

PROSTATE CANCER FOUNDATION

CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

PROSTATE CANCER FOUNDATION
CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020

CONTENTS

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



WE ARE AN INDEPENDENT MEMBER OF
THE GLOBAL ADVISORY
AND ACCOUNTING NETWORK

**AUDIT
AND
ASSURANCE**

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Prostate Cancer Foundation

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of the Prostate Cancer Foundation, which comprise the consolidated statement of financial position as of December 31, 2020, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Prostate Cancer Foundation as of December 31, 2020, 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.

To the Board of Directors
Prostate Cancer Foundation

Report on Summarized Comparative Information

We have previously audited the Prostate Cancer Foundation's 2019 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated May 15, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Green Hasson & Janks LLP

June 4, 2021
Los Angeles, California

PROSTATE CANCER FOUNDATION

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
December 31, 2020
With Summarized Totals at December 31, 2019

	Without Donor Restrictions	With Donor Restrictions	2020 Total	2019 Total
ASSETS				
Cash and Cash Equivalents	\$ 15,209,587	\$ 2,433,869	\$ 17,643,456	\$ 13,750,848
Pledges Receivable (Net)	11,943,379	12,045,170	23,988,549	31,172,054
Prepaid Expenses and Other Assets	568,215	-	568,215	230,858
Property and Equipment (Net)	934,088	-	934,088	1,115,808
TOTAL ASSETS	\$ 28,655,269	\$ 14,479,039	\$ 43,134,308	\$ 46,269,568
LIABILITIES AND NET ASSETS				
LIABILITIES:				
Accounts Payable	\$ 859,733	\$ -	\$ 859,733	\$ 591,061
Accrued Liabilities	1,264,458	-	1,264,458	1,662,070
Grants Payable	18,001,495	-	18,001,495	22,369,031
TOTAL LIABILITIES	20,125,686	-	20,125,686	24,622,162
NET ASSETS:				
Without Donor Restrictions	8,529,583	-	8,529,583	3,039,406
With Donor Restrictions	-	14,479,039	14,479,039	18,608,000
TOTAL NET ASSETS	8,529,583	14,479,039	23,008,622	21,647,406
TOTAL LIABILITIES AND NET ASSETS	\$ 28,655,269	\$ 14,479,039	\$ 43,134,308	\$ 46,269,568

The Accompanying Notes are an Integral Part of These Consolidated Financial Statements

PROSTATE CANCER FOUNDATION

CONSOLIDATED STATEMENT OF ACTIVITIES

Year Ended December 31, 2020

With Summarized Totals for the Year Ended December 31, 2019

	Without Donor Restrictions	With Donor Restrictions	2020 Total	2019 Total
REVENUE, PUBLIC SUPPORT AND OTHER INCOME (LOSS)				
Grants and Contributions	\$ 28,361,948	\$ 6,679,039	\$ 35,040,987	\$ 45,217,305
Other Income (Loss)	277,058	-	277,058	(688,762)
Forgiveness of Paycheck Protection Program Loan	820,000	-	820,000	-
Interest and Dividends	36,721	-	36,721	190,896
Net Assets Released from Donor Restrictions	10,808,000	(10,808,000)	-	-
TOTAL REVENUE, PUBLIC SUPPORT AND OTHER INCOME (LOSS)	40,303,727	(4,128,961)	36,174,766	44,719,439
EXPENSES:				
Program Services	28,717,051	-	28,717,051	39,845,792
Supporting Services:				
Management and General	4,031,972	-	4,031,972	3,714,893
Fundraising	2,064,527	-	2,064,527	4,773,593
TOTAL EXPENSES	34,813,550	-	34,813,550	48,334,278
CHANGE IN NET ASSETS	5,490,177	(4,128,961)	1,361,216	(3,614,839)
Net Assets - Beginning of Year	3,039,406	18,608,000	21,647,406	25,262,245
NET ASSETS - END OF YEAR	\$ 8,529,583	\$ 14,479,039	\$ 23,008,622	\$ 21,647,406

The Accompanying Notes are an Integral Part of These Consolidated Financial Statements

