

# PREVENT CANCER FOUNDATION

FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022



*Certified Public Accountants*

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*Certified Public Accountants*

## **Independent Auditor's Report**

The Board of Directors  
**Prevent Cancer Foundation**

### **Opinion**

We have audited the accompanying financial statements of **Prevent Cancer Foundation** (a nonprofit organization), which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **Prevent Cancer Foundation** as of December 31, 2023 and 2022, 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.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of **Prevent Cancer Foundation** 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 Financial Statements**

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

To the Board of Directors  
**Prevent Cancer Foundation**

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of **Prevent Cancer Foundation's** internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about **Prevent Cancer Foundation'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.

*Kositzka, Wicks and Company*

Alexandria, Virginia  
June 20, 2024

# Prevent Cancer Foundation

## Statements of Financial Position December 31,

	2023	2022
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 3,321,574	\$ 2,782,379
Grants and pledges receivable	75,574	47,430
Investments, general	573,277	4,637,467
Prepaid expenses	463,216	485,258
	<u>4,433,641</u>	<u>7,952,534</u>
<b>Property and equipment, net of accumulated depreciation</b>	188,701	170,800
<b>Other assets</b>		
Investments, donor restricted and board designated funds	14,031,911	8,121,061
Operating lease right of use asset	1,958,333	2,110,217
Finance lease right of use asset	52,810	71,663
Deposits and other assets	42,967	42,967
Interests in remainder trusts	243,769	229,013
Deferred compensation plan assets	568,309	433,382
	<u>16,898,099</u>	<u>11,008,303</u>
Total assets	<u>\$ 21,520,441</u>	<u>\$ 19,131,637</u>
<b>Liabilities and net assets</b>		
<b>Current liabilities</b>		
Accounts payable and accrued expenses	\$ 95,685	\$ 124,851
Grants payable, current	1,746,772	1,200,386
Refundable advances	75,000	135,000
Operating lease liability, current portion	181,813	52,932
Finance lease liability, current portion	25,449	22,322
	<u>2,124,719</u>	<u>1,535,491</u>
<b>Long-term liabilities</b>		
Grants payable, net of current portion	700,000	687,500
Operating lease obligation, net of current portion	2,094,408	2,276,221
Finance lease obligation, net of current portion	28,478	49,776
Deferred compensation plan liabilities	568,309	433,382
	<u>3,391,195</u>	<u>3,446,879</u>
Total liabilities	<u>5,515,914</u>	<u>4,982,370</u>
<b>Net assets</b>		
Without donor restrictions	14,104,645	12,290,810
With donor restrictions		
Purpose or time restricted	1,621,469	1,580,044
Perpetual in nature	278,413	278,413
Total net assets	<u>16,004,527</u>	<u>14,149,267</u>
Total liabilities and net assets	<u>\$ 21,520,441</u>	<u>\$ 19,131,637</u>

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

# Prevent Cancer Foundation

## Statement of Activities for the year ended December 31, 2023

	Without donor restrictions	With donor restrictions	Total
<b>Support and revenue</b>			
Contributions	\$ 1,863,782	\$ 368,380	\$ 2,232,162
Bequests	1,183,585	-	1,183,585
In-kind contributions	682,125	-	682,125
Special events	4,873,674	-	4,873,674
Less: Cost of direct benefits to donors	(327,564)	-	(327,564)
Other income	10,149	-	10,149
Net assets released from restrictions	517,557	(517,557)	-
	<u>8,803,308</u>	<u>(149,177)</u>	<u>8,654,131</u>
<b>Expenses</b>			
Program services			
Research	1,158,376	-	1,158,376
Education and public awareness	4,153,398	-	4,153,398
Community outreach	1,125,010	-	1,125,010
Supporting services			
Management and general	784,852	-	784,852
Fundraising	1,505,616	-	1,505,616
	<u>8,727,252</u>	<u>-</u>	<u>8,727,252</u>
<b>Change in net assets before investment income</b>	76,056	(149,177)	(73,121)
Investment income	<u>1,737,779</u>	<u>190,602</u>	<u>1,928,381</u>
<b>Change in net assets</b>	1,813,835	41,425	1,855,260
<b>Net assets, beginning of year</b>	12,290,810	1,858,457	14,149,267
<b>Net assets, end of year</b>	<u>\$ 14,104,645</u>	<u>\$ 1,899,882</u>	<u>\$ 16,004,527</u>

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

# Prevent Cancer Foundation

## Statement of Activities for the year ended December 31, 2022

	Without donor restrictions	With donor restrictions	Total
<b>Support and revenue</b>			
Contributions	\$ 903,894	\$ 1,470,847	\$ 2,374,741
Bequests	141,761	-	141,761
In-kind contributions	619,128	-	619,128
Special events	5,808,500	-	5,808,500
Less: Cost of direct benefits to donors	(338,841)	-	(338,841)
Other income	30,347	-	30,347
Net assets released from restrictions	1,790,180	(1,790,180)	-
	<u>8,954,969</u>	<u>(319,333)</u>	<u>8,635,636</u>
<b>Expenses</b>			
Program services			
Research	1,141,830	-	1,141,830
Education and public awareness	4,610,327	-	4,610,327
Community outreach	886,646	-	886,646
Supporting services			
Management and general	782,659	-	782,659
Fundraising	1,444,988	-	1,444,988
	<u>8,866,450</u>	<u>-</u>	<u>8,866,450</u>
<b>Change in net assets before investment loss</b>	88,519	(319,333)	(230,814)
Investment loss	<u>(1,960,788)</u>	<u>(305,649)</u>	<u>(2,266,437)</u>
<b>Change in net assets</b>	(1,872,269)	(624,982)	(2,497,251)
<b>Net assets, beginning of year</b>	14,163,079	2,483,439	16,646,518
<b>Net assets, end of year</b>	<u>\$ 12,290,810</u>	<u>\$ 1,858,457</u>	<u>\$ 14,149,267</u>

