

**AMERICAN-ITALIAN
CANCER FOUNDATION**

**Financial Statements
for year ended
June 30, 2023**

Independent Auditor's Report

To the Board of Directors
American-Italian Cancer Foundation

Opinion

We have audited the accompanying financial statements of American-Italian Cancer Foundation (the "Foundation") which comprise the statement of financial position as of June 30, 2023 and 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 financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of June 30, 2023 and June 30, 2022, and the results of its activities 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. 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 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 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 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. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if 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 generally accepted auditing standards, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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.

Condon O'Meara McBurtz & Donnelly LLP

January 5, 2024

AMERICAN-ITALIAN CANCER FOUNDATION

Statement of Financial Position

Assets

	June 30	
	2023	2022
Assets		
Cash and cash equivalents	\$ 319,743	\$ 534,938
Investments, at fair value	5,052,628	4,176,228
Contributions receivable	382,996	333,657
Other assets	61,469	58,579
Property and equipment, net	<u>35,935</u>	<u>106,150</u>
Total assets	<u>\$5,852,771</u>	<u>\$5,209,552</u>

Liabilities and Net Assets

Liabilities		
Accounts payable, accrued expenses and other	<u>\$ 162,025</u>	<u>\$ 131,427</u>
Net assets		
Without donor restrictions	4,747,155	4,337,119
With donor restrictions	<u>943,591</u>	<u>741,006</u>
Total net assets	<u>5,690,746</u>	<u>5,078,125</u>
Total liabilities and net assets	<u>\$5,852,771</u>	<u>\$5,209,552</u>

AMERICAN-ITALIAN CANCER FOUNDATION

Statement of Activities

	Year Ended June 30					
	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue						
Program revenue and grants	\$ 557,125	\$ 235,917	\$ 793,042	\$ 496,384	\$ 130,140	\$ 626,524
Fund-raising special events, net of direct expenses	342,248	877,807	1,220,055	427,002	572,987	999,989
Other support	35,558	150,154	185,712	37,736	-	37,736
Dividends and interest income, net	36,439	393	36,832	20,644	1,375	22,019
Net realized and unrealized gain (loss) on investments	119,340	-	119,340	(48,223)	-	(48,223)
Returned grants	9,932	-	9,932	14,667	-	14,667
Net assets released from restrictions	<u>1,061,686</u>	<u>(1,061,686)</u>	<u>-</u>	<u>659,994</u>	<u>(659,994)</u>	<u>-</u>
Total support and revenue	2,162,328	202,585	2,364,913	1,608,204	44,508	1,652,712
Contributed space	<u>70,000</u>	<u>-</u>	<u>70,000</u>	<u>70,000</u>	<u>-</u>	<u>70,000</u>
Total revenue	<u>2,232,328</u>	<u>202,585</u>	<u>2,434,913</u>	<u>1,678,204</u>	<u>44,508</u>	<u>1,722,712</u>
Expenses						
Program services						
Fellowship research awards	683,958	-	683,958	735,375	-	735,375
Cancer screening	879,462	-	879,462	738,841	-	738,841
Cancer education and awards	<u>146,488</u>	<u>-</u>	<u>146,488</u>	<u>171</u>	<u>-</u>	<u>171</u>
Total program services	<u>1,709,908</u>	<u>-</u>	<u>1,709,908</u>	<u>1,474,387</u>	<u>-</u>	<u>1,474,387</u>
Supporting activities						
Fundraising	52,053	-	52,053	31,171	-	31,171
Management and general	<u>60,331</u>	<u>-</u>	<u>60,331</u>	<u>38,878</u>	<u>-</u>	<u>38,878</u>
Total supporting activities	<u>112,384</u>	<u>-</u>	<u>112,384</u>	<u>70,049</u>	<u>-</u>	<u>70,049</u>
Total expenses	<u>1,822,292</u>	<u>-</u>	<u>1,822,292</u>	<u>1,544,436</u>	<u>-</u>	<u>1,544,436</u>
Increase in net assets	410,036	202,585	612,621	133,768	44,508	178,276
Net assets, beginning of year	<u>4,337,119</u>	<u>741,006</u>	<u>5,078,125</u>	<u>4,203,351</u>	<u>696,498</u>	<u>4,899,849</u>
Net assets, end of year	<u>\$4,747,155</u>	<u>\$ 943,591</u>	<u>\$5,690,746</u>	<u>\$ 4,337,119</u>	<u>\$ 741,006</u>	<u>\$5,078,125</u>

See notes to financial statements.

