# National Marrow Donor Program and Subsidiaries

Consolidated Financial Statements
and Supplementary Information

September 30, 2024 and 2023

## Independent Auditors' Report

To the Board of Directors of
National Marrow Donor Program and Subsidiaries

**Opinion**

We have audited the consolidated financial statements of National Marrow Donor Program and Subsidiaries (collectively referred to as the Organization), which comprise the consolidated statement of financial position as of September 30, 2024 and 2023, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Organization as of September 30, 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 (GAAP).

**Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated 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 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 Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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 Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 GAAS 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 consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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.

### Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information as identified in the table of contents is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position and statements of activities of the individual organizations, and it is not a required part of the consolidated 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 consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Baker Tilly US, LLP

Minneapolis, Minnesota
January 22, 2025

## National Marrow Donor Program and Subsidiaries

Consolidated Statements of Financial Position
September 30, 2024 and 2023
(In Thousands)

| | 2024 | | | 2023 | | |
|---|---|---|---|---|---|---|
| | Without Donor Restrictions | With Donor Restrictions | Total | Without Donor Restrictions | With Donor Restrictions | Total |
| **Assets** | | | | | | |
| **Current Assets** | | | | | | |
| Cash and cash equivalents | $ 57,226 | $ 6,194 | $ 63,420 | $ 40,194 | $ 4,604 | $ 44,798 |
| Short-term investments (Note 5) | 171 | 245 | 416 | 157 | 153 | 310 |
| Receivables: | | | | | | |
| Transplant center and other receivables, net of allowance for credit losses of $160 in 2024 and $324 in 2023 | 61,754 | - | 61,754 | 53,521 | - | 53,521 |
| Contract receivables, net of allowance for credit losses of $50 in 2024 | 15,508 | - | 15,508 | 21,783 | - | 21,783 |
| Pledges receivable, net of allowance of $140 in 2024 and 2023 (Note 2) | 205 | 1,417 | 1,622 | 247 | 1,080 | 1,327 |
| Prepaid expenses and other | 11,271 | - | 11,271 | 10,655 | - | 10,655 |
| Total current assets | 146,135 | 7,856 | 153,991 | 126,557 | 5,837 | 132,394 |
| **Long-Term Investments (Note 5)** | 150,315 | 2,608 | 152,923 | 126,498 | 2,224 | 128,722 |
| **Property and Equipment, Net (Note 4)** | 51,308 | - | 51,308 | 45,003 | - | 45,003 |
| **Right of Use Asset, Financing, Net (Note 6)** | 25,283 | - | 25,283 | 29,523 | - | 29,523 |
| **Right of Use Asset, Operating, Net (Note 6)** | 3,002 | - | 3,002 | 2,406 | - | 2,406 |
| **Deferred Compensation Funds (Notes 5 and 9)** | 5,901 | - | 5,901 | 4,754 | - | 4,754 |
| **Long-Term Pledges Receivable, Net Present Value Discount (Note 2)** | - | 1,807 | 1,807 | - | 1,920 | 1,920 |
| **Other Assets** | 2,232 | - | 2,232 | 2,575 | - | 2,575 |
| Total assets | $ 384,176 | $ 12,271 | $ 396,447 | $ 337,316 | $ 9,981 | $ 347,297 |
| **Liabilities and Net Assets** | | | | | | |
| **Current Liabilities** | | | | | | |
| Accounts payable | $ 22,155 | $ - | $ 22,155 | $ 17,952 | $ - | $ 17,952 |
| Accrued expenses | 50,877 | - | 50,877 | 44,805 | - | 44,805 |
| Accrued compensation and benefits | 46,902 | - | 46,902 | 43,319 | - | 43,319 |
| Current maturities of long-term financing lease (Note 6) | 4,458 | - | 4,458 | 4,147 | - | 4,147 |
| Current maturities of long-term operating lease (Note 6) | 298 | - | 298 | 231 | - | 231 |
| Refundable advances and deferred revenue | 5,287 | - | 5,287 | 4,389 | - | 4,389 |
| Total current liabilities | 129,977 | - | 129,977 | 114,843 | - | 114,843 |
| **Deferred Compensation Payable** | 8,075 | - | 8,075 | 7,079 | - | 7,079 |
| **Long-Term Financing Lease (Note 6)** | 28,875 | - | 28,875 | 33,325 | - | 33,325 |
| **Long-Term Operating Lease (Note 6)** | 3,033 | - | 3,033 | 2,315 | - | 2,315 |
| Total liabilities | 169,960 | - | 169,960 | 157,562 | - | 157,562 |
| **Net Assets** | 214,216 | 12,271 | 226,487 | 179,754 | 9,981 | 189,735 |
| Total liabilities and net assets | $ 384,176 | $ 12,271 | $ 396,447 | $ 337,316 | $ 9,981 | $ 347,297 |

*See notes to consolidated financial statements*

## National Marrow Donor Program and Subsidiaries

Consolidated Statements of Activities
Years Ended September 30, 2024 and 2023
(In Thousands)

| | 2024 | | | 2023 | | |
|---|---|---|---|---|---|---|
| | Without Donor Restrictions | With Donor Restrictions | Total | Without Donor Restrictions | With Donor Restrictions | Total |
| **Revenues and Gains** | | | | | | |
| Search and procurement fees | $ 560,350 | $ - | $ 560,350 | $ 486,414 | $ - | $ 486,414 |
| Federal contracts and cooperative agreements | 50,341 | - | 50,341 | 55,427 | - | 55,427 |
| Contributions | 31,509 | 3,978 | 35,487 | 31,295 | 3,979 | 35,274 |
| Other | 200 | - | 200 | 136 | - | 136 |
| Net assets released from restrictions | 2,214 | (2,214) | - | 1,431 | (1,431) | - |
| Total revenues and gains | 644,614 | 1,764 | 646,378 | 574,703 | 2,548 | 577,251 |
| **Expenses** | | | | | | |
| Program services | 529,304 | - | 529,304 | 479,475 | - | 479,475 |
| Management and general | 104,815 | - | 104,815 | 99,489 | - | 99,489 |
| Fundraising | 4,716 | - | 4,716 | 6,546 | - | 6,546 |
| Total expenses | 638,835 | - | 638,835 | 585,510 | - | 585,510 |
| Excess (deficiency) of revenues and gains over expenses | 5,779 | 1,764 | 7,543 | (10,807) | 2,548 | (8,259) |
| **Other Income (Expenses) and Other Changes** | | | | | | |
| (Loss)/gain on disposal of asset | (5) | - | (5) | 26 | - | 26 |
| Investment return, net | 28,688 | 526 | 29,214 | 18,949 | 229 | 19,178 |
| Total other income (expenses) and other changes | 28,683 | 526 | 29,209 | 18,975 | 229 | 19,204 |
| Increase in net assets before cumulative effect of adoption of accounting standard | 34,462 | 2,290 | 36,752 | 8,168 | 2,777 | 10,945 |
| **Cumulative Effect of Adoption of ASU No. 2016-02** | - | - | - | 117 | - | 117 |
| Increase in net assets | 34,462 | 2,290 | 36,752 | 8,285 | 2,777 | 11,062 |
| **Net Assets, Beginning** | 179,754 | 9,981 | 189,735 | 171,469 | 7,204 | 178,673 |
| **Net Assets, Ending** | $ 214,216 | $ 12,271 | $ 226,487 | $ 179,754 | $ 9,981 | $ 189,735 |

