



Financial Statements
December 31, 2021

Lazarex Cancer Foundation

Independent Auditor’s Report.....	1
Financial Statements	
Statement of Financial Position	3
Statement of Activities.....	4
Statement of Functional Expenses.....	5
Statement of Cash Flows	6
Notes to Financial Statements	7



Independent Auditor's Report

To the Board of Directors
Lazarex Cancer Foundation
Danville, California

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Lazarex Cancer Foundation, which comprise the statement of financial position as of December 31, 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.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Lazarex Cancer Foundation as of December 31, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Lazarex Cancer Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 Lazarex Cancer Foundation's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

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Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, 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 Lazarex Cancer Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Lazarex Cancer Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited the 2020 financial statements of Lazarex Cancer Foundation, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 30, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.



San Ramon, California
June 29, 2022

Lazarex Cancer Foundation

Statement of Financial Position

December 31, 2021

(with summarized financial information for December 31, 2020)

	<u>2021</u>	<u>2020</u>
Assets		
Current Assets		
Cash	\$ 1,487,541	\$ 1,748,954
Grants and contributions receivable	45,066	2,485,257
Interest receivable	1,009	2,426
Other receivable	340	441
Prepaid expenses	6,400	36,226
Investments, net of fees	5,658,792	3,677,224
Other assets	375	25,100
	<u>7,199,523</u>	<u>7,975,628</u>
Noncurrent Assets		
Restricted cash	450,780	-
Furniture and equipment, net	25,998	26,020
	<u>476,778</u>	<u>26,020</u>
	<u>\$ 7,676,301</u>	<u>\$ 8,001,648</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable	\$ 47,456	\$ 195,890
Accrued patient reimbursements	367,254	213,014
Accrued payroll	28,798	28,482
Accrued vacation	21,517	23,965
Other accrued expenses	8,732	-
Deferred events revenue	2,966	-
Deferred PATH sponsor revenue	450,780	-
Refundable advance - PPP loan	-	105,111
	<u>927,503</u>	<u>566,462</u>
Net Assets		
Without donor restrictions		
Undesignated	716,436	349,040
With donor restrictions		
Purpose restrictions	6,032,362	7,086,146
	<u>6,748,798</u>	<u>7,435,186</u>
	<u>\$ 7,676,301</u>	<u>\$ 8,001,648</u>

Lazarex Cancer Foundation

Statement of Activities

Year Ended December 31, 2021

(with summarized financial information for year ended December 31, 2020)

	Without Donor Restrictions	With Donor Restrictions	2021 Total	2020 Total
Support and Revenues				
Corporate and foundation grants	\$ 344,474	\$ 535,195	\$ 879,669	\$ 1,135,646
Corporate contributions	328,417	-	328,417	83,725
Contributions - paycheck protection program loans	230,701	-	230,701	-
Individual contributions	761,966	-	761,966	734,360
In-kind contributions	2,643	-	2,643	58,875
Fundraising activities, net of direct donor benefit costs	388,940	-	388,940	343,516
Investment return, net of fees	929	-	929	37,155
Interest income	700	-	700	4,361
Net assets released from restrictions	1,588,979	(1,588,979)	-	-
Total support and revenues	3,647,749	(1,053,784)	2,593,965	2,397,638
Expenses				
Program services	2,961,795	-	2,961,795	2,521,373
General and administrative	136,234	-	136,234	152,982
Fundraising	182,324	-	182,324	197,091
Total expenses	3,280,353	-	3,280,353	2,871,446
Change in Net Assets	367,396	(1,053,784)	(686,388)	(473,808)
Net Assets, Beginning of Year	349,040	7,086,146	7,435,186	7,908,994
Net Assets, End of Year	\$ 716,436	\$ 6,032,362	\$ 6,748,798	\$ 7,435,186

Lazarex Cancer Foundation

Statement of Functional Expenses

Year Ended December 31, 2021

(with summarized information for year ended December 31, 2020)

