

# **Prevent Cancer Foundation**

**Formerly known as:  
The Cancer Research and Prevention  
Foundation**

**Financial Statements  
for the years ended June 30, 2008 and 2007**

# Prevent Cancer Foundation

Financial Statements  
for the years ended June 30, 2008 and 2007

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A PROFESSIONAL CORPORATION  
CERTIFIED PUBLIC ACCOUNTANTS

## Independent Auditor's Report

To the Board of Directors  
**Prevent Cancer Foundation**  
Alexandria, Virginia

We have audited the accompanying statements of financial position of **Prevent Cancer Foundation**, as of June 30, 2008 and 2007, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended. These statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **Prevent Cancer Foundation**, as of June 30, 2008 and 2007, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

*Kositzka, Wicks and Company*

Alexandria, Virginia  
August 21, 2008

# Prevent Cancer Foundation

## Statements of Financial Position June 30,

	2008	2007
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 3,906,317	\$ 3,241,414
Accounts and pledges receivable	828,792	943,048
Total Current Assets	<u>4,735,109</u>	<u>4,184,462</u>
<b>Investments</b>		
General	4,621,181	6,606,929
Endowment programs	5,480,239	5,873,782
	<u>10,101,420</u>	<u>12,480,711</u>
<b>Property</b>		
Office furniture and equipment	156,373	147,458
Accumulated depreciation	(119,341)	(108,619)
	<u>37,032</u>	<u>38,839</u>
<b>Other Assets</b>		
Deposits	19,289	19,289
Charitable gift annuities	144,116	153,247
Interests in remainder trusts	302,295	284,004
Deferred compensation plan	12,837	-
	<u>478,537</u>	<u>456,540</u>
<b>Total Assets</b>	<u><u>\$ 15,352,098</u></u>	<u><u>\$ 17,160,552</u></u>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued expenses	\$ 247,361	\$ 269,986
Deferred income	298,300	200,000
Grants payable	2,873,765	2,278,766
Total Current Liabilities	<u>3,419,426</u>	<u>2,748,752</u>
<b>Long-Term Liabilities</b>		
Charitable gift annuities	71,797	87,540
Deferred compensation plan	12,837	-
Total Long-Term Liabilities	<u>84,634</u>	<u>87,540</u>
Total Liabilities	<u>3,504,060</u>	<u>2,836,292</u>
<b>Net Assets</b>		
Unrestricted	8,160,004	8,774,538
Temporarily restricted	3,305,018	5,139,056
Permanently restricted	383,016	410,666
Total Net Assets	<u>11,848,038</u>	<u>14,324,260</u>
<b>Total Liabilities and Net Assets</b>	<u><u>\$ 15,352,098</u></u>	<u><u>\$ 17,160,552</u></u>

The Independent Auditor's Report and accompanying Notes are an integral part of the Financial Statements.

# Prevent Cancer Foundation

## Statement of Activities and Changes in Net Assets for the year ended June 30, 2008

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>Support and Revenue</b>				
Contributions	\$ 4,537,390	\$ 752,244	\$ -	\$ 5,289,634
Bequests and other income	1,198,266	(1,786)	-	1,196,480
Investment income	(624,955)	24,865	(27,650)	(627,740)
In-kind contributions	577,725	-	-	577,725
Special events	1,678,587	1,374,868	-	3,053,455
Less: Costs of direct benefits to donors	(283,505)	-	-	(283,505)
Net assets released from restrictions	3,984,229	(3,984,229)	-	-
<b>Total Support and Revenue</b>	<b>11,067,737</b>	<b>(1,834,038)</b>	<b>(27,650)</b>	<b>9,206,049</b>
<b>Expenses</b>				
Program:				
Research	3,380,553	-	-	3,380,553
Education and public awareness	5,140,757	-	-	5,140,757
Community outreach	1,014,191	-	-	1,014,191
Management and general	988,611	-	-	988,611
Fundraising	1,158,159	-	-	1,158,159
<b>Total Expenses</b>	<b>11,682,271</b>	<b>-</b>	<b>-</b>	<b>11,682,271</b>
<b>Decrease in Net Assets</b>	<b>(614,534)</b>	<b>(1,834,038)</b>	<b>(27,650)</b>	<b>(2,476,222)</b>
<b>Net Assets, beginning of year</b>	<b>8,774,538</b>	<b>5,139,056</b>	<b>410,666</b>	<b>14,324,260</b>
<b>Net Assets, end of year</b>	<b>\$ 8,160,004</b>	<b>\$ 3,305,018</b>	<b>\$ 383,016</b>	<b>\$ 11,848,038</b>

The Independent Auditor's Report and accompanying Notes are an integral part of the Financial Statements.

