

GO2 Foundation for Lung Cancer

Financial Statements
and Independent Auditors' Report

December 31, 2021 and 2020

GO2 Foundation for Lung Cancer

Financial Statements
December 31, 2021 and 2020

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
GO2 Foundation for Lung Cancer

Opinion

We have audited the accompanying financial statements of GO2 Foundation for Lung Cancer (GO2), which comprise the statements of financial position as of December 31, 2021 and 2020; the related statements of activities, functional expenses, and cash flows for the years 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 GO2 as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years 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 GO2 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.

Responsibilities of Management for the Financial Statements (continued)

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 GO2'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, including omissions, 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 GO2'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 GO2's ability to continue as a going concern for a reasonable period of time.

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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.

Handwritten signature of Rogers & Company PLLC in black ink.

Vienna, Virginia
June 14, 2022

GO2 Foundation for Lung Cancer

Statements of Financial Position December 31, 2021 and 2020

	2021	2020
Assets		
Cash	\$ 7,686,148	\$ 5,098,011
Investments	5,018,515	5,015,294
Accounts and interest receivable	83,550	813
Contributions and grants receivable, net	2,425,711	2,682,105
Prepaid expenses and other assets	301,415	220,013
Trademark, net	-	13
Property and equipment, net	898,475	44,579
Total assets	<u>\$ 16,413,814</u>	<u>\$ 13,060,828</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 795,936	\$ 650,790
Grants payable	-	62,500
Deferred revenue	227,995	9,008
Deferred rent and leasehold improvements	943,892	-
Total liabilities	<u>1,967,823</u>	<u>722,298</u>
Net Assets		
Without donor restrictions	2,989,964	2,163,323
With donor restrictions	<u>11,456,027</u>	<u>10,175,207</u>
Total net assets	<u>14,445,991</u>	<u>12,338,530</u>
Total liabilities and net assets	<u>\$ 16,413,814</u>	<u>\$ 13,060,828</u>

See accompanying notes.

GO2 Foundation for Lung Cancer

Statement of Activities
For the Year Ended December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support			
Contributions and grants	\$ 1,056,004	\$ 10,726,179	\$ 11,782,183
Sponsorships	-	1,275,910	1,275,910
Special events	744,890	-	744,890
Less: direct benefits to donors	(235,397)	-	(235,397)
Contract revenue	98,740	-	98,740
Donated goods and services	330,687	-	330,687
Registration fees	10,255	-	10,255
Fiscal sponsorship dues	68,027	-	68,027
Investment income	4,604	-	4,604
Other income	19,960	-	19,960
Released from restrictions	10,721,269	(10,721,269)	-
Total revenue and support	12,819,039	1,280,820	14,099,859
Expenses			
Program services:			
Government affairs and health policy	827,519	-	827,519
Patient and support services	1,354,168	-	1,354,168
Science and research	3,762,555	-	3,762,555
Excellence in screening and care	1,670,840	-	1,670,840
Communications and marketing	2,035,031	-	2,035,031
Fiscal sponsorship	95,978	-	95,978
Total program services	9,746,091	-	9,746,091
Supporting services:			
Management and general	720,032	-	720,032
Philanthropy and development	965,881	-	965,881
Events and community engagement	560,394	-	560,394
Total supporting services	2,246,307	-	2,246,307
Total expenses	11,992,398	-	11,992,398
Change in Net Assets	826,641	1,280,820	2,107,461
Net Assets, beginning of year	2,163,323	10,175,207	12,338,530
Net Assets, end of year	<u>\$ 2,989,964</u>	<u>\$ 11,456,027</u>	<u>\$ 14,445,991</u>

See accompanying notes.

GO2 Foundation for Lung Cancer

Statement of Activities
For the Year Ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support			
Contributions and grants	\$ 1,923,639	\$ 9,517,302	\$ 11,440,941
Sponsorships	-	1,445,424	1,445,424
Special events	775,147	-	775,147
Less: direct benefits to donors	(104,918)	-	(104,918)
Contract revenue	262,359	-	262,359
Donated goods and services	135,863	-	135,863
Registration fees	14,178	-	14,178
Fiscal sponsorship grants	-	107,500	107,500
Fiscal sponsorship dues	52,257	-	52,257
Investment income	27,798	-	27,798
Other income	16,326	-	16,326
Released from restrictions	8,633,303	(8,633,303)	-
Total revenue and support	11,735,952	2,436,923	14,172,875
Expenses			
Program services:			
Government affairs and health policy	768,627	-	768,627
Patient and support services	1,210,559	-	1,210,559
Science and research	3,049,266	-	3,049,266
Excellence in screening and care	1,966,905	-	1,966,905
Communications and marketing	1,324,107	-	1,324,107
Fiscal sponsorship	73,049	-	73,049
Total program services	8,392,513	-	8,392,513
Supporting services:			
Management and general	795,856	-	795,856
Philanthropy and development	822,351	-	822,351
Events and community engagement	625,783	-	625,783
Total supporting services	2,243,990	-	2,243,990
Total expenses	10,636,503	-	10,636,503
Change in Net Assets	1,099,449	2,436,923	3,536,372
Net Assets, beginning of year	1,063,874	7,738,284	8,802,158
Net Assets, end of year	\$ 2,163,323	\$ 10,175,207	\$ 12,338,530

See accompanying notes.

