Prevent Cancer Foundation

Financial Statements

June 30, 2015 and 2014

Kositzka, Wicks & Company
Certified Public Accountants

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KOSITZKA, WICKS & COMPANY
Certified Public Accountants

Independent Auditor's Report

The Board of Directors
Prevent Cancer Foundation

We have audited the accompanying financial statements of the **Prevent Cancer Foundation** (a nonprofit organization), which comprise the statements of financial position as of June 30, 2015 and 2014, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, financial statements referred to above present fairly, in all material respects, the financial position of the **Prevent Cancer Foundation**, as of June 30, 2015 and 2014, 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.

Kositzka, Wicks and Company

Alexandria, Virginia
November 12, 2015

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Prevent Cancer Foundation

Statements of Financial Position

June 30,	2015	2014
Assets		
Current assets		
Cash and cash equivalents	$ 1,903,984	$ 1,622,144
Grants and pledges receivable - current	106,930	340,073
Investments - general	3,118,911	3,005,959
Prepaid expenses	40,268	39,689
	5,170,093	5,007,865
Property and equipment, net of accumulated depreciation	28,629	24,908
Other assets		
Investments - Donor restricted and Board designated funds	5,933,315	5,776,348
Grants and pledges receivable - noncurrent	200,000	-
Deposits	22,636	29,736
Charitable gift annuities	207,465	214,921
Interests in remainder trusts	459,251	467,974
Deferred compensation plan	182,202	162,527
	7,004,869	6,651,506
Total assets	$ 12,203,591	$ 11,684,279
Liabilities and net assets		
Current liabilities		
Accounts payable and accrued expenses	$ 121,087	$ 61,461
Grants payable	605,296	549,046
	726,383	610,507
Long-term liabilities		
Charitable gift annuities	75,175	86,026
Deferred compensation plan	182,202	162,527
	257,377	248,553
Total liabilities	983,760	859,060
Net assets		
Unrestricted	8,947,577	8,555,782
Temporarily restricted	1,993,841	1,991,024
Permanently restricted	278,413	278,413
	11,219,831	10,825,219
Total liabilities and net assets	$ 12,203,591	$ 11,684,279

The accompanying independent auditor's report and 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, 2015

	Unrestricted	Temporarily restricted	Permanently restricted	Total
Support and revenue				
Contributions	$ 1,570,045	$ 337,318	$ -	$ 1,907,363
Bequests and other income	219,653	-	-	219,653
In-kind contributions	213,218	-	-	213,218
Special events	3,482,461	55,965	-	3,538,426
Less: Costs of direct benefits to donors	(346,654)	-	-	(346,654)
Net assets released from restrictions	405,960	(405,960)	-	-
Total support and revenue	5,544,683	(12,677)	-	5,532,006
Expenses				
Program				
Research	1,110,426	-	-	1,110,426
Education and public awareness	1,966,695	-	-	1,966,695
Community outreach	980,147	-	-	980,147
Management and general	421,800	-	-	421,800
Fundraising	884,283	-	-	884,283
Total expenses	5,363,351	-	-	5,363,351
Change in net assets before investment income	181,332	(12,677)	-	168,655
Investment income	210,463	15,494	-	225,957
Change in net assets	391,795	2,817	-	394,612
Net assets, beginning of year	8,555,782	1,991,024	278,413	10,825,219
Net assets, end of year	$ 8,947,577	$ 1,993,841	$ 278,413	$ 11,219,831

The accompanying independent auditor's report and 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, 2014

	Unrestricted	Temporarily restricted	Permanently restricted	Total
Support and revenue				
Contributions	$ 1,123,267	$ 440,708	$ -	$ 1,563,975
Bequests and other income	662,691	-	-	662,691
Colorectal tour	30,000	-	-	30,000
In-kind contributions	138,124	-	-	138,124
Special events	2,946,824	58,676	-	3,005,500
Less: Costs of direct benefits to donors	(287,131)	-	-	(287,131)
Net assets released from restrictions	606,171	(606,171)	-	-
Total support and revenue	5,219,946	(106,787)	-	5,113,159
Expenses				
Program				
Research	1,072,470	-	-	1,072,470
Education and public awareness	1,658,703	-	-	1,658,703
Community outreach	895,142	-	-	895,142
Management and general	406,619	-	-	406,619
Fundraising	768,437	-	-	768,437
Total expenses	4,801,371	-	-	4,801,371
Change in net assets before investment income	418,575	(106,787)	-	311,788
Investment income	1,077,950	78,258	-	1,156,208
Change in net assets	1,496,525	(28,529)	-	1,467,996
Net assets, beginning of year	7,059,257	2,019,553	278,413	9,357,223
Net assets, end of year	$ 8,555,782	$ 1,991,024	$ 278,413	$ 10,825,219

The accompanying independent auditor's report and notes are an integral part of the financial statements.