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 December 31, 2023**

	Program services				Supporting services			Cost of direct benefits to donors	Total expenses
	Research	Education and public awareness	Community outreach	Total	Management and general	Fundraising	Total		
Accounting and auditing	\$ 1,047	\$ 17,315	\$ 1,584	\$ 19,946	\$ 6,251	\$ 5,703	\$ 11,954	\$ -	\$ 31,900
Advertising and list rentals	1,387	693,511	2,183	697,081	1,657	13,028	14,685	-	711,766
Agency fees	-	5,000	-	5,000	-	-	-	-	5,000
Amortization	767	12,692	1,162	14,621	4,582	4,181	8,763	-	23,384
Audio, staging, and entertainment	-	9,212	-	9,212	-	83,672	83,672	8,000	100,884
Bank charges	400	6,614	605	7,619	2,388	2,179	4,567	-	12,186
Catering	1,896	50,036	353	52,285	995	907	1,902	179,539	233,726
Computer services	2,997	61,933	5,138	70,068	24,054	21,672	45,726	-	115,794
Consultant fees	718	25,285	13,542	39,545	178	527	705	-	40,250
Credit card discount expense	2,971	49,159	4,498	56,628	17,747	16,193	33,940	-	90,568
Delivery and shipping	67	4,722	360	5,149	2,131	7,277	9,408	-	14,557
Depreciation	643	10,638	974	12,255	3,840	3,504	7,344	-	19,599
Design and layout	-	25,698	2,333	28,031	16,667	12,147	28,814	-	56,845
Equipment lease	359	5,937	543	6,839	2,143	2,375	4,518	-	11,357
Gifts, contributions, and awards	63	2,417	94	2,574	375	2,053	2,428	-	5,002
Grants	999,903	156,560	899,686	2,056,149	-	-	-	-	2,056,149
Honorariums	6,125	-	8,350	14,475	-	500	500	-	14,975
Insurance	8,189	136,496	12,399	157,084	48,916	44,628	93,544	-	250,628
Interest	66	1,095	100	1,261	395	361	756	-	2,017
Legal	298	4,939	452	5,689	1,783	1,626	3,409	-	9,098
Maintenance and storage	218	5,340	331	5,889	1,305	1,191	2,496	-	8,385
Meals and meetings	166	3,538	49	3,753	122	3,097	3,219	-	6,972
Media services	-	88,557	-	88,557	-	10	10	-	88,567
Membership dues and subscriptions	226	16,083	3,723	20,032	1,348	1,399	2,747	-	22,779
Payroll taxes and processing	6,462	106,912	9,783	123,157	38,597	35,214	73,811	-	196,968
Printing and supplies	113	20,497	2,146	22,756	6,040	13,222	19,262	-	42,018
Professional services	5,334	208,014	786	214,134	2,944	641,032	643,976	-	858,110
Promotional materials	5	2,295	7	2,307	28	3,676	3,704	-	6,011
Rent	8,000	132,361	12,112	152,473	47,783	43,596	91,379	-	243,852
Retirement	4,429	73,271	6,705	84,405	26,451	24,133	50,584	-	134,989
Salaries	81,226	1,343,893	122,977	1,548,096	485,155	442,640	927,795	-	2,475,891
Site rental	100	-	-	100	-	-	-	5,000	5,100
Software and support	12,647	40,051	1,402	54,100	3,275	32,708	35,983	-	90,083
Taxes, licenses, and registration fees	1,609	10,915	849	13,373	3,348	5,424	8,772	-	22,145
Telephone and internet	465	7,735	704	8,904	2,776	2,532	5,308	-	14,212
Temporary services	5,081	84,070	7,693	96,844	30,350	27,690	58,040	-	154,884
Training	53	871	80	1,004	315	287	602	-	1,606
Travel and transportation	4,043	50,506	1,265	55,814	746	4,095	4,841	-	60,655
	1,158,073	3,474,168	1,124,968	5,757,209	784,685	1,504,479	2,289,164	192,539	8,238,912
In-kind contributions									
Media services	-	677,375	-	677,375	-	-	-	-	677,375
Other	303	1,855	42	2,200	167	1,137	1,304	-	3,504
Contributions for special events	-	-	-	-	-	-	-	135,025	135,025
<b>Total expenses by function</b>	<b>1,158,376</b>	<b>4,153,398</b>	<b>1,125,010</b>	<b>6,436,784</b>	<b>784,852</b>	<b>1,505,616</b>	<b>2,290,468</b>	<b>327,564</b>	<b>9,054,816</b>
<b>Less expenses included with revenues on the statement of activities</b>									
Cost of direct benefits to donors	-	-	-	-	-	-	-	(327,564)	(327,564)
<b>Total expenses included in the expense section on the statement of activities</b>	<b>\$ 1,158,376</b>	<b>\$ 4,153,398</b>	<b>\$ 1,125,010</b>	<b>\$ 6,436,784</b>	<b>\$ 784,852</b>	<b>\$ 1,505,616</b>	<b>\$ 2,290,468</b>	<b>\$ -</b>	<b>\$ 8,727,252</b>