# Prevent Cancer Foundation

## Statement of Activities and Changes in Net Assets for the year ended June 30, 2007

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>Support and Revenue</b>				
Contributions	\$ 5,192,722	\$ 1,594,937	\$ -	\$ 6,787,659
Bequests and other income	1,109,550	6,474	-	1,116,024
Investment income	1,369,174	210,104	51,395	1,630,673
In-kind contributions	1,310,837	-	-	1,310,837
Special events	1,347,075	1,493,137	-	2,840,212
Less: Costs of direct benefits to donors	(124,376)	-	-	(124,376)
Net assets released from restrictions	2,047,041	(2,047,041)	-	-
<b>Total Support and Revenue</b>	<u>12,252,023</u>	<u>1,257,611</u>	<u>51,395</u>	<u>13,561,029</u>
<b>Expenses</b>				
Program:				
Research	3,150,910	-	-	3,150,910
Education and public awareness	5,064,955	-	-	5,064,955
Community outreach	1,190,722	-	-	1,190,722
Management and general	962,655	-	-	962,655
Fundraising	1,054,581	-	-	1,054,581
<b>Total Expenses</b>	<u>11,423,823</u>	<u>-</u>	<u>-</u>	<u>11,423,823</u>
<b>Increase in Net Assets</b>	828,200	1,257,611	51,395	2,137,206
<b>Net Assets, beginning of year</b>	<u>7,946,338</u>	<u>3,881,445</u>	<u>359,271</u>	<u>12,187,054</u>
<b>Net Assets, end of year</b>	<u>\$ 8,774,538</u>	<u>\$ 5,139,056</u>	<u>\$ 410,666</u>	<u>\$ 14,324,260</u>

The Independent Auditor's Report and accompanying Notes are an integral part of the Financial Statements.

## Prevent Cancer Foundation

### Statement of Functional Expenses for the year ended June 30, 2008

	Program Services				Support Services			Total Expenses
	Research	Education and Public Awareness	Community Outreach	Total	Management and General	Fundraising	Total	
Accounting and auditing	\$ -	\$ -	\$ -	\$ -	\$ 23,775	\$ -	\$ 23,775	\$ 23,775
Audio/Staging	-	41,390	-	41,390	-	33,582	33,582	74,972
Advertising	395	93	10,132	10,620	15,352	7,117	22,469	33,089
Awards	-	2,417	-	2,417	-	1,643	1,643	4,060
Bank charges	-	30	-	30	39,508	192	39,700	39,730
Catering	321	61,238	-	61,559	319	8,000	8,319	69,878
Computer services	6,100	48,002	-	54,102	3,944	7,197	11,141	65,243
Consultant fees	-	277,881	7,200	285,081	24,176	17,823	41,999	327,080
Contributions	59,575	1,500	-	61,075	1,900	-	1,900	62,975
Copying	-	1,437	-	1,437	-	-	-	1,437
Creative fees	-	300	-	300	-	-	-	300
Credit card discount expense	15	(26)	-	(11)	13,238	-	13,238	13,227
Data entry	3,000	500	-	3,500	-	-	-	3,500
Decorators/Exhibitors	-	27,949	684	28,633	-	58,320	58,320	86,953
Delivery and shipping	468	11,014	778	12,260	5,877	5,519	11,396	23,656
Depreciation	2,744	6,259	1,632	10,635	4,071	3,228	7,299	17,934
Design and layout	450	119,586	10,779	130,815	2,932	41,696	44,628	175,443
Employee relations	-	56	-	56	3,471	-	3,471	3,527
Entertainment	-	2,100	-	2,100	-	10,830	10,830	12,930
Equipment lease	2,407	5,897	1,432	9,736	3,572	8,525	12,097	21,833
Furniture and equipment	1,252	16,539	744	18,535	1,857	1,472	3,329	21,864
Gifts	242	2,069	154	2,465	3,026	14,655	17,681	20,146
Grants	2,694,992	625,948	537,089	3,858,029	-	-	-	3,858,029
Honorariums	27,400	41,625	2,250	71,275	-	-	-	71,275
Incidentals	-	383	-	383	1,667	-	1,667	2,050
Insurance	43,578	99,553	25,919	169,050	77,007	51,267	128,274	297,324
Legal	-	-	-	-	25,396	-	25,396	25,396
Lettershop	-	41,246	-	41,246	981	50,420	51,401	92,647

