

PREVENT CANCER FOUNDATION

FINANCIAL STATEMENTS

JUNE 30, 2020 AND 2019



Certified Public Accountants

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Certified Public Accountants

Independent Auditor's Report

The Board of Directors
Prevent Cancer Foundation

We have audited the accompanying financial statements of **Prevent Cancer Foundation** (a nonprofit organization), which comprise the statements of financial position as of June 30, 2020 and 2019, 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 from 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 **Prevent Cancer Foundation** as of June 30, 2020 and 2019, 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
December 1, 2020

Prevent Cancer Foundation

Statements of Financial Position

June 30,

2020

2019

Assets

Current assets

Cash and cash equivalents	\$ 676,138	\$ 270,384
Grants and pledges receivable	222,164	358,218
Investments - general	6,000,293	5,625,064
Prepaid expenses	37,473	41,784
	<u>6,936,068</u>	<u>6,295,450</u>

Property and equipment, net of accumulated depreciation

43,853 70,393

Other assets

Investments - donor restricted and board designated funds	7,466,502	7,182,497
Deposits	64,136	22,636
Interests in remainder trusts	223,458	234,845
Deferred compensation plan assets	319,499	303,960
	<u>8,073,595</u>	<u>7,743,938</u>

Total assets

\$ 15,053,516 \$ 14,109,781

Liabilities and net assets

Current liabilities

Accounts payable and accrued expenses	\$ 95,698	\$ 133,282
Grants payable	1,286,774	1,208,321
Deferred income	-	399
Refundable advances	929,500	-
Deferred rent, current portion	23,035	13,648
SBA Paycheck Protection Program loan	374,600	-
	<u>2,709,607</u>	<u>1,355,650</u>

Long-term liabilities

Deferred rent, net of current portion	25,876	48,911
Deferred compensation plan liabilities	319,499	303,960
	<u>345,375</u>	<u>352,871</u>

Total liabilities

3,054,982 1,708,521

Net assets

Without donor restrictions	10,285,081	10,728,603
With donor restrictions	1,713,453	1,672,657
Total net assets	<u>11,998,534</u>	<u>12,401,260</u>
Total liabilities and net assets	<u>\$ 15,053,516</u>	<u>\$ 14,109,781</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 June 30, 2020

	Without donor restrictions	With donor restrictions	Total
Support and revenue			
Contributions	\$ 1,631,208	\$ 105,659	\$ 1,736,867
Bequests	646,098	-	646,098
In-kind contributions	127,000	-	127,000
Special events	3,230,781	2,100	3,232,881
Less: Costs of direct benefits to donors	(12,398)	-	(12,398)
Other income	20,934	-	20,934
Net assets released from restrictions	89,824	(89,824)	-
	<u>5,733,447</u>	<u>17,935</u>	<u>5,751,382</u>
Expenses			
Program services			
Research	1,269,447	-	1,269,447
Education and public awareness	2,375,856	-	2,375,856
Community outreach	1,408,242	-	1,408,242
Supporting services			
Management and general	615,734	-	615,734
Fundraising	922,912	-	922,912
	<u>6,592,191</u>	<u>-</u>	<u>6,592,191</u>
Change in net assets before investment and other income	(858,744)	17,935	(840,809)
Investment and other income	415,661	22,861	438,522
Loss on disposal of fixed asset	(439)	-	(439)
	<u>415,222</u>	<u>22,861</u>	<u>438,083</u>
Change in net assets	(443,522)	40,796	(402,726)
Net assets, beginning of year	10,728,603	1,672,657	12,401,260
Net assets, end of year	<u>\$ 10,285,081</u>	<u>\$ 1,713,453</u>	<u>\$ 11,998,534</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 June 30, 2019

	Without donor restrictions	With donor restrictions	Total
Support and revenue			
Contributions	\$ 1,671,558	\$ 84,793	\$ 1,756,351
Bequests	134,400	-	134,400
In-kind contributions	150,704	-	150,704
Special events	4,380,429	96,550	4,476,979
Less: Costs of direct benefits to donors	(271,212)	-	(271,212)
Other income	117,472	-	117,472
Net assets released from restrictions	307,120	(307,120)	-
	<u>6,490,471</u>	<u>(125,777)</u>	<u>6,364,694</u>
Expenses			
Program services			
Research	2,105,871	-	2,105,871
Education and public awareness	2,031,822	-	2,031,822
Community outreach	1,024,740	-	1,024,740
Supporting services			
Management and general	574,007	-	574,007
Fundraising	1,091,186	-	1,091,186
	<u>6,827,626</u>	<u>-</u>	<u>6,827,626</u>
Change in net assets before investment and other income	(337,155)	(125,777)	(462,932)
Investment and other income	688,623	(29,854)	658,769
Change in net assets	351,468	(155,631)	195,837
Net assets, beginning of year	10,377,135	1,828,288	12,205,423
Net assets, end of year	<u>\$ 10,728,603</u>	<u>\$ 1,672,657</u>	<u>\$ 12,401,260</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 June 30, 2020**

