

The Samuel Waxman Cancer Research Foundation, Inc.

Financial Statements
Year Ended June 30, 2022

The Samuel Waxman Cancer Research Foundation, Inc.

Financial Statements
Year Ended June 30, 2022

The Samuel Waxman Cancer Research Foundation, Inc.

Contents

Independent Auditor's Report	3-4
Financial Statements	
Statement of Financial Position as of June 30, 2022	5
Statement of Activities for the Year Ended June 30, 2022	6
Statement of Functional Expenses for the Year Ended June 30, 2022	7
Statement of Cash Flows for the Year Ended June 30, 2022	8
Notes to Financial Statements	9-18



Tel: 212-371-4446
Fax: 212-371-9374
www.bdo.com

622 Third Ave, Suite 3100
New York, NY 10017

Independent Auditor's Report

The Board of Directors
The Samuel Waxman Cancer Research Foundation, Inc.
New York, New York

Opinion

We have audited the financial statements of The Samuel Waxman Cancer Research Foundation, Inc. (the Foundation), 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 Foundation as of June 30, 2022, 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 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation 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 Foundation's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

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.

BDO USA, LLP, a Delaware limited liability partnership, is the U.S. member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

BDO is the brand name for the BDO network and for each of the BDO Member Firms.



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 the 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 the 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 Foundation's 2021 financial statements and our report, dated March 28, 2022, expressed an unmodified opinion on those audited financial statements. 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.

BDO USA LLP

March 20, 2023

The Samuel Waxman Cancer Research Foundation, Inc.

Statement of Financial Position (with comparative totals for 2021)

<i>June 30,</i>	2022	2021
Assets		
Current Assets		
Cash and cash equivalents (Note 2)	\$ 2,752,445	\$ 2,205,049
Pledges receivable (Notes 2 and 5)	1,236,000	1,313,823
Bequest receivable (Note 2)	249,295	-
Prepaid expenses	489,194	203,069
Investments, at fair value (Notes 2 and 4)	12,518	13,653
Other receivables	71,488	11,488
Total Current Assets	4,810,940	3,747,082
Long-Term Assets		
Pledges receivable, net of current portion and discounts (Notes 2 and 5)	1,282,054	1,059,481
Fixed assets, net (Note 2)	8,762	4,837
Other assets	23,275	23,275
Total Assets	\$ 6,125,031	\$ 4,834,675
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued expenses	\$ 118,187	\$ 158,613
Grants payable (Note 2)	4,785	525,000
Deferred revenue (Note 2)	161,067	111,300
Total Current Liabilities	284,039	794,913
Paycheck Protection Program (PPP) Loan (Note 6)	-	97,452
Deferred Rent (Notes 2 and 7)	17,227	23,211
Total Liabilities	301,266	915,576
Commitments and Contingencies (Notes 2, 3, 6, and 7)		
Net Assets (Notes 2, 3, and 8)		
Without donor restrictions	3,218,468	1,622,802
With donor restrictions	2,605,297	2,296,297
Total Net Assets	5,823,765	3,919,099
Total Liabilities and Net Assets	\$ 6,125,031	\$ 4,834,675

See accompanying notes to financial statements.

The Samuel Waxman Cancer Research Foundation, Inc.

Statement of Activities (with comparative totals for 2021)

Year ended June 30,

	Without Donor Restrictions	With Donor Restrictions	Total	
			2022	2021
Support and Revenue				
Contributions and grants	\$ 1,128,055	\$ 1,337,500	\$ 2,465,555	\$ 911,030
Special events, net of direct benefits to donors of \$1,463,493 and \$536,770, respectively	2,237,039	-	2,237,039	1,583,854
Investment income, net of fees	2,366	-	2,366	15,561
Net assets released from restrictions (Note 8)	1,028,500	(1,028,500)	-	-
Gain on extinguishment of debt - PPP loan (Note 6)	97,452	-	97,452	99,895
Total Support and Revenue	4,493,412	309,000	4,802,412	2,610,340
Expenses				
Program services	2,078,192	-	2,078,192	2,825,053
Management and general	303,019	-	303,019	273,999
Fundraising	516,535	-	516,535	494,002
Total Expenses	2,897,746	-	2,897,746	3,593,054
Change in Net Assets	1,595,666	309,000	1,904,666	(982,714)
Net Assets, beginning of year	1,622,802	2,296,297	3,919,099	4,901,813
Net Assets, end of year	\$ 3,218,468	\$ 2,605,297	\$ 5,823,765	\$ 3,919,099

See accompanying notes to financial statements.