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The Independent Auditor's Report and accompanying Notes are an integral part of the Financial Statements.

## Prevent Cancer Foundation

### Statement of Functional Expenses for the year ended June 30, 2008

	Program Services				Support Services			Total Expenses
	Research	Education and Public Awareness	Community Outreach	Total	Management and General	Fundraising	Total	
List rentals	\$ -	\$ 11,930	\$ -	\$ 11,930	\$ -	\$ 1,940	\$ 1,940	\$ 13,870
Lodging	11,983	87,491	5,049	104,523	3,584	3,011	6,595	111,118
Loss on disposal of assets	177	404	105	686	263	208	471	1,157
Maintenance	36,457	12,356	2,726	51,539	6,801	5,393	12,194	63,733
Meals	3,709	26,515	2,560	32,784	1,605	15,718	17,323	50,107
Miscellaneous	521	471	3,127	4,119	4,068	2,017	6,085	10,204
Media services	-	624,738	-	624,738	-	-	-	624,738
Meetings	-	69,516	31	69,547	887	120	1,007	70,554
Membership and dues	265	13,684	-	13,949	8,671	-	8,671	22,620
Mileage and parking	1,923	19,187	1,798	22,908	1,099	9,696	10,795	33,703
Temporary services	3,583	14,871	2,132	20,586	5,316	21,336	26,652	47,238
Photography	-	4,375	-	4,375	-	10,114	10,114	14,489
Postage	1,852	96,177	1,064	99,093	2,524	20,975	23,499	122,592
Premiums	-	-	-	-	-	14,246	14,246	14,246
Printing	4,622	159,188	7,480	171,290	5,913	69,464	75,377	246,667
Professional services	4,689	997,548	57,260	1,059,497	17,008	8,717	25,725	1,085,222
Rent	44,247	100,928	26,316	171,491	65,648	52,054	117,702	289,193
Salaries	344,682	786,235	205,007	1,335,924	508,941	405,508	914,449	2,250,373
Payroll taxes and processing	25,183	57,442	14,978	97,603	37,362	29,627	66,989	164,592
Registration fees	349	2,211	385	2,945	3,425	35	3,460	6,405
Retirement	13,839	31,566	8,231	53,636	20,532	16,280	36,812	90,448
Site rental	-	227,348	10,070	237,418	919	110,827	111,746	349,164
Stipend	-	3,106	-	3,106	6,800	-	6,800	9,906
Storage	867	4,023	516	5,406	1,287	1,020	2,307	7,713
Subscriptions	66	15,761	-	15,827	4,399	546	4,945	20,772
Supplies	2,919	107,484	51,853	162,256	4,188	25,107	29,295	191,551
Taxes and licenses	-	-	-	-	9,990	600	10,590	10,590
Telephone	4,613	13,567	2,494	20,674	6,223	5,273	11,496	32,170
Training	2,462	8,771	1,714	12,947	3,654	2,897	6,551	19,498
Transportation and per diem	28,606	208,878	10,502	247,986	5,435	3,944	9,379	257,365
	<u>\$ 3,380,553</u>	<u>\$ 5,140,757</u>	<u>\$ 1,014,191</u>	<u>\$ 9,535,501</u>	<u>\$ 988,611</u>	<u>\$ 1,158,159</u>	<u>\$ 2,146,770</u>	<u>\$ 11,682,271</u>

The Independent Auditor's Report and accompanying Notes are an integral part of the Financial Statements.