	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	\$ -	\$ -	\$ -	\$ -	\$ 31,000	\$ -	\$ 31,000	\$ -	\$ 31,000
Audio/Staging	-	22,022	565	22,587	-	11,500	11,500	-	34,087
Advertising	67	348,571	90	348,728	62	23,189	23,251	-	371,979
Awards	-	1,270	-	1,270	-	916	916	-	2,186
Bank charges	-	-	-	-	2,656	-	2,656	-	2,656
Catering	-	31,058	-	31,058	-	-	-	1,223	32,281
Computer services	408	1,761	504	2,673	345	6,101	6,446	-	9,119
Consultant fees	-	158,456	2,806	161,262	31,063	4,521	35,584	-	196,846
Copying and lettershop	-	-	-	-	-	175	175	-	175
Credit card discount expense	-	-	-	-	96,088	3,772	99,860	-	99,860
Delivery and shipping	-	629	548	1,177	3,866	437	4,303	-	5,480
Depreciation	3,654	10,440	4,959	19,053	3,394	3,654	7,048	-	26,101
Design and layout	-	16,672	-	16,672	-	5,955	5,955	-	22,627
Employee relations	146	738	198	1,082	136	281	417	-	1,499
Entertainment	-	-	-	-	-	3,625	3,625	850	4,475
Equipment lease	2,802	8,007	3,803	14,612	2,604	3,940	6,544	-	21,156
Gifts and contributions	366	2,484	100	2,950	1,527	191	1,718	-	4,668
Grants	795,115	75,000	771,674	1,641,789	-	-	-	-	1,641,789
Honorariums	5,250	-	10,725	15,975	-	-	-	-	15,975
Insurance	27,075	77,358	37,745	142,178	25,141	27,075	52,216	-	194,394
Legal	1,002	2,864	1,360	5,226	931	1,002	1,933	-	7,159
List rentals	-	3,172	-	3,172	-	-	-	-	3,172
Lodging	2,918	12,178	600	15,696	391	-	391	-	16,087
Maintenance	2,872	8,747	3,898	15,517	2,667	2,872	5,539	-	21,056
Meals and meetings	1,934	2,807	606	5,347	3,016	1,179	4,195	-	9,542
Media services	-	109,113	-	109,113	16	-	16	-	109,129
Membership and dues	11,424	6,932	3,463	21,819	189	204	393	-	22,212
Mileage and parking	78	1,362	257	1,697	9,146	4,404	13,550	-	15,247
Miscellaneous	-	70	9	79	-	-	-	-	79
Payroll taxes and processing	23,069	65,912	31,308	120,289	21,421	23,069	44,490	-	164,779
Photography	-	12,785	192	12,977	-	2,940	2,940	-	15,917
Postage	-	3,123	337	3,460	1,752	4,392	6,144	-	9,604
Printing	-	33,132	1,354	34,486	3,933	6,343	10,276	-	44,762
Professional services	16,059	107,615	22,816	146,490	10,269	350,788	361,057	-	507,547
Promotional materials	-	-	-	-	-	11,297	11,297	-	11,297
Rent	42,274	120,783	57,372	220,429	39,255	42,274	81,529	-	301,958
Registration fees	95	242	-	337	25	-	25	-	362
Retirement	10,604	30,298	14,392	55,294	28,848	10,604	39,452	-	94,746
Salaries	300,768	859,336	408,184	1,568,288	279,284	300,768	580,052	-	2,148,340

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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, 2020**

	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		
Site rental	\$ -	\$ 21,931	\$ 965	\$ 22,896	\$ -	\$ 5,000	\$ 5,000	\$ 10,325	\$ 38,221
Software and support	1,543	26,797	2,094	30,434	1,433	29,709	31,142	-	61,576
Storage	-	1,080	100	1,180	821	582	1,403	-	2,583
Subscriptions	603	4,627	463	5,693	317	7,578	7,895	-	13,588
Supplies	900	6,076	6,025	13,001	835	3,872	4,707	-	17,708
Taxes and licenses	997	2,848	1,353	5,198	926	997	1,923	-	7,121
Telephone	2,536	7,238	3,438	13,212	2,352	2,533	4,885	-	18,097
Temporary services	8,039	22,969	10,911	41,919	7,465	8,073	15,538	-	57,457
Training	337	1,231	457	2,025	313	4,036	4,349	-	6,374
Transportation and per diem	6,512	19,122	2,571	28,205	2,247	3,064	5,311	-	33,516
	<u>1,269,447</u>	<u>2,248,856</u>	<u>1,408,242</u>	<u>4,926,545</u>	<u>615,734</u>	<u>922,912</u>	<u>1,538,646</u>	<u>12,398</u>	<u>6,477,589</u>
In-kind contributions									
Media services	-	127,000	-	127,000	-	-	-	-	127,000
Total expenses by function	<u>1,269,447</u>	<u>2,375,856</u>	<u>1,408,242</u>	<u>5,053,545</u>	<u>615,734</u>	<u>922,912</u>	<u>1,538,646</u>	<u>12,398</u>	<u>6,604,589</u>
Less expenses included with revenues on the statement of activities									
Cost of direct benefits to donors	-	-	-	-	-	-	-	(12,398)	(12,398)
Total expenses included in the expense section on the statement of activities	<u>\$ 1,269,447</u>	<u>\$ 2,375,856</u>	<u>\$ 1,408,242</u>	<u>\$ 5,053,545</u>	<u>\$ 615,734</u>	<u>\$ 922,912</u>	<u>\$ 1,538,646</u>	<u>\$ -</u>	<u>\$ 6,592,191</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 June 30, 2019**