GO2 Foundation for Lung Cancer

Statement of Functional Expenses
For the Year Ended December 31, 2021

	Program Services							Supporting Services				Total
	Government Affairs and Health Policy	Patient and Support Services	Science and Research	Excellence in Screening and Care	Communications and Marketing	Fiscal Sponsorship	Total Program Services	Management and General	Philanthropy and Development	Events and Community Engagement	Total Supporting Services	
Salaries, benefits, and taxes	\$ 555,776	\$ 848,873	\$ 703,639	\$ 786,319	\$ 1,037,663	\$ -	\$ 3,932,270	\$ 535,296	\$ 606,812	\$ 176,397	\$ 1,318,505	\$ 5,250,775
Fundraising event expense	-	-	-	-	9,515	-	9,515	-	-	225,882	225,882	235,397
Grants – ALCMI	-	-	803,238	-	-	-	803,238	-	-	-	-	803,238
Grants to others	-	-	1,719,936	15,000	-	-	1,734,936	-	-	-	-	1,734,936
Professional fees	75,892	76,972	253,516	662,240	184,190	-	1,252,810	87,085	81,123	172,488	340,696	1,593,506
Facilities	26,937	51,636	42,772	38,495	26,479	-	186,319	29,700	31,971	35,245	96,916	283,235
Telecommunications	7,022	17,902	14,185	10,225	8,725	-	58,059	10,184	13,345	12,565	36,094	94,153
Insurance	2,192	3,146	3,107	3,440	2,437	-	14,322	2,156	2,366	4,495	9,017	23,339
Supplies	1,657	1,710	1,346	926	975	-	6,614	1,436	2,252	3,611	7,299	13,913
Postage and shipping	3,012	10,648	1,271	210	9,210	-	24,351	449	21,282	6,530	28,261	52,612
Printing and publications	4,046	138,657	1,851	612	5,931	-	151,097	-	14,606	280	14,886	165,983
Equipment rental	506	669	737	1,053	684	-	3,649	455	340	631	1,426	5,075
Storage	1,002	1,441	1,467	1,562	1,086	-	6,558	4,586	948	1,182	6,716	13,274
Bank and credit card fees	108	1,954	1,392	8,813	13,836	-	26,103	10,281	25,300	24,786	60,367	86,470
Dues and subscriptions	10,809	2,427	4,821	599	1,193	-	19,849	7,836	2,427	609	10,872	30,721
Contributions	2,500	-	-	-	-	-	2,500	-	100	-	100	2,600
Staff training	-	40	-	18	1,320	-	1,378	-	149	943	1,092	2,470
Literature	-	82	-	102	-	-	184	55	-	-	55	239
Awards	1,037	6,134	500	193	-	-	7,864	1,845	436	337	2,618	10,482
Marketing	51,722	106,794	41,010	46,755	420,596	-	666,877	-	37,705	51,121	88,826	755,703
Travel and events	23,616	1,760	-	19,963	4,359	-	49,698	-	969	7,175	8,144	57,842
Website and technology	47,464	53,678	117,217	61,421	76,701	-	356,481	20,044	74,935	42,418	137,397	493,878
In-kind expenses	4,150	15,204	38,846	2,410	233,840	-	294,450	-	26,799	9,438	36,237	330,687
Depreciation and amortization	8,071	12,543	11,704	8,484	5,720	-	46,522	8,624	10,827	10,143	29,594	76,116
Fees and licenses	-	1,898	-	2,000	86	-	3,984	-	11,189	-	11,189	15,173
Fiscal sponsorship	-	-	-	-	-	95,978	95,978	-	-	-	-	95,978
Total expenses	827,519	1,354,168	3,762,555	1,670,840	2,044,546	95,978	9,755,606	720,032	965,881	786,276	2,472,189	12,227,795
Less: direct benefits to donors	-	-	-	-	(9,515)	-	(9,515)	-	-	(225,882)	(225,882)	(235,397)
Expenses reported on SOA	\$ 827,519	\$ 1,354,168	\$ 3,762,555	\$ 1,670,840	\$ 2,035,031	\$ 95,978	\$ 9,746,091	\$ 720,032	\$ 965,881	\$ 560,394	\$ 2,246,307	\$ 11,992,398

See accompanying notes.