## Prevent Cancer Foundation

### Statement of Functional Expenses for the year ended June 30, 2007

	Program Services				Support Services			Total Expenses
	Research	Education and Public Awareness	Community Outreach	Total	Management and General	Fundraising	Total	
Accounting and auditing	\$ -	\$ -	\$ -	\$ -	\$ 22,275	\$ -	\$ 22,275	\$ 22,275
Account management	-	-	-	-	77	-	77	77
Agency fees	-	32	-	32	-	-	-	32
Audio/Staging	-	33,555	-	33,555	-	31,950	31,950	65,505
Advertising	-	106	25,000	25,106	19,569	3,211	22,780	47,886
Awards	-	1,171	-	1,171	-	1,989	1,989	3,160
Bank charges	-	-	-	-	14,952	288	15,240	15,240
Caging	-	-	-	-	-	2,015	2,015	2,015
Catering	-	25,587	-	25,587	108	10,452	10,560	36,147
Computer services	-	9,860	-	9,860	597	5,488	6,085	15,945
Consultant fees	-	326,530	19,500	346,030	19,912	24,989	44,901	390,931
Contributions	42,300	-	-	42,300	24,500	-	24,500	66,800
Copying	-	335	-	335	9	-	9	344
Credit card discount expense	-	-	-	-	12,365	-	12,365	12,365
Data entry	-	2,065	-	2,065	300	3,739	4,039	6,104
Decorators/Exhibitors	-	-	-	-	-	31,096	31,096	31,096
Delivery and shipping	260	26,084	378	26,722	4,065	4,502	8,567	35,289
Depreciation	3,076	6,717	1,694	11,487	4,283	3,699	7,982	19,469
Design and layout	-	43,766	518	44,284	3,465	25,034	28,499	72,783
Employee relations	-	75	-	75	4,382	-	4,382	4,457
Entertainment	-	-	-	-	-	8,840	8,840	8,840
Equipment lease	2,363	17,861	1,301	21,525	3,291	6,982	10,273	31,798
Furniture and equipment	2,396	7,108	1,319	10,823	3,336	2,881	6,217	17,040
Gifts	1,273	1,186	1,479	3,938	1,053	26,201	27,254	31,192
Grants	2,477,830	318,910	778,683	3,575,423	-	-	-	3,575,423
Honorariums	31,500	40,403	-	71,903	-	-	-	71,903
Incidentals	110	103	-	213	369	153	522	735
Insurance	36,662	82,789	20,188	139,639	61,037	44,088	105,125	244,764
Legal	-	-	-	-	8,283	-	8,283	8,283

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The Independent Auditor's Report and accompanying Notes are an integral part of the Financial Statements.

## Prevent Cancer Foundation

### Statement of Functional Expenses for the year ended June 30, 2007

	Program Services				Support Services			Total Expenses
	Research	Education and Public Awareness	Community Outreach	Total	Management and General	Fundraising	Total	
Lettershop	\$ -	\$ 61,606	\$ -	\$ 61,606	\$ -	\$ 39,888	\$ 39,888	\$ 101,494
List rentals	-	-	-	-	-	326	326	326
Lodging	6,520	327,006	1,440	334,966	5,909	5,492	11,401	346,367
Loss on disposal of assets	584	1,275	322	2,181	814	702	1,516	3,697
Maintenance	18,662	10,909	2,512	32,083	6,352	5,486	11,838	43,921
Meals	5,685	40,146	495	46,326	823	10,009	10,832	57,158
Miscellaneous	2,806	786	250	3,842	909	1,825	2,734	6,576
Media services	-	1,347,600	-	1,347,600	-	-	-	1,347,600
Meetings	-	39,737	-	39,737	560	-	560	40,297
Membership and dues	12,922	783	-	13,705	17,875	3,230	21,105	34,810
Mileage and parking	1,209	20,412	1,702	23,323	768	11,064	11,832	35,155
Temporary services	3,039	13,878	1,674	18,591	4,232	10,136	14,368	32,959
Photography	13	20,018	-	20,031	-	5,676	5,676	25,707
Postage	2,430	46,914	2,273	51,617	3,271	13,490	16,761	68,378
Printing	3,826	122,622	2,180	128,628	5,327	61,036	66,363	194,991
Professional services	48,750	679,096	39,646	767,492	121,587	26,523	148,110	915,602
Rent	43,466	94,911	23,934	162,311	60,523	52,270	112,793	275,104
Salaries	311,714	680,641	171,640	1,163,995	434,036	374,842	808,878	1,972,873
Payroll taxes and processing	23,330	50,944	12,847	87,121	32,485	28,056	60,541	147,662
Registration fees	500	5,141	50	5,691	2,098	4,274	6,372	12,063
Retirement	9,988	21,810	5,500	37,298	13,908	12,011	25,919	63,217
Site rental	-	209,790	10,537	220,327	-	100,240	100,240	320,567
Stipend	-	-	400	400	2,600	-	2,600	3,000
Storage	770	1,680	424	2,874	1,072	1,069	2,141	5,015
Subscriptions	134	6,180	180	6,494	8,180	2,549	10,729	17,223
Supplies	3,790	136,544	54,777	195,111	4,973	32,687	37,660	232,771
Taxes and licenses	-	-	-	-	7,809	500	8,309	8,309
Telephone	4,182	14,117	2,131	20,430	5,343	5,043	10,386	30,816
Training	1,705	4,336	1,364	7,405	2,373	2,420	4,793	12,198
Transportation and per diem	47,115	161,830	4,384	213,329	10,600	6,140	16,740	230,069
	<u>\$ 3,150,910</u>	<u>\$ 5,064,955</u>	<u>\$ 1,190,722</u>	<u>\$ 9,406,587</u>	<u>\$ 962,655</u>	<u>\$ 1,054,581</u>	<u>\$ 2,017,236</u>	<u>\$ 11,423,823</u>