PROSTATE CANCER FOUNDATION

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2020

With Summarized Totals for the Year Ended December 31, 2019

	Program Services			Supporting Services		Total Expenses	
	Research Grants	Scientific Conferences and Programs	Public Awareness	Total Program Services	Management and General	Fundraising	Total Supporting Services
Research Grants	\$ 21,704,208	\$ -	\$ 2,315,536	\$ 21,704,208	\$ -	\$ -	\$ 21,704,208
Compensation, Benefits and Payroll Taxes	-	1,646,536	-	3,962,072	2,465,230	681,242	7,108,544
Office Expenses	-	113,314	192,760	306,074	795,430	365,655	1,467,159
Professional Fees	-	196,304	627,979	824,283	370,641	174,745	1,369,669
Outreach, Events and Meetings	-	-	590,338	590,338	-	461,952	1,052,290
Occupancy	-	73,332	280,312	353,644	283,025	52,124	688,793
Media, Public Relations and Publications	-	-	430,707	430,707	43,450	5,491	479,648
Global Scientific Conferences and Unpublished Data and Knowledge Exchanges	-	383,634	-	383,634	-	-	383,634
Travel, Meals and Entertainment	-	2,984	23,978	26,962	5,747	309,470	342,179
Depreciation and Amortization	-	18,456	116,673	135,129	68,449	13,848	217,426
TOTAL 2020 FUNCTIONAL EXPENSES	\$ 21,704,208	\$ 2,434,560	\$ 4,578,283	\$ 28,717,051	\$ 4,031,972	\$ 2,064,527	\$ 34,813,550
				82%	12%	6%	100%
TOTAL 2019 FUNCTIONAL EXPENSES	\$ 29,207,005	\$ 4,463,046	\$ 6,175,741	\$ 39,845,792	\$ 3,714,893	\$ 4,773,593	\$ 48,334,278
				82%	8%	10%	100%

The Accompanying Notes are an Integral Part of These Consolidated Financial Statements

PROSTATE CANCER FOUNDATION

CONSOLIDATED STATEMENT OF CASH FLOWS

Year Ended December 31, 2020

With Summarized Totals for the Year Ended December 31, 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets	\$ 1,361,216	\$ (3,614,839)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided By (Used In) Operating Activities:		
Forgiveness of Paycheck Protection Program Loan	(820,000)	-
Change in Present Value Discount on Pledges Receivable	(117,114)	(1,005)
Depreciation and Amortization	217,426	573,340
(Increase) Decrease in:		
Pledges Receivable	7,300,619	(3,551,913)
Prepaid Expenses and Other Assets	(337,357)	778,215
Increase (Decrease) in:		
Accounts Payable	268,672	(192,093)
Accrued Liabilities	(397,612)	(686,404)
Grants Payable	(4,367,536)	(220,251)
	3,108,314	(6,914,950)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
	3,108,314	(6,914,950)
CASH FLOWS USED IN INVESTING ACTIVITIES:		
Purchase of Property and Equipment	(35,706)	(29,015)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from Paycheck Protection Program Loan	820,000	-
	3,892,608	(6,943,965)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		
	3,892,608	(6,943,965)
Cash and Cash Equivalents - Beginning of Year	13,750,848	20,694,813
CASH AND CASH EQUIVALENTS - END OF YEAR		
	\$ 17,643,456	\$ 13,750,848

The Accompanying Notes are an Integral Part of These Consolidated Financial Statements

PROSTATE CANCER FOUNDATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2020

NOTE 1 - NATURE OF ORGANIZATION

The Prostate Cancer Foundation is the world's leading philanthropic organization funding and accelerating research for better treatments and a cure for prostate cancer.

The Coalition to Cure Prostate Cancer (the Coalition) was incorporated in April 2011 under the Canada Corporations Act. The Coalition was granted charitable registration effective June 15, 2011. The Coalition's mission is to pursue research and clinical studies related to prostate and related cancers and to disseminate research reports and other educational materials related to such cancers.

The Coalition is an affiliate of the Prostate Cancer Foundation. Pursuant to the terms of a service agreement, the Prostate Cancer Foundation agreed to provide certain pro bono services to the Coalition, including communications and fundraising support, program service and financial administration, and facilities. In addition, the Prostate Cancer Foundation has extended a guaranty to the Coalition for up to a maximum of \$100,000 to ensure that the Coalition will be able to fund research awards approved by the Coalition's Board of Directors.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the accounts of the Prostate Cancer Foundation and the Coalition to Cure Prostate Cancer (collectively, the Foundation). All inter-organization balances and transactions have been eliminated on consolidation.

