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LET'S WIN! PANCREATIC CANCER FOUNDATION

June 30, 2022

Audited Financial Statements

Independent Auditors' 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, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of June 30, 2022 and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 auditors' 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, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users on the basis of these financial statements.

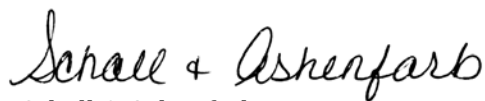
In performing an audit in accordance with generally accepted auditing standards, we:

- 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 the Organization'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 the Organization'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.

Report on Summarized Comparative Information

We have previously audited the Organization's financial statements, and we expressed an unmodified audit opinion on those financial statements in our report dated December 13, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021 is consistent, in all material respects, with the audited financial statements from which it has been derived.



Schall & Ashenfarb
Certified Public Accountants, LLC

December 21, 2022

LET'S WIN! PANCREATIC CANCER FOUNDATION
STATEMENT OF FINANCIAL POSITION
AT JUNE 30, 2022
(With comparative totals at June 30, 2021)

	Assets	
	<u>6/30/22</u>	<u>6/30/21</u>
Cash and cash equivalents	\$1,305,566	\$1,035,242
Contributions receivable, net (Note 3)	175,520	10,363
Prepaid expenses	67,922	76,502
Security deposit	0	4,178
Fixed assets, net (Note 4)	219,468	20,033
Total assets	<u>\$1,768,476</u>	<u>\$1,146,318</u>

Liabilities and Net Assets

Liabilities:		
Accounts payable and accrued expenses	\$89,932	\$49,616
Net assets:		
Without donor restrictions	1,470,430	1,071,702
With donor restrictions (Note 5)	<u>208,114</u>	<u>25,000</u>
Total net assets	<u>1,678,544</u>	<u>1,096,702</u>
Total liabilities and net assets	<u>\$1,768,476</u>	<u>\$1,146,318</u>

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

LET'S WIN! PANCREATIC CANCER FOUNDATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022
(With comparative totals for the year ended June 30, 2021)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total 6/30/22</u>	<u>Total 6/30/21</u>
Public support and revenue:				
Contributions and grant income	\$324,027	\$258,454	\$582,481	\$305,858
Special events, net of expenses with a direct benefit to donor (Note 6)	688,274		688,274	726,820
In-kind services (Notes 2h and 7)	75,083		75,083	62,411
Net assets released from restrictions (Note 5)	75,340	(75,340)	0	0
Total public support and revenue	<u>1,162,724</u>	<u>183,114</u>	<u>1,345,838</u>	<u>1,095,089</u>
Expenses:				
Program services (including in-kind services of \$75,083) (Notes 2h and 7)	<u>591,195</u>		<u>591,195</u>	<u>552,000</u>
Supporting services:				
Management and general	59,500		59,500	49,219
Fundraising	<u>113,301</u>		<u>113,301</u>	<u>104,576</u>
Total supporting services	<u>172,801</u>	<u>0</u>	<u>172,801</u>	<u>153,795</u>
Total expenses	<u>763,996</u>	<u>0</u>	<u>763,996</u>	<u>705,795</u>
Change in net assets	398,728	183,114	581,842	389,294
Net assets - beginning of year	<u>1,071,702</u>	<u>25,000</u>	<u>1,096,702</u>	<u>707,408</u>
Net assets - end of year	<u>\$1,470,430</u>	<u>\$208,114</u>	<u>\$1,678,544</u>	<u>\$1,096,702</u>

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

LET'S WIN! PANCREATIC CANCER FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022
(With comparative totals for the year ended June 30, 2021)

	Supporting Services			Total Supporting Services	Total 6/30/22	Total 6/30/21
	Program Services	Management and General	Fundraising			
Salaries	\$116,500	\$6,000	\$7,500	\$13,500	\$130,000	\$132,500
Payroll taxes and benefits	10,716	552	690	1,242	11,958	12,063
Total personnel services	<u>127,216</u>	<u>6,552</u>	<u>8,190</u>	<u>14,742</u>	<u>141,958</u>	<u>144,563</u>
Professional fees (including in-kind of \$75,083)	268,666	42,039		42,039	310,705	260,027
Patient outreach	144,482			0	144,482	128,267
Travel and conferences	10,874			0	10,874	6,577
Rent	4,230	217	272	489	4,719	23,879
Event expenses			160,305	160,305	160,305	84,539
Website expenses	12,741			0	12,741	2,806
Office expenses	9,671	6,079	6,472	12,551	22,222	26,810
Insurance		4,613		4,613	4,613	2,715
Depreciation	13,315			0	13,315	25,612
Total expenses	<u>591,195</u>	<u>59,500</u>	<u>175,239</u>	<u>234,739</u>	<u>825,934</u>	<u>705,795</u>
Less: direct special event expenses netted with revenue			<u>(61,938)</u>	<u>(61,938)</u>	<u>(61,938)</u>	<u>0</u>
Total expenses for statement of activities	<u><u>\$591,195</u></u>	<u><u>\$59,500</u></u>	<u><u>\$113,301</u></u>	<u><u>\$172,801</u></u>	<u><u>\$763,996</u></u>	<u><u>\$705,795</u></u>

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

LET'S WIN! PANCREATIC CANCER FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022
(With comparative totals for the year ended June 30, 2021)