Prevent Cancer Foundation

Statement of Functional Expenses
for the year ended June 30, 2015

	Program services				Support services			
	Research	Education and public awareness	Community outreach	Total	Management and general	Fundraising	Total	Total expenses
Accounting and auditing	$ 4,395	$ 11,427	$ 5,860	$ 21,682	$ 3,516	$ 4,102	$ 7,618	$ 29,300
Audio/Staging	-	23,991	-	23,991	-	31,840	31,840	55,831
Advertising	312	31,262	2,321	33,895	250	24,848	25,098	58,993
Awards	-	1,532	-	1,532	-	5,406	5,406	6,938
Bank charges	-	-	-	-	19,590	25	19,615	19,615
Bad debt	-	-	-	-	(4,000)	-	(4,000)	(4,000)
Catering	215	106,915	-	107,130	-	8,835	8,835	115,965
Computer services	462	3,296	617	4,375	370	1,819	2,189	6,564
Consultant fees	-	36,135	5,702	41,837	-	1,500	1,500	43,337
Contributions	2,318	4,251	90	6,659	54	63	117	6,776
Copying	-	230	-	230	-	7	7	237
Credit card discount expense	-	(40)	-	(40)	20,635	2	20,637	20,597
Decorators/Exhibitors	-	-	-	-	-	60,000	60,000	60,000
Delivery and shipping	-	6,148	677	6,825	2,122	3,317	5,439	12,264
Depreciation	1,034	2,689	1,379	5,102	827	965	1,792	6,894
Design and layout	47	13,388	62	13,497	37	13,132	13,169	26,666
Employee relations	375	1,064	500	1,939	300	383	683	2,622
Entertainment	-	-	-	-	-	-	-	-
Equipment lease	3,495	14,720	5,647	23,862	2,796	13,499	16,295	40,157
Exhibits	-	-	-	-	-	1,200	1,200	1,200
Furniture and equipment	224	581	298	1,103	179	4,160	4,339	5,442
Gifts	59	5,938	1,600	7,597	1,143	24,271	25,414	33,011
Grants	641,005	20,000	384,231	1,045,236	-	-	-	1,045,236
Honorariums	11,250	1,500	350	13,100	-	-	-	13,100
In-kind expenses	-	-	-	-	-	65,000	65,000	65,000
Insurance - general	1,586	4,123	3,114	8,823	1,269	1,480	2,749	11,572
Insurance - employee benefits	23,319	60,630	31,092	115,041	18,656	21,807	40,463	155,504
Interest	-	-	-	-	162	-	162	162
Legal	-	-	-	-	15,772	-	15,772	15,772
List rentals	-	925	-	925	-	-	-	925
Lodging	6,028	42,934	215	49,177	784	2,046	2,830	52,007

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The accompanying independent auditor's report and notes are an integral part of the financial statements.

Prevent Cancer Foundation

Statement of Functional Expenses
for the year ended June 30, 2015

	Program services				Support services			
	Research	Education and public awareness	Community outreach	Total	Management and general	Fundraising	Total	Total expenses
Maintenance	$ 401	$ 1,212	$ 535	$ 2,148	$ 321	$ 375	$ 696	$ 2,844
Meals	4,562	12,523	1,250	18,335	3,964	3,633	7,597	25,932
Media services	-	3,506	-	3,506	-	-	-	3,506
Media services - in-kind	-	213,218	-	213,218	-	-	-	213,218
Meetings	-	66	-	66	53	40	93	159
Membership and dues	6,865	16,091	215	23,171	1,692	2,677	4,369	27,540
Mileage and parking	708	6,576	1,723	9,007	6,794	7,918	14,712	23,719
Miscellaneous	4	4	-	8	10	1,000	1,010	1,018
Photography	-	4,414	-	4,414	740	2,875	3,615	8,029
Postage	582	15,394	791	16,767	465	11,369	11,834	28,601
Premiums	145	14,786	2,407	17,338	116	3,789	3,905	21,243
Printing	1,175	62,513	7,865	71,553	940	23,360	24,300	95,853
Professional services	15,462	140,708	18,216	174,386	7,929	159,432	167,361	341,747
Rent	50,124	130,322	66,832	247,278	40,099	46,782	86,881	334,159
Salaries	266,619	693,210	355,493	1,315,322	213,296	248,845	462,141	1,777,463
Payroll taxes and processing	21,603	56,168	28,805	106,576	17,283	20,163	37,446	144,022
Registration fees	870	1,190	1,100	3,160	1,220	233	1,453	4,613
Retirement	10,730	27,899	14,307	52,936	8,584	10,015	18,599	71,535
Site rental	-	17,676	4,950	22,626	-	35	35	22,661
Software and support	2,250	54,125	-	56,375	6,481	24,019	30,500	86,875
Stipend	500	1,500	336	2,336	-	-	-	2,336
Storage	181	471	241	893	145	1,812	1,957	2,850
Subscriptions	20	13,211	-	13,231	776	283	1,059	14,290
Supplies	1,562	11,640	11,810	25,012	964	6,033	6,997	32,009
Taxes and licenses	-	-	-	-	13,019	-	13,019	13,019
Telephone	2,332	6,133	3,381	11,846	1,818	2,188	4,006	15,852
Temporary services	8,789	34,759	15,897	59,445	7,031	8,203	15,234	74,679
Training	-	225	-	225	1,399	4,539	5,938	6,163
Transcribing services	-	1,546	-	1,546	-	-	-	1,546
Transportation and per diem	18,818	31,970	238	51,026	2,199	4,958	7,157	58,183
	$ 1,110,426	$ 1,966,695	$ 980,147	$ 4,057,268	$ 421,800	$ 884,283	$ 1,306,083	$ 5,363,351

The accompanying independent auditor's report and notes are an integral part of the financial statements.

