

National Cancer Center, Inc.

Audited Financial Statements

March 31, 2023

TABLE OF CONTENTS

Independent Auditors' Report.....	1
Statement of Financial Position.....	2
Statement of Activities.....	3
Statement of Functional Expenses.....	4
Statement of Cash Flows.....	5
Notes to Financial Statements.....	6-12
Supplemental Information:	
Schedule of Investments.....	13



Mark C. Goldberg, CPA
Mark Raphael, CPA
Floria Samii-Nikpour, CPA
Allan B. Cohen, CPA
Michael R. Sullivan, CPA

Anita C. Jacobsen, CPA

Founding Partner:
Melvin Goldberg, CPA

INDEPENDENT AUDITORS' REPORT

Board of Directors
National Cancer Center, Inc.
Plainview, New York

To the Board of Directors:

We have audited the accompanying statement of financial position of National Cancer Center, Inc. (a non-profit organization) as of March 31, 2023 and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Center's Board of Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

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 design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement due to fraud or error.

Auditors' 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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosure 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 Organization'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 Organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and 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 opinion.

Auditors' Report on Supplemental Information

The supplemental information, Schedule of Investments, has been subjected to audit procedures performed in conjunction with the audit of the Organization's financial statements. The supplemental information is the responsibility of the Organization's management. Our audit procedures included determining whether the supplemental information reconciles to the financial statements or the underlying financial or accounting records as applicable. We performed procedures to test the completeness and accuracy of the supplemental information including its form and content.

In our opinion, the supplemental information is fairly stated in all material respects in relation to the financial statements as a whole.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of National Cancer Center, Inc. as of March 31, 2023 and the changes in net assets and its cash flows for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Raphael Goldberg Nikpour Cohen & Sullivan CPAs PLLC

Raphael Goldberg Nikpour Cohen & Sullivan
Certified Public Accountants PLLC
Woodbury, New York
December 31, 2023

NATIONAL CANCER CENTER, INC.
STATEMENT OF FINANCIAL POSITION
AS OF MARCH 31, 2023

ASSETS

Current Assets	
Cash	\$ 1,656,200
Unconditional Pledges Receivable	465,706
Investments - Unrestricted	<u>1,648,424</u>
Total Current Assets	<u>3,770,330</u>
Other Assets	
Right of Use Asset	58,269
Deposits	<u>800</u>
Total Assets	<u><u>\$ 3,829,399</u></u>

LIABILITIES AND NET ASSETS

Liabilities	
Accounts Payable and Accrued Expenses	\$ 294,100
Grants Payable	721,583
Lease Liability	<u>58,269</u>
Total Liabilities	<u>1,073,952</u>
Net Assets	
Unrestricted	<u>2,755,447</u>
Total Net Assets	<u>2,755,447</u>
Total Liabilities and Net Assets	<u><u>\$ 3,829,399</u></u>

The accompanying notes are an integral part of these financial statements.

NATIONAL CANCER CENTER, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MARCH 31, 2023

Public Support and Revenue	
Public Support:	
Clothing Drive	\$ 11,830
Fundraising Activities	<u>4,493,369</u>
Total Support and Revenue without donor restrictions	<u>\$ 4,505,199</u>
Expenses:	
Program Services- Research Grants	\$ 774,000
Program Services- Education	<u>496,588</u>
Total Program Services	<u>\$ 1,270,588</u>
Supporting Services:	
General and Administrative	\$ 351,712
Fundraising	<u>2,882,786</u>
Total Supporting Services	<u>3,234,498</u>
Total Expenses	<u>\$ 4,505,086</u>
Net Assets without Donor Restrictions	<u>\$ 113</u>
Other Comprehensive Income(Loss)	\$ (132,438)
Other Income	<u>48,197</u>
Total Other Income(Loss)	<u>\$ (84,241)</u>
Change in Net Assets	(84,128)
Net Assets at the Beginning of the Year	<u>2,839,575</u>
Net Assets at End of Year	<u><u>\$ 2,755,447</u></u>

The accompanying notes are an integral part of these financial statements.