The Samuel Waxman Cancer Research Foundation, Inc.

Statement of Functional Expenses (with comparative totals for 2021)

Year ended June 30,

	Program Services	Supporting Services		Total	
		Management and General	Fundraising	2022	2021
Research Grants					
Mount Sinai Medical Center	\$ 213,511	\$ -	\$ -	\$ 213,511	\$ 293,279
Institute Without Walls	817,714	-	-	817,714	1,560,107
Total Research Grants	1,031,225	-	-	1,031,225	1,853,386
Other Expenses					
Salaries and related benefits	362,782	177,172	303,724	843,678	740,569
Scientific directors	280,000	-	-	280,000	290,000
Consultants	40,627	19,841	34,014	94,482	58,022
Professional fees	56,072	27,384	46,944	130,400	107,221
Printing and publications	24,747	12,086	20,719	57,552	39,545
Travel	5,378	2,626	4,503	12,507	6,361
Insurance	6,496	3,173	5,439	15,108	14,087
Office, printing, and stationary	19,258	9,405	16,123	44,786	46,161
Taxes and licenses	-	1,709	-	1,709	7,999
Occupancy and utilities	76,135	37,182	63,740	177,057	186,477
Equipment rental and maintenance	20,573	10,047	17,224	47,844	41,703
Bad debt expense	150,000	-	-	150,000	175,000
Miscellaneous expenses	4,899	2,394	4,105	11,398	26,523
Total Expenses	\$ 2,078,192	\$ 303,019	\$ 516,535	\$2,897,746	\$ 3,593,054

See accompanying notes to financial statements.

The Samuel Waxman Cancer Research Foundation, Inc.

Statement of Cash Flows (with comparative totals for 2021)

<i>Year ended June 30,</i>	2022	2021
Cash Flows from Operating Activities		
Change in net assets	\$ 1,904,666	\$ (982,714)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense	2,302	2,259
Bad debt expense	150,000	175,000
Net unrealized loss on investments	1,135	364
Bequest receivable	(249,295)	-
Net present value discount on pledge receivables	100,946	72,019
Donated investments	(73,027)	(71,927)
Gain on extinguishment of debt - PPP loan	(97,452)	(99,895)
Change in operating assets and liabilities:		
Decrease (increase) in:		
Pledges receivable	(395,696)	388,530
Prepaid expenses	(286,125)	(110,012)
Other receivables	(60,000)	94,822
Increase (decrease) in:		
Accounts payable and accrued expenses	(40,426)	59,062
Grants payable	(520,215)	525,000
Deferred rent	(5,984)	(14,863)
Deferred revenue	49,767	111,300
Net Cash Provided by Operating Activities	480,596	148,945
Cash Flows from Investing Activities		
Purchase of fixed assets	(6,227)	-
Proceeds from the sale of donated investments	73,027	71,927
Net Cash Provided by Investing Activities	66,800	71,927
Cash Flow from Financing Activities		
Proceeds from PPP loan	-	97,452
Net Cash Provided by Financing Activities	-	97,452
Net Increase in Cash and Cash Equivalents	547,396	318,324
Cash and Cash Equivalents, beginning of year	2,205,049	1,886,725
Cash and Cash Equivalents, end of year	\$ 2,752,445	\$ 2,205,049

See accompanying notes to financial statements.

The Samuel Waxman Cancer Research Foundation, Inc.

Notes to Financial Statements

1. Description of Foundation

The Samuel Waxman Cancer Research Foundation, Inc. (the Foundation) is a scientific research foundation dedicated to supporting a focused research program to develop targeted, cancer-cell-specific therapies. The Foundation primarily supports programs for cancer-related research, and develops drug therapies for cancer prevention, treatment, and ultimately a cure. The Foundation helps to organize conferences that share findings on differentiation therapy and helps to support and assist researchers in the publication of research papers in many major scientific journals.

The Foundation is organized under the not-for-profit corporation law of the state of New York. The Foundation has been granted exemption from federal income tax pursuant to Section 501(c)(3) of the Internal Revenue Code (the Code) and has been determined not to be a private foundation within the meaning of Section 509(a) of the Code.

2. Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements have been prepared on an accrual basis of accounting, in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP).

In the statement of financial position, assets are presented in order of liquidity or conversion to cash and liabilities are presented according to their maturity resulting in the use of cash, respectively.

Financial Statement Presentation

The classification of the Foundation's net assets and its support, revenue, and expenses is based on the existence or absence of donor-imposed restrictions. It requires that the amounts for each of two classes of net assets—net assets without donor restrictions and net assets with donor restrictions—be displayed in the statement of financial position and that the amounts of change in each of those classes of net assets be displayed in the statement of activities.

Interest, dividends, and gains and losses on investments are reflected in the statement of activities as increases and decreases in net assets without donor restrictions, unless their use is restricted by explicit donor stipulations or by law. Investment income and gains restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the income is recognized.

These classes are defined as follows:

Net Assets Without Donor Restrictions - This class consists of the part of net assets that is not subject to donor-imposed stipulations and are, therefore, available for the general operations of the Foundation. The net assets without donor restrictions are used to account for all resources over which the Board of Directors has discretionary control.

Net Assets with Donor Restrictions - This class consists of net assets resulting from contributions and other inflows of assets whose use by the Foundation is limited by donor-imposed stipulations

The Samuel Waxman Cancer Research Foundation, Inc.

Notes to Financial Statements

that either expire by passage of time or can be fulfilled and removed by actions of the Foundation, pursuant to those stipulations. When such stipulations end or are fulfilled, such donor-restricted net assets are reclassified to net assets without donor restrictions and reported in the statement of activities.

Cash and Cash Equivalents

The Foundation considers all highly liquid instruments purchased with a maturity of three months or less and money market accounts with dollar-for-dollar values to be cash and cash equivalents.

Investments at Fair Value

The Foundation reflects investments at fair value in the accompanying statement of financial position.

The fair values of alternative investments that are not readily marketable are based on the fair values of the underlying investments provided by the investment managers, which are reviewed for reasonableness by management. Because of the inherent uncertainty of valuation of the Foundation's alternative investments, values for those investments may differ significantly from values that would have been used had a ready market for the investments existed.

Investment income, net of fees, is recognized when earned, and consists of interest, dividends, and realized and unrealized gains and losses, less direct external investment expenses. Dividends are recorded at the ex-dividend date. Purchases and sales are recorded on a trade-date basis.

Fair Value Measurements

U.S. GAAP establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that inputs that are most observable be used when available. Observable inputs are those that market participants operating within the same marketplace as the Foundation would use in pricing its assets or liabilities based on independently derived and objectively determinable market data. Unobservable inputs are inputs that cannot be sourced from a broad active market in which assets or liabilities identical or similar to those of the Foundation are traded. The Foundation estimates the price of any assets for which there are only unobservable inputs by using assumptions that market participants that have investments in the same or similar assets would use, as determined by the money managers administering each investment based on the best information available in the circumstances. The input hierarchy is broken down into three levels based on the degree to which the exit price is independently observable or determinable, as follows:

Level 1 - Valuation is based on quoted market prices in active markets for identical assets or liabilities. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these products does not entail a significant degree of judgment.

Level 2 - Valuations are based on: (a) quoted prices for similar assets or liabilities in active markets, (b) quoted prices for identical or similar assets or liabilities in inactive markets, (c) inputs other than quoted prices that are observable for the asset or liability, and (d) inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

The Samuel Waxman Cancer Research Foundation, Inc.

Notes to Financial Statements

Level 3 - Valuation is based on inputs that are unobservable and reflect management's best estimate of what market participants would use as fair value.

Pledges Receivable, Bequest Receivable, and Contributions

Contributions are recognized when the donor makes a promise-to-give to the Foundation in substance and unconditionally. Conditional contributions and promises-to-give are not recognized until they become unconditional—that is, when the future and uncertain event on which they depend has occurred. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. Pledges receivable due after one year are discounted to net present value using the risk-adjusted interest rate in effect on the date of the gifts.

Contributions of assets other than cash are recorded at their estimated fair value at the date of the gift. Many volunteers, including the Board of Directors, have made significant contributions of time in furtherance of the Foundation's policies and programs. The value of this contributed time does not meet the criteria for recognition and, therefore, is not reflected in the accompanying financial statements.