Prevent Cancer Foundation

Statement of Functional Expenses
for the year ended June 30, 2014

	Program services				Support services			
	Research	Education and public awareness	Community outreach	Total	Management and general	Fundraising	Total	Total expenses
Accounting and auditing	$ 4,992	$ 11,544	$ 6,240	$ 22,776	$ 4,056	$ 4,368	$ 8,424	$ 31,200
Audio/Staging	-	17,096	-	17,096	-	39,447	39,447	56,543
Advertising	242	559	302	1,103	195	10,368	10,563	11,666
Awards	-	1,628	-	1,628	-	10,690	10,690	12,318
Bank charges	-	-	-	-	20,344	445	20,789	20,789
Bad debt	-	-	-	-	(14,000)	-	(14,000)	(14,000)
Catering	-	67,100	-	67,100	140	6,552	6,692	73,792
Computer services	502	1,407	610	2,519	396	646	1,042	3,561
Consultant fees	-	59,995	12,928	72,923	-	-	-	72,923
Contributions	1,416	1,887	1,020	4,323	663	714	1,377	5,700
Copying	-	4,315	-	4,315	-	-	-	4,315
Credit card discount expense	-	(7)	-	(7)	19,421	-	19,421	19,414
Data Entry	-	-	-	-	-	1,828	1,828	1,828
Decorators/Exhibitors	-	96	-	96	-	51,125	51,125	51,221
Delivery and shipping	49	846	622	1,517	1,924	4,360	6,284	7,801
Depreciation	1,039	2,402	1,298	4,739	844	908	1,752	6,491
Design and layout	59	13,718	74	13,851	48	13,618	13,666	27,517
Employee relations	340	787	425	1,552	276	298	574	2,126
Equipment lease	2,610	10,376	3,551	16,537	2,121	3,435	5,556	22,093
Furniture and equipment	37	876	47	960	30	33	63	1,023
Gifts	129	2,210	1,203	3,542	105	15,109	15,214	18,756
Grants	617,192	41,759	321,184	980,135	-	-	-	980,135
Honorariums	9,000	-	-	9,000	-	-	-	9,000
In-kind expenses	-	-	1,500	1,500	-	2,204	2,204	3,704
Insurance - general	1,981	5,582	2,477	10,040	1,610	1,734	3,344	13,384
Insurance - employee benefits	27,416	63,399	34,270	125,085	22,275	23,988	46,263	171,348
Legal	-	-	-	-	17,145	-	17,145	17,145
Lettershop	-	11,121	-	11,121	-	4,226	4,226	15,347
List rentals	-	-	-	-	-	500	500	500
Lodging	3,382	49,332	343	53,057	650	1,371	2,021	55,078

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The accompanying independent auditor's report and notes are an integral part of the financial statements.

Prevent Cancer Foundation

Statement of Functional Expenses
for the year ended June 30, 2014

	Program services				Support services			
	Research	Education and public awareness	Community outreach	Total	Management and general	Fundraising	Total	Total expenses
Maintenance	$ 82	$ 190	$ 102	$ 374	$ 67	$ 71	$ 138	$ 512
Meals	817	11,002	926	12,745	763	12,625	13,388	26,133
Media services	-	2,064	-	2,064	-	-	-	2,064
Media services - in-kind	-	134,420	-	134,420	-	-	-	134,420
Meetings	-	931	-	931	-	441	441	1,372
Membership and dues	6,846	10,731	832	18,409	1,950	2,243	4,193	22,602
Mileage and parking	1,411	5,127	1,834	8,372	8,742	7,970	16,712	25,084
Miscellaneous	-	47	-	47	-	-	-	47
Photography	-	3,924	-	3,924	1,025	2,514	3,539	7,463
Postage	523	14,094	654	15,271	425	4,023	4,448	19,719
Premiums	-	1,128	-	1,128	-	494	494	1,622
Printing	997	53,517	2,228	56,742	810	30,876	31,686	88,428
Professional services	20,780	135,272	25,975	182,027	11,521	116,935	128,456	310,483
Rent	53,269	123,185	66,586	243,040	43,281	46,610	89,891	332,931
Salaries	266,278	615,768	332,848	1,214,894	216,351	232,993	449,344	1,664,238
Payroll taxes and processing	20,577	47,585	25,722	93,884	16,719	18,006	34,725	128,609
Registration fees	-	785	1,020	1,805	1,151	3,007	4,158	5,963
Retirement	10,160	23,494	12,700	46,354	8,255	8,889	17,144	63,498
Site rental	-	11,702	4,950	16,652	-	-	-	16,652
Software and support	3,515	10,191	644	14,350	418	50,401	50,819	65,169
Stipend	-	1,525	70	1,595	105	-	105	1,700
Storage	638	1,475	797	2,910	518	558	1,076	3,986
Subscriptions	3,221	10,530	4,026	17,777	2,617	7,910	10,527	28,304
Supplies	1,328	13,035	12,461	26,824	1,057	13,447	14,504	41,328
Taxes and licenses	-	-	-	-	5,496	660	6,156	6,156
Telephone	2,650	6,195	3,427	12,272	2,146	2,451	4,597	16,869
Temporary services	2,539	22,066	8,089	32,694	1,455	3,685	5,140	37,834
Training	-	-	275	275	1,223	-	1,223	1,498
Transportation and per diem	6,453	30,692	882	38,027	2,281	3,661	5,942	43,969
	$ 1,072,470	$ 1,658,703	$ 895,142	$ 3,626,315	$ 406,619	$ 768,437	$ 1,175,056	$ 4,801,371