	Program Services	General and Administrative	Fundraising	Total 2021 Expenses	Total 2020 Expenses
Advertising	\$ 20,955	\$ -	\$ 17,324	\$ 38,279	\$ 20,194
Bank charges	-	895	2,382	3,277	2,249
Cancer wellness hub	83,481	-	-	83,481	-
Community education events	4,180	-	-	4,180	583,005
Depreciation	5,043	720	1,441	7,204	6,357
Dues, registration, gov't fees	-	12,415	12,414	24,829	11,839
Institutional partnerships	346,144	-	-	346,144	170,726
Insurance	-	1,087	-	1,087	6,040
Legal and professional	31,201	31,707	6,217	69,125	54,937
Occupancy	64,389	9,198	18,397	91,984	111,245
Patient reimbursements	1,751,272	-	-	1,751,272	1,114,883
Payroll expenses	582,860	73,977	114,197	771,034	702,753
Postage	5,302	418	2,546	8,266	5,370
Printing	3,051	-	1,556	4,607	11,420
Professional development	2,364	338	675	3,377	8,018
Software	43,515	662	1,325	45,502	35,831
Supplies and office	8,283	929	1,858	11,070	9,722
Telephone and internet	9,744	996	1,992	12,732	12,477
Travel, meals and entertainment	11	2,892	-	2,903	4,380
Total expenses	<u>\$ 2,961,795</u>	<u>\$ 136,234</u>	<u>\$ 182,324</u>	<u>\$ 3,280,353</u>	<u>\$ 2,871,446</u>

Lazarex Cancer Foundation

Statement of Cash Flows

Year Ended December 31, 2021

(with summarized information for year ended December 31, 2020)

	2021	2020
Operating Activities		
Change in net assets	\$ (686,388)	\$ (473,808)
Adjustments to reconcile change in net assets to net cash from (used for) operations		
Depreciation	7,204	6,357
Donated securities	-	(4,257)
Net realized and unrealized gain (loss) on investments	3,075	(513)
Contributions - PPP paycheck protection program loan	(230,701)	-
Change in operating assets and liabilities		
(Increase) Decrease in grants and contributions receivable	2,440,191	490,367
(Increase) Decrease in interest receivable	1,417	10,787
(Increase) Decrease in other receivable	101	(441)
(Increase) Decrease in prepaid expenses	29,826	(6,758)
(Increase) Decrease in other assets	24,725	(25,100)
Increase (Decrease) in accounts payable	(148,434)	188,123
Increase (Decrease) in accrued patient reimbursements	154,240	(4,303)
Increase (Decrease) in accrued payroll	316	(3,077)
Increase (Decrease) in accrued vacation	(2,448)	15,020
Increase (Decrease) in other accrued expenses	8,732	-
Increase (Decrease) deferred event revenue	2,966	(16,340)
Increase (Decrease) deferred PATH sponsor revenue	450,780	-
Increase (Decrease) refundable advance - PPP loan	125,590	105,111
Net Cash Flows From Operating Activities	<u>2,181,192</u>	<u>281,168</u>
Investing Activities		
Maturities/sales of investments	3,677,224	2,450,980
Purchases of investments	(5,661,867)	(3,672,454)
Purchases of capital assets	<u>(7,182)</u>	<u>(27,975)</u>
Net Cash Flows Used For Investing Activities	<u>(1,991,825)</u>	<u>(1,249,449)</u>
Change in Cash and Restricted Cash	189,367	(968,281)
Cash and Restricted Cash, Beginning of Year	<u>1,748,954</u>	<u>2,717,235</u>
Cash and Restricted Cash, End of Year	<u>\$ 1,938,321</u>	<u>\$ 1,748,954</u>
Supplemental Disclosure of Noncash Amounts		
In-kind donations	<u>\$ 2,643</u>	<u>\$ 58,875</u>

Note 1 - Organization and Significant Accounting Policies

Organization and Nature of Activities

Lazarex Cancer Foundation (the "Organization") was incorporated in the State of California in 2006 as a nonprofit public benefit corporation. The Organization provides programs and services related to building a bridge to hope, dignity and life for cancer patients and their families. The Organization provides financial assistance to defray the costs associated with patient participation in approved Federal Food and Drug Administration (FDA) clinical trials. The Organization helps patients navigate their clinical trial options and provides community education and outreach services. The Organization is supported primarily through public contributions, grants, and fundraising events.

The Organization's programs and services include the following:

- Lazarex CARE – this program focuses on improving the outcome of cancer care for advanced stage cancer patients and the medically underserved, by identifying approved FDA clinical trial options, providing assistance with out-of-pocket costs for clinical trial participation for the patient and a travel companion, and facilitating community outreach and engagement.
- IMPACT – is a multiyear nationwide program to increase cancer clinical trial enrollment, retention, minority participation and equitable access – getting cancer drugs to market faster and finishing oncology clinical trials on time and on budget. This program focuses on improving patient access to cancer clinical trials by providing a sustainable action plan to transform the status quo of clinical trial recruitment, enrollment, retention, minority participation, completion, and translational science – providing equitable and timely access to cancer discovery to all patients.
- Cancer Wellness HUB – is a place based, community led, and culturally appropriate model of community engagement intended to answer questions, address cultural barriers, facilitate access to screenings, quality care, and clinical trials. It offers equitable access to the cancer programs and support that could help achieve better results for prevention through treatment and survivorship. HUBS connect residents, patients, and caregivers to the resources and tools needed to manage the cancer journey. Certified Neighborhood Ambassadors are hired from the local "neighborhood" and introduce community members to the HUB Cancer Care Companion.
- Lazarex PATH – this program is a transactional expense reimbursement platform for patients' clinical trial related travel expenses. This program offers a pathway to reduce disparities in cancer treatment access and outcomes and improve minority participation in drug development to benefit all cancer patients.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting. The accrual basis of accounting recognizes revenues in the accounting period in which revenues are earned regardless of when cash is received and recognizes expenses in the accounting period in which expenses are incurred regardless of when cash is disbursed.