AMERICAN-ITALIAN CANCER FOUNDATION

**Statement of Functional Expenses
For year ended June 30, 2023**

	<u>Program Services</u>				<u>Supporting Activities</u>			
	<u>Fellowship Research Awards</u>	<u>Cancer Screening</u>	<u>Cancer Education and Awards</u>	<u>Total Program Services</u>	<u>Fundraising</u>	<u>Management and General</u>	<u>Total Supporting Activities</u>	<u>Total</u>
Direct program costs	\$ 587,000	\$ 421,098	\$ 129,977	\$ 1,138,075	\$ -	\$ -	\$ -	\$ 1,138,075
Payroll and related	56,823	293,234	9,470	359,527	18,941	18,941	37,882	397,409
Rent	21,000	31,500	3,500	56,000	7,000	7,000	14,000	70,000
Office supplies and subscriptions	4,790	10,975	798	16,563	1,597	1,597	3,194	19,757
Repairs and maintenance	1,866	2,799	311	4,976	622	622	1,244	6,220
Depreciation	123	69,992	21	70,136	41	41	82	70,218
Professional fees	4,684	9,368	-	14,052	4,684	28,103	32,787	46,839
Insurance	4,536	30,986	756	36,278	1,512	1,512	3,024	39,302
Fundraising	-	-	-	-	135,907	-	135,907	135,907
Other	<u>3,136</u>	<u>9,510</u>	<u>1,655</u>	<u>14,301</u>	<u>17,656</u>	<u>2,515</u>	<u>20,171</u>	<u>35,472</u>
Total expenses	683,958	879,462	146,488	1,709,908	187,960	60,331	248,291	1,958,199
Less: Expenses deducted directly from support and revenue on the statement of activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(135,907)</u>	<u>-</u>	<u>(135,907)</u>	<u>(135,907)</u>
Total expenses	<u>\$ 683,958</u>	<u>\$ 879,462</u>	<u>\$ 146,488</u>	<u>\$ 1,709,908</u>	<u>\$ 52,053</u>	<u>\$ 60,331</u>	<u>\$ 112,384</u>	<u>\$ 1,822,292</u>

See notes to financial statements.

AMERICAN-ITALIAN CANCER FOUNDATION

**Statement of Functional Expenses
For year ended June 30, 2022**

	<u>Program Services</u>			<u>Supporting Activities</u>				
	<u>Fellowship Research Awards</u>	<u>Cancer Screening</u>	<u>Cancer Education and Awards</u>	<u>Total Program Services</u>	<u>Fundraising</u>	<u>Management and General</u>	<u>Total Supporting Activities</u>	<u>Total</u>
Direct program costs	\$ 655,000	\$ 342,876	\$ -	\$ 997,876	\$ -	\$ -	\$ -	\$ 997,876
Payroll and related	41,766	219,023	-	260,789	6,961	6,961	13,922	274,711
Rent	21,000	42,000	-	63,000	3,500	3,500	7,000	70,000
Office supplies and subscriptions	3,930	11,981	-	15,911	655	655	1,310	17,221
Repairs and maintenance	1,613	3,225	-	4,838	269	269	538	5,376
Depreciation	123	70,054	-	70,177	21	21	42	70,219
Professional fees	4,097	8,195	-	12,292	4,097	24,584	28,681	40,973
Insurance	4,535	32,709	-	37,244	756	756	1,512	38,756
Other	<u>3,311</u>	<u>8,778</u>	<u>171</u>	<u>12,260</u>	<u>14,912</u>	<u>2,132</u>	<u>17,044</u>	<u>29,304</u>
Total expenses	<u>\$ 735,375</u>	<u>\$ 738,841</u>	<u>\$ 171</u>	<u>\$ 1,474,387</u>	<u>\$ 31,171</u>	<u>\$ 38,878</u>	<u>\$ 70,049</u>	<u>\$ 1,544,436</u>

See notes to financial statements.