	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	\$ -	\$ -	\$ -	\$ -	\$ 30,000	\$ -	\$ 30,000	\$ -	\$ 30,000
Audio/Staging	-	20,288	-	20,288	-	59,601	59,601	-	79,889
Advertising	478	118,589	573	119,640	414	29,839	30,253	-	149,893
Awards	-	1,493	-	1,493	-	1,361	1,361	-	2,854
Bank charges	-	-	-	-	1,620	636	2,256	-	2,256
Catering	135	97,833	54	98,022	39	45	84	120,791	218,897
Computer services	666	1,582	688	2,936	497	8,154	8,651	-	11,587
Consultant fees	7,370	3,990	-	11,360	22,500	-	22,500	-	33,860
Copying	-	1,016	-	1,016	-	985	985	-	2,001
Credit card discount expense	-	-	-	-	91,803	38	91,841	-	91,841
Decorators/Exhibitors	-	-	620	620	-	75,040	75,040	-	75,660
Delivery and shipping	-	1,139	2,475	3,614	991	2,393	3,384	-	6,998
Depreciation	4,485	11,660	5,382	21,527	3,887	4,485	8,372	-	29,899
Design and layout	126	18,025	151	18,302	109	10,653	10,762	-	29,064
Employee relations	463	1,280	556	2,299	402	658	1,060	-	3,359
Entertainment	-	-	-	-	-	-	-	7,850	7,850
Equipment lease	3,263	11,301	3,915	18,479	2,828	15,674	18,502	-	36,981
Gifts	350	2,344	-	2,694	1,139	8,803	9,942	-	12,636
Grants	1,582,136	25,000	397,278	2,004,414	-	-	-	-	2,004,414
Honorariums	14,850	200	7,225	22,275	-	-	-	-	22,275
Insurance	28,560	74,257	35,272	138,089	24,751	28,560	53,311	-	191,400
Legal	1,393	3,621	1,671	6,685	1,207	1,679	2,886	-	9,571
List rentals	-	2,399	-	2,399	-	-	-	-	2,399
Lodging	7,806	33,938	5,389	47,133	975	4,656	5,631	-	52,764
Maintenance	176	1,030	211	1,417	153	176	329	-	1,746
Meals	1,668	5,799	1,130	8,597	2,506	1,627	4,133	-	12,730
Media services	-	25,772	-	25,772	-	150	150	-	25,922
Membership and dues	15,226	9,817	999	26,042	721	1,202	1,923	-	27,965
Mileage and parking	1,983	6,884	2,769	11,636	1,946	12,196	14,142	-	25,778
Payroll taxes and processing	24,438	63,538	29,325	117,301	21,179	24,438	45,617	-	162,918
Photography	-	6,699	211	6,910	-	5,559	5,559	-	12,469
Postage	314	11,197	260	11,771	188	2,159	2,347	-	14,118

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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, 2019**

