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LET'S WIN! PANCREATIC CANCER FOUNDATION

Audited Financial Statements

June 30, 2021

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Independent Auditor's Report

To the Board of Directors of
Let's Win! Pancreatic Cancer Foundation

Report on the Financial Statements

We have audited the accompanying financial statements of Let's Win! Pancreatic Cancer Foundation (the "Organization"), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses, and cash flows for the year 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 audit. We conducted our audit 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, the financial statements referred to above present fairly, in all material respects, the financial position of Let's Win! Pancreatic Cancer Foundation, Inc. as of June 30, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Organization's June 30, 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 1, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020 is consistent, in all material respects, with the audited financial statements from which it has been derived.


Schall & Ashenfarb
Certified Public Accountants, LLC

December 13, 2021

LET'S WIN! PANCREATIC CANCER FOUNDATION
STATEMENT OF FINANCIAL POSITION
AT JUNE 30, 2021
(With comparative totals at June 30, 2020)

Assets	<u>6/30/21</u>	<u>6/30/20</u>
Cash and cash equivalents	\$1,035,242	\$649,022
Accounts receivable	10,363	11,752
Fixed assets, net (Note 3)	20,033	35,350
Security deposit	4,178	4,178
Prepaid expenses	76,502	59,469
Total assets	<u>\$1,146,318</u>	<u>\$759,771</u>
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$49,616	\$45,538
Deferred rent	0	6,825
Total liabilities	<u>49,616</u>	<u>52,363</u>
Net assets:		
Without donor restrictions	1,071,702	681,412
With donor restrictions (Note 4)	<u>25,000</u>	<u>25,996</u>
Total net assets	<u>1,096,702</u>	<u>707,408</u>
Total liabilities and net assets	<u>\$1,146,318</u>	<u>\$759,771</u>

The attached notes and auditor's report are integral parts of these financial statements.

LET'S WIN! PANCREATIC CANCER FOUNDATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021
(With comparative totals for the year ended June 30, 2020)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total 6/30/21</u>	<u>Total 6/30/20</u>
Public support and revenue:				
Contributions and grant income	\$280,858	\$25,000	\$305,858	\$271,359
Special events, net of expenses with a direct benefit to donor (Note 5)	726,820		726,820	522,768
Fee for service	0		0	10,000
In-kind services	62,411		62,411	79,374
Net assets released from restrictions (Note 4)	25,996	(25,996)	0	0
Total public support and revenue	<u>1,096,085</u>	<u>(996)</u>	<u>1,095,089</u>	<u>883,501</u>
Expenses:				
Program services (including in-kind services of \$62,411)	<u>552,000</u>		<u>552,000</u>	<u>518,256</u>
Supporting services:				
Management and general	49,219		49,219	58,648
Fundraising	<u>104,576</u>		<u>104,576</u>	<u>64,031</u>
Total supporting services	<u>153,795</u>	<u>0</u>	<u>153,795</u>	<u>122,679</u>
Total expenses	<u>705,795</u>	<u>0</u>	<u>705,795</u>	<u>640,935</u>
Change in net assets	390,290	(996)	389,294	242,566
Net assets - beginning of year	<u>681,412</u>	<u>25,996</u>	<u>707,408</u>	<u>464,842</u>
Net assets - end of year	<u><u>\$1,071,702</u></u>	<u><u>\$25,000</u></u>	<u><u>\$1,096,702</u></u>	<u><u>\$707,408</u></u>

The attached notes and auditor's report are integral parts of these financial statements.

LET'S WIN! PANCREATIC CANCER FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021
(With comparative totals for the year ended June 30, 2020)

	Supporting Services			Total Supporting Services	Total 6/30/21	Total 6/30/20
	Program Services	Management and General	Fundraising			
Salaries	\$119,000	\$6,000	\$7,500	\$13,500	\$132,500	\$125,000
Payroll taxes and benefits	10,835	546	682	1,228	12,063	11,403
Total personnel services	<u>129,835</u>	<u>6,546</u>	<u>8,182</u>	<u>14,728</u>	<u>144,563</u>	<u>136,403</u>
Professional fees (including in-kind of \$62,411)	223,758	36,269		36,269	260,027	275,247
Patient outreach	128,267			0	128,267	72,824
Travel and conferences	6,577			0	6,577	23,043
Rent	21,447	1,080	1,352	2,432	23,879	14,625
Event expenses			84,539	84,539	84,539	129,388
Website expenses	2,806			0	2,806	11,270
Office expenses	13,698	2,609	10,503	13,112	26,810	19,591
Insurance		2,715		2,715	2,715	4,014
Depreciation	25,612			0	25,612	34,223
Total expenses	<u>552,000</u>	<u>49,219</u>	<u>104,576</u>	<u>153,795</u>	<u>705,795</u>	<u>720,628</u>
Less: direct special event expenses netted with revenue				0	0	(79,693)
Total expenses for statement of activities	<u>\$552,000</u>	<u>\$49,219</u>	<u>\$104,576</u>	<u>\$153,795</u>	<u>\$705,795</u>	<u>\$640,935</u>

The attached notes and auditor's report are integral parts of these financial statements.