Allowance for Uncollectible Receivables

The Foundation determines whether an allowance for uncollectible receivables should be provided for pledges and other receivables. Such estimates are based on management's assessment of the likelihood of collection, including consideration of how long the receivable has been outstanding, the creditworthiness of the debtor, current economic conditions, management's analysis of specific pledges made, and historical information. There was no allowance recorded as of June 30, 2022, since pledges receivable, as stated in the financial statements, are deemed by the Foundation's management to be fully collectible.

Deferred Revenue

Advanced payment for future event tickets and sponsorships are recorded as deferred revenue. As of June 30, 2022, the Foundation has a deferred revenue balance of \$161,067.

Fixed Assets

Purchases of fixed assets are recorded at cost. The Foundation capitalizes property and equipment having a cost of \$1,000 or more and a useful life of greater than one year. Depreciation and amortization is recognized using the straight-line method over the estimated useful lives of the assets. Leasehold improvements are amortized over the shorter of the useful life of the asset or the remaining term of the lease. As of June 30, 2022, fixed assets have a net book value of \$8,762. The estimated useful lives of fixed assets are as follows:

Asset Category	Years
Computer equipment and software	5
Furniture and fixtures	5

The Foundation reviews long-lived assets for impairment whenever events or changes in business circumstances indicate that a carrying amount of an asset may not be recoverable. An impairment

The Samuel Waxman Cancer Research Foundation, Inc.

Notes to Financial Statements

loss would be recognized when the estimated future cash flows from the use of the asset are less than the carrying amount of that asset. As of June 30, 2022, there have been no such losses.

Research Grants Payable

Research grants are awarded for one or two years. Grant expense is recorded when the terms of the grant are substantively met. At June 30, 2022, there were \$4,785 in grants payable. All of these grants were paid in fiscal year 2023.

Functional Allocation of Expenses

The costs of providing the various program and supporting services have been summarized on a functional basis in the accompanying statement of functional expenses. The majority of expenses can generally be directly identified with the program or supporting services to which they relate and are allocated accordingly. Other expenses have been allocated among management and general and fundraising classifications primarily on the basis of the employees' time allocations.

Deferred Rent

Rent expense is being recognized on a straight-line basis over the lives of the leases. The difference between rent expense recognized and rental payments, as stipulated in the respective leases, are reflected as deferred rent in the statement of financial position. Any landlord incentives on leasehold improvement costs will be amortized over the lives of the leases.

Concentrations of Credit Risk

Financial instruments that potentially subject the Foundation to concentration of credit risk consist primarily of cash and cash equivalents. At various times, the Foundation has cash deposits at financial institutions that exceed the Federal Deposit Insurance Corporation insurance limits. The Foundation has not experienced any losses in such accounts and does not believe it is exposed to any significant credit risk on its cash and cash equivalent accounts.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Comparative Financial Information

The financial statements include certain prior year summarized comparative information. With respect to the statement of activities, the prior year information is presented in total, not by net asset class. With respect to the statement of functional expenses, the prior year expenses are presented by expense classification in total rather than functional category. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Foundation's financial statements for the year ended June 30, 2021, from which the summarized information was derived.

The Samuel Waxman Cancer Research Foundation, Inc.

Notes to Financial Statements

Income Taxes

The Foundation is exempt from federal, state, and local income taxes under Section 501(c)(3) of the Code and, therefore, has made no provision for income taxes in the accompanying financial statements.

Under U.S. GAAP, an organization must recognize the tax benefit associated with tax positions taken for tax return purposes when it is more likely than not that the position will be sustained upon examination by a taxing authority. The Foundation does not believe it has taken any material uncertain tax positions and, accordingly, it has not recorded any liability for unrecognized tax benefits. The Foundation has filed for and received income tax exemptions in the jurisdictions where it is required to do so. Additionally, the Foundation has filed IRS Form 990 information returns, as required, and all other applicable returns in jurisdictions where so required. For the year ended June 30, 2022, there were no interest or penalties recorded or included in the statement of activities. The Foundation is subject to routine audit by a taxing authority. As of June 30, 2022, the Foundation was not subject to any examination by a taxing authority.

Recently Adopted Accounting Pronouncement

Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets

In September 2020, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958)*. The update requires not-for-profits to present contributed nonfinancial assets as a separate line item on the statement of activities, and to disclose information regarding each type of contributed nonfinancial assets. The update was effective for financial statements issued for fiscal years beginning after June 15, 2021, and interim periods within fiscal years beginning after June 15, 2022, with early application permitted. The adoption of the ASU did not have a material impact on the financial statements.

