

American Skin Association, Inc.

Financial Statements

December 31, 2024

American Skin Association, Inc.

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December 31, 2024

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Independent Auditors' Report

Board of Directors of American Skin Association, Inc.

Opinion

We have audited the accompanying financial statements of American Skin Association, Inc. (the "Organization") which comprise the statement of financial position as of December 31, 2024 and the related statements of activities, functional expenses, cash flows and changes in net assets for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 auditors' 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 statement.

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 Organization'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 Organization'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.

PKF O'Connor Davies, LLP

November 13, 2025

American Skin Association, Inc.

Statement of Financial Position
December 31, 2024

ASSETS

Cash and cash equivalents	\$ 2,945,490
Promises to give	<u>49,000</u>
	<u>\$ 2,994,490</u>

LIABILITIES AND NET ASSETS

Liabilities

Grants payable	\$ 536,500
Accrued expenses	<u>104,000</u>
Total Liabilities	<u>640,500</u>

Net Assets

Without donor restrictions	1,843,190
With donor restrictions	<u>510,800</u>
Total Net Assets	<u>2,353,990</u>

\$ 2,994,490

See notes to financial statements

American Skin Association, Inc.

Statement of Activities Year Ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Contributions and grants	\$ 723,151	\$ 532,487	\$ 1,255,638
Contributions of nonfinancial assets	52,417	-	52,417
Fundraising events	522,050	115,000	637,050
Less: costs with direct benefit to donors	(224,688)	-	(224,688)
Interest and dividends	49,109	-	49,109
Net assets released from restrictions	325,000	(325,000)	-
Total Support and Revenue	<u>1,447,039</u>	<u>322,487</u>	<u>1,769,526</u>
EXPENSES			
Program Services			
Research	551,273	-	551,273
Public Education	<u>257,392</u>	<u>-</u>	<u>257,392</u>
Total Program Services	<u>808,665</u>	<u>-</u>	<u>808,665</u>
Supporting Services			
Management and General	169,016	-	169,016
Fundraising	<u>125,915</u>	<u>-</u>	<u>125,915</u>
Total Supporting Services	<u>294,931</u>	<u>-</u>	<u>294,931</u>
Total Expenses	<u>1,103,596</u>	<u>-</u>	<u>1,103,596</u>
Changes in Net Assets	343,443	322,487	665,930
NET ASSETS			
Beginning of Year	<u>1,499,747</u>	<u>188,313</u>	<u>1,688,060</u>
End of Year	<u>\$ 1,843,190</u>	<u>\$ 510,800</u>	<u>\$ 2,353,990</u>

See notes to financial statements

American Skin Association, Inc.

Statement of Functional Expenses
Year Ended December 31, 2024

	Program Services			Supporting Services			
	Research	Public Education	Subtotal	Management and General	Fundraising	Subtotal	Total
Grants and awards	\$ 255,000	\$ 50,000	\$ 305,000	\$ -	\$ -	\$ -	\$ 305,000
Salaries, benefits and taxes	184,367	129,057	313,424	69,138	78,356	147,494	460,918
Marketing and promotion	24,726	17,308	42,034	9,272	10,509	19,781	61,815
Travel and meetings	26,552	18,587	45,139	9,957	11,285	21,242	66,381
Printing and postage	698	488	1,186	262	296	558	1,744
Rent and related items	23,558	16,491	40,049	8,834	10,012	18,846	58,895
Office expenses	32,766	22,936	55,702	12,287	13,925	26,212	81,914
Professional fees	-	-	-	57,913	-	57,913	57,913
Telephone and internet	2,132	1,493	3,625	800	906	1,706	5,331
Event expense	-	-	-	-	224,688	224,688	224,688
Computer expenses	1,474	1,032	2,506	553	626	1,179	3,685
 Total Expenses	 551,273	 257,392	 808,665	 169,016	 350,603	 519,619	 1,328,284
 Less costs with direct benefit to donors	 -	 -	 -	 -	 (224,688)	 (224,688)	 (224,688)
 Total Expenses Reported by Function on the Statement of Activities	 <u>\$ 551,273</u>	 <u>\$ 257,392</u>	 <u>\$ 808,665</u>	 <u>\$ 169,016</u>	 <u>\$ 125,915</u>	 <u>\$ 294,931</u>	 <u>\$ 1,103,596</u>

See notes to financial statements

American Skin Association, Inc.