*See notes to consolidated financial statements*

**National Marrow Donor Program and Subsidiaries**

Consolidated Statement of Functional Expenses
Year Ended September 30, 2024
(In Thousands)

| | Program Services | | | | | Support Services | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Medical Services | Recruitment | Research | Public Awareness | Total | Management and General | Fundraising | Total | Total |
| Medical services | $ 247,335 | $ - | $ - | $ - | $ 247,335 | $ 2,376 | $ - | $ 2,376 | $ 249,711 |
| Donor recruitment services | - | 12,752 | - | - | 12,752 | - | - | - | 12,752 |
| Research activities | - | - | 15,901 | - | 15,901 | - | - | - | 15,901 |
| Compensation | 82,497 | 17,716 | 25,620 | 13,502 | 139,335 | 48,307 | 1,555 | 49,862 | 189,197 |
| Benefits | 21,287 | 4,530 | 7,222 | 3,502 | 36,541 | 11,118 | 477 | 11,595 | 48,136 |
| Professional fees | 13,593 | 6,384 | 14,652 | 8,694 | 43,323 | 15,567 | 1,997 | 17,564 | 60,887 |
| Travel | 1,086 | 1,378 | 735 | 570 | 3,769 | 1,261 | 124 | 1,385 | 5,154 |
| Professional development | 578 | 126 | 130 | 92 | 926 | 585 | 8 | 593 | 1,519 |
| Occupancy | 379 | 94 | 24 | 22 | 519 | 3,928 | - | 3,928 | 4,447 |
| Telecommunications | 478 | 117 | 115 | 115 | 825 | 357 | - | 357 | 1,182 |
| Information processing | 9,152 | 2,343 | 3,033 | 2,422 | 16,950 | 7,515 | 8 | 7,523 | 24,473 |
| Printing and copying | 145 | 164 | 25 | 526 | 860 | 445 | 38 | 483 | 1,343 |
| Postage and shipping | 405 | 190 | 56 | 159 | 810 | 124 | 22 | 146 | 956 |
| Depreciation and amortization | 4,056 | 971 | 939 | 931 | 6,897 | 8,541 | - | 8,541 | 15,438 |
| Interest expense | 398 | 54 | 74 | 27 | 553 | 1,787 | - | 1,787 | 2,340 |
| Office and miscellaneous | 525 | 275 | 67 | 1,141 | 2,008 | 2,904 | 487 | 3,391 | 5,399 |
| Total expenses | $ 381,914 | $ 47,094 | $ 68,593 | $ 31,703 | $ 529,304 | $ 104,815 | $ 4,716 | $ 109,531 | $ 638,835 |

*See notes to consolidated financial statements*

## National Marrow Donor Program and Subsidiaries

Consolidated Statement of Functional Expenses
Year Ended September 30, 2023
(In Thousands)

| | Program Services | | | | | Support Services | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Medical Services | Recruitment | Research | Public Awareness | Total | Management and General | Fundraising | Total | Total |
| Medical services | $ 222,531 | $ - | $ - | $ - | $ 222,531 | $ 1,037 | $ - | $ 1,037 | $ 223,568 |
| Donor recruitment services | - | 15,252 | - | - | 15,252 | - | - | - | 15,252 |
| Research activities | - | - | 14,141 | - | 14,141 | - | - | - | 14,141 |
| Compensation | 73,231 | 16,423 | 21,785 | 12,745 | 124,184 | 47,553 | 2,419 | 49,972 | 174,156 |
| Benefits | 18,921 | 3,922 | 5,325 | 3,218 | 31,386 | 11,345 | 607 | 11,952 | 43,338 |
| Professional fees | 14,397 | 6,776 | 16,857 | 4,098 | 42,128 | 14,232 | 1,557 | 15,789 | 57,917 |
| Travel | 887 | 1,265 | 514 | 686 | 3,352 | 1,281 | 18 | 1,299 | 4,651 |
| Professional development | 527 | 75 | 113 | 81 | 796 | 508 | 4 | 512 | 1,308 |
| Occupancy | 489 | 93 | 45 | 144 | 771 | 3,898 | 51 | 3,949 | 4,720 |
| Telecommunications | 522 | 130 | 127 | 64 | 843 | 386 | 63 | 449 | 1,292 |
| Information processing | 7,427 | 1,869 | 2,869 | 977 | 13,142 | 6,278 | 902 | 7,180 | 20,322 |
| Printing and copying | 154 | 90 | 47 | 391 | 682 | 135 | 122 | 257 | 939 |
| Postage and shipping | 404 | 187 | 38 | 119 | 748 | 237 | 15 | 252 | 1,000 |
| Depreciation and amortization | 5,166 | 1,316 | 1,234 | 677 | 8,393 | 8,808 | 577 | 9,385 | 17,778 |
| Interest expense | - | - | - | - | - | 1,703 | - | 1,703 | 1,703 |
| Office and miscellaneous | 547 | 279 | 98 | 202 | 1,126 | 2,088 | 211 | 2,299 | 3,425 |
| Total expenses | $ 345,203 | $ 47,677 | $ 63,193 | $ 23,402 | $ 479,475 | $ 99,489 | $ 6,546 | $ 106,035 | $ 585,510 |

*See notes to consolidated financial statements*

## National Marrow Donor Program and Subsidiaries

Consolidated Statements of Cash Flows
Years Ended September 30, 2024 and 2023
(In Thousands)

| | 2024 | 2023 |
|---|---|---|
| **Cash Flows From Operating Activities** | | |
| Increase (decrease) in net assets | $ 36,752 | $ 11,062 |
| Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities: | | |
| Depreciation and amortization/accretion | 15,438 | 17,778 |
| Non-cash lease expense | 189 | 139 |
| Loss/(gain) on disposal of asset | 5 | (26) |
| Net realized and unrealized appreciation of investments | (24,880) | (15,998) |
| Contributions received for endowment | - | (20) |
| Changes in other operating activities: | | |
| Receivables | (2,366) | (10,933) |
| Prepaid expenses and other assets | (273) | (467) |
| Accounts payable | 4,233 | 4,784 |
| Accrued expenses and compensation and benefits | 8,802 | 18,724 |
| Refundable advances and deferred revenue | 898 | 1,889 |
| Deferred compensation payable | 996 | 1,359 |
| Net cash from operating activities | 39,794 | 28,291 |
| **Cash Flows From Investing Activities** | | |
| Purchases of investments | (182,486) | (4,505) |
| Sales/maturities of investments | 183,060 | 8,221 |
| Purchase of property, computer software and equipment | (16,676) | (9,984) |
| Net purchases of deferred compensation funds | (1,147) | (323) |
| Net cash (used in) investing activities | (17,249) | (6,591) |
| **Cash Flows From Financing Activities** | | |
| Cash received from endowed gifts | 226 | 285 |
| Principal payments on long-term debt | - | (203) |
| Principal payments on long-term financing lease | (4,149) | (3,663) |
| Net cash (used in) financing activities | (3,923) | (3,581) |
| Increase in cash and cash equivalents | 18,622 | 18,119 |
| **Cash and Cash Equivalents, Beginning** | 44,798 | 26,679 |
| **Cash and Cash Equivalents, Ending** | $ 63,420 | $ 44,798 |
| **Supplemental Disclosure of Cash Flow Information** | | |
| Cash paid for interest | $ 1,608 | $ 1,647 |
| **Noncash Investing and Financing Activities** | | |
| Purchase of property and equipment included in accounts payable and accrued expenses at end of year | $ 1,849 | $ 1,026 |

*See notes to consolidated financial statements*

## 1. Organization and Program Descriptions

National Marrow Donor Program® (the Program or NMDP) is the global leader in providing blood stem cell and umbilical cord blood transplants to patients with life-threatening blood cancers like leukemia and lymphoma or other diseases. The mission drives the work to save lives through cellular therapy. Over the past 30 plus years, NMDP has managed the largest and most diverse blood stem cell registry in the world. The Program matches blood stem cell donors with patients in need, facilitates the donation and patient's path to transplantation and collects data to improve outcomes and experience. For more information, visit nmdp.org.

NMDP Foundation℠ (the Foundation or NMDPF) is operated by NMDP and raises funds to support the Program's initiatives. Effective December 1, 2023, the Foundation changed its legal name from Be The Match Foundation® to NMDP Foundation℠. With the public's help, the Foundation gives patients a reason to hope and the power to heal. Foundation funds deliver tangible relief to patient families struggling with uninsured transplant costs, help add more potential blood stem cell donors to the NMDP Registry℠, support new research discoveries and NMDP strategic initiatives.

CLEAR Insurance, Ltd (CLEAR) is an exempt company operating subject to the Companies Law (Revised) of the Cayman Islands. CLEAR is licensed to carry on business in the Cayman Islands as a Class B(i) Insurer. It issues certain insurance to NMDP to support the mission.

NMDP Collection Services, LLC (NMDPCS) is a wholly-owned subsidiary of NMDP focused on improving blood stem cell donor collection capabilities throughout the cellular therapy network. Effective October 1, 2023, the Program's biotherapies operation dedicated to accelerating cell and gene therapy development was moved to NMDPCS. Effective December 1, 2023, NMDPCS changed its legal name from Be The Match Collection Services, LLC to NMDP Collection Services, LLC.

NMDP Auxiliary Services, LLC (NMDPAS) is a wholly-owned for-profit subsidiary of NMDP. Effective December 1, 2023, NMDPAS changed its legal name from Be The Match Auxiliary Services, LLC to NMDP Auxiliary Services, LLC.

Be the Match Mexico is a wholly-owned subsidiary of NMDP and NMDPF, 99% and 1% ownership respectively, created as a civil association in Mexico and is focused on diversifying the NMDP Registry℠, fundraising, and bringing more awareness to the cause. Be the Match Mexico is doing business as NMDP Mexico (NMDPM) effective October 1, 2024.