(b) BASIS OF PRESENTATION

The accompanying consolidated financial statements are prepared on the accrual basis of accounting.

(c) NET ASSETS

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

- **Net Assets without Donor Restrictions.** Net assets available for use in general operations and not subject to donor-imposed restrictions.
- **Net Assets with Donor Restrictions.** Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from donor restrictions.

PROSTATE CANCER FOUNDATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) CASH AND CASH EQUIVALENTS

Cash and cash equivalents are short-term, highly liquid investments with maturities of three months or less at the time of purchase. The carrying value of cash and cash equivalents at December 31, 2020, approximates its fair value. At December 31, 2020, the Foundation had \$6,373,839 in money market mutual funds, which is included in cash and cash equivalents.

The Foundation maintains its cash and cash equivalents in bank deposit accounts and other investment accounts, which, at times, may exceed federally insured limits. The Foundation has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

(e) GRANTS, CONTRIBUTIONS, AND PLEDGES RECEIVABLE

The Foundation recognizes grants and contributions when cash, securities, or other assets; an unconditional promise to give; or a notification of a beneficial interest are received. 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 met.

Pledges are discounted to their present value when payments are expected in future periods exceeding one year. These discounts are recorded as reductions to contribution revenue and pledges receivable and are adjusted annually. A discount rate of 3% was used to calculate the present value discount on pledges receivable.

The allowance for uncollectable pledges receivable is based on historical experience with the respective donors and a review of subsequent collections. At December 31, 2020, an allowance of \$120,000 for uncollectable pledges receivable was deemed necessary by management.

(f) PROPERTY AND EQUIPMENT

Property and equipment are recorded at cost if purchased or at fair value on the date of donation if donated. Depreciation and amortization are provided on a straight-line basis over the estimated useful lives of the related assets as follows:

Computer Software		3 Years
Leasehold Improvements	Shorter of Lease Term or	10 Years
Computer and Office Equipment		3 - 5 Years
Furniture and Fixtures		7 Years

Expenditures for repairs and maintenance are charged to operations when incurred, while renewals and betterments are capitalized.

PROSTATE CANCER FOUNDATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) LONG-LIVED ASSETS

The Foundation reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the book value of the assets may not be recoverable. An impairment loss is recognized when the sum of the undiscounted future cash flows is less than the carrying amount of the asset, in which case a write-down is recorded to reduce the related asset to its estimated fair value. No material impairment losses were recognized on long-lived assets during the year ended December 31, 2020.

(h) PAYCHECK PROTECTION PROGRAM LOANS

The Foundation has elected to account for any forgivable loans received under the Paycheck Protection Program (PPP) provisions of the Coronavirus Aid, Relief, and Economic Security (CARES) Act as a debt instrument and to accrue interest on the outstanding loan balance. Additional interest at a market rate (due to the stated interest rate of the PPP loan being below market) is not imputed, as transactions where interest rates are prescribed by governmental agencies are excluded from the scope of the accounting guidance on imputing interest. The proceeds from such loans remain recorded as a liability until either (1) the loan is, in part or wholly, forgiven or the Foundation has been legally released or (2) the Foundation repays the loan to the lender.

(i) GRANTS

Research grants are charged against operations when authorized by the Scientific Review Committee, provided the grant is not subject to significant future conditions. Conditional grants are recognized as grant expense and as a grant payable in the period in which the grantee substantially meets the terms of the conditions. The actual payment of the grant may not occur in the year of authorization.

(j) INCOME TAXES

The Prostate Cancer Foundation is exempt from federal taxation under Internal Revenue Code Section 501(c)(3) and the corresponding California provisions. The Coalition has met the requirements for charitable registration and tax exemption under the Income Tax Act of Canada.

