

**WILLIAM GUY FORBECK RESEARCH
FOUNDATION**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

TOGETHER WITH INDEPENDENT ACCOUNTANTS'
REVIEW REPORT

WILLIAM GUY FORBECK RESEARCH FOUNDATION
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

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June 17, 2022

Independent Accountants' Review Report

Board of Directors
William Guy Forbeck Research Foundation
Carbondale, Colorado

We have reviewed the accompanying financial statements of **William Guy Forbeck Research Foundation** (a Colorado nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of William Guy Forbeck Research Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We previously reviewed the William Guy Forbeck Research Foundation's 2020 financial statements and in our report dated May 7, 2021, stated that based on our review, we were unaware of any material modifications that should be made to the 2020 financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America. We are unaware of any material modifications that should be made to the summarized comparative information presented herein as of and for the year ended December 31, 2020, for it to be consistent with the reviewed financial statements from which it has been derived.

Taylor Roth and Company PLLC

TAYLOR, ROTH AND COMPANY, PLLC
CERTIFIED PUBLIC ACCOUNTANTS
DENVER, COLORADO

WILLIAM GUY FORBECK RESEARCH FOUNDATION

STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2021
(WITH COMPARATIVE TOTALS FOR 2020)

	<u>2021</u>	<u>2020</u>
<u>Assets</u>		
Cash and cash equivalents	\$ 1,379,205	\$ 1,143,559
Prepaid expenses	52,942	74,190
Investments (Note 3)	3,739,744	4,256,212
Total assets	<u>\$ 5,171,891</u>	<u>\$ 5,473,961</u>
<u>Liabilities and net assets</u>		
<u>Liabilities</u>		
Accounts payable	\$ 4,583	\$ 540
Accrued payroll expenses	2,056	3,140
Grant payable	27,780	-
Total liabilities	<u>34,419</u>	<u>3,680</u>
<u>Net assets</u>		
Without donor restrictions		
Undesignated	2,237,472	2,490,281
Board designated reserve (Note 4)	2,900,000	2,900,000
	<u>5,137,472</u>	<u>5,390,281</u>
With donor restrictions	-	80,000
Total net assets	<u>5,137,472</u>	<u>5,470,281</u>
Total liabilities and net assets	<u>\$ 5,171,891</u>	<u>\$ 5,473,961</u>

See accompanying notes and independent accountants' review report

WILLIAM GUY FORBECK RESEARCH FOUNDATION

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021
(WITH COMPARATIVE TOTALS FOR 2020)

	2021		2020	
	Without Donor Restrictions	With Donor Restrictions	Total	Total
<u>Revenue and other support</u>				
Investment income, net (Note 3)	\$ 413,763	\$ -	\$ 413,763	\$ 910,534
Contributions and foundation grants	152,736	-	152,736	146,793
Special events, net (Note 5)	38,056	-	38,056	18,891
Other income	99	-	99	-
In-kind contributions (Note 6)	8,600	-	8,600	8,000
Net assets released from restrictions (Note 7)	80,000	(80,000)	-	-
	693,254	(80,000)	613,254	1,084,218
<u>Expense</u>				
Program services	841,856	-	841,856	175,217
Supporting services				
Management and general	63,334	-	63,334	59,487
Fund-raising	40,873	-	40,873	36,180
	946,063	-	946,063	270,884
Change in net assets	(252,809)	(80,000)	(332,809)	813,334
Net assets, beginning of year	5,390,281	80,000	5,470,281	4,656,947
Net assets, end of year	\$ 5,137,472	\$ -	\$ 5,137,472	\$ 5,470,281

See accompanying notes and independent accountants' review report

WILLIAM GUY FORBECK RESEARCH FOUNDATION

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021
(WITH COMPARATIVE TOTALS FOR 2020)

<u>Description</u>	2021					2020	
	Program Services			Supporting Services		Total	Total
	Scientific Collaboration and Meetings	Scientific Advisory Board	Total Program Services	Management and General	Fund- raising		
Salaries	\$ 65,708	\$ 5,476	\$ 71,184	\$ 27,379	\$ 10,951	\$ 109,514	\$ 107,602
Payroll taxes and benefits	5,970	498	6,468	2,488	995	9,951	8,971
Grants and awards	576,052	-	576,052	-	-	576,052	-
Housing and accommodations	76,631	-	76,631	-	-	76,631	28,620
Online media consulting	33,000	-	33,000	-	22,000	55,000	53,800
Travel	39,779	366	40,145	1,006	-	41,151	23,579
Meals	32,927	-	32,927	-	-	32,927	8,167
Accounting services	-	-	-	14,775	-	14,775	14,000
Community outreach	-	-	-	12,261	-	12,261	9,142
Information technology	-	-	-	150	5,816	5,966	2,603
Meetings	2,573	-	2,573	-	-	2,573	243
Insurance	-	-	-	1,780	-	1,780	1,736
Special events expenses	-	-	-	-	1,704	1,704	4,113
Newsletter	1,614	-	1,614	-	-	1,614	7,522
Office supplies	-	-	-	1,592	-	1,592	821
Printing and postage	507	-	507	134	492	1,133	129
Credit card fees	-	-	-	248	503	751	448
All other	697	58	755	1,521	116	2,392	3,501
Total expenses	835,458	6,398	841,856	63,334	42,577	947,767	274,997
Less expenses netted against revenue:							
Special events expense	-	-	-	-	(1,704)	(1,704)	(4,113)
Net expenses	\$ 835,458	\$ 6,398	\$ 841,856	\$ 63,334	\$ 40,873	\$ 946,063	\$ 270,884