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 December 31, 2022**

	Program services				Supporting services			Cost of direct benefits to donors	Total expenses
	Research	Education and public awareness	Community outreach	Total	Management and general	Fundraising	Total		
Accounting and auditing	\$ -	\$ -	\$ -	\$ -	\$ 28,900	\$ -	\$ 28,900	\$ -	\$ 28,900
Agency fees	-	10,000	-	10,000	-	-	-	-	10,000
Advertising and list rentals	808	944,207	682	945,697	1,159	37,415	38,574	-	984,271
Amortization	508	4,782	364	5,654	1,329	1,578	2,907	-	8,561
Audio, staging, and entertainment	-	38,455	-	38,455	-	79,204	79,204	7,750	125,409
Bank charges	-	-	-	-	5,232	-	5,232	-	5,232
Catering	145	88,153	104	88,402	378	3,267	3,645	158,811	250,858
Computer services	13,911	84,290	4,571	102,772	15,103	26,094	41,197	-	143,969
Consultant fees	4,838	18,369	10,625	33,832	9,224	-	9,224	-	43,056
Credit card discount expense	-	225	-	225	117,974	-	117,974	-	118,199
Delivery and shipping	156	5,289	408	5,853	3,183	5,391	8,574	-	14,427
Depreciation	852	8,015	611	9,478	2,226	2,644	4,870	-	14,348
Design and layout	-	13,575	-	13,575	11,500	9,500	21,000	-	34,575
Equipment lease	407	3,799	271	4,477	1,085	1,221	2,306	-	6,783
Gifts, contributions, and awards	168	4,653	1,070	5,891	995	5,228	6,223	-	12,114
Grants	893,112	294,752	696,327	1,884,191	-	-	-	-	1,884,191
Honorariums	3,850	14,700	5,550	24,100	-	-	-	-	24,100
Insurance	12,004	112,955	8,603	133,562	31,371	37,249	68,620	-	202,182
Interest	-	-	-	-	981	-	981	-	981
Legal	-	-	-	-	9,057	-	9,057	-	9,057
Maintenance and storage	1,197	15,048	878	17,123	5,709	4,311	10,020	-	27,143
Meals and meetings	-	3,314	151	3,465	4,180	990	5,170	-	8,635
Media services	-	244,477	-	244,477	-	-	-	-	244,477
Membership dues and subscriptions	344	10,331	3,461	14,136	6,299	1,069	7,368	-	21,504
Payroll taxes and processing	11,234	105,682	8,051	124,967	29,358	34,860	64,218	-	189,185
Printing and supplies	779	30,842	964	32,585	11,058	18,093	29,151	-	61,736
Professional services	6,676	183,983	1,203	191,862	5,076	581,013	586,089	-	777,951
Promotional materials	170	4,643	-	4,813	225	4,432	4,657	-	9,470
Rent	15,124	142,281	10,838	168,243	39,525	46,932	86,457	-	254,700
Retirement	6,818	64,135	4,886	75,839	17,817	21,155	38,972	-	114,811
Salaries	144,060	1,355,233	103,238	1,602,531	376,478	447,030	823,508	-	2,426,039
Site rental	-	5,893	-	5,893	-	1,667	1,667	30,000	37,560
Software and support	12,848	21,839	23	34,710	13,923	37,464	51,387	-	86,097
Taxes, licenses, and registration fees	369	4,552	710	5,631	3,480	1,147	4,627	-	10,258
Telephone and internet	1,041	9,866	746	11,653	2,721	3,232	5,953	-	17,606
Temporary services	9,846	81,339	6,196	97,381	22,596	30,393	52,989	-	150,370
Training	10	98	7	115	28	32	60	-	175
Travel and transportation	105	62,407	16,108	78,620	4,489	1,844	6,333	-	84,953
	<u>1,141,380</u>	<u>3,992,182</u>	<u>886,646</u>	<u>6,020,208</u>	<u>782,659</u>	<u>1,444,455</u>	<u>2,227,114</u>	<u>196,561</u>	<u>8,443,883</u>
In-kind contributions									
Media services	-	613,123	-	613,123	-	-	-	-	613,123
Other	450	5,022	-	5,472	-	533	533	-	6,005
Contributions for special events	-	-	-	-	-	-	-	142,280	142,280
<b>Total expenses by function</b>	<u>1,141,830</u>	<u>4,610,327</u>	<u>886,646</u>	<u>6,638,803</u>	<u>782,659</u>	<u>1,444,988</u>	<u>2,227,647</u>	<u>338,841</u>	<u>9,205,291</u>
<b>Less expenses included with revenues on the statement of activities</b>									
Cost of direct benefits to donors	-	-	-	-	-	-	-	(338,841)	(338,841)
<b>Total expenses included in the expense section on the statement of activities</b>	<u>\$ 1,141,830</u>	<u>\$ 4,610,327</u>	<u>\$ 886,646</u>	<u>\$ 6,638,803</u>	<u>\$ 782,659</u>	<u>\$ 1,444,988</u>	<u>\$ 2,227,647</u>	<u>\$ -</u>	<u>\$ 8,866,450</u>

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

## Prevent Cancer Foundation

### Statement of Cash Flows for the years ended December 31,

	2023	2022
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 1,855,260	\$ (2,497,251)
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	19,599	14,348
Loss on disposal of property and equipment	-	16,717
Amortization of finance lease right of use asset	23,384	8,561
Change in operating lease obligations	98,952	218,936
Realized and unrealized (gain) loss on investments and change in value of interest in remainder trusts	(1,621,590)	2,637,428
Unrealized (gain) loss on deferred compensation plan assets	(89,927)	98,382
Unrealized gain (loss) on deferred compensation plan liabilities	134,927	(72,757)
Donated stock	-	(10,321)
Proceeds from sale of donated stock	-	10,321
(Increase) decrease in operating assets		
Grants and pledges receivable	(28,144)	300,831
Prepaid expenses	22,042	(177,994)
Deposits	-	88,422
Increase (decrease) in operating liabilities		
Accounts payable and accrued expenses	(29,166)	(76,263)
Grants payable	558,886	226,119
Refundable advances	(60,000)	37,000
Deferred rent	-	(10,351)
Net cash provided by operating activities	<u>884,223</u>	<u>812,128</u>
<b>Cash flows from investing activities</b>		
Purchase of property and equipment	(37,500)	(173,410)
Proceeds from sale of investments	3,184,052	3,069,417
Purchase of investments	(3,423,878)	(2,640,275)
Contributions to deferred compensation plan	(45,000)	(25,625)
Net cash (used in) provided by investing activities	<u>(322,326)</u>	<u>230,107</u>
<b>Cash flows from financing activities</b>		
Payments on finance lease	(22,702)	(8,126)
Net cash used in financing activities	<u>(22,702)</u>	<u>(8,126)</u>
<b>Net change in cash and cash equivalents</b>	539,195	1,034,109
<b>Cash and cash equivalents, beginning of year</b>	2,782,379	1,748,270
<b>Cash and cash equivalents, end of year</b>	<u>\$ 3,321,574</u>	<u>\$ 2,782,379</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 accompanying independent auditor's report and notes are an integral part of the financial statements.