In accordance with the Financial Accounting Standards Board's (FASB) Accounting Standards Codification Topic No. 740, *Uncertainty in Income Taxes*, the Foundation recognizes the impact of tax positions in the consolidated financial statements if that position is more likely than not to be sustained on audit, based on the technical merits of the position. During the year ended December 31, 2020, the Foundation performed an evaluation of uncertain tax positions and did not note any matters that would require recognition in the consolidated financial statements or which might have an effect on its tax-exempt status.

PROSTATE CANCER FOUNDATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) FOREIGN CURRENCY

The accounts of the Coalition are maintained in its functional currency, which is the Canadian dollar. Assets are translated into the reporting currency at year-end exchange rates, and related revenues are translated at average rates of exchange in effect during the year.

(l) FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the Foundation's programs and other activities are presented in the consolidated statement of functional expenses. During the year, such costs are accumulated into separate groupings as either direct or indirect. Indirect or shared costs are allocated among program and support services by a method that best measures the relative degree of benefit.

(m) USE OF ESTIMATES

The preparation of consolidated 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.

(n) COMPARATIVE TOTALS

The consolidated 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. Such information should be read in conjunction with the Foundation's consolidated financial statements for the year ended December 31, 2019, from which the summarized information was derived.

(o) NEW ACCOUNTING PRONOUNCEMENTS

In June 2018, FASB issued Accounting Standards Update (ASU) No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, which is intended to clarify the accounting guidance for contributions received and contributions made. The amendments in this ASU should assist entities in evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, Not-for-Profit Entities, or as exchange (reciprocal) transactions subject to other guidance. The Foundation implemented this ASU during the year ended December 31, 2019 for contributions received. The Foundation implemented the ASU for contributions made during the year ended December 31, 2020.

PROSTATE CANCER FOUNDATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS December 31, 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) NEW ACCOUNTING PRONOUNCEMENTS (continue)

In February 2016, FASB issued ASU No. 2016-02, *Leases*, which is intended to improve financial reporting about leasing transactions. The new standard will require organizations that lease assets with terms of more than 12 months to recognize on the statement of financial position the assets and liabilities for the rights and obligations created by those leases. The ASU also will require disclosures to help financial statement users better understand the amount, timing, and uncertainty of cash flows arising from leases. These disclosures include qualitative and quantitative requirements and provide additional information about the amounts recorded in the financial statements. For the Foundation, the ASU will be effective for the year ending December 31, 2022.

(p) SUBSEQUENT EVENTS

The Foundation has evaluated events and transactions occurring subsequent to the consolidated statement of financial position date of December 31, 2020 for items that should potentially be recognized or disclosed in these consolidated financial statements. The evaluation was conducted through June 4, 2021, the date these consolidated financial statements were available to be issued. No such material events or transactions were noted to have occurred except as noted in Notes 6 and 7.

NOTE 3 - PLEDGES RECEIVABLE

Pledges receivable at December 31, 2020, are expected to be collected as follows:

To Be Received in Less than One Year	\$ 8,440,367
To Be Received in One to Five Years	<u>16,667,893</u>
TOTAL PLEDGES RECEIVABLE	25,108,260
Less: Present Value Discount	(999,711)
Less: Allowance for Uncollectible Pledges	<u>(120,000)</u>
PLEDGES RECEIVABLE (NET)	<u>\$ 23,988,549</u>

PROSTATE CANCER FOUNDATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS December 31, 2020

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31, 2020:

Computer Software	\$ 2,351,757
Leasehold Improvements	1,072,625
Computer and Office Equipment	626,025
Furniture and Fixtures	<u>254,821</u>
TOTAL PROPERTY AND EQUIPMENT	4,305,228
Less: Accumulated Depreciation	<u>(3,371,140)</u>
PROPERTY AND EQUIPMENT (NET)	<u>\$ 934,088</u>

Depreciation and amortization expense for the year ended December 31, 2020, was \$217,426.