The Independent Auditor's Report and accompanying Notes are an integral part of the Financial Statements.

# Prevent Cancer Foundation

## Statements of Cash Flows for the years ended June 30,

	2008	2007
<b>Cash flows from operating activities</b>		
Increase (decrease) in net assets	\$ (2,476,222)	\$ 2,137,206
Adjustments to reconcile change in net assets to net cash provided by operating activities-		
Depreciation	17,934	19,469
Investments donated	(233,503)	(65,473)
Loss on disposal of property	1,157	3,697
Realized and unrealized (gains) losses on investments	1,581,949	(999,925)
	<u>1,367,537</u>	<u>(1,042,232)</u>
(Increase) decrease in operating assets		
Accounts and pledges receivable	114,256	164,645
Interests in remainder trusts	(18,291)	(100,511)
Charitable gift annuities	9,131	(1,703)
Prepaid expense	-	25,092
	<u>105,096</u>	<u>87,523</u>
Increase (decrease) in operating liabilities		
Accounts payable and accrued expenses	(22,625)	(184,427)
Deferred income	98,300	(5,000)
Grants payable	594,999	323,572
Charitable gift annuities	(15,743)	3,978
	<u>654,931</u>	<u>138,123</u>
Net cash provided (used) by operating activities	<u>(348,658)</u>	<u>1,320,620</u>
<b>Cash flows from investing activities</b>		
Purchase of furniture and equipment	(17,283)	(26,804)
Proceeds from sale of investments	4,857,539	2,165,817
Purchase of investments	(3,826,695)	(2,594,358)
Net cash provided (used) by investing activities	<u>1,013,561</u>	<u>(455,345)</u>
<b>Net increase in cash and cash equivalents</b>	664,903	864,274
<b>Cash and cash equivalents, beginning of year</b>	3,241,414	2,377,140
<b>Cash and cash equivalents, end of year</b>	<u>\$ 3,906,317</u>	<u>\$ 3,241,414</u>
<b>Supplemental disclosure of cash flow information</b>		
Cash paid for interest	<u>\$ -</u>	<u>\$ -</u>
Income taxes paid	<u>\$ -</u>	<u>\$ -</u>

The Independent Auditor's Report and accompanying Notes are an integral part of the Financial Statements.

# **Prevent Cancer Foundation**

## **Notes to Financial Statements**

**June 30, 2008 and 2007**

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### **1. Organization and Purpose**

Prevent Cancer Foundation (the Foundation) was incorporated in Virginia in 1985 as a non-stock corporation. The Foundation filed for tax-exempt status as a publicly supported organization, and a letter of determination was issued by the Internal Revenue Service confirming exemption from Federal income tax under Section 501(c)(3) of the Internal Revenue Code.