GO2 Foundation for Lung Cancer

Statement of Functional Expenses
For the Year Ended December 31, 2020

	Program Services							Supporting Services				Total
	Government Affairs and Health Policy	Patient and Support Services	Science and Research	Excellence in Screening and Care	Communi- cations and Marketing	Fiscal Sponsorship	Total Program Services	Management and General	Philanthropy and Development	Events and Community Engagement	Total Supporting Services	
Salaries, benefits, and taxes	\$ 550,607	\$ 746,810	\$ 1,160,508	\$ 971,545	\$ 702,053	-	\$ 4,131,523	\$ 632,568	\$ 481,269	\$ 228,087	\$ 1,341,924	\$ 5,473,447
Fundraising event expense	-	-	-	-	29,859	-	29,859	-	-	75,059	75,059	104,918
Grants – ALCMI	-	-	715,621	-	-	-	715,621	-	-	-	-	715,621
Grants to others	-	-	567,000	267,079	-	-	834,079	-	-	-	-	834,079
Professional fees	70,505	98,056	217,720	451,114	235,907	-	1,073,302	35,153	97,453	142,636	275,242	1,348,544
Facilities	58,675	29,651	157,440	87,850	27,085	-	360,701	74,408	44,128	70,408	188,944	549,645
Telecommunications	6,665	12,531	15,061	11,302	4,356	-	49,915	6,890	9,436	9,474	25,800	75,715
Insurance	2,765	1,282	7,091	4,196	1,410	-	16,744	2,744	2,130	3,021	7,895	24,639
Supplies	1,588	1,349	4,214	2,552	2,390	-	12,093	2,474	2,660	2,681	7,815	19,908
Postage and shipping	191	8,115	551	3,303	11,468	-	23,628	870	19,976	16,975	37,821	61,449
Printing and publications	53	153,986	1,345	6,354	3,437	-	165,175	51	18,712	5,997	24,760	189,935
Equipment rental	1,704	790	4,371	2,587	869	-	10,321	1,691	1,313	1,862	4,866	15,187
Storage	622	302	1,558	932	329	-	3,743	1,084	485	678	2,247	5,990
Bank and credit card fees	561	1,140	14,585	5,065	262	-	21,613	8,832	14,687	39,777	63,296	84,909
Dues and subscriptions	10,439	3,670	7,291	1,198	1,367	-	23,965	2,492	899	906	4,297	28,262
Contributions	2,500	5,000	-	-	-	-	7,500	-	-	-	-	7,500
Staff training	182	85	468	277	257	-	1,269	455	140	199	794	2,063
Literature	99	110	90	30	73	-	402	27	-	-	27	429
Awards	280	1,440	792	724	333	-	3,569	278	591	615	1,484	5,053
Marketing	17,146	100,245	34,791	24,534	283,708	-	460,424	815	10,973	51,380	63,168	523,592
Travel and events	14,830	18,678	11,827	86,834	28,129	-	160,298	4,209	9,196	12,834	26,239	186,537
Website and technology	18,480	7,077	33,343	19,013	14,821	-	92,734	10,180	52,266	15,752	78,198	170,932
In-kind expenses	18	11,582	66,094	2,320	898	-	80,912	-	44,750	10,002	54,752	135,664
Depreciation and amortization	10,717	4,970	27,483	16,265	4,675	-	64,110	10,635	8,257	12,499	31,391	95,501
Fees and licenses	-	3,690	22	1,831	280	-	5,823	-	3,030	-	3,030	8,853
Fiscal sponsorship	-	-	-	-	-	73,049	73,049	-	-	-	-	73,049
Total expenses	768,627	1,210,559	3,049,266	1,966,905	1,353,966	73,049	8,422,372	795,856	822,351	700,842	2,319,049	10,741,421
Less: direct benefits to donors	-	-	-	-	(29,859)	-	(29,859)	-	-	(75,059)	(75,059)	(104,918)
Expenses reported on SOA	\$ 768,627	\$ 1,210,559	\$ 3,049,266	\$ 1,966,905	\$ 1,324,107	73,049	\$ 8,392,513	\$ 795,856	\$ 822,351	\$ 625,783	\$ 2,243,990	\$ 10,636,503

See accompanying notes.

GO2 Foundation for Lung Cancer

Statements of Cash Flows For the Years Ended December 31, 2021 and 2020

	2021	2020
Cash Flows from Operating Activities		
Change in net assets	\$ 2,107,461	\$ 3,536,372
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization – property and equipment	76,103	93,761
Amortization – trademark	13	1,740
Donated securities	(56,590)	(109,382)
Net realized and unrealized gain on investments	(2,276)	(2,445)
Change in present-value discount on receivables	5,891	(28,546)
Gain on recognition of Paycheck Protection Program loan	-	(909,457)
Leasehold improvement allowance	(803,908)	-
Change in operating assets and liabilities:		
(Increase) decrease in:		
Accounts and interest receivable	(82,737)	41,108
Contributions and grants receivable	250,503	(340,715)
Prepaid expenses and other assets	(81,402)	14,921
Increase (decrease) in:		
Accounts payable and accrued expenses	145,146	(91,274)
Grants payable	(62,500)	(83,899)
Deferred revenue	218,987	6,868
Deferred rent and leasehold improvements	943,892	(44,423)
Net cash provided by operating activities	2,658,583	2,084,629
Cash Flows from Investing Activities		
Purchase of investments	(1,226,355)	(874,391)
Proceeds from maturities of CDs	1,282,000	994,000
Purchases of property and equipment	(126,091)	(9,132)
Net cash (used in) provided by investing activities	(70,446)	110,477
Cash Flows from Financing Activity		
Proceeds from Paycheck Protection Program loan	-	909,457
Net cash provided by financing activity	-	909,457
Net Increase in Cash	2,588,137	3,104,563
Cash, beginning of year	5,098,011	1,993,448
Cash, end of year	\$ 7,686,148	\$ 5,098,011
Supplementary Disclosure of Non-Cash Financing Activity		
Satisfaction of conditions for Paycheck Protection Program loan forgiveness	\$ -	\$ 909,457
Leasehold improvements acquired with tenant allowance	\$ 803,908	\$ -

See accompanying notes.