LET'S WIN! PANCREATIC CANCER FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021
(With comparative totals for the year ended June 30, 2020)

	<u>6/30/21</u>	<u>6/30/20</u>
Cash flows from operating activities:		
Change in net assets	\$389,294	\$242,566
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	25,612	34,223
Changes in assets and liabilities:		
Accounts receivable	1,389	(11,752)
Security deposit	0	(4,178)
Prepaid expenses	(17,033)	(16,860)
Accounts payable and accrued expenses	4,078	4,703
Deferred rent	(6,825)	6,825
Total adjustments	<u>7,221</u>	<u>12,961</u>
Net cash flows provided by operating activities	<u>396,515</u>	<u>255,527</u>
Cash flows from investing activities:		
Purchases of fixed assets	<u>(10,295)</u>	<u>(11,858)</u>
Net cash used for investing activities	<u>(10,295)</u>	<u>(11,858)</u>
Net increase in cash	386,220	243,669
Cash and cash equivalents - beginning of year	<u>649,022</u>	<u>405,353</u>
Cash and cash equivalents - end of year	<u><u>\$1,035,242</u></u>	<u><u>\$649,022</u></u>
Interest and tax expense	<u><u>\$0</u></u>	<u><u>\$0</u></u>

The attached notes and auditor's report are integral parts of these financial statements.

LET'S WIN! PANCREATIC CANCER FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note 1 - Nature of Entity

Let's Win! Pancreatic Cancer Foundation (the "Organization") is a web-based platform that enables doctors, scientists, and patients to share fast-breaking information on potentially life-saving pancreatic cancer treatments and clinical trials. The goal of the Organization is to inform, enable, and educate patients and caregivers, providing easy-to-understand, actionable information. The organization is a registered 501(c)(3) non-profit organization incorporated in the state of Delaware in 2018.

Note 2 - Summary of Significant Accounting Policies

a. Basis of Accounting

The accompanying financial statements have been prepared using the accrual basis of accounting which is the process of recognizing revenue and expenses when earned or incurred rather than when received or paid.

b. Basis of Presentation

The Organization reports information regarding its financial position and activities according to the following classes of net assets:

- *Net Assets Without Donor Restrictions* – accounts for activity without donor-imposed restrictions.
- *Net Assets With Donor Restrictions* – represents those resources, the uses of which have been restricted by donors to specific purposes or the passage of time and/or must remain intact in perpetuity.

c. Revenue Recognition

The Organization follows the Financial Accounting Standards Board's ("FASB") Accounting Standards Codification ("ASC") 606 for recognizing revenue for contracts with customers. Each source of revenue is analyzed to determine that it has a contract with the customer that identifies both the performance obligation and the transaction price. Revenue is recognized when the performance obligation is complete.

Fee for service income falls under FASB ASC 606 and is recognized as the performance obligation is satisfied over the service period. Payments received in advance of performing services are recorded as deferred income and will be recognized as income in the period earned. Fees that have yet to be collected at year end are reflected as receivables.

The Organization follows FASB's ASC 958-605 for recording contributions. Contributions are recorded in one of the classes of net assets described above, depending on the existence and/or nature of any donor-imposed restriction. When a 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. If donor restricted contributions are satisfied in the same period they are received, they are classified as without donor restrictions.

Contributions may be subject to conditions which are defined as both a barrier to entitlement and a right of return of payments, or release from obligations, and are recognized as income once the conditions have been substantially met. The Organization had no conditional pledges that had not yet been recognized during the year ended June 30, 2021.

Contributions expected to be received within one year are recorded at net realizable value. Long-term pledges are recorded at fair value, using risk-adjusted present value techniques. At June 30, 2021, all contributions are expected to be received within one year.

Management assesses the collectability of all outstanding receivables based upon historical trends and experience with donors. Based on that review, management has concluded that all receivables are collectible. As such, no allowance for uncollectible accounts was deemed necessary.

d. Cash and Cash Equivalents

The Organization considers all liquid investments with an initial maturity of three months or less to be cash and cash equivalents.

e. Concentration of Credit Risk

Financial instruments, which potentially subject the Organization to concentration of credit risk, consist of cash that has been placed with financial institutions that management deems to be creditworthy. At times and at year end, balances may exceed federally insured limits.

f. Fixed Assets

Fixed assets and equipment purchased that benefit future periods are capitalized at cost or, if donated, at the estimated fair value at the time of the donation. Depreciation is computed using the straight-line method over the estimated useful life of the asset as follows:

Website – 3 years

g. Deferred Rent

Rent expense is recognized evenly over the life of the lease using the straight-line method. In the earlier years of the lease, as rent expense exceeds amounts paid, a deferred rent liability is created. In later years of the lease, as payments exceed the amount of expense recognized, deferred rent will be reduced until it is zero at the end of the lease.

h. In-kind Contributions

The Organization recognizes contributions of services that create or enhance non-financial assets or require specialized skills, are performed by those who possess such skills, and would ordinarily pay for such services if they had not been provided in-kind. The Organization received donated professional services valued at \$62,411 and \$79,374 for the years ended June 30, 2021 and June 30, 2020, respectively. These were reported as program services on the statement of functional expenses. See note 6.