The accompanying independent auditor's report and notes are an integral part of the financial statements.

Prevent Cancer Foundation

Statements of Cash Flows
for the years ended June 30,

	2015	2014
Cash flows from operating activities		
Change in net assets	$ 394,612	$ 1,467,996
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	6,895	6,491
Investments donated	-	(15,042)
Realized and unrealized gains on investments	59,172	(1,012,295)
Decrease in allowance for doubtful accounts	(4,000)	(14,000)
(Increase) decrease in operating assets		
Grants and pledges receivable - current	37,143	162,251
Prepaid expenses	(579)	(16,274)
Deposits	7,100	(5,000)
Charitable gift annuities	7,456	(12,347)
Interests in remainder trusts	8,723	(89,299)
Deferred compensation plan	(19,675)	(45,211)
Increase (decrease) in operating liabilities		
Accounts payable and accrued expenses	59,626	(37,154)
Grants payable	56,250	160,606
Charitable gift annuities	(10,851)	6,856
Deferred compensation plan	19,675	45,211
Net cash provided by operating activities	621,547	602,789
Cash flows from investing activities		
Purchase of property and equipment	(10,616)	(12,994)
Proceeds from sale of investments	3,999,250	1,536,849
Purchase of investments	(4,328,340)	(1,557,430)
Net cash used by investing activities	(339,706)	(33,575)
Net increase in cash and cash equivalents	281,841	569,214
Cash and cash equivalents, beginning of year	1,622,144	1,052,930
Cash and cash equivalents, end of year	$ 1,903,984	$ 1,622,144
Supplemental disclosure of cash flow information		
Cash paid for interest	$ 162	$ -
Income taxes paid	$ -	$ -

The accompanying independent auditor's report and notes are an integral part of the financial statements.

1. Organization

Prevent Cancer Foundation (the Foundation) was incorporated in Virginia in 1985 as a non-stock corporation. 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 a 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.

The Foundation's sources of revenue include contributions, bequests, in-kind contributions and special events.

2. Significant accounting policies

Basis of accounting

The financial statements of the Foundation are prepared using the accrual method of accounting. In accordance with this method of accounting, revenue is recognized in the period in which it is earned and expenses are recognized in the period in which they are incurred. All revenue and expenses, which are applicable to future periods, have been presented as deferred revenue or prepaid expenses on the accompanying statements of financial position.

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.

Cash and cash equivalents

For purposes of the statements of cash flows, the Foundation considers all cash and unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents. It is the Foundation's policy not to classify certificates of deposit as cash and cash equivalents. FDIC insurance on interest bearing accounts is $250,000 per depositor, per insured bank.

Grants and pledges receivable

Grants and pledges receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncertain amounts through a provision for bad debt expense and an adjustment to a valuation allowance.

2. Significant accounting policies (continued)

Property and equipment

Property and equipment are reported at cost. The Foundation capitalizes purchases over $1,000. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

Investments

Investments are measured at fair value in the statement of financial position based on publicly available market data obtained from services independent of the Foundation. 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.

Compensated absences

Employees of the Foundation are entitled to paid vacation depending on job classification, length of service and other factors. As of June 30, 2015 and 2014, estimated compensated absences of $45,895 and $38,537, respectively, are included in accounts payable and accrued expenses in the accompanying statements of financial position.

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.

Other financial assets and liabilities

Financial assets with carrying values approximating fair value include cash and cash equivalents, grants and pledges receivable, and prepaid expenses. Financial liabilities with carrying values approximating fair value include accounts payable and accrued expenses, and grants payable. The carrying value of these financial assets and liabilities approximates fair value due to their short maturities and any associated interest rates approximate current market rates.

Advertising costs

Advertising costs are expensed as incurred.

2. Significant accounting policies (continued)

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.

At year-end and throughout the year, the Foundation's cash balances may exceed federally insured limits. Cash and cash equivalents are maintained at high-quality financial institutions. The Foundation has not experienced any losses on its cash equivalents and management does not believe this result in any significant credit risk.

In general, investments are exposed to various risks, such as interest rate, credit, and overall market volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect amounts reported in future statements of activities. Management believes that the Foundation's investments do not represent significant concentrations of market risk as the Foundation's investment portfolio is adequately diversified among issuers.

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.

Income taxes

The Foundation is exempt from federal income tax as a non-profit organization described in Section 501(c)(3) of the Internal Revenue Code and is classified as an organization other than a private foundation. The Organization did not have a liability for unrelated business income for the years ended June 30, 2015 and 2014.