Accounting Pronouncements Issued but Not Yet Adopted

Accounting for Leases

In February 2016, the FASB issued ASU 2016-02, *Accounting for Leases*, which applies a right-of-use (ROU) model that requires a lessee to record, for all leases with a lease term of more than 12 months, an asset representing its right to use the underlying asset and a liability to make lease payments. For leases with a term of 12 months or less, a practical expedient is available whereby a lessee may elect, by class of underlying asset, not to recognize an ROU asset or lease liability. At inception, lessees must classify all leases as either finance or operating, based on five criteria. Balance sheet recognition of finance and operating leases is similar, but the pattern of expense recognition in the income statement, as well as the effect on the statement of cash flows, differs depending on the lease classification. In addition, lessees and lessors are required to provide certain qualitative and quantitative disclosures to enable users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases. With the release of ASU 2020-05, this ASU was delayed and is effective for the Foundation's fiscal years beginning after December 31, 2021, with early adoption permitted. Management is currently evaluating the impact of this ASU on its financial statements.

The Samuel Waxman Cancer Research Foundation, Inc.

Notes to Financial Statements

Financial Instruments - Credit Losses

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. The new credit losses standard changes impairment model for most financial assets and certain other instruments. For trade and other receivables, contract assets recognized as a result of applying ASC 606, loans, and certain other instruments, entities will be required to use new forward looking “expected loss” model that generally will result in earlier recognition of credit losses than under today’s incurred loss model. ASU 2016-13 is effective for annual periods beginning after December 31, 2022. Management is currently evaluating the impact of this ASU on its financial Statements.

3. Liquidity and Availability of Resources

The Foundation’s financial assets available within one year of the statement of financial position date for general expenditures are as follows:

Year ended June 30, 2022

Cash and cash equivalents	\$	2,752,445
Pledges receivable, net		1,236,000
Bequest receivable		249,295
Investments, at fair value		12,518
Other receivables		71,488
Total Financial Assets		4,321,746
Less:		
Contractual or donor-imposed restrictions:		
Subject to appropriation and satisfaction of donor restrictions		(2,605,297)
Total Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	\$	1,716,449

As part of the Foundation’s liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due. The Foundation regularly monitors the cash balance to ensure sufficient liquidity exists to meet its operating needs, as well as other commitments and obligations over the next 12 months.

4. Investments at Fair Value

Investments at fair value consist of the following:

June 30, 2022

Alternative investments - hedge funds	\$	12,518
---------------------------------------	----	--------

The underlying investments of the hedge funds may be invested in loans, including loans issued by or related to companies that are experiencing various forms of financial, operational, legal, and/or other distress and impairment. Any underlying investment in high-yield loans may involve special risks. For example (and without limitation), the underlying investments may be noninterest bearing, unsecured, and/or subordinated to other claimants. Until investments are sold or mature, the

The Samuel Waxman Cancer Research Foundation, Inc.

Notes to Financial Statements

underlying investments are exposed to credit risk relating to whether the obligor will meet its obligation when due.

As of June 30, 2022, the Foundation had no unfunded commitments to invest in its alternative investments.

Following is a description of the valuation methodology used for assets measured at fair value.

Hedge Funds - Investments in hedge funds are valued at the net asset value (NAV) of the shares held by the Foundation at year-end. The fair value of hedge funds is provided by the investment manager and is based on the fair values of the underlying investments and may be based on historical cost, appraisals, and obtainable prices for similar assets or other estimates. When price quotations for the underlying investments are not available from unaffiliated market makers or other financial institutions that regularly trade similar investments, independent valuation agents determine, in consultation with the investment managers, the value of the investments by reviewing information prepared or provided by the investment managers and/or by using their proprietary valuation models. Since the hedge funds are valued at NAV per share practical expedient, they have not been categorized in the fair value hierarchy.