The consolidated financial statements include the accounts of the NMDP, NMDPF, CLEAR, NMDPCS, NMDPAS and NMDPM (collectively, the Organization), after elimination of intercompany accounts and transactions.

## 2. Significant Accounting Policies

### Basis of Accounting

The consolidated financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

### Cash and Cash Equivalents

Investments acquired that are readily convertible to cash are reported as cash equivalents and are carried at cost. The Organization maintains its operating cash balances with high credit quality financial institutions. At times, the amounts on deposit may exceed the Federal Deposit Insurance Corporation limit. Cash on deposit in excess of federally insured limits are subject to the usual banking risks of funds in excess of those limits.

**Investments and Investment Income**

Short-term investments consist of investments acquired with original maturities within the next 12 months. Long-term investments are investments not intended to be liquidated over the next 12 months. Investments in marketable securities are stated at fair value, as determined by quoted market prices. Investments in securities without a readily determinable fair value are recorded at net asset value per share, when applicable. If net asset value is not applicable for an equity security without a readily determinable fair value, the equity security is valued at cost, with adjustments made for changes resulting from observable price changes in orderly transactions for identical or a similar investment of the same issuer. Realized gains and losses on investment sales are calculated based on specific identification of the securities sold. Unrealized gains or losses result from changes in the fair value of investments.

Investment securities, in general, are exposed to various risks, such as interest rates, credit and overall market volatility. Due to the level of risk associated with certain investment securities, it is possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the consolidated financial statements.

**Receivables**

The Organization recognizes an allowance for credit losses for trade and other receivables to present the net amount expected to be collected as of the date of the statement of financial position. Such allowance is based on the credit losses expected to arise over the life of the asset which includes consideration of past events and historical loss experience, current events and also future events based on our expectation as of the date of the statement of financial position. Receivables are written off when the Organization determined that such receivables are deemed uncollectible.
The Organization pools its receivables based on similar risk characteristics in estimating its expected credit losses. In situations where a receivable does not share the same risk characteristics with other receivables, the Organization measures those receivables individually. The Organization also continuously evaluates such pooling decisions and adjusts as needed from period to period as risk characteristics change.

The Organization utilizes the loss rate method in determining its lifetime expected credit losses on its receivables. This method is used for calculating an estimate of losses based primarily on the Organization's historical loss experience. In determining its loss rates, the Organization evaluates information related to its historical losses, adjusted for current conditions and further adjusted for the period of time that can be reasonably forecasted. Qualitative and quantitative adjustments related to current conditions and the reasonable and supportable forecast period consider all the following: past due receivables, the customer creditworthiness, changes in the terms of receivables, and the effect of other external market forces. For receivables that are not expected to be collected within the normal business cycle, the Organization considers current and forecasted direction of the economic and business environment.

Trade and other receivables consist of transplant center and other receivables and contract receivables. Transplant center and other receivables totaled $61,754, $53,521 and $46,354 as of September 30, 2024, 2023 and 2022, respectively. Contract receivables totaled $7,779, $7,459 and $4,073 as of September 30, 2024, 2023 and 2022, respectively.

**Pledges Receivable**

Unconditional promises to give cash and other assets to the Organization are reported at net present value at the date the promise is received. Conditional promises to give are recorded at fair value when the condition is met. As of September 30, 2024 and 2023, the Organization had $800 and $0, respectively, of conditional promises to give which will be recognized when the condition or barrier is met. Promises to give due in more than one year are discounted using a risk-free interest rate applicable to the year in which the promise is received.

(In Thousands)

During the years ended September 30, 2024 and 2023, contributions and pledges received from related parties (members of the Board of Directors) totaled $367 and $284, respectively. Pledges receivable from related parties as of September 30, 2024 and 2023, were $238 and $692, respectively.

As of September 30, 2024 and 2023, pledges receivable are outstanding for the following purposes:

| | 2024 | 2023 |
|---|---|---|
| Operations (program) | $ 3,638 | $ 3,460 |
| Endowment | 52 | 149 |
| Total pledges receivable, gross | $ 3,690 | $ 3,609 |

As of September 30, 2024 and 2023, the expected future cash receipts of pledges receivable are as follows:

| | 2024 | 2023 |
|---|---|---|
| Pledges due, less than one year | $ 1,762 | $ 1,467 |
| Pledges due, in one to five years | 1,920 | 1,867 |
| Pledges due, in more than five years | 8 | 275 |
| Total pledges receivable, gross | 3,690 | 3,609 |
| Allowance for uncollectible pledges | (140) | (140) |
| Discount to net present value | (121) | (222) |
| Total pledges receivable, net | $ 3,429 | $ 3,247 |

### Property and Equipment

The cost of property and equipment is depreciated using the straight-line method over the estimated useful lives of up to 10 years. Leased buildings are amortized using the straight-line method over the shorter of the useful life of the building or the term of the lease.

### Capitalized Software Costs

The Organization capitalizes software development costs incurred in upgrading and developing computer software and begins capitalization of these costs after technological feasibility has been determined. The capitalized software for internal use, once placed in service, is amortized on the straight-line method over the useful life, which ranges from five to ten years.

### Leases

At lease inception, leases are classified as either finance leases or operating leases with the associated right-of-use asset and lease liability measured at the net present value of future lease payments. Operating leases are expensed on a straight-line basis as lease expense over the non-cancelable lease term. Expenses for finance leases are comprised of the amortization of the right-of-use asset and interest expense recognized based on the effective interest method. During 2023, the Organization had a cumulative adjustment of $117 to net assets upon the adoption of Topic 842 related to its leases that existed at the date of adoption.

The Organization has made the following accounting policy elections for its lease accounting:

- The Organization has elected the policy not to separate lease and nonlease components for all asset classes;

- The Organization elected not to apply the recognition requirements to all leases with an original term of 12 months or less, for which the Organization is not likely to exercise a renewal option or purchase the asset at the end of the lease; rather, short term leases will continue to be recorded on a straight-line basis over the lease term.

Additional required disclosures for leases are contained in Note 6.

**Accrued Medical Liabilities**

The Organization procures medical services from third-party health practitioners and clinics and pays for these services based on the Organization's rate schedule or contractual agreements, where applicable. The liability for unpaid medical services also includes an estimate for services incurred but not yet reported to the Organization and for services incurred that did not include all the necessary billing information. The methods and assumptions used for estimating these amounts are continually reviewed and adjusted as more current information is received from vendors on which to base its assumptions. Adjustments to prior estimates are charged to operations in the year in which the adjustments are made as a change in estimate. The Organization's estimated liability for unpaid medical services totaled approximately $50,000 and $42,000 as of September 30, 2024 and 2023, respectively. Results could differ from these estimates.

Approximately $15,000 and $35,000 of the liability for unpaid medical services is included in accounts payable and accrued expenses, respectively, in the consolidated statement of financial position as of September 30, 2024. Approximately $10,000 and $32,000 of the liability for unpaid medical services is included in accounts payable and accrued expenses, respectively, in the consolidated statement of financial position as of September 30, 2023.

**Net Assets**

Net assets, revenues and gains and expenses are classified based on the existence or absence of contributor-imposed restrictions. Net assets that are not subject to contributor-imposed stipulations are classified as net assets without donor restrictions, while net assets subject to contributor-imposed stipulations that will be met by specific actions taken by the Organization, or the passage of time are classified as net assets with donor restrictions. When a contributor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions. Net assets with donor restrictions whose contributor restriction expires in the same year as funds are received are classified as net assets without donor restrictions in the consolidated statements of activities. In the absence of contributor specifications that income and gains on contributed funds be restricted, such income and gains are reported as income without donor restrictions. Income and gains on donor-restricted investments are recorded as revenue with donor restrictions until they are appropriated by the Board, at which time they are recorded as a release from restrictions. The Organization recruits blood stem cell donors; however, throughout the consolidated financial statements, if not already noted, donors mean financial contributors.

**Revenue Recognition**

Search and procurement fee revenue is recognized when the performance obligation is satisfied. For most contracts with customers, the performance obligations are the donor typing sample results, donor cell product collection or cord blood shipment. Revenue for services is recognized and billed at that time. The Organization determines the transaction price for all services performed under the contract with customers.

Federal contracts and cooperative agreements revenue such as those awarded under the Health Resources and Service Administration (HRSA), Office of Naval Research (Navy) and National Institute of Health (NIH) contracts are recognized as revenue at a point in time as qualified expenses are incurred as that is when the performance obligation is satisfied.