The material jurisdictions subject to potential examination by taxing authorities include the U.S. and Virginia. The Board does not believe that the ultimate outcome of any future examinations of open tax years will have a material impact on the Organization's results of operations. Tax years that remain subject to examination by the IRS are fiscal years 2011 through 2014.

3. Cash and cash equivalents

Cash and cash equivalents as of June 30, 2015 and 2014, consisted of the following:

	2015	2014
Checking accounts	$ 2,011,384	$ 1,837,393
Amount covered by Federal Deposit Insurance Corporation (FDIC)	$ 250,000	$ 250,000

4. Grants and pledges receivable

Grants and pledges receivable consisted of the following as of June 30, 2015 and 2014:

	2015	2014
Pledges - Combined Federal Campaign	$ 108,924	$ 128,853
Other receivables	220,006	237,220
Allowance for uncollectible amounts	(22,000)	(26,000)
	$ 306,930	$ 340,073

The preliminary allocation to the Foundation for the 2014-2015 CFC pledge drive was $108,924 (net of fees). The outstanding balance is expected to be received in fiscal year 2016.

The preliminary allocation to the Foundation for the 2013-2014 CFC pledge drive was $125,132 (net of fees), $23,823 of which was received as of June 30, 2014. The remaining balance was collected in full during fiscal year 2015.

Management has estimated the collectability of the remaining outstanding balances from CFC campaigns and recorded an allowance for uncollectible amounts based on historic collections.

Grants and pledges receivable expected to be collected in less than one year are $20,006. Grants and pledges receivable expected to be collected in more than one year are $200,000.

5. Investments

The fair market value of securities held at June 30, 2015 and 2014, was as follows:

	2015	2014
Cash and money market funds	$ 214,013	$ 389,408
Fixed income	3,356,490	2,546,920
Equities	5,027,852	5,169,183
Mutual funds	453,871	376,796
Fair value per statements of financial position	$ 9,052,226	$ 8,482,307

Investment income for the years ended June 30, 2015 and 2014 consisted of the following:

	2015	2014
Realized and unrealized (losses) gains	$ (59,172)	$ 1,012,295
Interest and dividend income	333,913	187,698
Investment fees	(48,784)	(43,785)
	$ 225,957	$ 1,156,208

6. Property and equipment

A summary of information relative to property depreciation as of June 30, 2015 and 2014 is as follows:

	2015			
	Cost	Accumulated depreciation	Depreciation expense	Useful life
Office furniture and equipment	$ 193,011	$ 164,382	$ 6,895	3-10 years

	2014			
	Cost	Accumulated depreciation	Depreciation expense	Useful life
Office furniture and equipment	$ 182,396	$ 157,487	$ 6,491	3-10 years

7. 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 $207,465 and $214,921 as of June 30, 2015 and 2014, respectively, and the anticipated liability to the donors was $75,175 and $86,026 for the years then ended. Distributions are governed by annuity agreements. A discount rate of 1.2% has been used to compute the value of the liability.

8. 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 $459,251 and $467,974 for the years ended June 30, 2015 and 2014, respectively. A growth rate of 3% has been used in the calculation of the present value of these items.

9. Grants awarded

The Foundation recorded grants during 2015 and 2014 totaling $1,045,236 and $980,135, 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 $605,296 and $549,046 as of June 30, 2015 and 2014, 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. Contingent liabilities for second year payments were $325,000 and $315,000 at June 30, 2015 and 2014, respectively.

10. In-kind contributions

The Foundation received donated goods and services during the years ended June 30, 2015 and 2014. The revenue and expenses associated with these services have been recorded in these financial statements. Special event contributions are reflected in the revenue and direct costs of special events on the statement of activities.

In-kind contributions for the years ended June 30, 2015 and 2014 consisted of the following:

	2015	2014
Public service announcements	$ 213,218	$ 134,420
Contributions for special events	207,297	92,684
Other	-	3,704
	$ 420,515	$ 230,808

11. 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, 2015 and 2014 is as follows:

	2015			
	Revenue	Direct benefit expenses	Other expenses	Net
Gala	$ 1,782,638	$ 145,485	$ 335,323	$ 1,301,830
Sarah Howard	55,965	8,994	17,693	29,278
5K Race	215,237	19,715	26,910	168,612
Awesome Games	1,484,586	30,163	126,698	1,327,725
	$ 3,538,426	$ 204,357	$ 506,624	$ 2,827,445

	2014			
	Revenue	Direct benefit expenses	Other expenses	Net
Gala	$ 1,719,205	$ 186,250	$ 150,585	$ 1,382,370
Sarah Howard	58,676	15,998	22,930	19,748
5K Race	176,965	68,170	46,159	62,636
Awesome Games	1,050,654	16,713	79,900	954,041
	$ 3,005,500	$ 287,131	$ 299,574	$ 2,418,795

12. 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 were as follows for the years ended June 30:

	2015	
	Fundraising	Education
Direct mailings	$ 11,650	$ 18,354

	2014	
	Fundraising	Education
Direct mailings	$ 12,767	$ 46,192

13. Lease commitments

The Foundation leases office space in Alexandria, Virginia. The current lease agreement was extended from the original lease and expires on April 30, 2017. Minimum rentals due under these agreements are as follows for the years ending June 30:

2016	$ 340,368
2017	290,696
	$ 631,064

Rent expense for the years ended June 30, 2015 and 2014 was $334,159 and $332,931, respectively.