See accompanying notes and independent accountants' review report

WILLIAM GUY FORBECK RESEARCH FOUNDATION

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021
(WITH COMPARATIVE TOTALS FOR 2020)

	<u>2021</u>	<u>2020</u>
<u>Cash flows from operating activities</u>		
Change in net assets	\$ (332,809)	\$ 813,334
Adjustments to reconcile change in net assets to net cash provided(used) by operating activities		
Stock donation	(20,385)	(20,116)
Net realized and unrealized (gains) losses on investments	(385,311)	(863,235)
(Reinvestment) of investment earnings, net	(28,392)	(47,231)
<u>Changes in operating assets and liabilities</u>		
(Increase)decrease in prepaid expenses	21,248	(15,283)
Increase(decrease) in accounts payable	4,043	(67,194)
Increase(decrease) in accrued payroll expenses	(1,084)	2,179
Increase(decrease) in grant payable	27,780	-
Net cash provided(used) by operating activities	<u>(714,910)</u>	<u>(197,546)</u>
 <u>Cash flows from investing activities</u>		
Proceeds from investments	<u>950,556</u>	<u>843,757</u>
Net increase(decrease) in cash and cash equivalents	235,646	646,211
 Cash and cash equivalents, beginning of year	<u>1,143,559</u>	<u>497,348</u>
Cash and cash equivalents, end of year	<u><u>\$1,379,205</u></u>	<u><u>\$1,143,559</u></u>

See accompanying notes and independent accountants' review report

WILLIAM GUY FORBECK RESEARCH FOUNDATION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

NOTE 1 - NATURE OF ACTIVITIES

William Guy Forbeck Research Foundation (the Organization or Foundation) is a non-profit organization which was incorporated on April 1, 1985. The objective of the Organization is to promote advances in the field of oncology, particularly pediatric oncology. All contributions, investment income, assets and net assets are to further the purpose of the Organization. Due to the Corona virus pandemic, the Foundation was not able to hold forums for the first half of 2021. Conferences resumed in the fall of 2021. The program budget for spring 2021 was reallocated to the Accelerator Grant Program.

The Organization is primarily supported by investments earnings.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES

1. Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

2. Basis of Presentation

The financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles which require the Organization to report its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Organization's management and board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated that the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulation regarding how long the contributed asset must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

3. Cash and Cash Equivalents

The Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES (Continued)

4. Investments

Investments are reported at cost, if purchased, or at fair value, if donated. Thereafter, investments are reported at their fair value in the statement of financial position, and changes in fair value are reported in investment income in the statement of activities.

Purchases and sales of securities are reflected on a trade-date basis. Gains and losses on sales of securities are based on cost and are recorded in the statement of activities in the period in which the securities are sold. Interest is recorded when earned.

5. Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. Fair value should be based on the assumptions market participants would use when pricing an asset. US GAAP establishes a fair value hierarchy that prioritizes investments based on those assumptions. The fair value hierarchy gives the highest priority to quoted prices in active markets (observable inputs) and the lowest priority to an entity's assumptions (unobservable inputs). The Organization's investments consisting of shares in publicly traded equity, debt, exchange traded investments, and mutual fund securities are defined as Level 1 assets as described below:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities in active markets as of the measurement date.

6. Capitalization and Depreciation

The Organization follows the practice of capitalizing all expenditures for furniture and equipment in excess of \$1,000. Depreciation of furniture and equipment is provided over the estimated useful lives of the respective assets on a straight-line basis. As of December 31, 2021, the Organization did not have any capitalized assets nor depreciation expense in 2021.

7. Estimates

The preparation of 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.

8. Income Taxes

The Organization has received an Internal Revenue Service exemption from federal income taxes under Section 501(c)(3). Accordingly, no provision or liability for income taxes has been provided in the accompanying financial statements.

9. Functional Reporting of Expenses

For the year ended December 31, 2021, the costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain categories of expenses attributable to more than one program or supporting function are allocated on a reasonable basis that is consistently applied. The significant expenses that are allocated are salaries, payroll taxes and benefits, and consulting expenses which are allocated based on estimates of time and effort.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES (Concluded)

10. Summarized Prior-Year Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include enough detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2020, from which the summarized information was derived.

11. Subsequent Events

Management has evaluated subsequent events through June 17, 2022, the date the financial statements were available to be issued.