NATIONAL CANCER CENTER, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED MARCH 31, 2023

PROGRAM SERVICES SUPPORTING SERVICES

DIAGNOSTIC MATERIALS & RESEARCH SUPPORT	PUBLIC AND PROFESSIONAL EDUCATION	TOTAL PROGRAM SERVICES	MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL FUNCTIONAL EXPENSES
GRANTS AND ALLOCATIONS		768,000			768,000
SALARIES AND WAGES			135,590		135,590
PAYROLL TAXES	34,925	34,925		34,925	34,925
PROFESSIONAL FUNDRAISING FEES	3,404	3,404	13,214	3,404	20,022
ACCOUNTING			32,900	180,501	180,501
LEGAL			18,799		18,799
CONSULTING			78,770		78,770
LICENSING FEES AND PERMITS			500		500
OCCUPANCY		2,732	10,608	2,732	16,072
OFFICE EXPENSE	1,299	1,299	6,340		7,639
TELEPHONE	698	698	2,709	698	4,105
POSTAGE	195,073	195,073	5,133	826,493	1,026,699
PRINTING AND PUBLICATIONS	258,547	258,547	8,080	1,349,294	1,615,921
CAGING				303,646	303,646
NSF CHECKS				68,428	68,428
TRAVEL			5,155		5,155
BANK CHARGES					
INSURANCE				43,644	43,644
REGISTRATION FEES			29,088		29,088
LIST RENTAL NET			4,826		4,826
HONORARIUM	6,000	6,000		67,031	67,031
SWEEPS WINNER				1,900	1,900
TOTAL	\$ 774,000	\$ 1,270,678	\$ 351,712	\$ 2,882,696	\$ 4,505,086

NATIONAL CANCER CENTER, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2023

Cash Flows from Operating Activities	<u>\$ (84,241)</u>
Change in Net Assets	
Adjustments to reconcile Change in Net Assets to Net Cash provided by (used in) Operating Activities:	
Unrealized Loss (Gain) on Investments	46,458
Increase (Decrease) in Cash Flows as a Result of Changes in Asset and Liability Account Balances:	
Increase in Assets	(58,269)
Unconditional Pledges Receivable	(86,281)
Accounts Payable	187,623
Grants Payable	(24,720)
Lease Liability	58,269
	<u>123,080</u>
Net Increase (Decrease) in Cash	
Net Cash provided by Operating Activities	<u>38,839</u>
Net Cash used in Investment and Financing Activities	<u>(20,153)</u>
Net Increase (Decrease) in Cash	<u>18,686</u>
Cash at Beginning of Year	<u>1,637,514</u>
Cash at End of Year	<u>\$ 1,656,200</u>

The accompanying notes are an integral part of these financial statements.

NATIONAL CANCER CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023

1. Organization and Summary of Significant Accounting Policies

Nature of Operations

The National Cancer Center, Inc. was founded in 1953 as a research service organization. National Cancer Center, Inc. programs include the creation of a series of free educational pamphlets for physicians and the public, promoting cytology testing for early cancer diagnosis, and supporting research and clinical studies through a program of grant awards to researchers in cancer institutions throughout the United States in cytology, breast cancer, pediatric cancer research, aggressive cancer conditions and prostate cancer.

The National Cancer Center, Inc. ("Organization") is a non-profit organization exempt from Federal income tax pursuant to Internal Revenue Code Section 501 (c) (3) and has been designated an organization which is not a private foundation. The Organization is exempt from all state and local income, sales, rent and other miscellaneous taxes. The Organization maintains its accounts and presents its financial statements utilizing fund accounting and other principles set forth in Standards of Accounting and Financial Reporting for Voluntary Health and Welfare Organizations.

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Basis of Presentation

Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and the changes therein are classified and reported as follows:

Unrestricted - Resources not subject to donor-imposed stipulations or Board restrictions.

Temporarily Restricted - Resources restricted by the Board for use at a later date.

Permanently Restricted - Resources subject to donor-imposed stipulations requiring that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on related investments for specific purposes.