Basis of Presentation

The accompanying financial statement presentation follows the recommendations prescribed by accounting principles generally accepted in the United States of America. (U.S. GAAP). The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 and the provisions of the American Institute of Certified Public Accountants (AICPA) "Audit and Accounting Guide for Not-for-Profit Organizations" (the "Guide").

Under the provisions of the Guide, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified as follows:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. The Organization's board may designate assets without restrictions for specific operational purposes from time to time.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Comparative Financial Information

The accompanying 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 (GAAP). Accordingly, such information should be read in conjunction with our audited financial statements for the year ended December 31, 2020, from which the summarized information was derived.

Grants and Contributions

Unconditional grants and contributions are recognized when promised and recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. Some of the Organization's grants and contributions may be conditioned upon certain performance requirements.

At December 31, 2021 and 2020, there were no conditional grants or contributions. Cash received that is a conditional contribution is accounted for as a refundable advance until the conditions have been substantially met or explicitly waived by the donor. Gifts of cash and other assets are reported with donor restricted support if they are received with donor stipulations that limit the use of the donated assets. When a restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as net assets without donor restriction support. Donations of property and equipment are recorded as support at their estimated fair value at the date of donation.

Cash

Cash consists of cash held in checking and money market accounts which are neither held for nor restricted by donors for long-term purposes.

Restricted Cash

Restricted cash includes funds received on deposit from pharma companies restricted for the PATH sponsor program. The cash reserves are to be used exclusively for transaction fees and the covered reimbursement amounts per the direction of the service agreement with each drug sponsor.

Grants and Contributions Receivable

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the assets. In subsequent years, amortization of the discounts is included in grant and contribution revenue in the statements of activities. The allowance for uncollectible promises to give is based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectible. At December 31, 2021 and 2020, all amounts are considered fully collectible by the Organization therefore, no allowance for uncollectible promises to give is necessary at year-end.

Donated Materials and Services

The Organization records contributions of donated professional services, and materials at their estimated value upon receipt. At December 31, 2021, the Organization recorded donated airline vouchers totaling \$2,643. Airline vouchers are reported as an asset in the statement of position. At December 31, 2020, the Organization recorded donated airline vouchers totaling \$25,100 and donated attorney services totaling \$33,775.

In addition, the Organization recorded donated auction items for the gala fundraising event totaling \$15,925. Donated auction items are reported as fundraising activities, net of direct donor benefit costs in the statement of activities.

Investments

Investments are purchased at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position. Net investment return/(loss) is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

Furniture and Equipment

Furniture and equipment are recorded at cost or, if donated, at their fair value at the date of donation. Depreciation is provided on the straight-line basis over the estimated useful lives of the assets which range from three to thirty years. Cost of additions, renewals, or betterments are capitalized; maintenance and repair are charged to expense when incurred. The Organization's policy is to capitalize assets that cost \$500 or greater.

Deferred Events Revenue

Deferred events income includes funds received in advance of fundraising events. The deferred event revenue is recognized in the period the fundraising event occurs.

Deferred PATH Sponsor Revenue

Deferred PATH sponsor revenue includes funds received in advance related to service agreements with pharma companies sponsoring the Patient Access Transforming Health (PATH) program. In accordance with Accounting Standards Codification (ASC 606), *Revenue from Contract with Customers*, deferred PATH sponsor revenue is recognized in the period the five criteria for revenue recognition are met.

Refundable Advance – Paycheck Protection Program (PPP) Loans

In 2021 and 2020, Lazarex Cancer Foundation was granted a loan under the paycheck protection program administered by a Small Business Administration (SBA) approved partner of \$125,590 and \$105,111, respectively. The loans are uncollateralized and are fully guaranteed by the Federal government. The Organization has elected to account for the funding as a conditional contribution by applying ASC 958-605, *Not-for-Profit – Revenue Recognition*. The Organization originally recorded the loans as refundable advances and subsequently recognized contribution revenue in accordance with the guidance for conditional contributions, that is, once the measurable performance or other barrier and right of return of the PPP loans no longer existed. The Organization has recognized \$230,701 as contribution revenue for the year ended December 31, 2021.