NOTE 3 - INVESTMENTS

The investments are valued using Level 1 measurements. Level 1 measurements for investments include those valued at fair market value based on quoted prices in active markets and other information generated by market transactions. Investments held by the Organization consist of the following on December 31, 2021:

<u>Description</u>	<u>Fair Value</u>	<u>Cost Basis</u>	<u>Unrealized Appreciation (Depreciation)</u>
Equity securities	\$2,771,413	\$1,010,517	\$1,760,896
Corporate bonds	503,630	502,258	1,372
Exchange traded investments	400,508	406,155	(5,647)
Mutual funds	<u>64,193</u>	<u>68,437</u>	<u>(4,244)</u>
Total	<u>\$3,739,744</u>	<u>\$1,987,367</u>	<u>\$1,752,377</u>

Investment income and account activity is summarized as follows:

<u>Description</u>	<u>Amount</u>
Interest and dividends	\$ 59,620
Realized gains(losses), net	507,496
Unrealized gains(losses), net	(122,185)
Less: management fees	<u>(31,228)</u>
Total investment return	<u>\$ 413,703</u>

In addition, interest earned on operating cash balances was \$60 for the year.

NOTE 4 - BOARD DESIGNATED RESERVE

The Board of Directors established a reserve in the initial amount of \$2,900,000 to be used only if sustainability of the Organization's dedicated programs is jeopardized. Because the Board has control over the ultimate use of the funds, the board designated reserve is included in the Organization's net assets without donor restrictions.

NOTE 5 - SPECIAL EVENTS, NET

For the year, special events consisted of:

<u>Description</u>	<u>Amount</u>
Special events revenue	\$ 39,760
Less: direct expenses	<u>(1,704)</u>
Total	<u>\$ 38,056</u>

Due to Corona virus pandemic, the Organization held minimal special events. The events included a fishing derby, golf outing, and a walk the lake event. Direct special events expense consisted of items that are of direct benefit to the attendees.

NOTE 6 - IN-KIND CONTRIBUTIONS

Donated services which require recognition are those that create or enhance non-financial assets or that specifically require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Donated services are reflected in the accompanying financial statements at the estimated value at date of receipt. The value of services included in the financial statements and the corresponding expenses for the year are as follows:

<u>Description</u>	<u>Amount</u>
Accounting and tax services – valued at approximately \$230 per hour	<u>\$ 8,600</u>

NOTE 7 - NET ASSETS RELEASED FROM DONOR RESTRICTIONS

During the year, net assets were released from donor restrictions by incurring expenses satisfying the following restricted program purposes:

<u>Description</u>	<u>Amount</u>
Forbeck Cancer Forums	<u>\$ 80,000</u>

NOTE 8 - RELATED PARTIES

During a prior year, the Organization entered into a consulting agreement with a company for which a board member serves as an owner. Total payments made to the company during 2021 were \$52,524 for consulting and direct Foundation related expense reimbursements. At year-end, the Organization owes the company \$4,583. The agreement provides for continued monthly payments of \$4,583, adjusted annually, plus expense reimbursements.

A board member who is an officer of the Organization is an insurance executive that provided directors and officers insurance and other services for the Organization. The Organization did not pay any compensation to the board member for these services.

A board member of the Organization is an officer of the financial institution where the Organization maintains an investment account. In addition, a director of the Organization was paid approximately \$96,000 during 2021 for administrative services to the Organization.

NOTE 8 - RELATED PARTIES (Continued)

A board member who is an officer of the Organization is a partner of the CPA firm that prepares the Organization's Federal and State tax filings. The Organization did not pay any compensation to the board member for these services.

NOTE 9 - CONCENTRATION OF MARKET AND CREDIT RISK AND OTHER SUPPORT

The Organization has significant investments in equity securities, corporate bonds, exchange traded investments, and mutual funds which are subject to the risk of market value fluctuation. The Organization's investments in corporate bonds and exchange traded investments are also subject to credit risk. During 2021 the Organization recognized \$413,703 from its investment activities.

NOTE 10 - CONCENTRATION OF REVENUE SOURCE

During the year, the Organization received \$50,000 from one foundation representing approximately 25% of total contributions. The Organization may not be able to replace this grant with comparable future grants or contributions.

NOTE 11 - AVAILABILITY AND LIQUIDITY

The following represents the Organization's financial assets available for general operating expenditures within one year on December 31, 2021:

<u>Financial assets at year-end:</u>	<u>Amount</u>
Cash and cash equivalents	\$ 1,329,205
Investments	<u>3,739,744</u>
	5,068,949
Less amounts not available to be used within one year:	
Board designated reserve	<u>(2,900,000)</u>
Financial assets available to meet cash needs for general operating expenditures within one year	<u>\$2,168,949</u>

The Organization considers contributions restricted for programming, which is ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. The Organization's upcoming general operating expenditures are anticipated to be approximately \$925,000 to \$975,000.

The Organization has cash, cash equivalents and investments available to meet estimated general operating expenditures over the next twelve months. The Organization liquidates its investments on an as needed basis to fund its operating needs. The Organization's board of directors designated \$2,900,000 to be used only if the sustainability of the Organization is jeopardized. Because of the board of director's designation, the \$2,900,000 is not available for general operating expenditures within the next year, however, the board of directors could make it available, if necessary.