14. Retirement plan

The Foundation maintains a 403(b) plan. The Foundation makes contributions on behalf of employees in amounts ranging from 3% to 4% of an employee's salary. Contributions in the amount of $54,035 and $45,998 were made for the years ended June 30, 2015 and 2014, 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 years ended June 30, 2015 and 2014, the President was the only participant in the plan. Contributions in the amount of $17,500 and $17,500 were made on her behalf for the years ended June 30, 2015 and 2014, respectively. Fair market value of the plan was $182,202 and $162,527 as of June 30, 2015 and 2014, respectively.

15. 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, 2015 and 2014 were as follows:

	2014	Additions	Releases	2015
Restricted to future periods				
Contributions receivable for the Combined Federal campaign	$ 128,852	$ 108,924	$ 128,853	$ 108,923
Contributions receivable and other	62,609	-	62,609	-
Charitable gift annuities	128,896	3,394	-	132,290
Interest in remainder trusts	467,974	-	8,722	459,252
	788,331	112,318	200,184	700,465
Restricted for specific activities or purpose				
State fairs- health awareness booth	-	25,000	-	25,000
Partnership grants	135,587	200,000	135,587	200,000
Scientific research for colorectal and prostate cancer	245,054	-	40,000	205,054
Sarah Howard fund	527,284	55,965	30,188	553,061
	907,925	280,965	205,775	983,115
Portion of donor-restricted endowment subject	294,768	15,494	-	310,262
	$ 1,991,024	$ 408,777	$ 405,959	$ 1,993,842

15. Temporarily restricted net assets (continued)

	2013	Additions	Releases	2014
Restricted to future periods				
Contributions receivable for the Combined Federal campaign	$ 179,992	$ 147,721	$ 198,861	$ 128,852
Contributions receivable and other	35,000	62,609	35,000	62,609
Charitable gift annuities	123,405	5,491	-	128,896
Interest in remainder trusts	378,674	89,300	-	467,974
	717,071	305,121	233,861	788,331
Restricted for specific activities or purpose				
State fairs- health awareness booth	11,500	-	11,500	-
Partnership grants	238,382	135,588	238,383	135,587
Scientific research for colorectal and prostate cancer	285,054	-	40,000	245,054
Sarah Howard fund	546,036	58,676	77,428	527,284
5K Run	5,000	-	5,000	-
	1,085,972	194,264	372,311	907,925
Portion of donor-restricted endowment subject	216,510	78,258	-	294,768
	$ 2,019,553	$ 577,643	$ 606,172	$ 1,991,024

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.

17. Endowment and Board designated funds

The Foundation has three individual funds established for the purpose of funding research grants and community education (the Funds). The Funds include both donor-restricted funds and funds designated by the Board of Director's to function as endowments. The donor-restricted endowment fund was established for the purpose of providing income to support the Foundation's research grant programs. As required by GAAP, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments are classified and reported based on the existence or absence of donor-imposed restrictions.

17. Endowment and Board designated funds (continued)

Interpretation of Relevant Law
The Virginia Uniform Prudent Management of Institutional Funds Act (UPMIFA) requires the preservation of the fair value of the original gifts as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. The Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment required to be made by explicit directions in the applicable donor gift instrument at the time the gift is added to the fund.

The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate additions to donor-restricted endowment funds:

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 effects 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

UPMIFA applies only to donor-restricted endowment funds and not to Board designated funds.

Return Objectives and Risk Parameters
The Foundation has adopted investment and spending policies that attempt to provide a predictable stream of funding to programs supported by its Funds while seeking to maintain the purchasing power of the assets. Fund assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity as well as Board-designated funds. Under the policy, as approved by the Board of Directors, the assets are invested in a manner that is intended to maximize current return and provide growth and income that at a minimum exceeds inflation for the current year. Actual returns in any given year may vary from this amount.

Strategies employed for achieving objectives
To satisfy its long-term rate-of-return objectives, the Foundation 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 Foundation targets a diversified asset allocation that places an equal emphasis on equity-based investments and fixed-income mutual funds to achieve its long-term return objectives within prudent risk constraints.

17. Endowment and Board designated funds (continued)

Spending policy and how the investment objectives relate to spending policy

The amounts appropriated for distribution by the Foundation vary each year depending on their program needs. Amounts distributed from the Board designated funds are authorized by the Board of Directors and are transferred into the Foundation's operating cash accounts for use during the year. Over the long term, the Foundation expects the current spending policy to allow its Funds to grow and to maintain the Foundation's objective to maintain the purchasing power of the Fund assets held in perpetuity as well as to provide additional real growth through new gifts and investment return.