GO2 Foundation for Lung Cancer

Notes to Financial Statements
December 31, 2021 and 2020

1. Nature of Operations

Effective May 1, 2019, the Bonnie J. Addario Cancer Foundation (ALCF) and Lung Cancer Alliance (LCA) completed a transaction pursuant to a merger agreement dated March 20, 2019, to form GO2 Foundation for Lung Cancer (GO2). This merger combined the strengths and financial health of these two national nonprofits to become one organization with locations in Washington, D.C. and the San Francisco Bay area that will help improve the lives of millions of those touched by lung cancer. GO2 is a nonprofit exempt from federal income taxes under Internal Revenue Code (IRC) Section 501(c)(3).

2. Summary of Significant Accounting Policies

Basis of Accounting and Presentation

GO2's financial statements are prepared on the accrual basis of accounting. Net assets are reported based on the presence or absence of donor-imposed restrictions in the following classes:

- *Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.
- *Net Assets With Donor Restrictions* – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Investments

Investments are recorded at fair value based on quoted market prices. All realized and unrealized gains and losses are included as a component of investment income in the accompanying statements of activities. Money market and short-term investment funds, held as a portion of GO2's investment portfolio, are classified as investments and are not considered to be cash equivalents for purposes of cash flows.

GO2 Foundation for Lung Cancer

Notes to Financial Statements
December 31, 2021 and 2020

2. Summary of Significant Accounting Policies (continued)

Accounts and Interest Receivable

Accounts and interest receivable consist of program fees related to GO2's advisory and consulting services, and are recorded at net realizable value. It is GO2's policy to charge-off uncollectible accounts receivable when management determines the receivable will not be collected. No allowance for uncollectible accounts has been established at December 31, 2021 and 2020, as all amounts are deemed fully collectible.

Contributions and Grants Receivable

Contributions and grants receivable represent unconditional promises to give and are recorded at net realizable value. Contributions and grants due in more than one year are discounted to present value based on management's estimate of the risk adjusted rate of return. Management determines the allowance for doubtful accounts based upon review of outstanding receivables, historical collection information, and existing economic conditions. Management believes that all contributions and grants receivable are collectible at December 31, 2021 and 2020, and accordingly, no allowance for uncollectible accounts has been established.

Trademark

Consistent with accounting principles generally accepted in the United States of America, costs associated with the registration filings of the name of GO2 are being amortized on a straight-line basis over a 15-year period.

Property and Equipment

Property and equipment with a cost in excess of \$1,500 and a useful life exceeding one year are capitalized and recorded at cost. Depreciation and amortization is computed using the straight-line method over the estimated useful lives of the individual assets, which range from three to 10 years. Leasehold improvements are stated at cost and are amortized using the straight-line method over the shorter of their estimated useful lives or the lease term. Expenditures for repairs and maintenance are expensed as incurred.

Grants Payable

Grant expenses are nonreciprocal and are expensed when grants are approved by GO2. Grant expenses recognized but not paid are recognized as grants payable. All grants payable are expected to be paid out within one year and are recorded at net realizable value.

GO2 Foundation for Lung Cancer

Notes to Financial Statements
December 31, 2021 and 2020

2. Summary of Significant Accounting Policies (continued)

Revenue Recognition

Revenue Accounted for in Accordance with Contribution Accounting

GO2 recognizes contributions and grants when cash, securities, or other assets; an unconditional promise to give; or a notification of a beneficial interest is 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. GO2 reports them as restricted support if they are received or promised with donor stipulations that limit the use of the donated funds to one of GO2's programs or to a future year. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without restrictions and reported in the statements of activities as net assets released from restrictions. Net assets with donor restrictions are reported as net assets without donor restrictions if the restrictions are met in the same period as received.

Sponsorships that are nonreciprocal are recognized as contributions, which are recognized when a contribution becomes unconditional. Typically, sponsorship agreements contain a right of return or right of release from obligation, should the sponsored event not take place. As such, GO2 recognizes revenue for these conditional contributions when the related event is conducted.

Revenue Accounted for as Contracts with Customers

Revenue is recognized when GO2 satisfies a performance obligation by transferring a promised good to, or performing a service for, a customer. The amount of revenue recognized reflects the consideration GO2 expects to receive in exchange for satisfying distinct performance obligations. If a performance obligation does not meet the criteria to be considered distinct, GO2 combines it with other performance obligations until a distinct bundle of goods or services exists. Fees or amounts received in advance of satisfying contractual performance obligations are reflected as deferred revenue in the statements of financial position. Revenue is recognized either over time or at the point in time that contractual obligations are met.

GO2 Foundation for Lung Cancer

Notes to Financial Statements
December 31, 2021 and 2020

2. Summary of Significant Accounting Policies (continued)

Revenue Recognition (continued)

Revenue Accounted for as Contracts with Customers (continued)

Specifically, for the various types of contracts, GO2 recognizes revenue as follows:

GO2 holds special events throughout the year as fundraising events. The gross revenues and expenses, including direct benefits to donors, from these events are presented in the statements of activities, and revenues are recognized when donations are received. Special events revenue consists of donations collected during special events and also registration for events that are recognized at the time the event takes place.