Investment income includes the following:

Year ended June 30, 2022

Interest and dividends	\$	3,501
Unrealized loss		(1,135)
Total Investment Activity	\$	2,366

5. Pledges Receivable, Net

Pledges receivable, net, as of June 30, 2022 are scheduled to be collected as follows:

Year ending June 30,

2023	\$	1,236,000
2024		631,000
2025		251,000
2026		251,000
2027		250,000
Less: discount to present value		(100,946)
Total Pledges Receivable, Net	\$	2,518,054

Pledges receivable due after one year are discounted to net present value using risk adjusted interest rates in effect on the date of the gifts. An interest rate of 2% is used to discount the unconditional promises as of June 30, 2022.

6. Paycheck Protection Program Loans

The Paycheck Protection Program (PPP) was established as part of the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act), and provides for loans to qualified businesses for amounts

The Samuel Waxman Cancer Research Foundation, Inc.

Notes to Financial Statements

up to two and a half times the average monthly payroll expenses for qualifying businesses. The loans' accrued interest is forgivable along with the principal, provided the Foundation uses the loans' proceeds for eligible purposes, including payroll, benefits, rent, and utilities, and maintains its payroll levels.

On April 14, 2020, the Foundation applied for and received approval for a loan under the PPP administered by the United States Small Business Administration in the amount of \$99,895. On January 31, 2021, the full amount of the PPP loan was forgiven, which is reported in the statement of activities as gain on extinguishment of debt - PPP loan.

In March 2021, the Foundation applied for and received approval for a second round PPP loan administered by the United States Small Business Administration in the amount of \$97,452. On January 18, 2022, the full amount of the PPP loan was forgiven, which is reported in the statement of activities as gain on extinguishment of debt - PPP loan.

7. Commitments and Contingencies

Operating Lease

The Foundation entered into an operating lease, as amended, through October 2023. The lease agreement provides for rent expense related to the required minimum rentals, which is recognized on a straight-line basis over the term of the lease. Straight-lining of rent gives rise to a timing difference that is reflected as deferred rent. As of June 30, 2022, the Foundation has a deferred rent liability balance of \$17,227.

Future minimum lease payments under operating leases as of June 30, 2022 approximate the following:

Year ending June 30,

2023	\$	177,175
2024		59,938
	\$	237,113

Rent expense for the year ended June 30, 2022 was \$166,030 and was included within occupancy and utilities in the statement of functional expenses.

The remainder of this page intentionally left blank.

The Samuel Waxman Cancer Research Foundation, Inc.

Notes to Financial Statements

8. Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes:

June 30, 2022

Donor-Imposed Time Restrictions	\$	602,797
Donor-Imposed Program Restrictions		
Bladder Cancer		400,000
Breast Cancer		200,000
Liver Cancer		25,000
Samuel Waxman Laboratory		40,000
Ewing Sarcoma		25,000
Aging and Cancer		1,312,500
Total Donor-Imposed Program Restrictions		2,002,500
Total Net Assets with Donor Restrictions	\$	2,605,297

During the year ended June 30, 2022, the Foundation released net assets in accordance with the donor-imposed program and time restrictions for the following purposes:

June 30, 2022

Donor-Imposed Time Restrictions	\$	196,000
Donor-Imposed Program Restrictions		
Bladder Cancer		200,000
Breast Cancer		200,000
Ewing Sarcoma		25,000
Liver Cancer		100,000
Triple Negative Breast Cancer		100,000
USA Cancer Support		25,000
Samuel Waxman Laboratory		20,000
Blood Cancer		75,000
Aging and Cancer		87,500
Total Donor-Imposed Program Restrictions		832,500
Total Net Assets with Donor Restrictions Releases	\$	1,028,500

9. Related Party Transactions

The Foundation transacts business with, or contracts services with, companies or individuals that employ certain members of the Board of Directors, or are relatives of certain employees, or members of the Board of Directors, which includes a consulting agreement with the Foundation's founder. For the year ended June 30, 2022, consulting expense was \$220,000. All related party transactions are conducted at arm's length.

The Samuel Waxman Cancer Research Foundation, Inc.

Notes to Financial Statements

10. Post Retirement Plan

The Foundation established a defined contribution plan, as defined by the Code Section 403(b), as of January 1, 2019. The plan is offered to substantially all of its employees. For the year ended June 30, 2022, the employer contribution expense was \$47,319 and is included in salaries and related benefits in the statement of functional expenses.

11. Subsequent Events

The Foundation's management has performed subsequent event procedures through March 20, 2023, which is the date the financial statements were available to be issued, and there were no subsequent events requiring adjustment to the financial statements or disclosures as stated herein.