	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		
Printing	\$ 667	\$ 30,468	\$ 2,338	\$ 33,473	\$ 578	\$ 19,169	\$ 19,747	\$ -	\$ 53,220
Professional services	12,914	200,325	37,845	251,084	12,299	320,972	333,271	-	584,355
Promotional materials	-	14,336	-	14,336	-	12,780	12,780	-	27,116
Rent	45,923	119,400	55,107	220,430	39,800	45,924	85,724	-	306,154
Registration fees	125	461	-	586	873	10,062	10,935	-	11,521
Retirement	13,369	34,759	16,043	64,171	11,585	13,369	24,954	-	89,125
Salaries	306,901	797,943	368,282	1,473,126	265,981	306,901	572,882	-	2,046,008
Site rental	-	18,275	3,755	22,030	-	-	-	36,900	58,930
Software and support	-	19,712	-	19,712	8,435	25,150	33,585	-	53,297
Storage	116	1,316	339	1,771	100	670	770	-	2,541
Subscriptions	357	5,366	2	5,725	2,851	2,885	5,736	-	11,461
Supplies	936	7,526	9,456	17,918	717	2,715	3,432	-	21,350
Taxes and licenses	2,340	6,087	2,809	11,236	2,029	2,341	4,370	-	15,606
Telephone	2,433	6,326	2,920	11,679	2,109	2,433	4,542	-	16,221
Temporary services	10,045	26,116	12,054	48,215	9,205	10,045	19,250	-	67,465
Training	729	2,940	874	4,543	632	5,706	6,338	-	10,881
Transportation and per diem	13,130	27,481	16,762	57,373	6,958	9,297	16,255	-	73,628
	<u>2,105,871</u>	<u>1,879,528</u>	<u>1,024,740</u>	<u>5,010,139</u>	<u>574,007</u>	<u>1,091,186</u>	<u>1,665,193</u>	<u>165,541</u>	<u>6,840,873</u>
In-kind contributions									
Media services	-	150,704	-	150,704	-	-	-	-	150,704
Contributions for special events	-	1,590	-	1,590	-	-	-	105,671	107,261
Total expenses by function	<u>2,105,871</u>	<u>2,031,822</u>	<u>1,024,740</u>	<u>5,162,433</u>	<u>574,007</u>	<u>1,091,186</u>	<u>1,665,193</u>	<u>271,212</u>	<u>7,098,838</u>
Less expenses included with revenues on the statement of activities									
Cost of direct benefits to donors	-	-	-	-	-	-	-	(271,212)	(271,212)
Total expenses included in the expense section on the statement of activities	<u>\$ 2,105,871</u>	<u>\$ 2,031,822</u>	<u>\$ 1,024,740</u>	<u>\$ 5,162,433</u>	<u>\$ 574,007</u>	<u>\$ 1,091,186</u>	<u>\$ 1,665,193</u>	<u>\$ -</u>	<u>\$ 6,827,626</u>

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,

2020

2019

Cash flows from operating activities

Change in net assets	\$ (402,726)	\$ 195,837
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	26,101	29,899
Loss on disposal of fixed asset	439	-
Realized and unrealized gains on investments and change in value of interest in remainder trusts	(174,960)	(309,893)
Donated stock	(3,578)	(2,585)
Proceeds from sale of donated stock	3,789	2,479
(Increase) decrease in operating assets		
Grants and pledges receivable	136,054	(179,386)
Prepaid expenses	4,311	36,223
Deposits	(41,500)	-
Charitable gift annuities	-	184,335
Deferred compensation plan assets	(15,539)	(27,922)
Increase (decrease) in operating liabilities		
Accounts payable and accrued expenses	(37,584)	1,071
Grants payable	78,453	321,948
Deferred income	(399)	399
Refundable advances	929,500	-
Deferred rent	(13,648)	(4,534)
Charitable gift annuities	-	(55,011)
Deferred compensation plan liabilities	15,539	27,922
	<u>504,252</u>	<u>220,782</u>

Cash flows from investing activities

Purchase of property and equipment	-	(1,442)
Proceeds from sale of investments	2,113,594	1,627,822
Purchase of investments	(2,586,692)	(2,907,320)
	<u>(473,098)</u>	<u>(1,280,940)</u>

Cash flows from financing activities

SBA Paycheck Protection Program loan	374,600	-
	<u>374,600</u>	<u>-</u>

Net change in cash and cash equivalents

Net change in cash and cash equivalents	405,754	(1,060,158)
Cash and cash equivalents, beginning of year	270,384	1,330,542
Cash and cash equivalents, end of year	<u>\$ 676,138</u>	<u>\$ 270,384</u>

Supplemental disclosure of cash flow information

Cash paid for interest	\$ -	\$ -
Income taxes paid	\$ -	\$ 3,311

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

Prevent Cancer Foundation

Notes to Financial Statements June 30, 2020 and 2019

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.

Revenue recognition

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 donor-advised 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 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, 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 as of June 30, 2020 consisted of \$854,500 for the Gala special event, \$15,000 for the qualitative imaging workshop, \$50,000 for the advocacy luncheon, and \$10,000 for the Health Fair and 5K. All events are scheduled to be held in fall 2020.

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The Foundation also received conditional promises to give in the amount of \$109,000, conditioned upon the Gala special event occurring in the fall 2020. The conditional promises to give will be recorded as support and revenue once the event occur.