Income Taxes

The Organization is exempt from Federal income and California franchise taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the Revenue and Taxation Code, respectively. The Internal Revenue Service has classified the Organization as other than a private foundation. As such, there is no provision for income taxes. Income tax returns for 2017 and forward may be audited by regulatory agencies, however, the Organization is not aware of any such actions at this time.

The Organization has adopted Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 740 that clarifies the accounting for uncertainty in tax positions taken or expected to be taken on a tax return and provides that the tax effects from an uncertain tax position can be recognized in the financial statements only if, based on its merits, the position is more likely than not to be sustained on audit by the taxing authorities. Management believes that all tax positions taken to date are highly certain, and, accordingly, no accounting adjustment has been made to the financial statements. Interest and penalties related to uncertain tax positions are recorded as part of the income tax expense, if applicable.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Allocation of Functional Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Such allocations are determined by management on an equitable basis using a time and effort methodology.

Financial Instruments and Credit Risk

Deposit concentration risk is managed by placing cash and money market accounts with financial institutions believed to be creditworthy. At times, amounts on deposit may exceed the \$250,000 Federal Deposit Insurance Corporation (FDIC) insured limit. At December 31, 2021 and 2020, approximately \$1,082,000 and \$1,330,800, respectively, was uninsured. To date, the Organization has not experienced losses in any of these accounts. Credit risk associated with grants and contributions receivable is considered to be limited due to high historical collection rates and because all of the outstanding amounts are due from foundations, corporations and individual donors supportive of the Organization's mission. The fair values of investments are subject to fluctuation on a year-to-year basis. Management believes that the investment policies and guidelines are prudent for the long-term welfare of the Organization.

New Accounting Pronouncement

On February 25, 2016, FASB issued Accounting Standards Update (ASU) No. 2016-02, *Leases* (Topic 842). The objective of this ASU is to increase transparency and comparability in financial reporting by requiring the recognition of right of use assets and lease liabilities for lease contracts with terms greater than 12 months and note disclosure of certain information about lease arrangements. Adoption of ASC 842 is mandatory and is effective for fiscal years beginning after December 15, 2021.

Note 2 - Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

Cash	\$	1,487,541
Grants and contributions receivable		45,066
Interest receivable		1,009
Other receivable		340
		340
	\$	1,533,956

As part of the Organization’s liquidity management, it has a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In the event of an unanticipated liquidity need, the Organization could liquidate certificate of deposit and U.S Treasury bill investments totaling \$5,658,792 at December 31, 2021. These funds would only be used for the purposes to which they were given for their specific programs.

Note 3 - Fair Value Measurements and Disclosures

The Organization reports certain financial instruments at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity’s own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 - Quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 1 asset and liabilities may include debt and equity securities that are traded in an active exchange market and that are highly liquid and are actively traded in over-the-counter markets.

Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. Level 2 assets and liabilities may include debt securities with quoted prices that are traded less frequently than exchange-traded instruments and other instruments whose value is determined using a pricing model with inputs that are observable in the market or can be derived principally from or corroborated by observable market data. This category generally includes U.S.

Government and agency mortgage-backed debt securities, corporate debt securities, derivative contracts, residential mortgage, and loans held-for-sale.

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation. This category generally includes certain private equity investments, retained residual interests in securitizations, residential MSRs, asset-backed securities (ABS), highly structured or long-term derivative contracts and certain collateralized debt obligations (CDO) where independent pricing information was not able to be obtained for a significant portion of the underlying assets.

Assets and Liabilities Recorded at Fair Value on a Recurring Basis

The following table presents the balances of assets measured at fair value on a recurring basis as of December 31, 2021. The Organization did not have any liabilities measured at fair value on a recurring basis as of December 31, 2021.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
U.S Treasury bills	\$ 1,250,975	\$ -	\$ -	\$ 1,250,975
Certificates of deposit	-	4,407,817	-	4,407,817
	<u>\$ 1,250,975</u>	<u>\$ 4,407,817</u>	<u>\$ -</u>	<u>\$ 5,658,792</u>

Note 4 - Investments

Investments are recorded at fair value on the statements of financial position. The following table summarizes the investment returns which are recorded in the statement of activities at December 31:

	<u>2021</u>	<u>2020</u>
Realized gains (losses) on investments	\$ -	\$ (63)
Unrealized gains (losses) on investments	(3,075)	576
Interest and dividends	4,004	36,642
	<u>929</u>	<u>37,155</u>
Investment fees	-	-
	<u>\$ 929</u>	<u>\$ 37,155</u>

Note 5 - Grants and Contributions Receivable

Grants and contributions receivable consist of the following unconditional promises to give:

	2021	2020
Receivable in less than one year	\$ 45,066	\$ 2,485,257
Grants and contributions receivable	\$ 45,066	\$ 2,485,257

Note 6 - Furniture and Equipment

Furniture and equipment consist of the following as of December 31:

	2021	2020
Furniture and equipment	\$ 53,252	\$ 46,070
Less accumulated depreciation	(27,254)	(20,050)
Total capital assets	\$ 25,998	\$ 26,020

Depreciation expense for the years ended December 31, 2021 and 2020 was \$7,204 and \$6,357, respectively.

Note 7 - Net Assets with Donor Restrictions

At December 31, 2021, net assets with donor restrictions are restricted for the following purposes:

IMPACT program - USC/UCSF (Amgen)	\$ 305,747
IMPACT program - Abramson Cancer Center (Amgen)	456,850
IMPACT program - Abramson Cancer Center (Merck & Co.)	1,756,037
IMPACT program - MD Anderson Medical Center (Genentech)	2,106,630
IMPACT program - Cancer Wellness Hub, Los Angeles (Amgen)	148,792
Community IMPACT program - US Oncology (Amgen)	706,788
CARE program - ovarian cancer patients (Be the Difference Foundation)	16,323
Cancer Wellness Hub program - (Amgen)	288,012
Cancer Wellness Hub program - (Gilead Sciences)	188,285
Cancer Wellness Hub program - (Seagen)	58,898
Total	\$ 6,032,362

Note 8 - Net Assets Released from Restriction

At December 31, 2021, net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time as follows:

IMPACT program - USC/UCSF (Amgen)	\$ 117,633
IMPACT program - Abramson Cancer Center (Amgen)	25,123
IMPACT program - Abramson Cancer Center (Merck & Co.)	100,493
IMPACT program - MD Anderson Medical Center (Genentech)	1,043,557
IMPACT program - Cancer Wellness Hub, Los Angeles (Amgen)	143,506
Community IMPACT program - US Oncology (Amgen)	914
NeighborhoodGood program, all IMPACT sites (Gilead Sciences)	111,500
Patients in Stand Up to Cancer trials	12,377
CARE program - ovarian cancer patients (Be the Difference Foundation)	4,477
CARE program - breast cancer patients (Daiichi-Sankyo)	<u>29,399</u>
Total	<u><u>\$ 1,588,979</u></u>

Note 9 - Related Party Transactions

As of December 31, 2021 and 2020, Lazarex Cancer Foundation board members, management and employees contributed cash in support of the Organization's mission totaling approximately \$805,465 and \$668,848, respectively.

Note 10 - Revenue from Contracts with Customers

Deferred PATH sponsor revenue is a contract liability that represents amounts received prior to the commencement of expense reimbursement for patients' clinical trial related travel expenses.

The beginning and ending balances for deferred PATH sponsor revenue were as follows for the years ended December 31, 2021 and 2020:

	2021	
	January 1	December 31
Deferrred PATH sponsor revenue	\$ -	\$ 450,780
	2020	
	January 1	December 31
Deferrred PATH sponsor revenue	\$ -	\$ -

Note 11 - Lease Commitment

The Organization rents its administrative office under an operating lease that will expire on September 30, 2026.

Future minimum lease payments under this lease are as follows:

2022	\$	72,662
2023		64,980
2024		66,924
2025		68,940
2026		35,505
		<hr/>
	\$	<u>309,011</u>

Rent expense for the years ended December 31, 2021 and 2020 totaled \$91,984 and \$111,245, respectively.

Note 12 - Donor Concentration

The Organization has certain donors whose revenue individually represented 10% or more of the Organization's total revenue. For the twelve months ended December 31, 2021 and 2020, three donors accounted for 48% and two donors accounted for 65% of grants and contributions revenue, respectively. The Organization expects to maintain relationships with these donors. Loss of significant donors or the failure to attract new donors could have a material adverse effect on the Organization.

Note 13 - Subsequent Events

The Organization's management has evaluated events or transactions that may occur for potential recognition or disclosure in the financial statements from the balance sheet date through June 29, 2022, which is the date the financial statements were available to be issued. Management has determined that there were no subsequent events or transactions that would have a material impact on the current year financial statements.