411
Total supporting services	<u>1,149,101</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,149,101</u>	<u>1,028,158</u>
Total expenses	<u>4,697,133</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,697,133</u>	<u>3,395,981</u>
Change in net assets	972,586	195,543	(75,000)	120,543	1,093,129	578,288
Net assets, beginning of year	<u>5,661,136</u>	<u>4,721,253</u>	<u>228,721</u>	<u>4,949,974</u>	<u>10,611,110</u>	<u>10,032,823</u>
Net assets, end of year	<u>\$ 6,633,722</u>	<u>\$ 4,916,797</u>	<u>\$ 153,721</u>	<u>\$ 5,070,518</u>	<u>11,704,240</u>	<u>\$ 10,611,110</u>

MYASTHENIA GRAVIS FOUNDATION OF AMERICA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For The Year Ended December 31, 2024
(with summarized comparative information for December 31, 2023)

	PROGRAM ACTIVITIES	MANAGEMENT GENERAL	FUNDRAISING	2024 TOTAL	2023 TOTAL
Compensation	\$ 1,224,402	\$ 333,979	\$ 340,923	\$ 1,899,304	\$ 1,685,308
MG Patient Registry contracted services	381,615	-	-	381,615	309,833
Research grant awards	710,000	-	-	710,000	370,000
Subcontracted services	144,491	44,262	31,530	220,284	103,675
Conferences and meetings	691,924	18,111	10,961	720,996	264,960
Information technology	29,634	45,911	54,520	130,065	132,959
Insurance	1,987	27,910	464	30,360	33,792
Marketing and communications	134,774	6,450	45,191	186,415	148,910
Merchant service fees	1,892	22,493	120	24,504	21,936
Other expenses	708	32,675	18,949	52,332	10,892
Professional fees	-	26,250	1,769	28,019	25,543
Program technology	120,767	-	-	120,767	123,160
Registration and licenses	-	13,276	-	13,276	14,952
Subscriptions	2,900	-	2,350	5,250	3,817
Supplies and materials	3,354	3,485	465	7,304	8,177
Travel	79,661	36,360	19,714	135,735	110,227
Depreciation and amortization	19,924	5,435	5,548	30,907	27,840
Total expenses	<u>\$ 3,548,032</u>	<u>\$ 616,598</u>	<u>\$ 532,503</u>	<u>\$ 4,697,133</u>	<u>\$ 3,395,981</u>

MYASTHENIA GRAVIS FOUNDATION OF AMERICA, INC.
STATEMENT OF CASH FLOWS
For The Year Ended December 31, 2024
(with summarized comparative information for December 31, 2023)

	<u>2024</u>	<u>2023</u>
<u>Cash Flows from Operating Activities</u>		
Change in net assets	\$ 1,093,129	\$ 578,288
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization expense	30,907	27,840
Unrealized (gain) on investments	(876,136)	(903,033)
Changes in:		
Accounts receivable	158,729	(7,353)
Unconditional promises to give	94,500	76,500
Prepaid expenses	(311,954)	(9,305)
Accounts payable	2,450	57,765
Research grant awards payable	77,136	(28,802)
Accrued expenses	(5,168)	(70,752)
Refundable advances	<u>373,536</u>	<u>111,202</u>
Net cash provided by (used in) operating activities	<u>637,129</u>	<u>(167,650)</u>
<u>Cash Flows from Investing Activities</u>		
Purchase of investments	58,054	35,772
Capital expenditures	<u>(102,815)</u>	<u>-</u>
Net cash provided by (used in) investing activities	<u>(44,760)</u>	<u>35,772</u>
Net increase (decrease) in cash and cash equivalents	592,369	(131,878)
Cash and cash equivalents, beginning of year	<u>938,058</u>	<u>1,069,936</u>
Cash and cash equivalents, end of year	<u>\$ 1,530,427</u>	<u>938,058</u>

MYASTHENIA GRAVIS FOUNDATION OF AMERICA, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

Note 1 – Nature of Operations and Summary of Significant Accounting Policies

Organization

Myasthenia Gravis Foundation of America, Inc., (Foundation) is a not-for-profit corporation committed to finding a cure for myasthenia gravis and closely related disorders, improving treatment options, and providing information and support to people with myasthenia gravis through research, education, community programs and advocacy.