Statement of Cash Flows
Year Ended December 31, 2024

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ 665,930
Changes in operating assets and liabilities:	
Promises to give	47,000
Prepaid expenses and other assets	65,204
Grants payable	(240,000)
Accrued expenses	24,000
Deferred revenue	<u>(42,000)</u>
Net Cash from Operating Activities	<u>520,134</u>

Net Change in Cash and Cash Equivalents	520,134
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CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>2,425,356</u>
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CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 2,945,490</u></u>
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Supplemental Disclosures of Cash Information:

Cancellation of grant payable	\$ (30,000)
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See notes to financial statements

American Skin Association, Inc.

Statement of Changes in Net Assets
Year Ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions						With Donor Restrictions Subtotal	Total
		Atopic Dermatitis	Melanoma/ Other Research	Vitiligo	Psoriasis	Education	Other		
Net assets, January 1,	\$ 1,499,747	\$ 48,622	\$ 45,910	\$ 93,781	\$ -	\$ -	\$ -	\$ 188,313	\$ 1,688,060
Support and revenue	1,671,727	202,000	162,971	50,000	112,516	50,000	70,000	647,487	2,319,214
Expenses	<u>(1,328,284)</u>	<u>-</u>	<u>(100,000)</u>	<u>(100,000)</u>	<u>(55,000)</u>	<u>(50,000)</u>	<u>(20,000)</u>	<u>(325,000)</u>	<u>(1,653,284)</u>
Net assets, December 31,	<u>\$ 1,843,190</u>	<u>\$ 250,622</u>	<u>\$ 108,881</u>	<u>\$ 43,781</u>	<u>\$ 57,516</u>	<u>\$ -</u>	<u>\$ 50,000</u>	<u>\$ 510,800</u>	<u>\$ 2,353,990</u>

See notes to financial statements

American Skin Association, Inc.

Notes To Financial Statements December 31, 2024

1. Organization and Tax Status

Founded in 1987, American Skin Association, Inc. (the “Organization”) works to defeat melanoma and other serious forms of skin disease by advancing research, raising public awareness and championing good skin health, particularly among children. The Organization is a not-for-profit organization, exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code and has been designated as an organization which is not a private foundation.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements have been prepared using the accrual basis of accounting and conform with accounting principles generally accepted in the United States of America (“US GAAP”).

Use of Estimates

The preparation of financial statements in conformity with US 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 the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Net Assets

The Organization reports information regarding its financial position and activities according to two classes of net assets based upon the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Amounts that are not subject to usage restrictions based on donor-imposed requirements. This class also includes assets previously restricted where restrictions have expired or been met. This category may also include amounts designated by the Board of Directors.

Net Assets With Donor Restrictions – Assets subject to usage limitations based on donor-imposed or grantor restrictions. These restrictions may be temporary or may be based on a particular use. Restrictions may be met by the passage of time or by actions of the Organization. Certain restrictions may require the assets to be maintained in perpetuity.

American Skin Association, Inc.

Notes To Financial Statements December 31, 2024

2. Summary of Significant Accounting Policies *(continued)*

Cash and Cash Equivalents

The Organization considers all highly liquid debt instruments, purchased with a maturity of three months or less, to be cash equivalents. Cash equivalents include money market funds.

Promises to Give

Contributions and grants are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. All other donor-restricted contributions are reported as increase in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

The Organization determines uncollectible promises receivable based on prior years' experience and management's analysis of specific promises made. As of December 31, 2024 there is no allowance for uncollectible promises to give.

Special Event Revenue

The Organization records special events revenue when the event takes place.

Contributions of Nonfinancial Assets

No amounts have been reflected in the financial statements for donated services. Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair value in the period received. The Organization generally pays for services requiring specific expertise. However, individuals volunteer their time and perform a variety of tasks that assist the Organization, but these services do not meet the criteria for recognition as contributed services.

Contributions of donated non-cash assets are recorded at their fair value in the period received.

Accounting for Uncertainty in Income Taxes

The Organization recognizes the effect of income tax positions only if those positions are more likely than not to be sustained. Management has determined that the Organization had no uncertain tax positions that would require financial statement recognition or disclosure. The Organization is no longer subject to examinations by the applicable taxing jurisdictions for period prior to 2022.

American Skin Association, Inc.