Contributions of unconditional promises to give cash and other assets to the Organization, such as those received from individual contributors, foundations and corporate partnerships and fundraising events are reported at fair value at the date the promise is received. Conditional promises to give, those with a measurable performance or other barrier and a right of return, are recorded at fair value when the conditional performance obligation is met.

### Donated Services and Materials

Donated services are recognized as contributions in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, *Not-for-Profit Entities*, if the services (a) create or enhance nonfinancial assets or (b) require specialized skills and are performed by people with those skills and (c) would otherwise be purchased by the organization. A substantial number of volunteers have donated significant time to the Organization. However, no amounts related to volunteer services have been reflected in the consolidated financial statements since the recognition criteria was not met. Blood stem cell donors are not reimbursed for donation of their stem cells and therefore, no amounts relative to stem cell donations have been reflected in the consolidated financial statements.

### Functional Allocation of Expenses

The costs of providing the Organization's various programs, including medical services, volunteer stem cell donor recruitment, research, public awareness and supporting services have been summarized functionally. Accordingly, certain costs such as compensation and benefits and professional fees have been allocated among the programs and supporting services benefited based on conversations with department leaders to estimate where time and specific work efforts are focused, what technology systems are being supported, and what organizational goals these departments support. Medical services include matching donors to patients in need and facilitating the stem cell donation. Recruitment is registering potential stem cell donors and maintaining the national donor registry. The Organization aims to provide a diverse listing of potential donors and cord blood units. Research services are aimed at improving patient outcomes and the patient and donor experience. This work includes establishing and maintaining an extensive database for researchers, conducting observational studies and facilitating clinical trials. Public awareness increases knowledge of the Organization and its mission to patients, physicians and the general public. Fundraising activities include soliciting contributions to benefit the organization and our patients.

### Tax-Exempt Status

The Internal Revenue Service has determined that the Program and NMDPF are tax-exempt organizations under Section 501(c)(3) of the Internal Revenue Code (IRC). The not-for-profit status of the Program and NMDPF are considered tax positions under FASB ASC 740, *Income Taxes*.

The Organization follows the accounting standards for contingencies in evaluating uncertain tax positions. This guidance prescribes recognition threshold principles for the financial statement recognition of tax positions taken or expected to be taken on a tax return that are not certain to be realized. No liability has been recognized by the Organization for uncertain tax positions as of September 30, 2024 or 2023, however, any unrelated business income may be subject to taxation. The Organization's tax returns are subject to review and examination by federal and state authorities.

NMDPCS is treated as a disregarded entity for income tax reporting purposes. As such, NMDPCS's income, losses and credits are included in the tax return of its sole member and parent, NMDP. NMDPAS is a regarded entity for tax purposes and files a separate tax return. CLEAR is an exempt company operating subject to the Companies Law (Revised) of Cayman Islands and is included in the tax return of NMDP. NMDPM is treated as a foreign corporation for U.S income tax reporting purposes. NMDPM files a separate tax return in Mexico.

**Impairment of Long-Lived Assets**

The Organization reviews its long-lived assets periodically to determine potential impairment by comparing the carrying value of the assets with the net cash flows to be provided by operations and eventual disposition of the asset. Should the sum of the expected future net cash flows be less than the carrying value, the Organization would determine whether an impairment loss should be recognized and presented as an expense. An impairment loss would be based on the fair value utilizing a discounted cash flows approach to estimate fair value.

**Use of Estimates**

The preparation of the consolidated 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 amount of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements. Estimates also affect the reported amounts of revenues and expenses during the period. Results could differ from those estimates.

**Subsequent Events**

The Organization has considered events for recognition or disclosure in the consolidated financial statements that occurred subsequent to September 30, 2024 through January 22, 2025, the date the consolidated financial statements were available to be issued.

**Recent Accounting Pronouncements Adopted**

In June 2016, the FASB issued Accounting Standards Update (ASU) No. 2016-13, *Financial Instruments—Credit Losses (Topic 326)*. The ASU introduces a new credit loss methodology, Current Expected Credit Losses (CECL), which requires earlier recognition of credit losses, while also providing additional transparency about credit risk. Since its original issuance in 2016, the FASB has issued several updates to the original ASU. The CECL methodology utilizes a lifetime "expected credit loss" measurement objective for the recognition of credit losses at the time the financial asset is originated or acquired. The expected credit losses are adjusted each period for changes in expected lifetime credit losses. The methodology replaces the multiple existing impairment methods in current GAAP, which generally require that a loss be incurred before it is recognized. On October 1, 2023, the Organization adopted the ASU using the modified retrospective approach. The adoption of the standard did not have a material impact on the consolidated financial statements and there was no adjustment to net assets upon adoption.

**Reclassifications**

Certain amounts appearing in the 2023 financial statements have been reclassified to conform to the 2024 presentation. The reclassifications had no effect on the amounts of total cash, change in cash, net assets and change in net assets, as previously reported.

(In Thousands)

## 3. Liquidity and Availability of Financial Resources

As part of the Organization's liquidity management, the Organization structures its financial assets to be available as its general expenditures, liabilities and other obligations come due. In addition, the Organization invests cash in excess of daily requirements in short-term investments.

The following reflects the Organization's financial assets as of the balance sheet date available for general use within one year. These amounts do not include items that have contractual or donor-imposed restrictions or internal designations that prevent them from being available for general expenditure within one year.

| | 2024 | 2023 |
|---|---|---|
| Cash and cash equivalents | $ 63,420 | $ 44,798 |
| Short-term investments | 416 | 310 |
| Transplant center and other receivables, net of allowance | 61,704 | 53,521 |
| Contract receivables | 15,558 | 21,783 |
| Pledges receivable due within one year | 1,622 | 1,327 |
| Long-term investments | 152,923 | 128,722 |
| Less cash, cash equivalents, investments and pledges receivable due within one year restricted or designated for endowment purposes | (5,566) | (4,821) |
| Financial assets available within the next year | $ 290,077 | $ 245,640 |

Excluded from financial assets available within the next year in the table above are investments designated by the Board of Directors for endowment purposes of $3,513 and $3,034 as of September 30, 2024 and 2023, respectively, which could be made available for general expenditure as approved by the Board.

In 2023, the Organization entered into a renewable one-year $15,000 Revolving Credit Agreement. This agreement was renewed in 2024. There have been no borrowings under this line of credit.

## 4. Property and Equipment

A summary of the cost of property and equipment and the related accumulated depreciation and amortization as of September 30, 2024 and 2023, is as follows:

| | 2024 | 2023 |
|---|---|---|
| Software | $ 75,842 | $ 65,645 |
| Furniture and equipment | 23,636 | 23,030 |
| Leasehold improvements | 12,320 | 11,645 |
| Total cost of assets placed in service | 111,798 | 100,320 |
| Less accumulated depreciation and amortization | (70,977) | (61,110) |
| Work in process | 10,487 | 5,793 |
| Property and equipment, net | $ 51,308 | $ 45,003 |

Work in process as of September 30, 2024 includes the acquisition, development, installation and implementation of computer hardware, packaged and customized computer software, leasehold improvements and furniture and equipment. The Organization's depreciation and impairment expense during the years ended September 30, 2024 and 2023, was $11,247 and $14,058, respectively.

(In Thousands)

## 5. Investments and Fair Value Measurements

The types of investments held as of September 30, 2024 and 2023 were as follows:

| | 2024 | 2023 |
|---|---|---|
| Mutual and exchange-traded funds | $ 133,197 | $ 128,525 |
| Common stock | 17,502 | 507 |
| Alternative investments | 2,640 | - |
| | $ 153,339 | $ 129,032 |
| Reported on the statements of financial position as: | | |
| Short-term investments | $ 416 | $ 310 |
| Long-term investments | 152,923 | 128,722 |
| | $ 153,339 | $ 129,032 |

The Organization holds a domestic equity security that is a program-related investment of an unrelated entity. As of September 30, 2024 and 2023, the program-related investment balance was $1,016 and $507. The primary purpose of the Organization's program-related investment is to advance its tax-exempt mission by supporting research in cellular therapy. The production of income or the appreciation of the investment is not a significant purpose.

The summary of the investment return for the years ended September 30, 2024 and 2023, is as follows:

| | 2024 | 2023 |
|---|---|---|
| Interest income, net | $ 4,334 | $ 3,180 |
| Realized gain on investments | 29,091 | 6,286 |
| | 33,425 | 9,466 |
| Change in unrealized (depreciation)/appreciation on investments | (4,211) | 9,712 |
| Total investment (loss)/return | $ 29,214 | $ 19,178 |

### Fair Value of Financial Instruments

The Organization values its financial assets and liabilities in accordance with FASB ASC 820, *Fair Value Measurements and Disclosures*, that establishes a three-tier fair value hierarchy. Level 1 provides the most reliable measure of fair value, while Level 3 requires significant management judgment. Considerable judgment may be required in interpreting market data used to develop the estimates of fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts that could be realized in a current market exchange. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value. The levels are defined as follows:

Level 1 - Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity can access at the measurement date.

Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. This includes quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability or market-corroborated inputs.

Level 3 - Inputs are unobservable for the asset or liability. Unobservable inputs reflect the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk) using the best information available in the circumstances, which may include using the reporting entity's own data.

**Asset Valuation Techniques**

Mutual funds, exchange-traded funds and common stock are valued at the closing price reported in the active market in which the individual funds and securities are traded and are recorded within Level 1 in the valuation hierarchy.

Some fixed income mutual funds and exchange-traded funds fair values are estimated using Level 2 inputs based on multiple sources of information, which may include market data and/or quoted market prices from either markets that are not active or are for the same or similar assets in active markets.

Deferred compensation funds are comprised of mutual funds and money market funds and are recorded within Level 1 in the valuation hierarchy.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

The Organization measures the fair value for their investments in alternative investments based on NAV as a practical expedient. This practical expedient is applied on an investment-by-investment basis and is applied consistently, when applicable, across the Organization's entire position in an investment. When the NAV per share methodology is not applicable to an equity security without a readily determinable fair value, the Organization values the investment at cost less impairment. The Organization periodically reviews investments valued at cost less impairment to determine if the investments have a readily determinable fair value or have become eligible for the NAV per share practical expedient.

While the Organization 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 estimate of fair value at the reporting date.

(In Thousands)

Financial assets measured at fair value on a recurring basis as of September 30, 2024 and 2023, by type of inputs applicable to the fair value measurements, are summarized as follows:

| | 2024 | | | |
|---|---|---|---|---|
| | **Level 1** | **Level 2** | **Level 3** | **Total** |
| Investments measured using fair value: | | | | |
| Mutual and exchange traded funds: | | | | |
| Domestic equities | $ 50,685 | $ - | $ - | $ 50,685 |
| International equities | 25,911 | - | - | 25,911 |
| Fixed income | 14,130 | 42,471 | - | 56,601 |
| Total mutual and exchange traded funds | 90,726 | 42,471 | - | 133,197 |
| Common stock: | | | | |
| Domestic equity securities | 17,502 | - | - | 17,502 |
| Deferred compensation funds | 5,901 | - | - | 5,901 |
| Total | $ 114,129 | $ 42,471 | $ - | $ 156,600 |

| | 2023 | | | |
|---|---|---|---|---|
| | **Level 1** | **Level 2** | **Level 3** | **Total** |
| Investments measured using fair value: | | | | |
| Mutual and exchange traded funds: | | | | |
| Domestic equities | $ 46,222 | $ - | $ - | $ 46,222 |
| International equities | 21,895 | - | - | 21,895 |
| Fixed income | 60,011 | 397 | - | 60,408 |
| Total mutual and exchange traded funds | 128,128 | 397 | - | 128,525 |
| Common stock: | | | | |
| Domestic equity securities | 507 | - | - | 507 |
| Deferred compensation funds | 4,754 | - | - | 4,754 |
| Total | $ 133,389 | $ 397 | $ - | $ 133,786 |

The Organization's interest in its partnership investment represents commitments that are not subject to redemption; instead, the Organization is a limited partner in funds that invest in private companies or properties, or pursue specific investment strategies. The nature of such investments is that distributions are received through the liquidation of the underlying assets of the partnership.

(In Thousands)

A summary of the significant categories of such investments and their attributes is as follows:

| Asset Class | Fair Value September 30, 2024 | Redemption Frequency (if Currently Eligible) | Redemption Notice Period | Strategy | Estimated Life |
|---|---|---|---|---|---|
| Hedge funds | $ 2,000 | Provision for quarterly liquidity, with fulfillment via a prorated share of portfolio allocations | 93-day notice, subject to a one-year lockup | Managed portfolio of diversified high-conviction hedge funds | Indefinite |
| Private equity funds | 640 | N/A | N/A | Invest in mature U.S. private companies | Approximately 5-10 years |
| Total | $ 2,640 | | | | |

At September 30, 2024, unfunded commitments include $2,000 of private debt and $1,860 of private equity funds.

## 6. Leases

As of September 30, 2024, NMDP had operating and financing leases for certain facilities and office equipment with lease terms ranging from five to fifteen years. Several leases contain options to extend the lease term for multiple periods ranging from five to seven years, and several leases contain options to terminate the lease early. None of these options are currently recognized as part of the Organization's right-of-use assets and lease liabilities.

Right-of-use assets represent the Organization's right to use an underlying asset for the lease term, while lease liabilities represent the Organization's obligation to make lease payments arising from the lease. Right-of-use assets and lease liabilities are recognized at the commencement date of a lease based on the net present value of lease payments over the lease term.

Certain of the Organization's leases include options to renew or terminate the lease. The exercise of lease renewal or early termination options is at the Organization's sole discretion. The Organization regularly evaluates the renewal and early termination options and when they are reasonably certain of exercise, the Organization includes such options in the lease term.

In determining the discount rate used to measure the right-of-use assets and lease liabilities, the Organization uses the rate implicit in the lease, or if not readily available, the Organization uses the Organization's incremental borrowing rate. If an incremental borrowing rate is not available, the Organization uses the U.S. prime rate as its discount rate.

Right-of-use assets are assessed for impairment in accordance with the Organization's long-lived asset policy. The Organization reassesses lease classification and remeasures right-of-use assets and lease liabilities when a lease is modified and that modification is not accounted for as a separate new lease or upon certain other events that require reassessment.

(In Thousands)

The Organization makes significant assumptions and judgments in evaluating its leases. In particular, the Organization:

- Evaluates whether a contract contains a lease, by considering factors such as whether the Organization obtained substantially all rights to control an identifiable underlying asset and whether the lessor has substantive substitution rights;

- Determines whether contracts contain embedded leases;

- Determines the discount rate used to measure the lease liability.

The Organization does not have any material leasing transactions with related parties.

The following table summarizes the lease right-of-use assets and lease liabilities as of September 30, 2024 and 2023:

| | 2024 | 2023 |
|---|---|---|
| Right-of-use assets: | | |
| Operating leases | $ 3,002 | $ 2,406 |
| Finance leases | 25,283 | 29,523 |
| Total right-of-use assets | $ 28,285 | $ 31,929 |
| Lease liabilities: | | |
| Current operating lease liabilities | $ 298 | $ 231 |
| Current finance lease liabilities | 4,458 | 4,147 |
| Long-term operating lease liabilities | 3,033 | 2,315 |
| Long-term finance lease liabilities | 28,875 | 33,325 |
| Total lease liabilities | $ 36,664 | $ 40,018 |

Below is a summary of expenses incurred pertaining to leases during the years ended September 30, 2024 and 2023:

| | 2024 | 2023 |
|---|---|---|
| Finance lease expense: | | |
| Amortization of right-of-use assets | $ 4,249 | $ 3,720 |
| Interest on lease liabilities | 1,608 | 1,642 |
| Operating lease expense | 487 | 355 |
| Total lease expense | $ 6,344 | $ 5,717 |

The following table presents supplemental information related to leases as of September 30, 2024 and 2023:

| | 2024 | 2023 |
|---|---|---|
| Weighted average remaining lease term (in years): | | |
| Operating leases | 8.49 | 8.06 |
| Finance leases | 6.23 | 7.23 |
| Weighted average discount rate: | | |
| Operating leases | 5.81 % | 3.68 % |
| Finance leases | 4.52 | 4.52 |

(In Thousands)

The table below summarizes the Organization's scheduled future minimum lease payments for years ending after September 30, 2024:

| | Operating Leases | Finance Leases |
|---|---|---|
| Year ending September 30: | | |
| 2025 | $ 485 | $ 5,872 |
| 2026 | 499 | 5,987 |
| 2027 | 513 | 6,106 |
| 2028 | 528 | 6,157 |
| 2029 | 501 | 6,274 |
| Thereafter | 1,739 | 8,007 |
| Total lease payments | 4,265 | 38,403 |
| Less present value discount | (934) | (5,070) |
| Total lease liabilities | 3,331 | 33,333 |
| Less current portion | (298) | (4,458) |
| Long-term lease liabilities | $ 3,033 | $ 28,875 |