Contract revenue is evaluated and recognized based on the underlying agreement, usually over the term of the agreement. GO2 recognizes base revenue from contract agreements ratably over the term of the agreements, while additional amounts paid under the agreements are recognized in the year earned. Amounts received in advance before the expenditures are incurred are reported as deferred revenue in the accompanying statements of financial position.

Registrations for meetings and events are recognized at the time the event takes place, which is when the sole performance obligation is satisfied. Amounts received in advance of the event are included in deferred revenue in the accompanying statements of financial position.

Donated Goods and Services

GO2 receives donated goods and services that benefit both program and supporting services. Contributions of services are recognized when they create or enhance nonfinancial assets, or require specialized skills, are provided by qualified individuals, and would typically be purchased if not donated. Donated goods and services are recognized as revenue and expense in the accompanying statements of activities at their estimated fair value, as provided by the donor, at the date of receipt, or calculated fair value of use of property in the period the property is used.

GO2 Foundation for Lung Cancer

Notes to Financial Statements
December 31, 2021 and 2020

2. Summary of Significant Accounting Policies (continued)

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Use of Estimates

The preparation of 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 amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Recently Issued Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, *Leases*. The update requires a lessee to recognize a right-of-use asset and lease liability, initially measured at the present value of the lease payments, in its statements of financial position. The guidance also expands the required quantitative and qualitative lease disclosures. The guidance is effective beginning in 2022.

In September 2020, the FASB issued ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The amendment is intended to increase transparency of contributed nonfinancial assets for not-for-profit entities through enhancements in presentation and disclosure requirements. Under the new ASU, not-for-profit entities will be required to present contributed nonfinancial assets in the statements of activities as a line item that is separate from contributions of cash or other financial assets. ASU 2020-07 also requires additional qualitative and quantitative disclosures about contributed nonfinancial assets received, disaggregated by category. The guidance is effective beginning in 2022.

Reclassification

Certain amounts in the 2020 financial statements have been reclassified to conform to the 2021 presentation. These reclassifications have no effect on the change in net assets previously reported.

GO2 Foundation for Lung Cancer

Notes to Financial Statements
December 31, 2021 and 2020

2. Summary of Significant Accounting Policies (continued)

Subsequent Events

In preparing these financial statements, GO2 has evaluated events and transactions for potential recognition or disclosure through June 14, 2022, the date the financial statements were available to be issued.

3. Liquidity and Availability

GO2 maintained liquid financial assets to be able to fulfill its general expenditures, liabilities, and other obligations as of December 31, 2021 and 2020. As part of its liquidity management, GO2 invests cash in excess of daily requirements in various short-term investments.

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position date, comprise the following at December 31:

	2021	2020
Cash	\$ 7,686,148	\$ 5,098,011
Investments	5,018,515	5,015,294
Accounts and interest receivable	83,550	813
Current contributions and grants receivable	1,298,853	2,164,689
Total financial assets	14,087,066	12,278,807
Less: restricted by donors	(11,456,027)	(10,175,207)
Total available for general expenditures	<u>\$ 2,631,039</u>	<u>\$ 2,103,600</u>

GO2 Foundation for Lung Cancer

Notes to Financial Statements
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4. Concentrations of Risks

Credit Risk

Financial instruments that potentially subject GO2 to significant concentrations of credit risk consist of cash and investments. GO2 maintains cash deposit and transaction accounts, along with investments, with various financial institutions and these values, from time to time, exceed insurable limits under the Federal Deposit Insurance Corporation (FDIC) and Securities Investor Protection Corporation (SIPC). GO2 has not experienced any credit losses on its cash and investments to date as it relates to FDIC and SIPC insurance limits. Management periodically assesses the financial condition of these financial institutions and believes that the risk of any credit loss is minimal.

Revenue and Receivable Risk

For the years ended December 31, 2021 and 2020, approximately 31% and 41% of total revenue and support was provided by two donors and three donors, respectively. Any significant reduction in revenue and support from these contributors may impact GO2's financial position and operations. GO2 was owed \$1,700,000 by two donors and \$2,094,157 by three donors, which accounted for 70% and 78% of contributions and grants receivable at December 31, 2021 and 2020, respectively.

5. Investments and Fair Value Measurements

Investment income consists of the following for the years ended December 31:

	2021	2020
Interest and dividends	\$ 2,328	\$ 25,353
Realized gain	1,782	215
Unrealized gain	494	2,230
Total investment income	<u>\$ 4,604</u>	<u>\$ 27,798</u>

GO2 did not have investment expenses for the years ended December 31, 2021 and 2020.

GO2 Foundation for Lung Cancer

Notes to Financial Statements
December 31, 2021 and 2020

5. Investments and Fair Value Measurements (continued)

GO2 follows FASB Accounting Standards Codification 820, *Fair Value Measurements and Disclosures*, for its financial assets. This standard establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. Fair value measurement standards require an entity to maximize the use of observable inputs (such as quoted prices in active markets) and minimize the use of unobservable inputs (such as appraisals or other valuation techniques) to determine fair value. The categorization of a financial instrument within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to the entity's perceived risk of that instrument.