# Prevent Cancer Foundation

## Notes to Financial Statements December 31, 2023 and 2022

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### 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 breast, cervical, colorectal, liver, lung, oral, prostate, skin, and testicular– that can be prevented through lifestyle changes or screening or detected early through screening and treated.

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 conformity with accounting principles generally accepted in the United States of America (U.S. GAAP).

#### Use of estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### Cash and cash equivalents

For purposes of the statement 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.

#### 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. For the years ended December 31, 2023 and 2022, there was no valuation allowance as management has determined grants and pledges receivable to be fully collectible. The entire balance of grants and pledges receivables as of December 31, 2023 is expected to be collected in less than one year.

#### 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, dividends, and investment fees) is included in the statement of activities as increases or decreases in net assets without donor restrictions unless the income or loss is restricted by donor or law. Money market and short-term investment funds, held as a portion of the Foundation's investment portfolio, are classified as investments and are not considered to be cash equivalents for purposes of cash flows.

#### Property and equipment

Property and equipment are reported at cost. The Foundation capitalizes purchases of multi-year physical assets over \$1,000 and multi-year digital assets over \$25,000. Depreciation is computed using the straight-line method over the estimated useful lives of the assets which range from three to ten years. Upon the retirement or disposal of assets, the cost and accumulated depreciation are eliminated from the respective accounts and the resulting gain or loss is included in revenue or expenses. Expenditures for maintenance and repairs are charged to expenses as incurred.

See independent auditor's report.

# Prevent Cancer Foundation

## Notes to Financial Statements December 31, 2023 and 2022

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### **Compensated absences**

Employees of the Foundation are entitled to paid vacation depending on job classification, length of service and other factors. For the years ended December 31, 2023 and 2022, estimated compensated absences of \$72,129 and \$76,366, respectively, are included in accounts payable and accrued expenses in the accompanying statements of financial position.

### **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, refundable advances, 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.

### **Donor restrictions**

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported in two categories as described below.

Net assets without donor restrictions are net assets available for use in general operations and not subject to donor restrictions. The governing board has designated, from net assets without donor restrictions, net assets for a board-designated endowment fund.

Net assets with donor restrictions are net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

### **Support and revenue**

Contributions received and unconditional promises to give are recorded as net assets, with or without donor restrictions, depending on the existence and/or nature of donor-imposed restrictions. 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, net assets with donor restrictions are reclassified to net assets without donor restrictions 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 support without restrictions.

Refundable advances consisted of contributions received that are conditional upon the occurrence of a specific event. Refundable advances consisted of \$75,000 and \$135,000 for the Gala special event for the years ended December 31, 2023 and 2022, respectively. The Gala is held in the fall, at which time conditions will be met and revenue will be recognized.

Sources of revenue from contracts with customers include an exchange element of tickets purchased for the Foundation's special events, Super Colon rentals, and conference registration fees. All sources of revenue from contracts with customers are recognized at the point in time when the event occurs. For the year ended December 31, 2023, the total exchange portion of tickets for the special events was \$160,545, rental revenue totaled \$0, and conference registration fees totals \$0. For the year ended December 31, 2022, the total exchange portion of tickets for the special events was \$161,700, rental revenue totaled \$4,500, and conference registration fees totaled \$27,545. There were no performance obligations or contract liabilities remaining for the years ended December 31, 2023 and 2022.

See independent auditor's report.

# Prevent Cancer Foundation

## Notes to Financial Statements December 31, 2023 and 2022

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### **In-kind goods and services**

Contributed nonfinancial assets include donated professional services, donated materials, and other in-kind contributions which are recorded at the respective fair values of the goods or services received (Note 6). In addition to contributed nonfinancial assets, volunteers contribute significant amounts of time to program services and special events; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation.

### **Interests in remainder trusts**

The Foundation has been named as beneficiary under split-interest agreements, which are charitable remainder trusts. Irrevocable split-interest agreements are recorded as revenue when the trust agreements are executed. Revenue from the split-interest agreements is based on the fair value of the expected cash flows to be received by the Foundation. The change in value of interests in remainder trusts was \$14,756 and (\$56,013) for the years ended December 31, 2023 and 2022, respectively.

### **Advertising costs**

Advertising costs are expensed as incurred.

### **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 period-end and throughout the period, 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. FDIC insurance on interest bearing accounts is \$250,000 per depositor, per insured bank. At December 31, 2023, the Foundation's cash balances were approximately \$3,569,035 in excess of federal deposit insurance coverage. At December 31, 2022, the Foundation's cash balances were approximately \$2,449,120 in excess of federal deposit insurance coverage.

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.

### **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 December 31, 2023 and 2022.

The material jurisdictions subject to potential examination by taxing authorities include the U.S. and Virginia. The Foundation has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements. Tax years that remain subject to examination by the IRS are fiscal years 2020 through 2023.