Net asset composition by type of fund

The net assets consisted of the following as of June 30:

	2015			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor restricted endowment funds	$ -	$ 310,262	$ 278,413	$ 588,675
Board designated funds (not subject to UPMIFA)	5,344,640	-	-	5,344,640
Total	$ 5,344,640	$ 310,262	$ 278,413	$ 5,933,315

	2014			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor restricted endowment funds	$ -	$ 294,768	$ 278,413	$ 573,181
Board designated funds (not subject to UPMIFA)	5,203,167	-	-	5,203,167
Total	$ 5,203,167	$ 294,768	$ 278,413	$ 5,776,348

17. Endowment and Board designated funds (continued)

Changes in endowment and Board designated net assets
The net activity consisted of the following:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor restricted endowment and Board designated funds as of June 30, 2013	$ 4,567,741	$ 216,510	$ 278,413	$ 5,062,664
Investment return				
Investment income	101,745	11,320	-	113,065
Net appreciation	622,452	69,727	-	692,179
Investment fees	(25,552)	(2,789)	-	(28,341)
Total investment return	698,645	78,258	-	776,903
Contributions to perpetual endowment	-	-	-	-
Amounts appropriated for expenditure	(63,219)	-	-	(63,219)
Donor restricted endowment and Board designated funds as of June 30, 2014	$ 5,203,167	$ 294,768	$ 278,413	$ 5,776,348
Investment return				
Investment income	$ 187,144	$ 20,528	$ -	$ 207,672
Net appreciation	(17,868)	(1,970)	-	(19,838)
Investment fees	(27,803)	(3,064)	-	(30,867)
Total investment return	141,473	15,494	-	156,967
Contributions to perpetual endowment	-	-	-	-
Amounts appropriated for expenditure	-	-	-	-
Donor restricted endowment and Board designated funds as of June 30, 2015	$ 5,344,640	$ 310,262	$ 278,413	$ 5,933,315

17. Endowment and Board designated funds (continued)

Funds with deficiencies
From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. There were no such deficiencies as of June 30, 2015 and 2014.

18. Fair value of financial instruments

The Foundation utilizes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring inputs that are most observable be used when available. Observable inputs are inputs that market participants operating within the same marketplace at Prevent Cancer Foundation would use in pricing Prevent Cancer Foundation's asset or liability based on independently derived and observable market data. Unobservable inputs are inputs that cannot be sourced from a broad active market in which assets or liabilities identical or similar to those of Prevent Cancer Foundation are traded. The input hierarchy is broken down into three levels based on the degree to which the exit price is independently observable or determinable as follows:

Level 1 – Valuation based on quoted market prices in active markets for identical assets or liabilities. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these products does not entail a significant degree of judgment. Examples include equity securities and publicly traded mutual funds that are actively traded on a major exchange or over-the-counter market.

Level 2 – Valuation based on quoted market prices of investments that are not actively traded or for which certain significant inputs are not observable, either directly or indirectly, such as municipal bonds. The fair value of municipal bonds is estimated using recently executed transactions, bid/asked prices and pricing models that factor in, where applicable, interest rates, bond spreads and volatility.

Level 3 – Valuation based on inputs that are unobservable and reflect management's best estimate of what market participants would use as fair value. Examples include limited partnerships and private equity investments.

The following methods and assumptions were used to estimate the fair value of each class of financial instruments:

Cash and cash equivalents: The carrying value is considered to be a reasonable estimate of the fair value.

Charitable remainder trusts receivable: The Foundation has interests in three irrevocable charitable remainder trusts for which it does not act as trustee. The fair value of these trust assets, which are reported at the market value of the investments reported by the trustees and adjusted based on the estimated life expectancy of the donor, have been identified as Level 3 in the fair value hierarchy.

Mutual funds: Prevent Cancer Foundation's holdings in publicly traded mutual funds consist principally of fixed income and equity securities carried at their aggregate market value that is determined by quoted market prices. Each of these investments can be liquidated daily. Valuation is based on Level 1 inputs within the hierarchy used in measuring fair value.

18. Fair value of financial instruments (continued)

Assets measured at fair value on a recurring basis are summarized below as of June 30, 2015:

	Level 1	Level 2	Level 3	Total
Investments				
Money market funds	$ 221,518	$ -	$ -	$ 221,518
Fixed income				
ETF - fixed income				
iShares Core US Aggregate Bond	681,942	-	-	681,942
iShares 1-3 YR Credit Bond	348,748	-	-	348,748
iShares Floating Rate Bond	348,960	-	-	348,960
Mutual funds - fixed income				
Blackrock Strategic Income	345,314	-	-	345,314
Dodge & Cox Income Fund	682,136	-	-	682,136
PNC Total Return Advantage Fund Class Fund	682,351	-	-	682,351
Templeton Global Bond Fund AD	347,106	-	-	347,106
Equities				
ETF - equity				
iShares MSCI EAGE	341,005	-	-	341,005
iShares Russell Mid-Cap Value	253,513	-	-	253,513
iShares Russell Mid-Cap Growth	256,362	-	-	256,362
iShares Russell 1000 Growth Index Fund	515,446	-	-	515,446
iShares Russell 1000 Value Index Fund	342,664	-	-	342,664
Vanguard FTSE Emerging Markets	174,271	-	-	174,271
Mutual funds - equity				
Federated Strategic Value Dividend Fund	344,926	-	-	344,926
MFS Value Fund Class I	600,488	-	-	600,488
Mainstay Epoch Global Equity	330,277	-	-	330,277
PNC Multi-Factor Small Cap Core	350,729	-	-	350,729
T Rowe Price Growth Stock	521,274	-	-	521,274
T. Rowe Price Value Fund Inc	518,806	-	-	518,806
Touchstone Sands Capital Select Growth Fund	597,984	-	-	597,984
Mutual Funds				
Blackrock Global Allocation	453,873	-	-	453,873
Charitable remainder trust receivables				
Cash and equivalents	-	-	8,265	8,265
Accrued income	-	-	314	314
Fixed Income				
ETF - fixed income	-	-	56,913	56,913
Mutual funds - fixed income	-	-	30,965	30,965
Other fixed income	-	-	39,751	39,751
Mutual funds - balanced	-	-	1,927	1,927
Equities				
US Large Cap	-	-	98,155	98,155
US Mid Cap	-	-	25,766	25,766
US Small cap	-	-	15,983	15,983
Developed international	-	-	37,980	37,980
Emerging markets	-	-	16,846	16,846
Equity reits	-	-	5,314	5,314
Mutual funds - equity	-	-	43,201	43,201
Other equities	-	-	55,897	55,897
Alternative investments	-	-	21,974	21,972
Deferred compensation plan	182,202	-	-	182,202
Total investments, at fair value	$ 9,441,895	$ -	$ 459,251	$ 9,901,144

See independent auditor's report.

18. Fair value of financial instruments (continued)

Assets measured at fair value on a recurring basis are summarized below as of June 2014:

	Level 1	Level 2	Level 3	Total
Investments				
Money market funds	$ 390,299	$ -	$ -	$ 390,299
Fixed income				
ETF - fixed income				
iShares Barclays AGG Bond Fund	652,134	-	-	652,134
iShares Barclays 1-3 YR Treasury Index Fund	238,732	-	-	238,732
iShares Floating Rate Bond	238,506	-	-	238,506
Mutual funds - fixed income				
Blackrock Strategic Income	165,834	-	-	165,834
PIMCO FDS Total Return Bond Fund	643,819	-	-	643,819
PNC Total Return Advantage Fund Class Fund	655,014	-	-	655,014
PIMCO Unconstrained Bond Fund	162,528	-	-	162,528
Templeton Global Bond Fund AD	167,925	-	-	167,925
Equities				
ETF - equity				
Vanguard Emerging Markets	167,992	-	-	167,992
Vanguard Small Cap	259,539	-	-	259,539
iShares Russell 1000 Growth Index Fund	708,799	-	-	708,799
iShares Russell 1000 Value Index Fund	584,937	-	-	584,937
Mutual funds - equity				
Artisan Mid Cap Value Fund	213,175	-	-	213,175
Federated Strategic Value Dividend Fund	578,819	-	-	578,819
Goldman Sachs Growth Opportunity Fund	200,896	-	-	200,896
Harbor International Fund	337,457	-	-	337,457
MFS Value Fund Class I	552,169	-	-	552,169
Mainstay Epoch Global Equity	341,637	-	-	341,637
T Rowe Price Growth Stock	709,199	-	-	709,199
Blackrock Funds Equity Dividend Institutional	356,825	-	-	356,825
Touchstone Sands Capital Select Growth Fund	294,197	-	-	294,197
Mutual Funds				
Blackrock Global Allocation	260,586	-	-	260,586
Blackrock Strategic Inc Opp A	116,210	-	-	116,210
Charitable remainder trust receivables				
Cash and equivalents	-	-	4,602	4,602
Accrued income	-	-	297	297
Fixed Income				
ETF - fixed income	-	-	67,093	67,093
Mutual funds - fixed income	-	-	27,269	27,269
Other fixed income	-	-	38,354	38,354
Equities				
US Large Cap	-	-	112,214	112,214
US Mid Cap	-	-	19,954	19,954
US Small cap	-	-	12,681	12,681
Developed international	-	-	32,648	32,648
Emerging markets	-	-	24,103	24,103
Equity reits	-	-	4,402	4,402
Mutual funds - equity	-	-	58,174	58,174
Other equities	-	-	50,559	50,559
Alternative investments	-	-	15,624	15,624
Deferred compensation plan	162,527	-	-	162,527
Total investments, at fair value	$ 9,159,755	$ -	$ 467,974	$ 9,627,729

18. Fair value of financial instruments (continued)

The following table presents the Foundation's activity for assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the years ended June 30:

	2015	2014
Beginning balance	$ 467,974	$ 378,674
Total gains or losses (realized/unrealized) included in changes in net assets	(8,723)	89,300
Purchases, issurances, and settlements	-	-
Transfers in and/or out of Level 3	-	-
Ending balance	$ 459,251	$ 467,974

19. Subsequent events

The Organization assessed events occurring subsequent to June 30, 2015 through November 12, 2015, the date the financial statements were available to be issued, for potential recognition and disclosure in the financial statements. There were no subsequent events to disclose.