Income Tax Status

The Foundation has been determined to be exempt from income tax under Section 501(c)(3) of the Internal Revenue Code as a publicly supported not-for-profit voluntary health agency, and accordingly, no provision has been made for either federal or state income taxes. In addition, the Foundation had been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 501(c)(3) of the code.

The Foundation has evaluated its tax positions taken for all open tax years. Currently, the 2021, 2022 and 2023 tax years are open and subject to examination by the Internal Revenue Service; however, the Foundation is not currently under audit nor has the Foundation been contacted by any of these jurisdictions.

Based on the evaluation of the Foundation's tax positions, management believes all positions taken would be upheld under an examination; therefore, no provision for the effects of uncertain tax positions has been recorded for the years ended December 31, 2024.

Basis of Accounting

The financial statements of the Foundation have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities in accordance with the accounting principles generally accepted in the United States of America ("GAAP").

Basis of Presentation

As required by the generally accepted accounting principles for Not-for-Profit accounting, the Organization is required to report information regarding its financial position and activities according to two classes:

Without donor restrictions – Net assets that are not subject to donor-imposed restrictions. Such gifts include gifts without restrictions, including restricted gifts whose donor-imposed restrictions were met during the year.

With donor restrictions – Net assets subject to donor-imposed restrictions which will be met either by actions of the Organization or the passage of time. Items that affect this net asset category are gifts for which donor-imposed restrictions have not been met in the year of receipt. Restrictions that have been met on net assets with donor restrictions are reported as net assets released from restrictions. If a restriction is fulfilled in the same time period in which the contribution is received, the Organization reports the support as without donor restrictions.

MYASTHENIA GRAVIS FOUNDATION OF AMERICA, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

Note 1 – Nature of Operations and Summary of Significant Accounting Policies (cont.)

Revenue Recognition

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

Conditional promises (those with a measurable performance or other barrier and a right of return) is recognized when the underlying conditions are met. Cash received in advance of these conditions being met is recorded as refundable advances. The Foundation reports conditional promises with donor restrictions as increases in net assets without donor restrictions when both the condition and restrictions are satisfied.

As of December 31, 2024, the Foundation has been awarded \$700,617 from grants for which the conditions have not been satisfied.

Research Revenue

The Foundation recognized revenue from research contracts in accordance with the terms outlined in the respective agreements. Research contract revenue is recognized as the research is performed and milestones are met, in accordance with the progress of the related research activities. Revenue related to research contracts is recorded as either restricted revenue or unrestricted revenue, depending on the stipulations of the grantor or funding entity. Restricted revenue is recognized as revenue in the period when the related expenses are incurred, or milestones are achieved in accordance with the terms of the contract.

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 and the reported amounts of the revenues, expenses, gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Cash and Equivalents

Cash and equivalents consist of bank deposits in federally insured accounts. Deposits at these banks may, at times, exceed the federally insured limit of \$250,000.

For purposes of the statement of cash flows, the Foundation considers all highly liquid debt instruments, if any, purchased or donated with an original maturity or anticipated liquidation of three months or less to be cash equivalents. No cash was paid for interest or taxes for the year end December 31, 2024.

At December 31, 2024, cash and investments on deposit at one financial institution totaled \$11,347,757, which exceeds FDIC and SIPC insurance limits. This institution has purchased private insurance covering up to \$99.5 million per account, subject to a total maximum aggregate for the institution of \$400 million which becomes available in the event that SIPC limits are exhausted.

MYASTHENIA GRAVIS FOUNDATION OF AMERICA, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

Note 1 – Nature of Operations and Summary of Significant Accounting Policies (cont.)

Investments

Investments are reported at fair value in the statement of financial position. Fair value is determined based on quoted market prices, where available, or through other valuation methodologies as appropriate. Realized gains and losses are recognized upon the sale of investments. Unrealized gains and losses, representing changes in fair value, are recognized in the statement of activities as increases. Interest and dividend income are recorded when earned. Investment income, gains, and losses are reported net in the statement of activities.