The Foundation provides support for cancer prevention research, education and community outreach programs nationwide and plays a pivotal role in developing a body of knowledge that is the basis for important prevention and early detection strategies. The Foundation focuses its resources on those cancers – including lung, breast, prostate, colorectal, cervical, skin, oral and testicular – that can be prevented through lifestyle changes or detection and treatment in the early stages.

During 2007, the Foundation filed a certificate of amendment with the Commonwealth of Virginia to change their name. Effective July 18, 2007, the Foundation will do business as Prevent Cancer Foundation.

### **2. Significant Accounting Policies**

#### Support and Expenses

Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. The Foundation reports gifts of cash and other assets as restricted support, if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support.

#### Donated Services

A substantial number of volunteers donate time to Prevent Cancer Foundation's program services and special events. These donated services are not reflected in the financial statements since the services do not require specialized skills as defined by U.S. generally accepted accounting principles.

#### Furniture and Equipment

Furniture and equipment are reported at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Depreciation expense for the years ended June 30, 2008 and 2007, was \$17,934 and \$19,469, respectively.

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# Prevent Cancer Foundation

## Notes to Financial Statements

June 30, 2008 and 2007

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### 2. Significant Accounting Policies (Continued)

#### Cash and Cash Equivalents

Cash and cash equivalents consist of cash held in checking and money market accounts and certificates of deposit with maturities of less than 90 days. At year-end and throughout the year, the Foundation's cash balances were deposited in several banks which may exceed federally insured limits. Management does not believe this results in any significant credit risk.

#### Investments

Investments in equity securities, with readily determinable fair values and all investments in debt securities are measured at fair value in the statement of financial position. Investment income or loss (including gains and losses on investments, interest, and dividends) is included in the statement of activities as increases or decreases in unrestricted net assets unless the income or loss is restricted by donor or law.

#### Concentrations of Credit and Market Risk

Financial instruments that potentially expose the Foundation to concentrations of credit and market risk consist primarily of cash equivalents and investments. Cash equivalents are maintained at high-quality financial institutions, and credit exposure is limited to any one institution. The Foundation has not experienced any losses on its cash equivalents. Management believes that the Foundation's investments do not represent significant concentrations of market risk in as much as the Foundation's investment portfolio is adequately diversified among issuers.

#### Advertising Costs

Advertising costs are expensed as incurred.

#### Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles 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. Actual results could differ from those estimates.

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**Prevent Cancer Foundation**  
**Notes to Financial Statements**

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**3. Cash and Cash Equivalents**

Cash and cash equivalents as of June 30, 2008 and 2007, consisted of the following:

	<u>2008</u>	<u>2007</u>
Checking accounts	\$ 1,504,031	\$ 1,952,704
Money market accounts	2,402,286	1,288,710
	<u>\$ 3,906,317</u>	<u>\$ 3,241,414</u>
 Amount covered by Federal Deposit Insurance Corporation (FDIC)	 <u>\$ 100,000</u>	 <u>\$ 100,000</u>

**4. Investments**

The fair value of securities held at June 30, 2008 and 2007, was as follows:

	<u>2008</u>	<u>2007</u>
Equities	\$ 2,811,788	\$ 2,869,555
Mutual funds	7,289,632	9,611,156
Fair value per statements of financial position	<u>\$ 10,101,420</u>	<u>\$ 12,480,711</u>

Investment income (loss) for the years ended June 30, 2008 and 2007 consisted of the following:

	<u>2008</u>	<u>2007</u>
Realized gains (losses) on investments sold	\$ (379,296)	\$ (17,923)
Unrealized gains (losses)	(1,202,653)	1,017,848
Interest and dividend income	1,000,693	671,088
Investment fees	(46,484)	(40,340)
	<u>\$ (627,740)</u>	<u>\$ 1,630,673</u>

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**5. Grants Awarded**

The Foundation recorded grants during 2008 and 2007 totaling \$3,858,029 and \$3,575,423, respectively. Adjustments to reflect differences between the award and actual payments are made in the year the final payment is made. Grants recorded but unpaid amounted to \$2,873,765 and \$2,278,766 as of June 30, 2008 and 2007, respectively. Grants are generally awarded for two years with the second year payment contingent on whether the grantee provides financial, interim, and progress reports in a timely manner. The liability for the second year payment is not recorded until the contingency is fulfilled.