Sources of revenue from contracts with customers include an exchange element of tickets purchased for the Foundation's special events, SuperColon rental income, and conference registration fees. All sources of revenue from contracts with customers are recognized at the point in time when the event or rental occurs. For the years ended June 30, 2020 and 2019, the total exchange portion of tickets for the special events was \$10,736 and \$106,535, respectively. For the years ended June 30, 2020 and 2019, SuperColon rental income totaled \$1,960 and \$7,425, respectively, and conference registration fees totaled \$37,394 and \$3,268, respectively. SuperColon rental income and conference registration fees are included in other support and revenue on the accompanying statements of activities. As of June 30, 2020, there were no performance obligations or contract liabilities remaining. As of June 30, 2019, contract liabilities in the amount of \$399 are included in deferred income on the accompanying statements of financial position.

Donated goods and services

The Foundation receives donations in the form of free media services that would otherwise be purchased in the normal course of business. Total in-kind donations were \$127,000 and \$150,704 for the years ended June 30, 2020 and 2019, respectively, and were valued based on comparable market rates and donor valuations. 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.

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. generally accepted accounting principles.

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.

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.

Interests in remainder trusts

The Foundation has been named as beneficiary under a split-interest agreement, 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. A growth rate of 3% has been used in the calculation of the present value of these items. The change in value of interests in remainder trusts was (\$11,387) and (\$81,463) for the years ended June 30, 2020 and 2019, respectively.

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 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.

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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 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.

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, 2020 and 2019, estimated compensated absences of \$86,988 and \$49,119, 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, deferred income, deferred rent, 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.

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 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. FDIC insurance on interest bearing accounts is \$250,000 per depositor, per insured bank. At June 30, 2020 and 2019, the Foundation's cash balances were approximately \$589,726 and \$106,399 in excess of federal deposit insurance coverage, respectively.

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.

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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, 2020 and 2019.

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 2017 through 2020.

Recently adopted accounting pronouncements

The FASB has issued Accounting Standards Update (ASU) 2014-09 (as amended by ASU 2015-14), which provides a single comprehensive accounting standard for revenue recognition for contracts with customers and supersedes current industry-specific guidance. ASU 2014-09 is effective for annual reporting periods beginning after December 15, 2018. The Foundation adopted the standard on its effective date, which was July 1, 2019, with no effect on beginning net assets.

New accounting pronouncements

The FASB has issued ASU 2016-02, which requires lessees to recognize on the balance sheet the assets and liabilities for the rights and obligations created by leases with terms greater than 12 months. ASU 2016-02 is effective for annual reporting periods beginning after December 15, 2021. The Foundation plans to adopt the standard on its effective date, which for the Foundation is July 1, 2022.

3. Grants and pledges receivable

Grants and pledges receivable consisted of the following as of June 30, 2020 and 2019:

	2020	2019
Pledges - Combined Federal Campaign	\$ 80,659	\$ 84,793
Grants and other pledges receivables	160,505	292,425
Allowance for uncollectible amounts	(19,000)	(19,000)
	<u>\$ 222,164</u>	<u>\$ 358,218</u>

The preliminary allocation to the Foundation for the 2019 - 2020 CFC pledge drive was \$80,659 (net of fees), none of which was received as of June 30, 2020. The outstanding balance is expected to be received in fiscal year 2021.

The preliminary allocation to the Foundation for 2018- 2019 CFC pledge drive was \$84,793 (net of fees), none of which was received as of June 30, 2019. \$28,822 of the receivable balance was written off in the year ended June 30, 2020, and the remaining balance was received in fiscal year 2020.

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

The entire balance of other receivables as of June 30, 2020 and 2019 is expected to be collected in less than one year.

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4. Investments

Investments valued at fair value are summarized as follows at June 30:

	<u>2020</u>	<u>2019</u>
Cash and money market funds	\$ 3,032,365	\$ 2,372,798
Fixed income	3,957,609	3,918,906
Equities	6,006,014	6,074,003
Mutual funds	470,807	441,854
Fair value per statements of financial position	<u>\$ 13,466,795</u>	<u>\$ 12,807,561</u>

Investment and other income consisted of the following for the years ended June 30:

	<u>2020</u>	<u>2019</u>
Realized and unrealized gains and change in value of interest in remainder trusts	\$ 174,960	\$ 309,893
Interest and dividend income	318,563	401,814
Investment fees	(55,001)	(52,938)
	<u>\$ 438,522</u>	<u>\$ 658,769</u>

5. Property and equipment

Property and equipment consisted of the following at June 30:

	<u>2020</u>	<u>2019</u>
Office furniture and equipment	\$ 179,309	\$ 206,383
Less: accumulated depreciation	(135,456)	(135,990)
Property and equipment, net	<u>\$ 43,853</u>	<u>\$ 70,393</u>

6. 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 were \$188,603 as of June 30, 2019. The beneficiary passed away during the fiscal year ending June 30, 2019 and the remaining liability was recognized as a contribution without donor restrictions during the year ending June 30, 2019.