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# Prevent Cancer Foundation

## Notes to Financial Statements December 31, 2023 and 2022

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### Lease arrangements

Effective January 1, 2022, the Foundation determines if an arrangement is a lease at inception. The operating lease right-of-use (ROU) assets are included within the Foundation's non-current assets and lease liabilities are included in current or non-current liabilities on the Foundation's statement of financial position. ROU assets represent the Foundation's right to use, or control the use of, a specified asset for the lease term. Lease liabilities are the Foundation's obligation to make lease payments arising from a lease and are measured on a discounted basis. Lease ROU assets and lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term on the commencement date. As most of the Foundation's leases do not provide an implicit rate, the risk free rate was used based on the information available on the commencement date in determining the present value of lease payments. The lease ROU asset includes any lease payments made and initial direct costs incurred and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Foundation will exercise that option. Lease expense for minimum lease payments continues to be recognized on a straight-line basis over the lease term.

### Reclassifications

In preparing the financial statements, certain prior year amounts have been reclassified to conform to the current year presentation. There were no changes to previously reported total net assets or change in net assets associated with the reclassifications.

### 3. Investments

Investments, at fair value, consisted of the following at December 31:

	<u>2023</u>	<u>2022</u>
Cash and money market funds	\$ 1,295,080	\$ 2,201,532
Fixed income	2,780,848	3,269,231
Equities	9,960,370	4,755,077
Mutual funds	1,137,199	2,966,070
Fair value per statement of financial position	<u>\$ 15,173,497</u>	<u>\$ 13,191,910</u>

Investment income (loss) consisted of the following at December 31:

	<u>2023</u>	<u>2022</u>
Realized and unrealized loss and change in value of interest in remainder trusts	\$ 1,621,590	\$ (2,637,428)
Interest and dividend income	353,616	428,356
Investment fees	(46,825)	(57,365)
	<u>\$ 1,928,381</u>	<u>\$ (2,266,437)</u>

See independent auditor's report.

# Prevent Cancer Foundation

## Notes to Financial Statements December 31, 2023 and 2022

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### 4. Property and equipment

Property and equipment consisted of the following at December 31:

	<u>2023</u>	<u>2022</u>
Office furniture and equipment	\$ 270,501	\$ 242,855
Less: accumulated depreciation	(81,800)	(72,055)
Property and equipment, net	<u>\$ 188,701</u>	<u>\$ 170,800</u>

### 5. Grants awarded

The Foundation recorded grants expense for the years ended December 31, 2023 and 2022 totaling \$2,056,149 and \$1,884,191, 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 \$2,446,772 and \$1,887,886 for the years ended December 31, 2023 and 2022, respectively. No discount has been recorded on grants payable due in more than one year as it is not considered to be material.

### 6. In-kind contributions

The Foundation receives various types of in-kind support. The Foundation records the value of donated services and skilled labor in the financial statements, which is in accordance with U.S. GAAP. These hours were recorded at market rates valued by the professional service or skilled laborer. Donated goods are recorded at fair value on the date of donation. The Foundation also receives services and donated goods in connection with special events. These donations are included in both special event revenue and direct expenses on the accompanying statements of activities.

The Foundation receives significant in-kind contributions of time and pro bono services from members of the community and volunteers related to program services and special events. Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Foundation.

For the years ended December 31, 2023 and 2022, the Foundation received donated airtime to promote an educational campaign. These donations largely consisted of unsold airtime which would have been sold at a discount. The Foundation recorded the airtime at 50% of the reported value in 2022 and 6% in 2023. The Foundation also received discounted design services and food and beverage in connection with the special events. The Foundation recorded the value of donated food and beverage as the cost of food, labor, and rentals not charged to the Foundation. The Foundation recorded the value of donated design services as the additional amount which would have been paid had the services not been donated.

In addition, 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. GAAP.

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# Prevent Cancer Foundation

## Notes to Financial Statements December 31, 2023 and 2022

The value of donated professional services and materials were as follows for the year ended December 31:

	<u>2023</u>	<u>2022</u>
Contributions for programs and fundraising		
Public service announcements	\$ 677,375	\$ 613,123
Printing discount	984	2,005
Food and beverage	1,115	1,550
Other materials	851	2,000
Reimbursements	575	-
Honorarium	1,225	450
	<u>682,125</u>	<u>619,128</u>
Contributions for special events		
Design services	90,000	90,000
Food and beverage	42,726	48,958
Other discounted services	2,299	3,322
	<u>135,025</u>	<u>142,280</u>
	<u>\$ 817,150</u>	<u>\$ 761,408</u>

### 7. 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 are summarized below for the years ended December 31, 2023 and 2022:

	<u>December 31, 2023</u>			
	<u>Revenue</u>	<u>Direct benefit expenses</u>	<u>Other expenses</u>	<u>Net</u>
Gala	\$ 2,207,919	\$ 327,564	\$ 249,232	\$ 1,631,123
Awesome Games	2,665,755	-	468,709	2,197,046
	<u>\$ 4,873,674</u>	<u>\$ 327,564</u>	<u>\$ 717,941</u>	<u>\$ 3,828,169</u>
	<u>December 31, 2022</u>			
	<u>Revenue</u>	<u>Direct benefit expenses</u>	<u>Other expenses</u>	<u>Net</u>
Gala	\$ 2,359,303	\$ 338,841	\$ 243,707	\$ 1,776,755
Awesome Games	3,449,197	-	444,870	3,004,327
	<u>\$ 5,808,500</u>	<u>\$ 338,841</u>	<u>\$ 688,577</u>	<u>\$ 4,781,082</u>

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# Prevent Cancer Foundation

## Notes to Financial Statements December 31, 2023 and 2022

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### 8. Leases

The Foundation leases office space under a long-term non-cancelable operating lease agreement. The lease began May 1, 2022 and expires June 30, 2033. Any renewal options are included in the determination of the right-of-use assets and lease liabilities when the options are reasonably certain to be exercised. The lease provides for increases in future minimum annual rental payments. Additionally, the operating lease agreement requires the Foundation to pay a proportionate share of real estate taxes.