NOTE 5 - GRANTS PAYABLE

The following is a summary of grants authorized and payable at December 31, 2020:

To Be Paid in Less than One Year	\$ 16,033,495
To Be Paid in One to Five Years	<u>2,025,000</u>
TOTAL GRANTS PAYABLE	18,058,495
Less: Present Value Discount	<u>(57,000)</u>
GRANTS PAYABLE (NET)	<u>\$ 18,001,495</u>

NOTE 6 - PAYCHECK PROTECTION PROGRAM LOANS

In April 2020, the Foundation applied for and received a first draw PPP loan in the amount of \$820,000. The PPP loan, administered by the Small Business Administration (SBA), bears interest at a fixed rate of 1.0% per annum, has a term of two years, and is unsecured and guaranteed by the SBA. Interest accrues on the loan beginning with the initial disbursement; however, payments of principal and interest are deferred until the lender's determination of the amount of forgiveness applied for by the borrower is approved by the SBA.

In October 2020, the Foundation submitted its application for forgiveness for the full amount of the PPP loan. In November 2020, the loan was repaid to the lending institution by the SBA and the Foundation accordingly received notification of full forgiveness of the loan and accrued interest. Accordingly, the Foundation recognized debt forgiveness income of \$820,000 for the year ended December 31, 2020.

In January 2021, the Foundation received approval from a lending institution for a second draw PPP loan of \$895,750. The same general terms and conditions apply, except that second draw PPP loans have a maturity of five years.

PROSTATE CANCER FOUNDATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2020

NOTE 7 - RELATED PARTY TRANSACTIONS

The Foundation leases office space at fair market value from an affiliated charitable organization under a month-to-month operating lease. Rent expense under this operating lease amounted to \$550,971 for the year ended December 31, 2020. Subsequent to year end, in May 2021, the Foundation entered into a re-negotiated lease agreement for this office space. The term of the lease is from January 2020 through December 2024 with minimum future lease payments of \$553,236 annually through the end of the lease term.

Other services provided by affiliated organizations include production, office services, maintenance, and parking, which totaled \$434,434 for the year ended December 31, 2020.

Since the Foundation's inception in 1993 through December 31, 2020, it has received more than \$67,600,000 in contributions from The Michael and Lori Milken Family Foundation, the Milken Family Foundation, and affiliated organizations.

NOTE 8 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes at December 31, 2020:

Centers of Excellence Awards	\$ 11,300,000
Young Investigator and Challenge Awards	<u>3,179,039</u>
TOTAL NET ASSETS WITH DONOR RESTRICTIONS	<u>\$ 14,479,039</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by the occurrence of the passage of time or other events specified by the donors as follows for the year ended December 31, 2020:

Satisfaction of Purpose Restrictions	
Centers of Excellence Awards	\$ 5,000,000
Young Investigator and Challenge Awards	<u>5,808,000</u>
TOTAL NET ASSETS RELEASED FROM DONOR RESTRICTIONS	<u>\$ 10,808,000</u>

NOTE 9 - PENSION PLAN

The Foundation maintains a defined contribution pension plan, which is qualified under Section 403(b) of the Internal Revenue Code. The plan covers all full-time employees, and the plan provides for discretionary matching of up to 4% of each participant's compensation, which vests immediately. Employees may make contributions to the plan up to the maximum annual amount allowed by the Internal Revenue Code. Pension expense charged to operations for the year ended December 31, 2020, was \$158,013.

PROSTATE CANCER FOUNDATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2020

NOTE 10 - ALLOCATION OF JOINT COSTS

The Foundation conducted direct mail campaigns and other public awareness events that included requests for contributions as well as program components. The costs of conducting these activities included joint costs totaling \$1,769,673 for the year ended December 31, 2020.

The joint costs for these activities were allocated as follows:

Program Services	\$	994,383
Management and General		30,802
Fundraising		<u>744,488</u>
TOTAL	\$	<u>1,769,673</u>

NOTE 11 - LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES

The Foundation's financial assets available for general expenditures within one year of the consolidated statement of financial position date are summarized in the following table:

Financial Assets at December 31, 2020:		
Cash and Cash Equivalents	\$	15,209,587
Pledges Receivable (Net)		<u>8,440,367</u>
FINANCIAL ASSETS AVAILABLE TO MEET GENERAL EXPENDITURES WITHIN ONE YEAR	\$	<u>23,649,954</u>

The Foundation regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. As part of the Foundation's liquidity management, it has the policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

The Foundation has various sources of liquidity at its disposal, including cash and cash equivalents and pledges receivable. General expenditures are defined as including grants to be paid within one year of the date of the consolidated statement of financial position.