7. Grants awarded

The Foundation recorded grants expense during 2020 and 2019 totaling \$1,641,789 and \$2,004,414, 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 \$1,286,774 and \$1,208,321 as of June 30, 2020 and 2019, respectively.

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Prior to the adoption of ASU 2018-08, grants were 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 was not recorded until the contingency is fulfilled. The Organization adopted ASU 2018-08 as of and for the year ended June 30, 2019. The Organization now records the liability for the second year payment when the grant is awarded as the above stipulations do not meet the qualification of being related to the purpose of the agreement. The adoption resulted in grants expense and grants payable of \$475,000 related to second year payments in 2019. Of that amount, \$125,000 was attributable to grants issued in prior years and not complete as of the application date, and the remaining \$350,000 attributable to grants issued in the year of adoption.

8. In-kind contributions

In-kind contributions for the years ended June 30, 2020 and 2019 consisted of the following:

	2020	2019
Public service announcements	\$ 127,000	\$ 150,704
Contributions for special events		
Design services	-	85,000
Food and beverage	-	22,261
	<u>\$ 127,000</u>	<u>\$ 257,965</u>

9. 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, 2020 and 2019 is as follows:

	2020			
	Revenue	Direct benefit expenses	Other expenses	Net
5K Race	\$ 221,525	\$ 12,398	\$ 43,602	\$ 165,525
Awesome Games	3,011,356	-	347,651	2,663,705
	<u>\$ 3,232,881</u>	<u>\$ 12,398</u>	<u>\$ 391,253</u>	<u>\$ 2,829,230</u>
	2019			
	Revenue	Direct benefit expenses	Other expenses	Net
Gala	\$ 1,645,763	\$ 243,677	\$ 180,412	\$ 1,221,674
Sarah Howard	96,550	9,618	20,973	65,959
5K Race	237,329	12,862	29,625	194,842
Awesome Games	2,497,337	5,055	306,704	2,185,578
	<u>\$ 4,476,979</u>	<u>\$ 271,212</u>	<u>\$ 537,714</u>	<u>\$ 3,668,053</u>

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The Gala scheduled for spring 2020 was rescheduled to fall 2020, and ultimately transitioned to a virtual event. Contributions received towards the Gala were recorded as refundable advances as of June 30, 2020, as the contributions are considered conditional based on the event occurring. As of June 30, 2020, an additional \$109,000 of conditional pledges had been received for the Gala event.

Approximately 45% and 38%, respectively, of the Organization's support and revenue for the years ended June 30, 2020 and 2019 was derived from the Awesome Games special event. Any changes in the benefitting charity in future years would have a significant impact on Prevent Cancer Foundation.

10. 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, 2022. The unamortized portion of the cumulative difference between the actual rent paid and the straight line rent is reflected as deferred rent liability in the accompanying statements of financial position.

Rent expense for the years ended June 30, 2020 and 2019 was \$301,958 and \$306,154, respectively.

Minimum rentals due under this agreement are as follows for the years ending June 30:

2021	\$	322,283
2022		275,250
	\$	<u>597,533</u>

11. 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 \$75,746 and \$70,625 were made for the years ended June 30, 2020 and 2019, 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, 2020 and 2019, the President was the only participant in the Plan. Contributions in the amount of \$19,000 and \$18,500 were made on her behalf for the years ended June 30, 2020 and 2019, respectively. Fair market value of the Plan was \$319,499 and \$303,960 as of June 30, 2020 and 2019, respectively.

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12. Donor restricted net assets

Net assets are restricted for specific events as well as for future periods. Net assets with donor restrictions as of June 30, 2020 and 2019 were as follows:

	2019	Additions	Releases	2020
Restricted to future periods				
Contributions receivable for the Combined Federal Campaign	\$ 84,793	\$ 80,659	\$ 84,793	\$ 80,659
Contributions receivable and other	-	25,000	-	25,000
Interest in remainder trusts	234,845	(11,387)	-	223,458
	<u>319,638</u>	<u>94,272</u>	<u>84,793</u>	<u>329,117</u>
Restricted for specific activities or purpose				
Sarah Howard fund	606,149	2,100	5,031	603,218
Endowment earnings subject to spending policy and appropriation	468,457	34,248	-	502,705
Donor-restricted endowment subject to a perpetual restriction	278,413	-	-	278,413
	<u>\$ 1,672,657</u>	<u>\$ 130,620</u>	<u>\$ 89,824</u>	<u>\$ 1,713,453</u>
	2018	Additions	Releases	2019
Restricted to future periods				
Contributions receivable for the Combined Federal Campaign	\$ 70,885	\$ 84,793	\$ 70,885	\$ 84,793
Contributions receivable and other	30,000	-	30,000	-
Charitable gift annuities	129,324	-	129,324	-
Interest in remainder trusts	316,308	(81,463)	-	234,845
	<u>546,517</u>	<u>3,330</u>	<u>230,209</u>	<u>319,638</u>
Restricted for specific activities or purpose				
Educational Campaign	36,266	-	36,266	-
Scientific research for colorectal and prostate cancer	5,054	-	5,054	-
Sarah Howard fund	545,190	96,550	35,591	606,149
	<u>586,510</u>	<u>96,550</u>	<u>76,911</u>	<u>606,149</u>
Endowment earnings subject to spending policy and appropriation	416,848	51,609	-	468,457
Donor-restricted endowment subject to a perpetual restriction	278,413	-	-	278,413
	<u>\$ 1,828,288</u>	<u>\$ 151,489</u>	<u>\$ 307,120</u>	<u>\$ 1,672,657</u>