Receivables and Credit Policies

Accounts receivable consist primarily of noninterest-bearing amounts due for research services. The Foundation reviews its receivables on a periodic basis to estimate an Allowance for Credit Losses in accordance with ASC 326, *Current Expected Credit Losses (CECL)*. This allowance represents management's estimate of expected credit losses over the life of the receivables, based on historical collection experience, current conditions, and reasonable and supportable forecasts about future economic conditions that may affect the collectability of outstanding balances. The allowance is reviewed and adjusted as necessary at each reporting date to reflect any changes in management's expectations. Based on this evaluation, management determined that an allowance for credit losses was not necessary at December 31, 2024.

Unconditional Promises to Give

The Foundation records unconditional promises to give that are expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the assets. In subsequent years, amortization of the discounts is included in contribution revenue in the statements of activities. The Foundation determines the allowance for uncollectable promises to give based on historical experience, an assessment of economic conditions, and review of subsequent collections. Promises to give are written off when deemed uncollectable. Based on this evaluation, management determined that an allowance for doubtful accounts was not necessary at December 31, 2024.

Capitalized Software Costs

Costs associated with the development of the website, database and the MG Patient Registry have been capitalized and are amortized over their estimated lives ranging from three to five years. Amortization expense was \$30,907 for the year ended December 31, 2024.

Furniture and Equipment

Furniture and equipment over \$2,000 are recorded at cost or, if donated, at fair value at the date of the gift. Depreciation is computed by the straight-line method over the estimated useful lives of the related assets of five years. There was no depreciation expense for the year ended December 31, 2024.

Donated Services

A substantial number of volunteers have donated services to the Foundation's program services and fundraising campaigns during the year; however, only services which require specialized skills as defined by accounting principles generally accepted in the United States of America are reported as contributions.

MYASTHENIA GRAVIS FOUNDATION OF AMERICA, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

Note 1 – Nature of Operations and Summary of Significant Accounting Policies (cont.)

Research Grant Awards Payable

Research grant awards are recorded as a payable and an expense at the time the grant is awarded to specific recipients. The Myasthenia Gravis Foundation of America, Inc. Research and Grants Committee reviews proposals submitted by researchers and recommend projects to the Board for awarding grants. The grants are generally of one to three years duration and paid within three years of approval.

Functional Expenses

The costs of program and supporting service activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

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. MG Walk materials are allocated on the basis of ratio of Myasthenia Gravis patient and family participation in relation to participation by donors. Publication, printing and website costs is allocated on the basis of content. Salaries and wages, payroll taxes, and travel are allocated on the basis of estimates of time and effort.

Subsequent Events

Accounting principles generally accepted in the United States of America establish general standards of accounting for, and disclosure of, events that occur after the balance sheet date but before financial statements are issued or are available to be issued. The Foundation has evaluated subsequent events through April 23, 2025, which is the date the statements were available to be issued. No subsequent events have been identified that are required to be disclosed.

MYASTHENIA GRAVIS FOUNDATION OF AMERICA, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

Note 2 – Financial Assets and Liquidity Resources

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following at December 31, 2024:

Financial assets at year-end:	
Cash and cash equivalents	\$ 1,530,427
Accounts receivable	41,600
Unconditional promises to give	2,000
Investments	11,347,757
	<hr/> 12,921,784 <hr/>
Less: amounts not available for general expenditures within one year due to:	
Donor-restricted for a specific purpose	153,721
Board-designated operating reserve	1,784,633
Perpetual restrictions	4,916,797
	<hr/> 6,855,151 <hr/>
Financial assets available to meet cash needs for general expenditures within one year	<hr/> \$ 6,066,633 <hr/>

The Foundation's endowment funds consist of donor-restricted endowments. Income from donor-restricted endowments is restricted for specific purposes and is not available for general expenditure.

In order to ensure that adequate financial resources are available each year to provide funding for vital programs and services, the Board of Directors created a policy which requires the Foundation maintain net assets without donor restrictions of at least 50% but not more than 200% of the past year's actual operating expenses.

As part of its liquidity management plan, the Foundation invests cash in excess of requirements in an actively managed investment portfolio.

Note 3 - Endowment

The Foundation's accounts for endowment net assets by preserving the fair value of the original donation as of the gift date to the donor-restricted endowment fund absent explicit donor stipulations to the contrary. As a result, the Foundation classifies as endowment net assets (1) the original value of gifts donated to the permanent endowment, (2) the original value of subsequent gifts donated to the permanent endowment (3) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the endowment fund and (4) net appreciation/(depreciation) on each fund.