Notes To Financial Statements December 31, 2024

2. Summary of Significant Accounting Policies *(continued)*

Allocation of Functional Expenses

Directly identifiable expenses are charged to programs and supporting services. The expenses that are attributable to more than one program or supporting function require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries, benefits and taxes, marketing and promotion, travel and meetings, printing and postage, rent and related items, telephone and internet, computer expenses, and office expenses which are allocated on the basis of estimates of time and effort.

Concentration of Credit Risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents on deposit with financial institutions and promises to give. Deposits held at financial institutions insured by the Federal Deposit Insurance Corporation ("FDIC") are insured up to \$250,000. At times cash balances may exceed the FDIC limit. As of December 31, 2024, the Organization's uninsured cash balances on deposit totaled approximately \$1,711,700. The Organization has not experienced any losses on its cash accounts.

In addition, the Organization's cash and cash equivalents includes funds held in Vanguard money market mutual funds. Cash equivalents held at financial institutions insured by the Securities Investor Protection Corporation ("SIPC") are insured up to \$500,000. As of December 31, 2024, the Organization's uninsured cash equivalents totaled approximately \$483,000.

The Organization does not have a material concentration of credit risk, with respect to promises to give, due to generally short payment terms.

Subsequent Events

The Organization has evaluated subsequent events through November 13, 2025, the date which the financial statements were available to be issued.

3. Restrictions on Net Assets

The Organization's net assets with donor restrictions consists of the following as of December 31, 2024:

Atopic Dermatitis	\$ 250,622
Melanoma and Other Research	108,881
Vitiligo	43,781
Psoriasis	57,516
Other	50,000
	<u>\$ 510,800</u>

American Skin Association, Inc.

Notes To Financial Statements December 31, 2024

3. Restrictions on Net Assets *(continued)*

Net assets released from restriction are as follows for the year ended December 31, 2024:

Melanoma and Other Research	\$ (100,000)
Vitiligo	(100,000)
Psoriasis	(55,000)
Education	(50,000)
Other	<u>(20,000)</u>
	<u>\$ (325,000)</u>

4. Promises to Give

Promises to give are due in less than one year and are fully collectible per management as of December 31, 2024.

5. Contributions of Nonfinancial Assets

The Organization leases its office space on a month-to-month basis and the monthly rent expense is \$3,223. In 2024, the Organization received in-kind contributions in the form of free rent for such office space.

The Organization entered into a two-year lease agreement for additional office space in May of 2021. In 2024, the Organization received in kind contributions of \$3,435 per month in the form of free rent for such office space. This lease expired on April 30, 2024.

In 2024, the Organization received in-kind contributions in the form of free rent for its offices. Such rent was valued at its fair value of \$52,417 in 2024 based on current market rates.

Rent expense for the year ended December 31, 2024 was \$58,895.

6. Liquidity and Availability of Financial Assets

The following reflects the Organization's financial assets available to meet cash needs for general expenditures within one year of December 31, 2024:

Financial Assets:	
Cash and cash equivalents	\$ 2,945,490
Promises to give	<u>49,000</u>
Total Financial Assets	2,994,490
Less:	
Amounts restricted by donor with time or purpose restrictions	(510,800)
Grants payable	<u>(536,500)</u>
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u>\$ 1,947,190</u>

American Skin Association, Inc.

Notes To Financial Statements
December 31, 2024

6. Liquidity and Availability of Financial Assets (*continued*)

The Organization will rely on future contributions and grants to support its ongoing operations.

7. Grants Payable

Grants payable consist of grants awarded to specific grantees but not yet paid. A total of \$536,500 was payable by the Organization at December 31, 2024.

In 2024, the Organization cancelled grants payable of \$30,000 due to the grantees continued delay in meeting such grant acceptance requirements. Such funds were restricted for Psoriasis and repurposed for such programs.

8. Retirement Plan

The Organization maintains a defined contribution pension plan under IRS Code Section 403(B). For the year ended December 31, 2024, the Organization contributed 10% of salary for eligible employees.

Contributions totaling \$29,500 for the year ended December 31, 2024 were made by the Organization, in addition to the elective deferrals made by employees.

9. Related Party Transactions

During the year ended December 31, 2024 the Organization received contributions in the amount of \$247,000 from board members and organizations affiliated with board members. Included in promises to give are \$29,000 due from board members and organizations affiliated with board members as of December 31, 2024.

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