The Foundation leases office equipment under two long-term non-cancelable financing lease agreements.

The amounts of operating and finance lease ROU assets and related lease obligations recorded within the Foundation's statements of financial position as of December 31 are as follows:

	<u>2023</u>	<u>2022</u>
Operating lease		
Operating lease right of use assets	\$ 1,958,333	\$ 2,110,217
Current portion of long-term lease liabilities	181,813	52,932
Long-term lease liability	<u>2,094,408</u>	<u>2,276,221</u>
Total operating lease liabilities	<u>\$ 2,276,221</u>	<u>\$ 2,329,153</u>
Finance leases		
Finance lease right of use assets	<u>\$ 52,810</u>	<u>\$ 71,663</u>
Current portion of long-term lease liabilities	25,449	22,322
Long-term lease liability	<u>28,478</u>	<u>49,776</u>
Total finance lease liabilities	<u>\$ 53,927</u>	<u>\$ 72,098</u>

The components of lease expense for the years ended December 31 are as follows:

	<u>2023</u>	<u>2022</u>
Finance lease cost		
Amortization of right of use assets	\$ 23,384	\$ 8,561
Interest on lease liabilities	2,017	935
Operating lease cost		
Operating lease expense (under ASU 2016-02)	239,617	159,745
Other month-to-month lease arrangement	<u>4,235</u>	<u>94,955</u>
Total lease cost	<u>\$ 269,253</u>	<u>\$ 264,196</u>

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# Prevent Cancer Foundation

## Notes to Financial Statements December 31, 2023 and 2022

The Foundation had the following cash and non-cash activities associated with leases:

	December 31, 2023	December 31, 2022
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from finance leases	\$ 2,068	\$ 734
Financing cash flows from finance leases	\$ 22,652	\$ 8,126
Operating cash flows from operating leases	\$ 120,126	\$ -
ROU assets obtained in exchange for lease liabilities:		
Operating lease	\$ -	\$ 2,284,760
Finance leases	\$ 4,531	\$ 78,198

The weighted-average discount rate for each lease is based on the risk-free rate. The Foundation elected the option to use the risk-free rate determined using a period comparable to the lease terms as the rate implicit in the lease is not readily determinable.

The lease term and discount rates elected by the Foundation as of December 31 include:

	2023	2022
Weighted-average remaining lease term		
Finance leases	2.27	3.25
Operating lease	9.50	10.50
Weighted-average discount rate		
Finance leases	3.33%	3.35%
Operating lease	2.89%	2.89%

As of December 31, 2023, the future payments due under operating and finance leases were as follows:

	Finance	Operating
2024	\$ 26,760	\$ 244,632
2025	21,561	251,360
2026	5,964	258,285
2027	1,491	265,388
2028	-	272,669
Thereafter	-	1,322,454
Total undiscounted cash flows	55,776	2,614,788
Less: present value discount	(1,849)	(338,567)
Total lease liabilities	\$ 53,927	\$ 2,276,221

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# Prevent Cancer Foundation

## Notes to Financial Statements December 31, 2023 and 2022

### 9. Commitments

In August 2023, the Foundation entered into a contract with Games Done Quick, LLC to take part in the Awesome Games Done Quick event. The Foundation must pay the costs of staff and contractors used to develop the event. As of December 31, 2023, the Foundation had paid \$380,000 of those costs, which is included with prepaid expenses on the statements of financial position. An additional \$40,197 is to be paid in 2024. For the year ended December 31, 2023, approximately 31% of the Foundation's support and revenue has been derived from the Awesome Games special event. Any changes in the benefitting charity in future years would have a significant impact on the Foundation.

### 10. Retirement plan

The Foundation maintains a 401(k) 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 \$89,989 and \$89,186 were made for the years ended December 31, 2023 and 2022, 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 December 31, 2023 and 2022, the Founder and the CEO were the only participants in the plan; Contributions were \$45,000 and \$25,625, respectively. Fair market value of the plan was \$568,309 and \$433,382 for the years ended December 31, 2023 and 2022, respectively.

### 11. Net assets with donor restrictions

Net assets are restricted for specific events as well as for future periods. Net assets with donor restrictions as of December 31, 2023 and 2022 were as follows:

	December 31, 2022	Additions and investment income	Releases	December 31, 2023
Restricted to future periods				
Interest in remainder trusts	\$ 229,013	\$ 14,756	\$ -	\$ 243,769
Other receivables	-	50,000	-	50,000
	<u>229,013</u>	<u>64,756</u>	<u>-</u>	<u>293,769</u>
Restricted for specific activities or purpose				
Think About the Link Campaign	147,504	81	50,000	97,585
Too Young for This Campaign	49,950	-	49,950	-
Dialogue National Conference	-	75,195	73,708	1,487
Congressional Families Program	50,000	184,165	182,262	51,903
Quantitative Imaging Workshop	27,718	57,939	56,637	29,020
Sarah Howard fund	502,367	63,511	105,000	460,878
	<u>777,539</u>	<u>380,891</u>	<u>517,557</u>	<u>640,873</u>
Endowment earnings subject to spending policy and appropriation	573,492	113,335	-	686,827
Donor-restricted endowment subject to a perpetual restriction	278,413	-	-	278,413
	<u>\$ 1,858,457</u>	<u>\$ 558,982</u>	<u>\$ 517,557</u>	<u>\$ 1,899,882</u>