**6. Allocation of Joint Costs and Functional Expenses**

Operating costs have been allocated among the programs, fundraising activities, and administrative functions based on estimates provided by management. The Foundation incurs joint costs for informational materials and activities that included fundraising appeals. These costs were allocated based on management's analysis of the content of each mailing. Joint allocated costs for the year ended June 30, 2008, were as follows:

	<u>Fundraising</u>	<u>Education</u>
Mailing #1	\$ 36,365	\$ 34,591
Mailing #2	23,875	22,710
Email communications	8,410	19,624
Total Joint Costs Allocated	<u>\$ 68,650</u>	<u>\$ 76,925</u>

**7. Accounts and Pledges Receivable**

Accounts and pledges receivable consisted of the following as of June 30, 2008 and 2007:

	<u>2008</u>	<u>2007</u>
Pledges - Combined Federal Campaign 2007-2008	\$ 334,989	\$ -
Pledges - Combined Federal Campaign 2006-2007	-	432,737
Less valuation allowance	-	(55,136)
Net pledges receivable	<u>334,989</u>	<u>377,602</u>
Other	493,803	565,446
	<u>\$ 828,792</u>	<u>\$ 943,048</u>

The preliminary allocation to the Foundation for the 2006-2007 CFC pledge drive was \$502,455 (net of fees), \$69,718 of which was received prior to June 30, 2007. The remaining balance was received during fiscal year 2008.

The preliminary allocation to the Foundation for the 2007-2008 CFC pledge drive was \$437,255 (net of fees), \$102,266 of which was received prior to June 30, 2008. The remaining balance is expected to be received in fiscal year 2009.

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# Prevent Cancer Foundation

## Notes to Financial Statements

June 30, 2008 and 2007

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### 8. Charitable Gift Annuities

The Foundation established a Charitable Gift Annuity Program during the year ended June 30, 2003. The value of the assets held in the Program was \$144,116 and \$153,247 as of June 30, 2008 and June 30, 2007, respectively, and the anticipated liability to the donors was \$71,797 and \$87,540 for the years then ended. Payouts to the donors are determined by each donor individually. A growth rate of 6% has been used to compute the value of the liability.

### 9. Lease Commitments

In March of 2003, the Foundation signed a seven-year agreement for office space. The agreement expires April 30, 2010. The Foundation also leases office equipment under long-term lease arrangements. Minimum rentals due under these agreements are as follows:

<u>For the year ending June 30,</u>		
2009	\$	267,751
2010		<u>229,253</u>
Total	\$	<u><u>497,004</u></u>

### 10. Retirement Plan

The Foundation adopted a 403(b) plan in 1995 (converted to a 401(k) plan in January, 2001). Beginning in 2001, the Foundation began making contributions on behalf of employees in amounts ranging from 3% to 4% of an employee's salary. Contributions in the amount of \$74,948 and \$63,217 were made for the years ended June 30, 2008 and 2007, respectively.

The Foundation adopted a 457(b) plan in 2007. Only employees within a select group of management or highly compensated employees chosen by the Board of Directors are eligible to participate. Contributions are made at the sole discretion of the Foundation and do not need to be uniform among all participants. For the year ended June 30, 2008, the President was the only participant in the plan. Contributions in the amount of \$15,500 were made on her behalf. Fair market value of the plan was \$12,837 as of June 30, 2008.

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**11. In-kind Contributions**

The Foundation received donated goods services during the years ended June 30, 2008 and 2007. The revenue and expenses associated with these services have been recorded in these financial statements.

	<u>2008</u>	<u>2007</u>
Public service announcements	\$ 577,725	\$ 1,310,837
Contributions for special events	119,787	-
	<u>\$ 697,512</u>	<u>\$ 1,310,837</u>

**12. Temporarily Restricted Contributions**

The Foundation received contributions in support of several education and awareness programs for the years ended June 30, 2008 and 2007. These contributions have been reflected in the statements of activities as temporarily restricted contributions. To the extent those funds have been disbursed in support of these programs, amounts have been recorded as net assets released from restrictions. Any funds that have not been expended are included as net assets - temporarily restricted as of June 30, 2008 and 2007.