The following table includes supplemental cash flow and noncash information related to the leases for the years ended September 30, 2024 and 2023:

| | 2024 | 2023 |
|---|---|---|
| Cash paid for amounts included in the measurement of lease liabilities: | | |
| Operating cash flows from operating leases | $ 442 | $ 352 |
| Operating cash flows from finance leases | 1,592 | 1,773 |
| Financing cash flows from finance leases | 4,149 | 3,663 |
| Right-of-use assets obtained in exchange for leases liabilities: | | |
| Operating leases | 893 | - |
| Finance leases | 9 | 306 |

## 7. Federal Contracts and Cooperative Agreements

Federal contracts and cooperative agreements' revenues are based on the terms of the specific contracts and cooperative agreements designed to cover qualified expenses, as defined. Federal contracts and cooperative agreements' revenues for the years ended September 30, 2024 and 2023, were as follows:

| | 2024 | 2023 |
|---|---|---|
| HRSA contracts | $ 23,173 | $ 24,552 |
| Navy grants | 13,753 | 19,825 |
| MCW sub-award agreements, Other | 7,173 | 7,437 |
| MCW sub-award agreements, Blood and Marrow Transplant Clinical Trials Network | 4,589 | 2,931 |
| NIH agreements | 1,653 | 682 |
| | $ 50,341 | $ 55,427 |

In September 2022, HRSA awarded two contracts to the Organization with a one-year base period of performance (September 29, 2022 to September 28, 2023) and four one-year options (spanning from September 29, 2023 to September 28, 2027). The two contracts awarded are to operate the Single Point of Access-Coordinating Center (#75R60222C00008) and Office of Patient Advocacy (#75R60222C00009). The two base contracts and their subsequent option years provide an increased level of funding in total compared to the previous HRSA contract.

As of September 30, 2024, the Organization has been awarded $47,949 of federal contracts and cooperative agreements that have not been recognized in the consolidated financial statements as recognition is conditional upon occurrence of certain qualified expenditures.

## 8. Retirement Plan

The Organization sponsors a defined contribution retirement plan (the Retirement Plan) for all employees. Contributions to the Retirement Plan are based on 6% of participant gross wages, plus an additional 5.7% of a participant's gross wages more than the FICA taxable wage base of $160 and $147 up to the IRC limit of $330 and $305 for the years ended September 30, 2024 and 2023, respectively. The Organization's contributions to the Retirement Plan were $11,281 and $10,020 for the years ended September 30, 2024 and 2023, respectively.

## 9. Deferred Compensation and Supplemental Benefits Plans

The Organization offers its officers, senior vice presidents, vice presidents and senior directors a 457(b) deferred compensation plan (the Plan) created in accordance with applicable provisions of the IRC. The Plan permits employees to defer a portion of their compensation until future years. The accumulated deferred compensation balance is not available to employees until termination, retirement, death or unforeseeable emergency. All amounts of compensation deferred under the Plan, and all income attributable to those amounts, are (until paid or made available to the employee or other beneficiary) solely the property of the Organization, and the Organization has all the related rights of ownership (not restricted to the payment of benefits under the Plan), subject only to the claim of the Organization's general creditors. Participants' rights under the Plan are equal to those of general creditors of the Organization in an amount equal to the fair market value of the deferred account for each participant. The related assets and liabilities are reported at fair market value based on quoted market prices and are included within deferred compensation funds and deferred compensation payable in the consolidated statements of financial position.

The Organization offers its officers, senior vice presidents, vice presidents and senior directors a Long-Term Incentive Plan (LTIP). The LTIP is a variable compensation program that links executive compensation to achievement of long-term performance results and strategic initiatives. LTIP is unfunded and participants' estimated earnings under the program are recorded as a liability within accrued compensation and benefits for the short-term portion and deferred compensation payable for the long-term portion in the consolidated statements of financial position, until paid out.

The Organization offers supplemental benefit plans (the Supplemental Plans) for its officers, senior vice presidents and vice presidents. All Supplemental Plan participants receive $750 in Life insurance, which includes a death benefit and a long-term care services rider, as well as Long-Term Disability insurance equal to two-thirds of total compensation, less Group Long-Term Disability Plan payments, up to a maximum monthly benefit of $15. The supplemental plans were created in accordance with applicable provisions of the IRC (Life insurance under IRC Sec 7702 and Long-Term Disability insurance under IRC Sec 105). Premiums are paid by the Organization and are treated as taxable income to plan participants. Future benefits received under the plans, if any, will not be taxable. Plan balances are personally owned by the plan participants immediately and are not subject to a risk of forfeiture; as such, the plan assets are not recorded on the Organization's consolidated financial statements.

(In Thousands)

## 10. Restricted Net Assets and Designated Net Assets

Donor restricted net assets as of September 30, 2024 and 2023, were available for the following purposes:

| | 2024 | 2023 |
|---|---|---|
| Foundation and Mexico: | | |
| Patient assistance | $ 3,621 | $ 2,380 |
| Blood stem cell donor recruitment | 2,891 | 3,146 |
| Research, restricted by purpose | 2,204 | 718 |
| Research & patient assistance, restricted in perpetuity | 2,053 | 1,787 |
| Awareness and other programs | 315 | 181 |
| Unrestricted in purpose, restricted by time | 1,187 | 1,769 |
| Total | $ 12,271 | $ 9,981 |

### Designated Net Assets

In June 2018, the Foundation Board of Directors (Foundation Board) voted to match new contributions to an endowment up to $3,000 in principal. The Foundation board-designated net assets as of September 30, 2024 and 2023 were $3,513 and $3,034, respectively, which includes both principal and earnings thereon. As of September 30, 2024, $216 remained to meet the $3,000 match.

## 11. Commitments and Contingencies

### Litigation and Unasserted Claims

The Organization is involved in various legal proceedings or has unasserted claims incidental to its business. While the outcome of these claims is not presently determinable, it is the opinion of management that the ultimate resolution of these claims will not have a material adverse effect on the consolidated financial position or results of operations of the Organization. The Organization included within the consolidated financial statements their best estimate of the liability relating to such items where the loss is probable and estimable. Results could differ from those estimates.

### Self-Insurance

The Organization is self-insured for employee health and dental insurance claims. Stop loss coverage for health claims is in place with a limit of $125 per member from CLEAR and $250 per member from the Blue Cross and Blue Shield Stop Loss policy. The estimated liability for stop loss claims was $971 and $422 as of September 30, 2024 and 2023, respectively. A liability is recorded with respect to unasserted claims based on actual claims to date. The estimated liability for health claims was $1,889 and $1,496 as of September 30, 2024 and 2023, respectively. The estimated liability for dental claims was $47 and $51 as of September 30, 2024 and 2023, respectively. Results could differ from those estimates.

CLEAR was incorporated to insure the Program's blood stem cell donors. The policy issued by CLEAR in existence during 2024 and 2023 is an occurrence-based insurance policy with coverage provided at $1,000 per occurrence with no aggregate limit. In addition, CLEAR provided coverage over the primary layer for $10,000 over $1,000 per occurrence and no annual aggregate limit. CLEAR purchased 100% reinsurance with a rated reinsurer in support of the excess limits of liability offered. A liability is recorded with respect to current claims and unasserted claims based on actual claims to date and actuarial studies of estimated future liabilities for such claims. The estimated liability for these claims was $1,350 and $1,109 as of September 30, 2024 and 2023, respectively and is included in accrued expenses on the consolidated statements of financial position. Results could differ from those estimates.

(In Thousands)

## 12. Endowment

The Foundation's endowment consists of an individual pooled fund established to support the mission. The endowment will include both contributor-restricted endowment funds and matching funds designated by the Foundation Board to function as endowments. As required by U.S. generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Foundation Board as endowments, are classified and reported based on the existence or absence of contributor-imposed restrictions.

### Interpretation of Relevant Law

The Foundation Board has interpreted the Minnesota enacted version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as allowing the Foundation to appropriate for expenditure or accumulate so much of an endowment fund as the Foundation determines is prudent for the uses, benefits, purposes and duration for which the endowment fund is established, subject to the intent of the contributor as expressed in the gift instrument. The Foundation Board has determined it is prudent to preserve the original gift as of the gift date of the contributor-restricted endowment funds absent explicit contributor stipulations to the contrary. The Foundation classifies as with donor restricted net assets (a) the original value of the gifts contributed to the endowment, (b) the original value of subsequent gifts to the endowment and (c) accumulations to the endowment made in accordance with the direction of the applicable contributor gift instrument at the time the accumulation is added to the fund. The remaining portion of a contributor-restricted endowment fund that is not classified as held in perpetuity until those amounts are appropriated for expenditure by the Foundation through the Foundation Board's approval of the annual budget, which is inclusive of the spending rate for its endowment funds established pursuant to the Foundation's spending policy. See Note 2 for further information on net asset classifications.