MYASTHENIA GRAVIS FOUNDATION OF AMERICA, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

Note 3 – Endowment (cont.)

The remaining portion of the donor-restricted endowment fund that is not classified in perpetual in nature restricted net assets is classified as purpose restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by Illinois Uniform Prudent Management of Institutional Funds Act (UPMIFA).

The Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund.
2. The purposes of the Organization and the donor-restricted endowment fund.
3. General economic conditions.
4. The possible effects of inflation and deflation.
5. The expected total return from income and the appreciation of investments.
6. Other resources of the Organization.
7. The investment policies of the Organization.

It is the policy of the Foundation to manage the endowment fund in a manner that will, at a minimum, preserve and maintain the real purchasing power of the principal while allowing for annual distributions to the operating budget.

Composition by Type of Fund

Endowment net asset composition by type of fund as of December 31, 2024:

	<u>Restricted for</u>	<u>Original</u>	
	<u>Research</u>	<u>Endowment Gift</u>	<u>TOTAL</u>
Donor-restricted endowment funds	\$ <u>1,082,350</u>	<u>3,834,447</u>	\$ <u>4,916,797</u>

Funds with Deficiencies

From time to time, the fair value of the assets associated with individual donor-restricted endowment funds may fall below the historic dollar value at date of gift. There were no deficiencies of this nature at December 31, 2024.

Return Objectives and Risk Parameters

The Foundation has adopted investment and spending policies for endowment assets. Funds will be invested so as to achieve a total return, which shall enhance the value of the portfolio, with emphasis on the preservation of the capital. Concurrently, the asset allocation strategy should allow for a dependable source of funds for any current operational demands, as well as, strive for long-term returns that match or exceed inflation.

Short-term Investments

The objective of these funds is to provide liquidity for grants, loans, special projects and operational needs. These funds should seek a yield that is competitive with high quality money markets, without losing liquidity. These funds will be invested in securities that will maintain an average maturity of one year or less.

MYASTHENIA GRAVIS FOUNDATION OF AMERICA, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

Note 3 – Endowment (cont.)

Intermediate and Long-term Investments

These funds are for the purpose of providing a principal base to provide income and/or growth. The principal shall be managed to maintain and preserve over time the real value of the funds. These funds shall be actively managed with the intention of obtaining the highest possible total return while accepting only prudent risk.

Strategies Employed for Achieving Objectives

Diversification of assets will be employed to ensure that adverse results from one security or security class will not have an unduly detrimental effect on the entire portfolio. Diversification is interpreted to include diversification by type, by characteristic and by number of investments as well as investment style. The following limits have been established for various asset classes:

ASSET CLASSES	LOWER LIMITS	UPPER LIMITS
Equities	10%	85%
Long-term fixed income investments	0%	50%
Short-term fixed income investments	0%	100%
Cash and cash equivalents	10%	100%

Spending Policy and How the Investment Objectives Relate to Spending Policy

Distributions from the David Cummings Research Endowment (which represent 99.4% of total endowment funds) are restricted for the purpose of funding research relating to the cause and/or cure of myasthenia gravis. Such distributions are limited on an annual basis to 5% of the three-year annual average net fair market value. The Board of Directors (Board) will determine the appropriate level of distributions (not to exceed the 5% stipulated by the donor) which will be consistent with the Foundation's objective to maintain the purchasing power of the endowment assets held in perpetuity.

Changes in Endowment net assets are as follows:

	<u>RESTRICTED FOR RESEARCH</u>	<u>ORIGINAL GIFT</u>	<u>TOTAL</u>
Endowment net assets, January 1, 2024	\$ 886,806	3,834,447	\$ 4,721,253
Investment return, net	437,753	-	437,753
Appropriation	(242,210)	-	(242,210)
Endowment net assets, December 31, 2024	\$ <u>1,082,350</u>	<u>3,834,447</u>	\$ <u>4,916,797</u>

MYASTHENIA GRAVIS FOUNDATION OF AMERICA, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

Note 4 – Fair Value Measurements and Investments

Generally Accepted Accounting Principles defines fair value as the price that would be received for an asset or paid to transfer a liability in an orderly transaction between market participants on a determined measurement date.

Generally accepted accounting principles establish a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

In many cases, a valuation technique used to measure fair value includes inputs from multiple levels of the fair value hierarchy. The lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy.