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# Prevent Cancer Foundation

## Notes to Financial Statements December 31, 2023 and 2022

	December 31, 2021	Additions and investment loss	Releases	December 31, 2022
Restricted to future periods				
Contributions receivable for the Combined Federal Campaign	\$ 22,751	\$ -	\$ 22,751	\$ -
Interest in remainder trusts	285,026	(56,013)	-	229,013
	<u>307,777</u>	<u>(56,013)</u>	<u>22,751</u>	<u>229,013</u>
Restricted for specific activities or purpose				
Think About the Link Campaign	247,803	-	100,299	147,504
Educational Campaigns	198,951	1,002,500	1,151,501	49,950
Research Grants	80,000	199,847	279,847	-
Congressional Families Program	-	131,000	81,000	50,000
Celebremos Grants	40,000	30,000	70,000	-
Quantitative Imaging Workshop	-	107,500	79,782	27,718
Sarah Howard fund	604,148	(96,781)	5,000	502,367
	<u>1,170,902</u>	<u>1,374,066</u>	<u>1,767,429</u>	<u>777,539</u>
Endowment earnings subject to spending policy and appropriation	726,347	(152,855)	-	573,492
Donor-restricted endowment subject to a perpetual restriction	278,413	-	-	278,413
	<u>\$ 2,483,439</u>	<u>\$ 1,165,198</u>	<u>\$ 1,790,180</u>	<u>\$ 1,858,457</u>

### 12. 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 Directors 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 U.S. 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.

#### 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 net assets with donor restrictions perpetual in nature (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.

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# Prevent Cancer Foundation

## Notes to Financial Statements December 31, 2023 and 2022

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The remaining portion of the donor-restricted endowment fund that is not classified in net assets with restrictions perpetual in nature is classified as net assets with donor restrictions subject to expenditure for a specific purpose 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.

### 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 December 31, 2023:

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Donor-restricted endowment funds	\$ -	\$ 972,653	\$ 972,653
Board-designated endowment funds	<u>13,059,258</u>	<u>-</u>	<u>13,059,258</u>
	<u>\$ 13,059,258</u>	<u>\$ 972,653</u>	<u>\$ 14,031,911</u>

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# Prevent Cancer Foundation

## Notes to Financial Statements December 31, 2023 and 2022

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The net assets consisted of the following as of December 31, 2022:

	Without donor restrictions	With donor restrictions	Total
Donor-restricted endowment funds	\$ -	\$ 851,905	\$ 851,905
Board-designated endowment funds	7,269,156	-	7,269,156
Total	<u>\$ 7,269,156</u>	<u>\$ 851,905</u>	<u>\$ 8,121,061</u>

### Changes in endowment and board-designated funds

The net activity consisted of the following:

	Without donor restrictions	With donor restrictions	Total
Endowment funds as of December 31, 2021	\$ 8,597,509	\$ 1,004,760	\$ 9,602,269
Investment return, net	(1,328,353)	(152,855)	(1,481,208)
Endowment funds as of December 31, 2022	<u>\$ 7,269,156</u>	<u>\$ 851,905</u>	<u>\$ 8,121,061</u>
Investment return, net	1,643,389	120,748	1,764,137
Transfers	4,146,713	-	4,146,713
Endowment funds as of December 31, 2023	<u>\$ 13,059,258</u>	<u>\$ 972,653</u>	<u>\$ 14,031,911</u>

### 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 December 31, 2023 and 2022.

## 13. 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 are independently derived and based on observable market data. Unobservable inputs are inputs that cannot be sourced from a broad active market. 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.

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# Prevent Cancer Foundation

## Notes to Financial Statements December 31, 2023 and 2022

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

Interest in remainder trusts: The Foundation has interests in 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. There were no changes in valuation techniques noted for the years ended December 31, 2023 and 2022. No amounts were transferred during the year ended for the years ended December 31, 2023 and 2022; the only change is attributable to the change in value of \$14,756 and (\$56,013) for the years ended December 31, 2023 and 2022, respectively. A growth rate of 3% and income rate of 4% has been used in the calculation of the present value of these items. The significant unobservable inputs used in the fair value measurement of the Foundation's Level 3 investments are subject to market risks resulting from changes in the market value of its investments.

Mutual funds and ETFs: 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.

Assets measured at fair value on a recurring basis are summarized below as of December 31, 2023:

	Level 1	Level 2	Level 3	Total
Investments				
Money market funds	\$ 1,295,080	\$ -	\$ -	\$ 1,295,080
Fixed income				
US Treasury Note	556,276	-	-	556,276
Mutual funds - fixed income				
Artisan High Income Fund	125,416	-	-	125,416
PIMCO Mortgage Opportunities Fund	475,165	-	-	475,165
Voya Intermediate Bond	1,623,991	-	-	1,623,991
Equities				
ETF - equity				
iShares Core S&P 500	1,066,548	-	-	1,066,548
iShares Russel 2000	826,925	-	-	826,925
Vanguard Emerging Markets Stock Idx Adm	403,083	-	-	403,083
SPDR S&P Biotech	225,458	-	-	225,458
Mutual funds - equity				
Artisan Intl Value Fund	1,248,372	-	-	1,248,372
Brown Advisory Beull Goodman	1,436,954	-	-	1,436,954
Brown Advisory Global Leaders	1,423,393	-	-	1,423,393
Brown Advisory Small Cap	856,085	-	-	856,085
Brown Advisory Sustainable Growth	1,764,150	-	-	1,764,150
Lazard Global Listed Infrastructure	270,407	-	-	270,407
Common stocks	235,429	-	-	235,429
Foreign stocks				
Brookfield Infrastructure Corp	203,566	-	-	203,566
Mutual Funds				
Blackrock Global Allocation	568,890	-	-	568,890
Interests in remainder trusts	-	-	243,769	243,769
Deferred compensation plan				
Equities - AB Wealth Appreciaton	568,309	-	-	568,309
<b>Total assets, at fair value</b>	<b>\$ 15,173,497</b>	<b>\$ -</b>	<b>\$ 243,769</b>	<b>\$ 15,417,266</b>

See independent auditor's report.