**13. Special Events**

The Foundation sponsors several special events during the year. The purpose of these events is to raise public awareness about cancer as well as to raise funds to further the Foundation's purpose. A summary of special events for the years ended June 30, 2008 and 2007 is as follows:

	<u>2008</u>			
	<u>Revenue</u>	<u>Direct Benefit Expenses</u>	<u>Other Expenses</u>	<u>Net</u>
Sporting Clays Tournament	\$ 136,010	\$ 17,939	\$ 19,070	\$ 99,001
Tracy's Kids Benefit	632,232	11,569	88,709	531,954
Gala	1,299,724	141,631	159,450	998,643
Hope Street Kids	684,638	57,426	125,844	501,368
Sarah Howard Benefit	57,998	5,780	16,859	35,359
Capital Hill Poker Tournament	242,853	49,160	28,154	165,539
	<u>\$ 3,053,455</u>	<u>\$ 283,505</u>	<u>\$ 438,086</u>	<u>\$ 2,331,864</u>

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**13. Special Events (Continued)**

	2007			
	Revenue	Direct Benefit Expenses	Other Expenses	Net
Sporting Clays Tournament	\$ 150,305	\$ 6,080	\$ 29,562	\$ 114,663
Tracy's Kids Benefit	570,624	-	91,999	478,625
Gala	1,026,750	81,439	121,498	823,813
Hope Street Kids	706,635	-	70,289	636,346
Sarah Howard Benefit	65,573	5,678	20,208	39,687
Capital Hill Poker Tournament	320,325	31,179	38,222	250,924
	<u>\$ 2,840,212</u>	<u>\$ 124,376</u>	<u>\$ 371,778</u>	<u>\$ 2,344,058</u>

**14. Temporarily Restricted Net Assets**

Net assets are temporarily restricted for specific events as well as for future periods. Temporarily restricted assets as of June 30, 2008 and 2007 were as follows:

	2008	2007
Restricted to future periods		
Contributions receivable for the Combined		
Federal Campaign	\$ 334,989	\$ 377,602
Contributions receivable for the United Way Campaign	36,863	-
Other contributions receivable	75,000	-
Charitable gift annuities	72,320	65,707
Interest in remainder trusts	302,295	284,004
	<u>821,467</u>	<u>727,313</u>
Restricted for specific activities		
State Fairs- Health Awareness Booth	31,800	304,052
Sporting Clays Tournament	-	478,575
Congressional Families Action for Cancer Awareness	-	726,931
Hope Street Kids	1,159,084	1,539,068
Sarah Howard Fund	472,617	461,968
Pam McDonald Tournament	-	108,635
Tracy's Kids Benefit	820,050	792,514
	<u>2,483,551</u>	<u>4,411,743</u>
	<u>\$ 3,305,018</u>	<u>\$ 5,139,056</u>

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# Prevent Cancer Foundation

## Notes to Financial Statements

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### 15. Interests in Remainder Trusts

The Foundation has been named as a beneficiary of several charitable remainder trusts. The present value of these trusts has been recorded as assets in the amount of \$302,295 and \$284,004 for the years ended June 30, 2008 and 2007, respectively. A discount rate of 8% has been used in the calculation of the present value of these items.

### 16. Permanently Restricted Net Assets

The Foundation established a permanent endowment fund in 2003 to support its research program. Initial contributions of \$278,413 were received in 2003. Reinvested earnings from the fund will be periodically expended to support the Foundation's research grant program. The fair market value of the investments in the account was \$383,016 and \$410,666 as of June 30, 2008 and 2007, respectively.

### 17. Deferred Income

The Foundation receives educational grants to fund future exhibits, a portion of each grant qualifies as an exchange transaction in which revenues are recognized when expenses are incurred.

A summary of deferred revenue for the years ended June 30, 2008 and 2007 is as follows:

	2008	
	Grant Amount	Deferred Revenue
Check Your Inside Out 2008 Tour	\$ 620,000	\$ 188,283
2008 National Super Colon Tour	250,000	110,017
	<u>\$ 870,000</u>	<u>\$ 298,300</u>
	2007	
	Grant Amount	Deferred Revenue
2007 National Super Colon Tour	<u>\$ 350,000</u>	<u>\$ 200,000</u>

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