Endowment net assets as of September 30, 2024 and 2023 were as follows:

| | 2024 | | |
|---|---|---|---|
| | **Without Donor Restrictions** | **With Donor Restrictions** | **Total** |
| Contributor-restricted | $ - | $ 2,053 | $ 2,053 |
| Board-designated | 3,513 | - | 3,513 |
| Total endowment net assets | $ 3,513 | $ 2,053 | $ 5,566 |

| | 2023 | | |
|---|---|---|---|
| | **Without Donor Restrictions** | **With Donor Restrictions** | **Total** |
| Contributor-restricted | $ - | $ 1,787 | $ 1,787 |
| Board-designated | 3,034 | - | 3,034 |
| Total endowment net assets | $ 3,034 | $ 1,787 | $ 4,821 |

(In Thousands)

Changes in endowment net assets for the years ended September 30, 2024 and 2023, are as follows:

| | 2024 | | |
|---|---|---|---|
| | Without Donor Restrictions | With Donor Restrictions | Total |
| Beginning balance, October 1 | $ 3,034 | $ 1,787 | $ 4,821 |
| Contributions/write-offs | (20) | (20) | (40) |
| Spending policy appropriation | (147) | (59) | (206) |
| Investment income and unrealized gains (net of fees) | 646 | 345 | 991 |
| Ending balance, September 30 | $ 3,513 | $ 2,053 | $ 5,566 |

| | 2023 | | |
|---|---|---|---|
| | Without Donor Restrictions | With Donor Restrictions | Total |
| Beginning balance, October 1 | $ 2,848 | $ 1,695 | $ 4,543 |
| Contributions/write-offs | - | 20 | 20 |
| Spending policy appropriation | (130) | (50) | (180) |
| Investment income and unrealized gains (net of fees) | 316 | 122 | 438 |
| Ending balance, September 30 | $ 3,034 | $ 1,787 | $ 4,821 |

### Funds With Deficiencies

Per the Organization's endowment spending policy, spending will be suspended if an endowment unit's fund balance falls below 80% of its principal value (the sum of gifts contributed and the board-designated match) until the principal is restored. As of September 30, 2024 and 2023, no endowment funds were below 80% of principal.

In some cases, the fair value of assets in contributor-restricted endowment funds may fall below the original gift value. In accordance with GAAP, such deficiencies are reported in net assets with donor restrictions. As of September 30, 2024, there were no such deficiencies. As of September 30, 2023, 11 donor-restricted endowment funds, which cumulatively had an original gift value of $1,439 and a fair value of $1,383, had deficiencies of $56.

### Return Objectives and Risk Parameters

The Foundation's investment policy applies to investment holdings as well as endowment assets. The investment policy strives to provide a source of income for spending that is stable and predictable from year-to-year, while seeking to preserve capital, maintain the purchasing power of the endowment assets and prudently earn the highest possible rate of return consistent with the Foundation's ability to accommodate risk. The Foundation Board has adopted a spending policy for endowment assets with the same goals as the investment policy.

### Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation including asset classes such as public equities, fixed income and alternative investments to achieve its long-term return objectives within prudent risk constraints.

### Spending Policy and How the Investment Objectives Relate to Spending Policy

The Foundation designates only a portion of the endowment cumulative investment return for support of current operations; the remainder is retained to support operations of future years and to offset potential market declines. The Foundation Board has approved a spending policy to appropriate a distribution during each fiscal year of an amount per endowment unit calculated at a rate 4.5% to 5% of the average endowment value per endowment unit from the preceding 16 quarters. Spending policy appropriations were made in fiscal years 2024 and 2023. In developing its spending policy, the Foundation considered certain of the following factors which it determines relevant:

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

**National Marrow Donor Program and Subsidiaries**

Consolidating Schedule of Financial Position Information
September 30, 2024
(In Thousands)

| | NMDP | NMDPCS | NMDPF | CLEAR | NMDPAS | NMDPM | Eliminations | Consolidated |
|---|---|---|---|---|---|---|---|---|
| **Assets** | | | | | | | | |
| **Current Assets** | | | | | | | | |
| Cash and cash equivalents | $ 54,130 | $ 3,707 | $ 2,009 | $ 1,679 | $ 200 | $ 1,695 | $ - | $ 63,420 |
| Short-term investments | - | - | 416 | - | - | - | - | 416 |
| Receivables: | | | | | | | | |
| Transplant center and other receivables, net | 66,531 | 168 | - | 332 | - | 15 | (5,292) | 61,754 |
| Contract receivables, net | 14,223 | 1,265 | 20 | - | - | - | - | 15,508 |
| Pledges receivable, net | - | - | 1,622 | - | - | - | - | 1,622 |
| Prepaid expenses and other | 10,888 | 18 | 190 | 4 | - | 171 | - | 11,271 |
| Total current assets | 145,772 | 5,158 | 4,257 | 2,015 | 200 | 1,881 | (5,292) | 153,991 |
| **Long-Term Investments** | 197,994 | - | 12,497 | 3,718 | - | - | (61,286) | 152,923 |
| **Property and Equipment, Net** | 50,110 | 1,198 | - | - | - | - | - | 51,308 |
| **Right of Use Asset, Financing, Net** | 25,283 | - | - | - | - | - | - | 25,283 |
| **Right of Use Asset, Operating, Net** | 2,427 | 575 | - | - | - | - | - | 3,002 |
| **Deferred Compensation Funds** | 5,901 | - | - | - | - | - | - | 5,901 |
| **Long-Term Pledges Receivable, Net** | - | - | 1,620 | - | - | 187 | - | 1,807 |
| **Other Assets** | 2,214 | 12 | - | - | - | 6 | - | 2,232 |
| Total assets | $ 429,701 | $ 6,943 | $ 18,374 | $ 5,733 | $ 200 | $ 2,074 | $ (66,578) | $ 396,447 |
| **Liabilities and Net Assets** | | | | | | | | |
| **Current Liabilities** | | | | | | | | |
| Accounts payable | $ 21,740 | $ 101 | $ 314 | $ - | $ - | $ 168 | $ (168) | $ 22,155 |
| Accrued expenses | 49,069 | 1,382 | 99 | 5,399 | - | 52 | (5,124) | 50,877 |
| Accrued compensation and benefits | 43,269 | 2,080 | 1,426 | - | - | 127 | - | 46,902 |
| Current maturities of long-term financing lease (Note 6) | 4,458 | - | - | - | - | - | - | 4,458 |
| Current maturities of long-term operating lease (Note 6) | 199 | 99 | - | - | - | - | - | 298 |
| Refundable advances and deferred revenue | 5,273 | - | 14 | - | - | - | - | 5,287 |
| Total current liabilities | 124,008 | 3,662 | 1,853 | 5,399 | - | 347 | (5,292) | 129,977 |
| **Deferred Compensation Payable** | 8,075 | - | - | - | - | - | - | 8,075 |
| **Long-Term Financing Lease (Note 6)** | 28,875 | - | - | - | - | - | - | 28,875 |
| **Long-Term Operating Lease (Note 6)** | 2,498 | 535 | - | - | - | - | - | 3,033 |
| Total liabilities | 163,456 | 4,197 | 1,853 | 5,399 | - | 347 | (5,292) | 169,960 |
| **Net Assets** | 266,245 | 2,746 | 16,521 | 334 | 200 | 1,727 | (61,286) | 226,487 |
| Total liabilities and net assets | $ 429,701 | $ 6,943 | $ 18,374 | $ 5,733 | $ 200 | $ 2,074 | $ (66,578) | $ 396,447 |