AMERICAN-ITALIAN CANCER FOUNDATION

Statement of Cash Flows

	Year Ended	
	June 30	
	<u>2023</u>	<u>2022</u>
Cash flows from operating activities		
Increase in net assets	\$ 612,621	\$ 178,276
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation	70,219	70,219
Receipt of donated stock	(2,523)	(25,006)
Sale of donated stock	2,523	25,006
Net realized and unrealized (gain) loss on investments	(119,340)	48,223
(Increase) decrease in assets		
Contributions receivable	(49,339)	(245,161)
Other assets	(2,896)	(6,743)
Increase in accounts payable, accrued expenses and other	<u>30,596</u>	<u>10,549</u>
Net cash provided by operating activities	<u>541,865</u>	<u>55,363</u>
Cash flows from investing activities		
Purchases of investments	(3,844,835)	(9,890,475)
Proceeds from sale of investments	5,468,592	9,404,424
Change in investment cash equivalents	<u>(2,380,817)</u>	<u>663,899</u>
Net cash provided by (used in) investing activities	<u>(757,060)</u>	<u>177,848</u>
Net increase (decrease) in cash and cash equivalents	(215,195)	233,211
Cash and cash equivalents, beginning of year	<u>534,938</u>	<u>301,727</u>
Cash and cash equivalents, end of year	<u>\$ 319,743</u>	<u>\$ 534,938</u>

AMERICAN-ITALIAN CANCER FOUNDATION

Notes to Financial Statements June 30, 2023

Note 1 – Nature of Organization

The American-Italian Cancer Foundation (“AICF”) is a nonprofit organization incorporated in the State of New York in May 1980.

AICF’s mission is to support cancer research, education and early detection, emphasizing the unique resources of Italy and the United States, recognizing world-class scientific excellence in medicine, and serving economically disadvantaged, medically underserved women in New York City through a mobile, no-cost breast cancer screening, outreach and education program.

Note 2 – Summary of significant accounting policies

Net assets

AICF reports information regarding its financial position in two classes of net assets, which are as follows:

Without donor restrictions

Net assets without restrictions consist of funds available for general operating purposes.

Net assets with donor restrictions

Net assets with temporary donor restrictions

Net assets include gifts and other assets received with donor stipulations that limit the use of donated assets for a specific purpose or relate to future periods. When a donor time restriction expires or the purpose restriction is accomplished, net assets with temporary donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Net assets with donor restrictions consist of the Shifrin-Myers Endowment Fund and grants that relate to future periods.

The Shifrin-Myers Endowment Fund (the “Fund”), is donor-restricted to support (i) fellowships for oncology research and (ii) clinicians to work at leading foreign or U.S. universities or cancer centers. This Fund's assets are maintained in a separate investment account and the gains and losses, interest and dividends, and fees relating to this account are reflected in the statement of activities. AICF may use (on an annual basis) an amount equal to 8% of the fair value of the assets as of January 1 of each year. This amount is to be used as AICF may decide is necessary to fulfill the purposes of the Fund, including associated administrative costs.

AMERICAN-ITALIAN CANCER FOUNDATION

Notes to Financial Statements (continued) June 30, 2023

Note 2 – Summary of significant accounting policies (continued)

Net assets with donor restrictions (continued)

Net assets with perpetual restrictions

Net assets include funds that have been designated by the donor to be held and invested in perpetuity and its income to be expended as determined by the Board of Directors.

Contributions receivable

Contributions receivable represent unconditional donations pledged to AICF and are expected to be received in the next fiscal year.

Allowance for doubtful accounts

AICF has not provided for an allowance for doubtful accounts for any potentially uncollectible receivables. Such estimate is based on management's experience, the aging of the receivables, subsequent receipts and current economic conditions.

Cash equivalents

AICF considers highly liquid instruments with original maturities of three months or less to be cash equivalents.

Investments and fair value measurements

Investments are recorded at fair value based on publicly quoted market prices. Gains or losses on sales of investments are determined on the average cost basis method.

Accounting standards established a fair value hierarchy that prioritizes the inputs used to measure fair value into three broad levels. All of AICF's investments are measured using Level 1 inputs, which are defined as quoted prices in active markets for identical assets that the reporting entity has the ability to access at the measurement date.