i. Management Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

j. Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the financial statements. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The following costs are allocated based on salary allocations:

- Payroll taxes and benefits
- Rent

All other expenses have been charged directly to the applicable program or supporting services.

k. Accounting for Uncertainty of Income Taxes

The Organization does not believe its financial statements include any material, uncertain tax positions. Tax filings for periods ended June 30, 2018 and later are subject to examination by applicable taxing authorities.

l. Comparative Financial Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2020, from which the summarized information was derived.

m. New Accounting Pronouncements

FASB issued Accounting Standards Update ("ASU") No. 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which becomes effective for the June 30, 2022 year with early adoption permitted. This ASU focuses on improving transparency in the reporting of contributed nonfinancial assets and requires a separate line-item presentation on the statement of activities and additional disclosures.

FASB issued ASU No. 2016-02, *Leases*. The ASU which becomes effective for the June 30, 2023 year, requires the full obligation of long-term leases to be recorded as a liability with a corresponding “right to use asset” on the statement of financial position.

The Organization is in the process of evaluating the impact these standards will have on future financial statements.

Note 3 - Fixed Assets

Fixed assets consist of the following:

	<u>6/30/21</u>	<u>6/30/20</u>
Website	\$156,215	\$145,920
Less: accumulated depreciation	<u>(136,182)</u>	<u>(110,570)</u>
Total fixed assets, net	<u>\$20,033</u>	<u>\$35,350</u>

Note 4 - Net Assets With Donor Restrictions

The following summarizes the changes in net assets with donor restrictions:

	<u>June 30, 2021</u>			
	Beginning Balance <u>7/1/20</u>	Contributions	Released from Restrictions	Ending Balance <u>6/30/21</u>
Program Restrictions:				
Reaching the Unreached	\$25,000	\$25,000	(\$25,000)	\$25,000
Printing	<u>996</u>	<u>0</u>	<u>(996)</u>	<u>0</u>
Total	<u>\$25,996</u>	<u>\$25,000</u>	<u>(\$25,996)</u>	<u>\$25,000</u>
	<u>June 30, 2020</u>			
	Beginning Balance <u>7/1/19</u>	Contributions	Released from Restrictions	Ending Balance <u>6/30/20</u>
Program Restrictions:				
Reaching the Unreached	\$0	\$25,000	(\$0)	\$25,000
Survivor Series	25,800	0	(25,800)	0
Printing	<u>7,632</u>	<u>0</u>	<u>(6,636)</u>	<u>996</u>
Total	<u>\$33,432</u>	<u>\$25,000</u>	<u>(\$32,436)</u>	<u>\$25,996</u>

Note 5 - Special Event

The Organization hosts an annual fundraising event. In the year ended June 30, 2021, this event was held virtually due to the pandemic. The revenue and expenses from the event are summarized as follows:

	<u>6/30/21</u>	<u>6/30/20</u>
Gross revenue	\$726,820	\$602,461
Less: expenses with a direct benefit to donors	<u> (0)</u>	<u>(79,693)</u>
	726,820	522,768
Less: other event expenses	<u>(84,539)</u>	<u>(46,695)</u>
Total	<u>\$642,281</u>	<u>\$476,073</u>

Note 6 - Related Party Transactions

The Organization receives services related to website hosting and the design of digital printed marketing materials from a provider that is owned by a board member. The Organization paid \$81,000 and \$134,000 for these services and received \$62,411 and \$79,374 free of charge for the years ended June 30, 2021 and 2020, respectively.

Note 7 - Commitments

On January 27, 2020, the Organization entered into a one-year lease agreement for office space and in January 2021, received a one-year extension. Rent expense was 23,789 and \$14,625 for the years ended June 30, 2021 and 2020, respectively. Future minimum payments due during the year ending June 30, 2022 total \$4,095.

Note 8 - Availability and Liquidity

The following reflects the Organization's financial assets at June 30, 2021 that are available to meet cash needs for general expenditures within one year:

Financial assets at year-end:		
Cash and cash equivalents	\$1,035,242	
Accounts receivable	<u> 10,363</u>	
Total financial assets		\$1,045,605
Less amounts not available for general expenditures:		
Donor contributions restricted to specific purposes		<u>(25,000)</u>
Financial assets available to meet cash needs for operations within one year		<u>\$1,020,605</u>

The Organization maintains cash on hand to be available for its general expenditures, liabilities, and other obligations for on-going operations. As part of its liquidity management, the Organization operates its programs within a board approved budget and relies on grants and contributions to fund its operations and program activities.

Note 9 - Subsequent Events

Subsequent events have been evaluated through December 13, 2021, the date the financial statements were available to be issued. There were no material events that have occurred that require adjustment to or disclosure to the financial statements.

Note 10 - Other Matters

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had and are expected to continue to have an impact on the economies and financial markets of many countries, including the geographical area in which the Organization operates. As of the date of the financial statements, many of the travel restrictions and stay at home orders have been lifted, however, supply chains remain impacted. Management continues to monitor the outbreak, however, as of the date of these financial statements, the potential impact cannot be quantified.