The inputs used in measuring fair value are categorized into three levels. Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and liabilities and have the highest priority. Level 2 is based upon observable inputs other than quoted market prices, and Level 3 is based on unobservable inputs. GO2 recognizes transfers between levels in the fair value hierarchy at the end of the reporting period.

GO2 uses net asset value (NAV) per share, or its equivalent, such as member units or an ownership interest in partners' capital, as a practical expedient to estimate the fair values of certain alternative estimates that do not have readily determinable fair values. Investments that are measured at fair value using NAV per share as a practical expedient are not classified in the fair value hierarchy.

In general, and where applicable, GO2 uses quoted prices in active markets for identical assets to determine fair value. This pricing methodology applies to Level 1 investments.

GO2 used the following methods and significant assumptions to estimate fair value of assets recorded at fair value:

Cash, money funds, and money market funds consist primarily of domestic commercial paper and other cash management accounts. Money market accounts seek to maintain stable NAVs of \$1.

US treasury bills are valued at their NAV at the end of each business day and are categorized in Level 2 of the fair value hierarchy.

Private equity funds are valued based on NAV as a practical expedient for fair value. Private equity funds are measured at NAV per share (or its equivalent) using the practical expedient, and have not been categorized in the fair value hierarchy.

GO2 Foundation for Lung Cancer

Notes to Financial Statements
December 31, 2021 and 2020

5. Investments and Fair Value Measurements (continued)

The fair value amounts presented in the tables below are intended to permit reconciliation of the fair value hierarchy to the amounts present in the accompanying statements of financial position.

The following table presents GO2's fair value hierarchy for those assets measured on a recurring basis as of December 31, 2021:

	Level 1	Level 2	Level 3	NAV	Total
Cash and money funds	\$ 2,677,726	\$ -	\$ -	\$ -	\$ 2,677,726
Money market funds	1,896,729	-	-	-	1,896,729
US treasury bills	-	426,992	-	-	426,992
Total assets at fair value	4,574,455	426,992	-	-	5,001,447
Private equity funds	-	-	-	17,068	17,068
Total investments	\$ 4,574,455	\$ 426,992	\$ -	\$ 17,068	\$ 5,018,515

The following table presents GO2's fair value hierarchy for those assets measured on a recurring basis as of December 31, 2020:

	Level 1	Level 2	Level 3	NAV	Total
Cash and money funds	\$ 2,249,315	\$ -	\$ -	\$ -	\$ 2,249,315
Money market funds	1,896,367	-	-	-	1,896,367
US treasury bills	-	853,906	-	-	853,906
Total assets at fair value	4,145,682	853,906	-	-	4,999,588
Private equity funds	-	-	-	15,706	15,706
Total investments	\$ 4,145,682	\$ 853,906	\$ -	\$ 15,706	\$ 5,015,294

GO2 Foundation for Lung Cancer

Notes to Financial Statements
December 31, 2021 and 2020

5. Investments and Fair Value Measurements (continued)

The following table summarizes the nature of GO2's funds based on NAV as a practical expedient and its ability to redeem these funds as of December 31, 2021:

	<u>NAV</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice</u>
Private equity funds	\$ 17,068	\$ -	Not eligible	Not eligible

The following table summarizes the nature of GO2's funds based on NAV as a practical expedient and its ability to redeem these funds as of December 31, 2020:

	<u>NAV</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice</u>
Private equity funds	\$ 15,706	\$ -	Not eligible	Not eligible

6. Contributions and Grants Receivable

Contributions and grants receivable are due as follows at December 31:

	<u>2021</u>	<u>2020</u>
Due in less than one year	\$ 1,298,853	\$ 2,164,689
Due in one to five years	<u>1,156,000</u>	<u>540,667</u>
Total contributions and grants receivable	2,454,853	2,705,356
Less: discount to net present value 1.45% and 3%	<u>(29,142)</u>	<u>(23,251)</u>
Contributions and grants receivable, net	<u><u>\$ 2,425,711</u></u>	<u><u>\$ 2,682,105</u></u>

GO2 Foundation for Lung Cancer

Notes to Financial Statements December 31, 2021 and 2020

7. Intangible Asset

Intangible asset consists of the following at December 31:

	2021	2020
Trademark	\$ 26,165	\$ 26,165
Less: accumulated amortization	(26,165)	(26,152)
Trademark, net	<u>\$ -</u>	<u>\$ 13</u>

8. Property and Equipment

Property and equipment consist of the following at December 31:

	2021	2020
Website	\$ 330,083	\$ 223,676
Software	37,482	37,482
Furniture and equipment	134,687	115,002
Leasehold improvements	803,907	-
Total property and equipment	1,306,159	376,160
Less: accumulated depreciation and amortization	(407,684)	(331,581)
Property and equipment, net	<u>\$ 898,475</u>	<u>\$ 44,579</u>

9. Deferred Revenue

Deferred revenue consists of the following at December 31:

	2021	2020
Contract revenue	\$ 211,813	\$ -
Dues	16,182	9,008
Total deferred revenue	<u>\$ 227,995</u>	<u>\$ 9,008</u>

GO2 Foundation for Lung Cancer

Notes to Financial Statements
December 31, 2021 and 2020

10. Net Assets With Donor Restrictions

Net assets with donor restrictions were restricted for the following at December 31:

	2021	2020
Purpose restricted:		
Excellence in screening and care	\$ 4,377,900	\$ 3,057,374
Science and research	1,835,243	3,066,156
Patient and support services	3,277,939	2,745,980
Government affairs and health policy	232,506	306,113
Events	2,500	76,700
Communication and marketing	24,079	38,135
Total purpose restricted	9,750,167	9,290,458
Time restricted	1,705,860	884,749
Total net assets with donor restrictions	<u>\$ 11,456,027</u>	<u>\$ 10,175,207</u>

11. Conditional Grant – Paycheck Protection Program

Under the Paycheck Protection Program administered by the Small Business Administration (SBA), on May 5, 2020, GO2 received \$909,457 (“the PPP Loan”). The PPP Loan is subject to full forgiveness upon use of the funds for payroll and other eligible costs and compliance with certain limitations on payroll and staffing reductions over a 24-week period. As such, GO2 has accounted for this PPP Loan as a conditional grant. Management has determined the conditions have been substantially satisfied as of December 31, 2020, and the related amount was recognized as grant revenue in the accompanying statement of activities for the year ended December 31, 2020. On May 22, 2021, the full amount of this loan was forgiven by the SBA. GO2 did not apply for a PPP Loan in 2021.

12. Fiscal Sponsorship

GO2 entered into a formal agreement to sponsor Lung Cancer Action Network (LungCAN) through the process of obtaining tax exemption under IRC 501(c)(3). LungCAN is a collaborative group of lung cancer advocacy organizations that have come together to raise public awareness about the realities of lung cancer. For the years ended December 31, 2021 and 2020, grants amounting to \$0 and \$107,500, respectively, were received on behalf on LungCAN have been included as fiscal sponsorship grants revenue in the accompanying statements of activities.

GO2 Foundation for Lung Cancer

Notes to Financial Statements
December 31, 2021 and 2020

12. Fiscal Sponsorship (continued)

Total expenses of \$27,951 and \$20,793 that were incurred on behalf of LungCAN have been included in the accompanying statements of activities for the years ended December 31, 2021 and 2020, respectively. As a fiscal sponsor, GO2 receives donations and provides organizational infrastructure and tax-exempt status for the projects for a small administrative fee. Under the term of the agreement, GO2 assesses a 5% administrative fee against all gifts and/or grants received on behalf of LungCAN. For the years ended December 31, 2021 and 2020, GO2 received fiscal sponsor fees from LungCAN in the amount of \$0 and \$5,375, respectively. GO2 held no assets at December 31, 2021 and 2020 for the fiscal sponsorship agreement.

GO2 also has another agreement to sponsor Deadliest Cancers Coalition (DCC) through the process of obtaining tax exemption under IRC 501(c)(3). DCC is a collaboration of national nonprofit organizations focused on addressing policy issues related to the nation's most lethal, or recalcitrant, cancers, defined as those that have five-year relative survival rates below 50%. For the years ended December 31, 2021 and 2020, dues amounting to \$68,027 and \$52,257, respectively, were received on behalf on DCC have been included as fiscal sponsorship dues revenue in the accompanying statements of activities. Total expenses of \$68,027 and \$52,257 that were incurred on behalf of DCC have been included in the accompanying statements of activities for the years ended December 31, 2021 and 2020, respectively. Under the terms of the agreement, GO2 assesses a 2% administrative fee against all dues received on behalf of DCC. For the years ended December 31, 2021 and 2020, GO2 received fiscal sponsor fees from DCC in the amount of \$1,504 and \$1,223, respectively. GO2 held no assets at December 31, 2021 and 2020 for the fiscal sponsorship agreement.

13. Commitments and Contingencies

Operating Leases

GO2 maintained an agreement to lease office space in Washington, D.C., which commenced on June 1, 2015 and expired on October 25, 2020. The terms of the lease called for annual rental increases of 4% and included lease incentives in the form of free rent for the first three months.

GO2 Foundation for Lung Cancer

Notes to Financial Statements
December 31, 2021 and 2020

13. Commitments and Contingencies (continued)

Operating Leases (continued)

On January 7, 2021, GO2 entered into a new agreement to lease office space in a different location in Washington, D.C. The lease commenced on August 16, 2021 and is set to expire on February 16, 2033. The lease calls for a base monthly rent of \$34,645 and annual rental increases of 2.50%. The terms of the lease include lease incentives in the form of free rent for the first 18 months. In addition, the lease terms provide for a leasehold improvement allowance up to \$803,908 for remodeling and renovation of the office space. Additionally, the lease terms include an early termination option on January 16, 2030.

The office lease in California commenced on May 2, 2019 and expires on April 30, 2024. The basic rent will be increased by the operating expense increase incurred by the landlord.

Total rent expense for the years ended December 31, 2021 and 2020 was \$252,530 and \$505,099, respectively.