Property and equipment

AICF capitalizes property and equipment items in excess of a nominal value. Property and equipment are recorded at cost and depreciated on the straight-line method over their estimated useful lives of the assets ranging from three to ten years.

Contributions of cash that must be used to acquire property and equipment are reported as net assets with donor restrictions. AICF reclassifies such assets to net assets without donor restrictions as the funds are expended.

AMERICAN-ITALIAN CANCER FOUNDATION

Notes to Financial Statements (continued)

June 30, 2023

Note 2 – Summary of significant accounting policies (continued)

Contributions

AICF records contributions as revenue without donor restrictions unless the donor stipulates a time or limits use of the donated assets. All other donor-restricted contributions are reported as increases in net assets with temporary or perpetual donor restrictions, depending on the nature of the restrictions. Contributions of stock are recorded at fair value on the date of the gift.

Donated services

AICF receives donated services from volunteers who support the AICF's programs and activities. No amounts have been reflected in the financial statements in connection with these services. Because of the difficulty in placing a value on such donated services, the value of these contributions is not recorded, although they constituted a significant factor in the operations of AICF.

Contributed space

AICF is recording the estimated fair value of the contributed space as rent expense and a corresponding contribution received from the landlord.

Functional allocation of expenses

The costs of providing the various programs and other activities have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

Use of estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts in the financial statements. Actual results could differ from those estimates.

Concentrations of credit risk

AICF's financial instruments that are potentially exposed to concentrations of credit risk consist primarily of cash, cash equivalents, investments and contributions receivable. AICF places its cash and cash equivalents with what it believes to be quality financial institutions. At times during the year, the balances in AICF's cash and cash equivalents exceeded the FDIC insurance limit. AICF however, has not experienced any losses in these accounts to date.

AMERICAN-ITALIAN CANCER FOUNDATION

Notes to Financial Statements (continued)
June 30, 2023

Note 2 – Summary of significant accounting policies (continued)

Concentrations of credit risk (continued)

AICF's investments are exposed to various risks such as interest rate, market volatility, liquidity and credit. Due to the level of uncertainty related to the aforementioned risks, it is reasonably possible that changes in these risks could have a material effect on the amounts reported in the statement of financial position. AICF routinely assesses the collectability of its contributions receivable. AICF's contributions receivable are deemed collectible by management. AICF believes its concentrations of credit risk with respect to its cash, cash equivalents, investments and contributions receivable are limited.

Subsequent events

AICF has evaluated events and transactions for potential recognition or disclosure through January 5, 2024, which is the date the financial statements were available to be issued.

Note 3 – Liquidity and availability of financial assets

AICF's working capital and cash flows have seasonal variations during the year attributable to cash receipts from contributions, programs and other revenue items. As of June 30, 2023 and 2022, financial assets and liquidity resources available, reduced by amounts not available for general use because of donor restrictions and internal board designations, within one year for general expenditure, such as operating expenses, are summarized below:

	<u>2023</u>	<u>2022</u>
Financial assets		
Cash	\$ 319,743	\$ 534,938
Investments, at fair value	5,052,628	4,176,228
Contributions receivable	<u>382,996</u>	<u>333,657</u>
Sub-total	5,755,367	5,044,823
Less: assets with donor restrictions	<u>943,591</u>	<u>741,006</u>
Total	<u>\$ 4,811,776</u>	<u>\$ 4,303,817</u>

AMERICAN-ITALIAN CANCER FOUNDATION

Notes to Financial Statements (continued)
June 30, 2023

Note 4 – Investments

The following is a summary of investments at June 30, 2023 and 2022:

	2023		2022	
	Cost	Fair Value	Cost	Fair Value
Cash equivalents	\$ 2,775,529	\$ 2,775,529	\$ 114,270	\$ 114,270
U.S. Treasuries	1,500,342	1,536,711	3,305,056	3,290,390
Corporate bonds	204,887	197,014	254,318	240,327
Domestic equities	488,899	543,374	493,525	531,241
Total	\$ 4,969,657	\$ 5,052,628	\$ 4,167,169	\$ 4,176,228

Note 5 – Property and equipment

AICF's property and equipment as of June 30, 2023 and June 30, 2022 consists of the following:

	2023	2022
Mammography vans and equipment	\$ 718,210	\$ 718,210
Furniture and fixtures	76,854	76,854
Computer equipment and software	55,267	55,267
Leasehold improvements	11,709	11,709
Total	862,040	862,040
Less: accumulated depreciation	826,107	755,890
Net property and equipment	\$ 35,933	\$ 106,150

Note 6 – Endowment

Effective September 27, 2010, the State of New York enacted the New York Prudent Management of Institutional Funds Act (NYPMIFA), the provisions of which apply to endowment funds existing on or established after that date. AICF is required to act prudently when making decisions to spend or accumulate donor restricted endowment assets and in doing so to consider a number of factors including the duration and preservation of its donor restricted endowment funds. AICF classifies net assets with perpetual donor restrictions the original value of gifts donated to the permanent endowment. The portion of the donor-restricted endowment fund that is not classified as net assets with perpetual donor restrictions is classified as net assets without donor restrictions or net assets with temporary donor restrictions based on donor stipulations.

AMERICAN-ITALIAN CANCER FOUNDATION

**Notes to Financial Statements (continued)
June 30, 2023**

Note 6 – Endowment (continued)

Changes in restricted net assets for the years ended June 30, 2023 and June 30, 2022 are as follows:

Net assets with temporary donor restrictions

	<u>Balance at June 30, 2022</u>	<u>Support</u>	<u>Released from Restrictions</u>	<u>Balance at June 30, 2023</u>
Program revenue and grants				
Cancer screening	\$ 94,000	\$ 235,917	\$ 191,917	\$ 138,000
Fund-raising special events				
Fellowships	460,000	601,102	460,000	601,102
Cancer screening	-	276,704	276,704	-
Other support				
Fellowships	-	150,154	127,000	23,154
Net investment income				
Dividends and interest	1,375	393	1,375	393
Shifrin-Myers Endowment Fund	<u>58,631</u>	<u>-</u>	<u>4,690</u>	<u>53,941</u>
Total	<u>\$ 614,006</u>	<u>\$1,264,270</u>	<u>\$1,061,686</u>	<u>\$ 816,590</u>

	<u>Balance at June 30, 2021</u>	<u>Support</u>	<u>Released from Restrictions</u>	<u>Balance at June 30, 2022</u>
Program revenue and grants				
Cancer screening	\$ 15,000	\$ 130,140	\$ 51,140	\$ 94,000
Fund-raising special events				
Fellowships	418,773	460,000	418,773	460,000
Cancer screening	70,000	112,987	182,987	-
Net investment income				
Dividends and interest	1,997	1,375	1,997	1,375
Shifrin-Myers Endowment Fund	<u>63,728</u>	<u>-</u>	<u>5,097</u>	<u>58,631</u>
Total	<u>\$ 569,498</u>	<u>\$ 704,502</u>	<u>\$ 659,994</u>	<u>\$ 614,006</u>

AMERICAN-ITALIAN CANCER FOUNDATION

Notes to Financial Statements (continued) June 30, 2023

Note 6 – Endowment (continued)

Net assets with perpetual donor restrictions

Net assets with perpetual donor restrictions are comprised of the American-Italian Cancer Foundation Endowment Fund, from a donor, originally \$100,000, and \$27,000 from other donations.

Funds with deficiencies

There were no fund deficiencies as of June 30, 2023.

Note 7 – Commitments

AICF leases office space under a lease which automatically renews on an annual basis with each year ending on December 31. Either landlord or tenant may terminate upon at least six months prior written notice by either party. The annual base rent of \$70,000 per annum is waived provided that AICF maintains its not-for-profit status, continues its charitable activities and complies with all of its obligations under the lease.

Note 8 – Retirement plan

AICF maintains a Defined Contribution Retirement Plan. Eligible employees may contribute a portion of their compensation in accordance with Internal Revenue Code regulations. AICF contributes 3% of each employee's annual salary to the plan. In addition, if the employee contributes 3% or more, AICF will match the first 3%. For the years ended June 30, 2023 and June 30, 2022, AICF's contribution totaled \$10,123 and \$7,465, respectively.

Note 9 – Tax status

AICF is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code (the "Code"). In addition, AICF is a Section 509(a) organization as defined in the Code, and is, therefore, not a private foundation and qualifies for the maximum charitable contribution deductions for donors.