NATIONAL CANCER CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with Generally Accepted Accounting Principles of the United States of America.

Cash and Cash Equivalents

Cash includes demand deposits and highly liquid financial instruments purchased with original maturities of three months or less. The carrying amount of cash equivalents approximates fair value.

Certain cash balances are required to be held in separate bank accounts in accordance with contractual arrangements.

Unconditional Pledges

Receivables consist of amounts due to the Organization related to the direct mail programs. Management writes off receivables when it determines that an amount will not be collected and considers all receivables at March 31, 2023 to be collectible. Therefore, no allowance for doubtful accounts is recorded at March 31, 2023. All receivables are considered current at March 31, 2023.

Fund-raising Costs

Fund-raising costs, including the cost of fund-raising events, are incurred to persuade potential donors to make contributions and are expensed as incurred. Fund-raising costs incurred during the current fiscal period, are for those made to obtain bequests, or solicit contributions in a direct response activity, may result in contributions that will be received in future periods. These costs also are expensed as incurred.

Investments

In accordance with accounting standards, investments in marketable securities with readily determinable values are reported at fair value in the Statement of Financial Position. Unrealized gains and losses are included in the Statement of Activities.

Contributions

In accordance with accounting standards, contributions received by the Organization are recorded as unrestricted, temporarily restricted or permanently restricted support, depending on the existence and nature of any donor restriction.

NATIONAL CANCER CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023

When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

Unrestricted contributions to the Organization are recognized as support and revenue when received. Pledges are recorded on the date of the pledge. Donated property and equipment are recorded at fair market value at the date of the gift, only if fair market value can be accurately determined.

Use of Estimates

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

2. Fair Value Measurements

Effective January 1, 2008, the Organization adopted Statement of Financial Accounting Standards ("SFAS") ASC 820 "Fair Value Measurements and Disclosures," for assets and liabilities measured at fair value on a recurring basis. The adoption of ASC 820 had no effect on the Company's financial statements. ASC 820 accomplishes the following key objectives:

Defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date;

Establishes a three-level hierarchy (the "Valuation Hierarchy") for fair value measurements;

Requires consideration of the Company's creditworthiness when valuing liabilities; and

Expands disclosures about instruments measured at fair value.

The Valuation Hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. A financial instrument's categorization within the Valuation Hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

The three levels of the Valuation Hierarchy and the distribution of the Company's financial assets within it are as follows:

Level 1 - inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 - inputs to the valuation methodology included quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

NATIONAL CANCER CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023

Level 3 - inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Certain financial instruments are carried at cost on the balance sheet, which approximates fair value due to their short-term, highly liquid nature. These instruments include cash and cash equivalents, pledges receivable, accrued expenses and other liabilities, and deferred revenue.

Investments measured at fair value consisted of the following types of instruments as of March 31, 2023 (Level 1, 2, and 3 inputs are defined as of above):

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Exchange Traded Funds	\$ 1,636,198	-	-	\$ 1,636,198
Cash and Equivalents	<u>12,226</u>	<u>-</u>	<u>-</u>	<u>12,226</u>
Total Investments at Cash Value	<u>\$ 1,648,424</u>	<u>-</u>	<u>-</u>	<u>\$ 1,648,424</u>

1. Lease Obligations

National Cancer Center, Inc. leases its office space in West Islip, New York. In February 2016, the FASB issued (ASU)2016-02, Leases (Topic842). This update includes a lease accounting model that recognizes two types of leases – finance leases and operating leases. The standard requires that a lessee recognize on the balance sheet assets and liabilities relating to leases with terms in excess of 12 months. The recognition, measurement and presentation of expenses and cash flows arising from a lease by a lessee will depend on its classification as a finance or operating lease and is effective for the Organization beginning March 1, 2023.

Scheduled below are the estimated annual operating lease expenses:

<u>Year</u>	<u>Amount</u>
2024	\$ 18,852
2025	19,417
2026	<u>20,000</u>
Total	<u>\$ 58,269</u>

NATIONAL CANCER CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023

4. Investments

Investment assets consist of exchange traded funds. Funds are stated at cost plus accumulated appreciation.