GO2 also leases certain office equipment under a non-cancelable operating lease.

Future minimum payments under all operating leases are as follows for the years ending December 31:

2022	\$ 116,301
2023	496,966
2024	466,169
2025	441,307
2026	451,099
Thereafter	<u>2,975,733</u>
Total future minimum lease payments	<u>\$ 4,947,575</u>

Hotel Agreements

GO2 holds meetings and conferences at various hotels throughout the United States. These events are contracted with the hotels in advance. In the event that GO2 cancels its agreements with the hotels, it can be held liable for liquidated damages up to the amount of lost profit less the hotel's mitigation, depending upon the date of cancellation.

GO2 Foundation for Lung Cancer

Notes to Financial Statements
December 31, 2021 and 2020

13. Commitments and Contingencies (continued)

Government Grants

Pass-through funds received from federal and other government agencies are subject to an audit under the provisions of the grant agreements. The ultimate determination of amounts received under these grants is based upon the allowance of costs reported to and accepted by the oversight agencies.

Until such grants are completed, a potential contingency exists to refund any amounts received in excess of allowable costs. Management is of the opinion that no material liability exists.

Employment Agreement

GO2 has a signed employment agreement with the President & CEO. The agreement contains terms that require severance payments upon the occurrence of certain contractual events.

14. Related Party Transactions

The Addario Lung Cancer Medical Institute (ALCMI) is a separate 501(c)(3) organization that funds lung cancer research. GO2 entered into a grant agreement with ALCMI as part of the merger in 2019. During 2021, GO2 extended the grant agreement with ALCMI through December 31, 2022. Under the terms of the grant agreement, GO2 will provide additional funding to ALCMI for up to \$450,000 in 2021. In addition, GO2 will provide funding up to \$600,000 in 2022. For the years ended December 31, 2021 and 2020, GO2 provided funding to ALCMI which totaled \$803,238 and \$715,621, respectively.

In addition, GO2 entered into a shared services agreement with ALCMI. Under this agreement, GO2 acquires certain goods and services for ALCMI in order to minimize costs and to otherwise efficiently manage resources, whereas ALCMI reimburses GO2 appropriately for these goods and services provided by GO2. For the years ended December 31, 2021 and 2020, GO2 received reimbursement from ALCMI for the shared services in the amount of \$107,601 and \$104,633, respectively.

GO2 rented two offices in San Carlos on a month-to-month basis from an entity owned by a Board member. In May 2021, GO2 terminated rent on one of the offices. Rent payments for the years ended December 31, 2021 and 2020 totaled \$112,545 and \$103,166, respectively.

GO2 Foundation for Lung Cancer

Notes to Financial Statements
December 31, 2021 and 2020

14. Related Party Transactions (continued)

In addition, three family members of a Board member are employed as full-time employees of GO2. During the years ended December 31, 2021 and 2020, these individuals were paid a total of \$400,998 and \$457,700, respectively.

15. Functionalized Expenses

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. All costs incurred directly for a certain function or program are coded directly or split among those activities. The expenses that are allocated include salaries, benefits, taxes, consulting fees, office rent, office expenses, depreciation and amortization, and other expenses, which are allocated on the basis of estimates of time and effort.

16. Joint Costs

Joint costs were incurred for activities that include programmatic elements (i.e., educating participants and raising awareness), as well as the solicitation of contributions. These costs have been allocated as follows for the years ended December 31:

	Communi- cations and Marketing	Events and Community Engagement	Total
<u>2021:</u>			
Joint costs	\$ 2,044,546	\$ 786,276	\$ 2,830,822
Less: direct benefits to donors	(9,515)	(225,882)	(235,397)
Total expenses included in the expense section of the SOA	<u>\$ 2,035,031</u>	<u>\$ 560,394</u>	<u>\$ 2,595,425</u>
<u>2020:</u>			
Joint costs	\$ 1,353,966	\$ 700,842	\$ 2,054,808
Less: direct benefits to donors	(29,859)	(75,059)	(104,918)
Total expenses included in the expense section of the SOA	<u>\$ 1,324,107</u>	<u>\$ 625,783</u>	<u>\$ 1,949,890</u>

GO2 Foundation for Lung Cancer

Notes to Financial Statements
December 31, 2021 and 2020

17. Retirement Plan

GO2 maintains a 403(b) defined contribution pension plan for all eligible employees. All employees are eligible to participate in the plan upon hire and are eligible for GO2's contributions upon completion of six months of regular full-time service and upon attaining 21 years of age. Employees contribute by payroll deductions on a pre-tax basis up to the amount allowable by federal law. Employee deferrals are immediately 100% vested and may begin at any time. GO2's contributions are discretionary and determined every year. For the years ended December 31, 2021 and 2020, GO2 contributed \$212,019 and \$213,564 to the plan, respectively.

18. Income Taxes

GO2 is exempt from payment of taxes on income other than net unrelated business income under IRC Section 501(c)(3). No tax expense is recorded in the accompanying financial statements as there was no unrelated business income. Contributions to GO2 are deductible as provided in IRC Section 170(b)(1)(A)(vi). Management has evaluated GO2's tax positions and concluded that GO2's financial statements do not include any uncertain tax positions.