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13. 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.

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.

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.

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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:

	2020		
	Without donor restrictions	With donor restrictions	Total
Donor-restricted endowment funds	\$ -	\$ 781,118	\$ 781,118
Board-designated endowment funds	6,685,384	-	6,685,384
	<u>\$ 6,685,384</u>	<u>\$ 781,118</u>	<u>\$ 7,466,502</u>
	2019		
	Without donor restrictions	With donor restrictions	Total
Donor-restricted endowment funds	\$ -	\$ 746,870	\$ 746,870
Board-designated endowment funds	6,435,627	-	6,435,627
Total	<u>\$ 6,435,627</u>	<u>\$ 746,870</u>	<u>\$ 7,182,497</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 June 30, 2018	\$ 5,997,755	\$ 695,261	\$ 6,693,016
Investment return, net	437,872	51,609	489,481
Contributions	-	-	-
Appropriation of endowments	-	-	-
Endowment funds as of June 30, 2019	<u>\$ 6,435,627</u>	<u>\$ 746,870</u>	<u>\$ 7,182,497</u>
Investment return, net	\$ 249,757	\$ 34,248	\$ 284,005
Contributions	-	-	-
Appropriation of endowments	-	-	-
Endowment funds as of June 30, 2020	<u>\$ 6,685,384</u>	<u>\$ 781,118</u>	<u>\$ 7,466,502</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 June 30, 2020 and 2019.

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14. 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 as 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.

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 2020 and 2019.

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.

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Assets measured at fair value on a recurring basis are summarized below as of June 30, 2020:

	Level 1	Level 2	Level 3	Total
Investments				
Money market funds	\$ 3,032,365	\$ -	\$ -	\$ 3,032,365
Fixed income				
Mutual funds - fixed income				
Blackrock Strategic Income	502,035	-	-	502,035
Blackrock Total Return	1,000,919	-	-	1,000,919
Dodge & Cox Income Fund	981,163	-	-	981,163
Metropolitan West Unconstrained Bond Fund	505,132	-	-	505,132
Western Asset Return	968,360	-	-	968,360
Equities				
ETF - equity				
iShares Core Dividend Growth	565,316	-	-	565,316
iShares MSCI EAFE	323,950	-	-	323,950
iShares Edge MSCI Min Vol USA	481,463	-	-	481,463
iShares Russell Mid-Cap Value	255,763	-	-	255,763
iShares Russell Mid-Cap Growth	418,069	-	-	418,069
iShares Russell 1000 Value Index Fund	449,016	-	-	449,016
iShares Russell 1000 Growth Index Fund	1,576,869	-	-	1,576,869
Vanguard FTSE Emerging Markets	186,880	-	-	186,880
Mutual funds - equity				
Federated Small Cap Core - R6	334,299	-	-	334,299
Lazard Global Listed Infrastructure	354,086	-	-	354,086
MFS Value Fund Class I	452,689	-	-	452,689
T Rowe Price Growth Stock	269,152	-	-	269,152
T. Rowe Price Value Fund Inc	338,462	-	-	338,462
Mutual Funds				
Blackrock Global Allocation	470,807	-	-	470,807
Interests in remainder trusts	-	-	223,458	223,458
Deferred compensation plan				
Equities - AB Wealth Appreciaiton	319,499	-	-	319,499
Total assets, at fair value	\$ 13,786,294	\$ -	\$ 223,458	\$ 14,009,752

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Assets measured at fair value on a recurring basis are summarized below as of June 30, 2019:

	Level 1	Level 2	Level 3	Total
Investments and charitable gift annuities				
Money market funds	\$ 2,372,798	\$ -	\$ -	\$ 2,372,798
Fixed income				
Mutual funds - fixed income				
Blackrock Strategic Income	513,925	-	-	513,925
Blackrock Total Return	970,755	-	-	970,755
Dodge & Cox Income Fund	956,434	-	-	956,434
Metropolitan West Unconstrained Bond Fund	522,388	-	-	522,388
Western Asset Return	955,403	-	-	955,403
Equities				
ETF - equity				
iShares Core Dividend Growth	585,568	-	-	585,568
iShares MSCI EAFE	356,520	-	-	356,520
iShares Edge MSCI Min Vol USA	499,828	-	-	499,828
iShares Russell Mid-Cap Value	303,666	-	-	303,666
iShares Russell Mid-Cap Growth	384,565	-	-	384,565
iShares Russell 1000 Value Index Fund	517,149	-	-	517,149
iShares Russell 1000 Growth Index Fund	1,312,530	-	-	1,312,530
Vanguard FTSE Emerging Markets	203,889	-	-	203,889
Mutual funds - equity				
Lazard Global Listed Infrastructure	387,846	-	-	387,846
MFS Value Fund Class I	498,128	-	-	498,128
PNC Multi-Factor Small Cap Core	409,775	-	-	409,775
T. Rowe Price Growth Stock	235,166	-	-	235,166
T. Rowe Price Value Fund Inc	379,373	-	-	379,373
Mutual funds				
Blackrock Global Allocation	441,854	-	-	441,854
Interests in remainder trusts	-	-	234,845	234,845
Deferred compensation plan				
Equities - AB Wealth Appreciaton	303,960	-	-	303,960
Total assets, at fair value	\$ 13,111,521	\$ -	\$ 234,845	\$ 13,346,366

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:

	2020	2019
Beginning balance	\$ 234,845	\$ 316,308
Change in value of interests in remainder trusts	(11,387)	(81,463)
Ending balance	<u>\$ 223,458</u>	<u>\$ 234,845</u>

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.

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15. 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 following table reflects the Foundation's financial assets as of June 30, 2020 and 2019, 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>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 676,138	\$ 270,384
Grants and pledges receivable	222,164	358,218
Investments	<u>6,000,293</u>	<u>5,625,064</u>
Total financial assets available within one year	6,898,595	6,253,666
Less amounts unavailable for general expenditures within one year due to:		
Restrictions by donors for specific activities or purpose	<u>(603,218)</u>	<u>(636,149)</u>
Total financial assets available to meet general expenditures within one year:	<u>\$ 6,295,377</u>	<u>\$ 5,617,517</u>

The Foundation's board-designated endowment is subject to annual spending as described in Note 13. Although the Foundation does not intend to spend from the board-designated endowments (other than amounts appropriated for general expenditure as part of our Board's annual budget approval and appropriation), these amounts could be made available if necessary.

16. Related party transactions

Design services were provided for the Gala by a company owned by a board member. The Foundation paid \$37,500 and \$75,040 for these services during the years ended June 30, 2020 and 2019, respectively. Additionally, donated services were provided in the amount of \$85,000 for the year ended June 30, 2019.

During the ordinary course of business for the years ended June 30, 2020 and 2019, the Foundation paid for legal services from a law firm of which a member of the board of directors is a partner.

17. 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 statements 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, catering, computer services, depreciation, design and layout, employee relations, equipment lease, insurance, legal, lodging, maintenance, membership and dues, mileage and parking, temporary services, postage, professional services, rent, salaries, payroll taxes and processing, retirement, supplies, taxes and licenses, telephone, and training.

The Foundation incurs joint costs for a newsletter that includes a fundraising appeal insert. These costs were allocated based on management's analysis of the content of the newsletter. Additionally, the 5K run fundraising event is combined with a programmatic health fair. These costs were allocated based on the duration of the run and health fair compared to the total time of the event.

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Joint allocated costs were as follows for the years ended June 30:

	2020		
	<u>Fundraising</u>	<u>Education</u>	<u>Direct Benefit to donors</u>
Newsletter	\$ 686	\$ 13,737	\$ -
5k run	43,602	56,139	12,398

	2019		
	<u>Fundraising</u>	<u>Education</u>	<u>Direct Benefit to donors</u>
Newsletter	\$ 346	\$ 6,583	\$ -
5k run	29,625	60,436	12,862

18. SBA Paycheck Protection Program loan

The Foundation obtained a SBA Paycheck Protection Program loan in the amount of \$374,600 in April 2020 as a result of the COVID-19 pandemic. The Foundation intends to comply with the loan requirements so that the loan is fully forgiven. As of the date that the financial statements were available to be issued, the Foundation had not yet submitted the loan forgiveness application.

19. Subsequent events

The Foundation assessed events occurring subsequent to June 30, 2020 through December 1, 2020, the date the financial statements were available to be issued, for potential recognition and disclosure in the financial statements. As a result of the continued spread of the COVID19 coronavirus, the Foundation has transitioned its annual spring gala to a fall virtual event, and the winter Awesome Games fundraising event to a virtual event. The Foundation is expecting decreased support from both events compared to pre-pandemic years. Other financial impact could occur though such potential impact is unknown at this time. No other events have occurred that would require adjustments to or disclosure in the financial statements.

See independent auditor's report.