# Prevent Cancer Foundation

## Notes to Financial Statements December 31, 2023 and 2022

Assets measured at fair value on a recurring basis are summarized below as of December 31, 2022:

	Level 1	Level 2	Level 3	Total
Investments				
Money market funds	\$ 2,201,532	\$ -	\$ -	\$ 2,201,532
Fixed income				
Mutual funds - fixed income				
Blackrock Strategic Income	468,430	-	-	468,430
Blackrock Total Return	798,150	-	-	798,150
Dodge & Cox Income Fund	823,151	-	-	823,151
Metropolitan West Unconstrained Bond Fund	441,399	-	-	441,399
Western Asset Return	738,102	-	-	738,102
Equities				
ETF - equity				
Invesco QQQ Trust	636,675	-	-	636,675
iShares MSCI EAFE	675,895	-	-	675,895
iShares Edge MSCI Min Vol USA	572,546	-	-	572,546
iShares Russell Mid-Cap Value	-	-	-	-
iShares Russell Mid-Cap Growth	442,077	-	-	442,077
iShares Russell 1000 Value Index Fund	653,763	-	-	653,763
iShares Russell 1000 Growth Index Fund	1,083,840	-	-	1,083,840
Vanguard FTSE Emerging Markets	184,765	-	-	184,765
Wisdomtree US Quality	505,515	-	-	505,515
Mutual funds - equity				
Federated Hermes Small Cap	386,953	-	-	386,953
Lazard Global Listed Infrastructure	399,521	-	-	399,521
MFS Value Fund Class I	595,039	-	-	595,039
T Rowe Price Growth Stock	214,568	-	-	214,568
T. Rowe Price Value Fund Inc	430,228	-	-	430,228
Mutual Funds				
Blackrock Global Allocation	506,379	-	-	506,379
Interests in remainder trusts	-	-	229,013	229,013
Deferred compensation plan				
Equities - AB Wealth Appreciaiton	433,382	-	-	433,382
<b>Total assets, at fair value</b>	<u>\$ 13,191,910</u>	<u>\$ -</u>	<u>\$ 229,013</u>	<u>\$ 13,420,923</u>

### 14. Liquidity and availability

The Foundation strives to maintain liquid financial assets sufficient to cover 90 days of general expenditures. Financial assets in excess of daily cash requirements are invested in money market funds and other short-term investments.

The Foundation's board-designated endowment is subject to annual spending as described in Note 12. Although the Foundation does not intend to spend from the endowments (other than amounts appropriated for general expenditure as part of our Board's annual budget approval and appropriation), the board-designated endowment could be made available if necessary.

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# Prevent Cancer Foundation

## Notes to Financial Statements December 31, 2023 and 2022

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The following table reflects the Foundation's financial assets for the years ended December 31, 2023 and 2022, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date because of donor or contractual restrictions:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 3,321,574	\$ 2,782,379
Grants and pledges receivable	75,574	47,430
Investments	<u>573,277</u>	<u>4,637,467</u>
Total financial assets available within one year	3,970,425	7,467,276
Less amounts unavailable for general expenditures within one year due to:		
Restrictions by donors for specific activities or purpose	<u>(588,970)</u>	<u>(1,209,115)</u>
Total financial assets available to meet general expenditures within one year:	<u>\$ 3,381,455</u>	<u>\$ 6,258,161</u>

### 15. Related-party transactions

Design services were provided for the Gala by a company owned by a board member. The Foundation paid \$113,275 and \$98,500 for these services for the years ended December 31, 2023 and 2022, respectively. Additionally, donated services were provided in the amount of \$90,000 and \$90,000 for the years ended December 31, 2023 and 2022, respectively.

During the ordinary course of business for the years ended December 31, 2023 and 2022, the Foundation paid for legal services from a law firm of which a member of the board of directors is a partner.

### 16. Allocation of functional expenses and joint costs

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program and supporting services benefited. The following expenses have been allocated across functional areas based on an estimate of time spent by personnel: advertising, computer services, depreciation, equipment lease, insurance, legal, lodging, maintenance, membership and dues, mileage and parking, temporary services, delivery and shipping, professional services, rent, salaries, payroll taxes and processing, retirement, supplies, taxes and licenses, telephone and internet, and training.

The Foundation incurs joint costs for a newsletter that includes a fundraising appeal insert, website costs, and fundraising activities combined with a programmatic health fair. These costs were allocated based on management's analysis of the content of the newsletter, management's analysis of the number of pages on the website, and the duration of the fundraising component and health fair compared to the total time of the event.

Joint allocated costs were as follows for the year ended December 31, 2023:

	<u>Fundraising</u>	<u>Program services</u>	<u>Management and general</u>
Newsletter	\$ 4,032	\$ 23,385	\$ 1,613
Website	\$ 585	\$ 17,875	\$ 335

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# Prevent Cancer Foundation

## Notes to Financial Statements December 31, 2023 and 2022

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Joint allocated costs were as follows for the year ended December 31, 2022:

	<u>Fundraising</u>	<u>Program services</u>	<u>Management and general</u>
Newsletter	\$ 2,921	\$ 15,441	\$ -
5k run	\$ 11,216	\$ 39,256	\$ -
Website	\$ 1,214	\$ 18,311	\$ 337

### 17. Subsequent events

The Foundation assessed events occurring subsequent to December 31, 2023 through June 20, 2024, the date the financial statements were available to be issued, for potential recognition and disclosure in the financial statements. No events have occurred that would require adjustments to or disclosure in the financial statements.

See independent auditor's report.