**National Marrow Donor Program and Subsidiaries**

Consolidating Schedule of Financial Position Information
September 30, 2023
(In Thousands)

| | NMDP | NMDPCS | NMDPF | CLEAR | NMDPAS | NMDPM | Eliminations | Consolidated |
|---|---|---|---|---|---|---|---|---|
| **Assets** | | | | | | | | |
| **Current Assets** | | | | | | | | |
| Cash and cash equivalents | $ 39,329 | $ 1,849 | $ 1,416 | $ 1,460 | $ 235 | $ 509 | $ - | $ 44,798 |
| Short-term investments | - | - | 310 | - | - | - | - | 310 |
| Receivables: | | | | | | | | |
| Transplant center and other receivables, net | 57,171 | 391 | 2 | 283 | - | 14 | (4,340) | 53,521 |
| Contract receivables, net | 21,783 | - | - | - | - | - | - | 21,783 |
| Pledges receivable, net | - | - | 1,327 | - | - | - | - | 1,327 |
| Prepaid expenses and other | 10,372 | 18 | 130 | 10 | - | 125 | - | 10,655 |
| Total current assets | 128,655 | 2,258 | 3,185 | 1,753 | 235 | 648 | (4,340) | 132,394 |
| **Long-Term Investments** | 156,602 | - | 10,809 | 3,330 | - | - | (42,019) | 128,722 |
| **Property and Equipment, Net** | 43,537 | 1,466 | - | - | - | - | - | 45,003 |
| **Right of Use Asset, Financing, Net** | 29,523 | - | - | - | - | - | - | 29,523 |
| **Right of Use Asset, Operating, Net** | 1,739 | 667 | - | - | - | - | - | 2,406 |
| **Deferred Compensation Funds** | 4,754 | - | - | - | - | - | - | 4,754 |
| **Long-Term Pledges Receivable, Net** | - | - | 1,920 | - | - | - | - | 1,920 |
| **Other Assets** | 2,563 | 12 | - | - | - | - | - | 2,575 |
| Total assets | $ 367,373 | $ 4,403 | $ 15,914 | $ 5,083 | $ 235 | $ 648 | $ (46,359) | $ 347,297 |
| **Liabilities and Net Assets** | | | | | | | | |
| **Current Liabilities** | | | | | | | | |
| Accounts payable | $ 17,536 | $ 430 | $ 229 | $ - | $ - | $ 129 | $ (372) | $ 17,952 |
| Accrued expenses | 43,332 | 210 | 263 | 4,778 | 34 | 156 | (3,968) | 44,805 |
| Accrued compensation and benefits | 41,323 | 478 | 1,386 | - | - | 132 | - | 43,319 |
| Current maturities of long-term financing lease (Note 6) | 4,147 | - | - | - | - | - | - | 4,147 |
| Current maturities of long-term operating lease (Note 6) | 140 | 91 | - | - | - | - | - | 231 |
| Refundable advances and deferred revenue | 4,389 | - | - | - | - | - | - | 4,389 |
| Total current liabilities | 110,867 | 1,209 | 1,878 | 4,778 | 34 | 417 | (4,340) | 114,843 |
| **Deferred Compensation Payable** | 7,079 | - | - | - | - | - | - | 7,079 |
| **Long-Term Financing Lease (Note 6)** | 33,325 | - | - | - | - | - | - | 33,325 |
| **Long-Term Operating Lease (Note 6)** | 1,681 | 634 | - | - | - | - | - | 2,315 |
| Total liabilities | 152,952 | 1,843 | 1,878 | 4,778 | 34 | 417 | (4,340) | 157,562 |
| **Net Assets** | 214,421 | 2,560 | 14,036 | 305 | 201 | 231 | (42,019) | 189,735 |
| Total liabilities and net assets | $ 367,373 | $ 4,403 | $ 15,914 | $ 5,083 | $ 235 | $ 648 | $ (46,359) | $ 347,297 |

## National Marrow Donor Program and Subsidiaries

Consolidating Schedule of Activities Information
Year Ended September 30, 2024
(In Thousands)

| | NMDP | NMDPCS | NMDPF | CLEAR | NMDPAS | NMDPM | Eliminations | Consolidated |
|---|---|---|---|---|---|---|---|---|
| **Revenues and Gains** | | | | | | | | |
| Search and procurement fees | $ 555,379 | $ 7,577 | $ - | $ - | $ - | $ - | $ (2,606) | $ 560,350 |
| Federal contracts and cooperative agreements | 50,341 | - | - | - | - | - | | 50,341 |
| Contributions | 23,558 | 24 | 23,116 | - | - | 1,596 | (12,807) | 35,487 |
| Other | 188 | 26 | - | 3,603 | - | - | (3,617) | 200 |
| Total revenues and gains | 629,466 | 7,627 | 23,116 | 3,603 | - | 1,596 | (19,030) | 646,378 |
| **Expenses** | | | | | | | | |
| Program services | 506,490 | 15,110 | 19,245 | 1,446 | - | 3,140 | (16,127) | 529,304 |
| Management and general | 94,613 | 5,473 | 1,789 | 2,583 | 1 | 2,895 | (2,539) | 104,815 |
| Fundraising | 2,740 | - | 2,158 | - | - | 182 | (364) | 4,716 |
| Total expenses | 603,843 | 20,583 | 23,192 | 4,029 | 1 | 6,217 | (19,030) | 638,835 |
| Excess (deficiency) of revenues and gains over expenses | 25,623 | (12,956) | (76) | (426) | (1) | (4,621) | - | 7,543 |
| **Other Income (Expenses) and Other Changes** | | | | | | | | |
| (Loss)/gain on disposal of asset | 3 | (8) | - | - | - | - | - | (5) |
| Investment return, net | 26,198 | - | 2,561 | 455 | - | - | - | 29,214 |
| Total other income (expenses) and other changes | 26,201 | (8) | 2,561 | 455 | - | - | - | 29,209 |
| Increase (decrease) in net assets before transfers to subsidiaries | 51,824 | (12,964) | 2,485 | 29 | (1) | (4,621) | - | 36,752 |
| Transfer to subsidiaries | - | 13,150 | - | - | - | 6,117 | (19,267) | - |
| Increase (decrease) in net assets | 51,824 | 186 | 2,485 | 29 | (1) | 1,496 | (19,267) | 36,752 |
| **Net Assets, Beginning** | 214,421 | 2,560 | 14,036 | 305 | 201 | 231 | (42,019) | 189,735 |
| **Net Assets, Ending** | $ 266,245 | $ 2,746 | $ 16,521 | $ 334 | $ 200 | $ 1,727 | $ (61,286) | $ 226,487 |

## National Marrow Donor Program and Subsidiaries

Consolidating Schedule of Activities Information
Year Ended September 30, 2023
(In Thousands)

| | NMDP | NMDPCS | NMDPF | CLEAR | NMDPAS | NMDPM | Eliminations | Consolidated |
|---|---|---|---|---|---|---|---|---|
| **Revenues and Gains** | | | | | | | | |
| Search and procurement fees | $ 487,136 | $ 1,836 | $ - | $ - | $ - | $ - | $ (2,558) | $ 486,414 |
| Federal contracts and cooperative agreements | 55,427 | - | - | - | - | - | | 55,427 |
| Contributions | 23,937 | - | 20,233 | - | - | 1,070 | (9,966) | 35,274 |
| Other | 656 | 6 | - | 2,560 | - | - | (3,086) | 136 |
| Total revenues and gains | 567,156 | 1,842 | 20,233 | 2,560 | - | 1,070 | (15,610) | 577,251 |
| **Expenses** | | | | | | | | |
| Program services | 465,573 | 4,195 | 16,906 | 1,328 | - | 3,280 | (11,807) | 479,475 |
| Management and general | 97,690 | 46 | 1,030 | 1,232 | 348 | 2,710 | (3,567) | 99,489 |
| Fundraising | 4,297 | 1 | 2,246 | - | - | 238 | (236) | 6,546 |
| Total expenses | 567,560 | 4,242 | 20,182 | 2,560 | 348 | 6,228 | (15,610) | 585,510 |
| Excess (deficiency) of revenues and gains over expenses | (404) | (2,400) | 51 | - | (348) | (5,158) | - | (8,259) |
| **Other Income (Expenses) and Other Changes** | | | | | | | | |
| Gain/(loss) on disposal of asset | 54 | (28) | - | - | - | - | - | 26 |
| Investment return, net | 17,865 | - | 1,108 | 205 | - | - | - | 19,178 |
| Total other income (expenses) and other changes | 17,919 | (28) | 1,108 | 205 | - | - | - | 19,204 |
| Increase (decrease) in net assets before transfers to subsidiaries | 17,515 | (2,428) | 1,159 | 205 | (348) | (5,158) | - | 10,945 |
| Transfer to subsidiaries | - | 2,000 | - | - | - | 2,194 | (4,194) | - |
| Increase (decrease) in net assets before cumulative effect of adoption of accounting standard | 17,515 | (428) | 1,159 | 205 | (348) | (2,964) | (4,194) | 10,945 |
| **Cumulative Effect of Adoption of ASU No. 2016-02** | 117 | - | - | - | - | - | - | 117 |
| Increase (decrease) in net assets | 17,632 | (428) | 1,159 | 205 | (348) | (2,964) | (4,194) | 11,062 |
| **Net Assets, Beginning** | 196,789 | 2,988 | 12,877 | 100 | 549 | 3,195 | (37,825) | 178,673 |
| **Net Assets, Ending** | $ 214,421 | $ 2,560 | $ 14,036 | $ 305 | $ 201 | $ 231 | $ (42,019) | $ 189,735 |