The fair value of debt and equity investments that are readily marketable are determined by obtaining quoted prices on nationally recognized securities exchanges (Level 1 inputs) or by quoted market prices of similar securities with similar due dates or matrix pricing. This is a mathematical technique widely used in the industry to value debt securities without relying exclusively on quoted prices for the specific securities but rather by relying on securities' relationship to other benchmark quoted securities (Level 2 inputs). Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer, or broker traded transactions (Level 3 inputs). Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities.

MYASTHENIA GRAVIS FOUNDATION OF AMERICA, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

Note 4 – Fair Value Measurements and Investments (cont.)

The following table summarizes the valuation of the Foundation's financial assets measured and recorded at fair value on a recurring basis at December 31, 2024:

	Level 1	Level 2	Level 3	Total
Money Markets	\$ 1,584,440	\$ -	\$ -	\$ 1,584,440
US Equities	3,789,161	-	-	3,789,161
International Equities	2,207,409	-	-	2,207,409
Fixed income	3,335,242	-	-	3,335,242
Other - mixed assets	431,505	-	-	431,505
	<u>\$ 11,347,757</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,347,757</u>

Following is a description of the valuation methodologies used for assets measured at fair value.

Money market /U.S. Equities / Fixed income / International equities, and exchange traded funds: Valued at quoted market prices. These investments held by the Foundation are funds that are registered with the Securities and Exchange Commission. These investments held by the Foundation are deemed to be actively traded and, therefore, classified within Level 1 of the fair value hierarchy.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Investment income consists of the following components for the year ended December 31, 2024:

Unrealized gain	\$ 500,751
Realized gain	17,252
Dividends and interest income	452,422
Investment fees	(94,289)
	<u>\$ 876,136</u>

Investment securities are exposed to various risks including interest rate, market and credit risk. 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.

MYASTHENIA GRAVIS FOUNDATION OF AMERICA, INC.
NOTES TO FINANCIAL STATEMENTS
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Note 5 – Net assets with Donor Restrictions

Net assets with donor restrictions as of December 31, 2024 are restricted for the following purposes:

Nurses Grant Fund	\$ 6,659
Patient Services	20,018
Education Initiative	30,000
Research Funding	12,316
Professional manuals	9,728
McSpadden Post-Doctoral Fellowship	75,000
Total Purpose Restricted Funds	<u>\$ 153,721</u>
Endowment - original gift	\$ 3,834,447
Endowment - research	<u>1,082,350</u>
Total Perpetual Restricted Funds	<u>\$ 4,916,797</u>

Note 6 – Retirement Plan

Beginning in 2020, the Foundation provides a 401(k) retirement plan (Plan) for eligible full-time employees who have completed three months of service. The Foundation may contribute a discretionary amount of eligible employees' salaries, as determined by the Board of Directors. Employer contributions to the plan totaled \$31,608 for the year ended December 31, 2024. The Plan allows for employee salary deferral contributions.

S U P P L E M E N T A R Y I N F O R M A T I O N

MYASTHENIA GRAVIS FOUNDATION OF AMERICA, INC.
SUPPLEMENTAL STATEMENT OF PROGRAM EXPENSES
For The Year Ended December 31, 2024

	COMMUNITY AND PATIENT SERVICES	RESEARCH	EDUCATION AND ADVOCACY	TOTAL PROGRAM ACTIVITIES
Research Grants Awarded	\$ -	\$ 710,000	\$ -	\$ 710,000
MG Patient Registry	-	381,615	-	381,615
Compensation	431,213	442,987	350,202	1,224,402
Subcontracted Services	60,045	28,549	55,897	144,491
Conferences and meetings	-	55,705	636,220	691,924
Marketing and communications	9,065	5,887	119,821	134,773
Program Technology	-	-	120,767	120,767
Information Tech and Data Mgmt	1,447	12,102	16,085	29,634
Supplies and Materials	300	179	2,876	3,354
Travel	-	12,834	66,826	79,661
Insurance	783	575	628	1,987
Subscriptions	-	-	2,901	2,901
Merchant service fees	-	1,801	90	1,891
Other expenses	33	126	549	708
Depreciation and amortization	19,924	-	-	19,924
Total expenses	\$ 522,810	\$ 1,652,360	\$ 1,372,862	\$ 3,548,032