	<u>6/30/22</u>	<u>6/30/21</u>
Cash flows from operating activities:		
Change in net assets	\$581,842	\$389,294
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	13,315	25,612
Changes in assets and liabilities:		
Contributions receivable	(165,157)	1,389
Security deposit	4,178	0
Prepaid expenses	8,580	(17,033)
Accounts payable and accrued expenses	40,316	4,078
Deferred rent	0	(6,825)
Total adjustments	<u>(98,768)</u>	<u>7,221</u>
Net cash flows provided by operating activities	<u>483,074</u>	<u>396,515</u>
Cash flows from investing activities:		
Purchases of fixed assets	<u>(212,750)</u>	<u>(10,295)</u>
Net cash used for investing activities	<u>(212,750)</u>	<u>(10,295)</u>
Net increase in cash	270,324	386,220
Cash and cash equivalents - beginning of year	<u>1,035,242</u>	<u>649,022</u>
Cash and cash equivalents - end of year	<u><u>\$1,305,566</u></u>	<u><u>\$1,035,242</u></u>
Interest and tax expense	<u><u>\$0</u></u>	<u><u>\$0</u></u>

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

LET'S WIN! PANCREATIC CANCER FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

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 been earned yet to be collected at year end are reflected as receivables.

The Organization follows the requirements of the Financial Accounting Standards Board's ("FASB") Accounting Standards Codification ("ASC") 958-605 for recording contributions, which are recognized at the earlier of when cash is received or at the time a pledge becomes unconditional in nature. Contributions that do not contain donor restrictions are recorded in the class of net assets without donor restrictions. Contributions that do contain donor restrictions are recorded in the class of net assets with donor restrictions. 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 were received, they are classified in the class of net assets 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.

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 if expected to be received in greater than 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

Donated services are recognized in circumstances where those services create or enhance non-financial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided in-kind.

Board members and other individuals volunteer their time and perform a variety of services that assist the Organization. These services do not meet the criteria outlined above and have not been recorded in the financial statements

For the years ended June 30, 2022 and 2021, contributed non-financial assets within the statement of activities, included \$75,083 and \$62,411 in donated professional services, respectively. These were reported on the statement of activities as program expenses. See Note 7. The contributed services are valued and are reported at the estimated fair value in the financial statements based on current rates for similar services.

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. Salaries were allocated based on time and effort. 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, 2019 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, 2021, from which the summarized information was derived.

m. New Accounting Pronouncement

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 this standard will have on future financial statements.

Note 3 - Contributions Receivable

Contributions receivable are expected in the following periods:

Year ending:	June 30, 2023	\$66,115
	June 30, 2024	40,000
	June 30, 2025	40,000
	June 30, 2026	<u>40,000</u>
		186,115
Less: discount to present value (3.14%)		<u>(10,595)</u>
Net contributions receivable		<u>\$175,520</u>

Note 4 - Fixed Assets

Fixed assets consist of the following:

	<u>6/30/22</u>	<u>6/30/21</u>
Website	\$368,965	\$156,215
Less: accumulated depreciation	<u>(149,497)</u>	<u>(136,182)</u>
Total fixed assets, net	<u>\$219,468</u>	<u>\$20,033</u>

Note 5 - Net Assets With Donor Restrictions

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

	<u>June 30, 2022</u>			
	Beginning Balance <u>7/1/21</u>	<u>Contributions</u>	Released from <u>Restrictions</u>	Ending Balance <u>6/30/22</u>
Program Restrictions:				
Reaching the Unreached Survivor Series	\$25,000	\$238,454	(\$60,340)	\$203,114
	<u>0</u>	<u>20,000</u>	<u>(15,000)</u>	<u>5,000</u>
Total	<u>\$25,000</u>	<u>\$258,454</u>	<u>(\$75,340)</u>	<u>\$208,114</u>

June 30, 2021

	Beginning Balance <u>7/1/20</u>	<u>Contributions</u>	Released from <u>Restrictions</u>	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>

Note 6- Special Event

The Organization hosts an annual fundraising event. The revenue and expenses from the event are summarized as follows:

	<u>6/30/22</u>	<u>6/30/21</u>
Gross revenue	\$750,212	\$726,820
Less: expenses with a direct benefit to donors	<u>(61,938)</u>	<u>(0)</u>
	688,274	726,820
Less: other event expenses	<u>(98,367)</u>	<u>(84,539)</u>
Total	<u>\$589,907</u>	<u>\$642,281</u>

Note 7 - Related Party Transactions

The Organization receives services related to website hosting and the design of digital printed materials from a provider in which a board member has an ownership interest. The Organization paid \$83,000 and \$81,000 for these services and received \$75,083 and \$62,411 free of charge for the years ended June 30, 2022 and 2021, respectively.

Note 8 - Availability and Liquidity

The following reflects the Organization's financial assets at June 30, 2022 that are available to meet cash needs for general expenditures within one year:

Financial assets at year-end:		
Cash and cash equivalents	\$1,305,566	
Contributions receivable	<u>175,520</u>	
Total financial assets		\$1,481,086
Less amounts not available for general expenditures:		
Donor contributions restricted to specific purposes		<u>(208,114)</u>
Financial assets available to meet cash needs for operations within one year		<u>\$1,272,972</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 - 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. On February 2022, the Organization entered a month-to-month lease. Rent expense was \$4,719 and \$23,879 for the years ended June 30, 2022 and 2021, respectively.

Note 10 - Subsequent Events

Subsequent events have been evaluated through December 21, 2022, 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 11 - 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.