Market values and unrealized appreciation (depreciation) at March 31, 2023 are summarized as follows:

	Beginning Balance	Unrealized (Loss)	Dividends Reinvested	Additions	Investment Advisory Fees	Fair Value
Unrestricted	\$ 1,754,376	(132,437)	46,548	-	(20,063)	\$ 1,648,424

5. Concentrations

The Organization maintains cash in bank accounts, which at times, may exceed federal insured limits. Cash balances, as of the Statement of Financial Position date, are in excess of the maximum federal insured limit. The Organization has one major vendor accounting for approximately \$2,900,000 in current expenses.

6. Grants Payable

Grants payable consist of amounts awarded but not paid for research. All amounts are to be paid in the 2023/2024 fiscal year. Total research grants for the year ending March 31, 2023 were \$768,000.

7. Functional Allocation of Expenses

The costs of providing programs and activities have been summarized on a functional basis in the Statement of Activities and Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services, benefited as estimated by the Organization's management.

8. Employee Benefit Plan

The Organization has established a Tax-Sheltered Annuity program for its employees under Section 403(b) of the Internal Revenue Code. The Plan allows an employee of the Organization to defer a portion of his or her salary. The Organization is not required to make any contributions on behalf of the employees.

NATIONAL CANCER CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023

9. Allocation of Joint Costs

In 2023, the Organization conducted activities that included appeals for contributions toward education on cancer research and information on the detection and prevention of Breast Cancer, Prostate Cancer and Leukemia. As a result, the Organization had estimated joint costs of \$520,736.

Joint Costs are as follows:

Management and General	\$	42,360
Postage		195,073
Honorariums		6,698
Printing		<u>258,547</u>
Total Joint Costs	\$	<u>502,678</u>

10. Subsequent Events

These financial statements were approved by management and are available for issuance on December 31, 2023. Subsequent events have been evaluated through this date.

11. Uncertain Tax Positions

The Organization complies with FIN No. 48 "Accounting for Uncertainty in Income Taxes" an interpretation of FASS Statement No. 109 (ASC 740). The adoption of ASC 740 did not have any impact on the Organization's financial statements. The Organization's federal and state income tax and information returns are subject to possible examination by the taxing authorities until expiration of the related statutes of limitations on those tax returns. In general, federal and state tax returns have a three-year statute of limitations. The Organization would recognize accrued interest and penalties associated with uncertain tax provisions.

NATIONAL CANCER CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023

12. New Pronouncements

FASB issued new accounting and reporting standards under ASU 2016-14. The purpose of the standard is to improve current net asset classification and disclosure and information presented in financial statements and notes regarding a non-profit organization's liquidity, financial performance and cash flow.

The Organization has adopted the standard as of March 31, 2023 and made the appropriate disclosures.

Topic 842 New Leasing Standard Considerations was considered when the Organization reviewed its lease to ensure its accounting policies adhere to the new standard.

Supplemental Information

NATIONAL CANCER CENTER, INC.
SCHEDULE OF INVESTMENTS
FOR THE YEAR ENDED MARCH 31, 2023

Security	Balance at March 31, 2023
Shares CORE MSCI	\$ 63,427
Shares Core S&P Small Cap	15,181
Shares ESG Aware MSCI	136,760
Shares I Shares High Yield	72,731
Shares JP Morgan SD MTS	49,180
Shares MBSMBS ETF	189,365
Shares MSCI EAFE Growth	66,981
Shares MSCI EAFE Value	71,047
Shares MSCI Value	24,441
Shares MSCI USA MOMNTUM	14,887
Shares Total USD Bond	447,793
Shares US TREASURY Bond	91,907
Shares 0 to 3 MNTH	32,789
 Schwab Intermediate Term	 75,191
 VANECK FALLEN ANGEL HIGH	 16,503
VANGUARD INFORMATION	25,826
VANGUARD S&P ETF	242,189
CASH	12,226
 TOTAL INVESTMENTS	 \$ <u>1,648,424</u>

The accompanying notes are an integral part of these financial statements.