



MARC LUSTGARTEN PANCREATIC CANCER FOUNDATION
(a/k/a The Lustgarten Foundation for Pancreatic Cancer Research)

Financial Statements

June 30, 2022 and 2021

(With Independent Auditors' Report Thereon)



KPMG LLP
345 Park Avenue
New York, NY 10154-0102

Independent Auditors' Report

The Board of Directors
Marc Lustgarten Pancreatic Cancer Foundation:

Opinion

We have audited the financial statements of Marc Lustgarten Pancreatic Cancer Foundation (a/k/a The Lustgarten Foundation for Pancreatic Cancer Research) (the Foundation), which comprise the statements of financial position as of June 30, 2022 and 2021, and 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 accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' 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 U.S. generally accepted accounting principles, 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 for one year after the date that the financial statements are available to be issued.

Auditors' 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 auditors' 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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.



In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

KPMG LLP

New York, New York
February 10, 2023

MARC LUSTGARTEN PANCREATIC CANCER FOUNDATION
(a/k/a The Lustgarten Foundation for Pancreatic Cancer Research)

Statements of Financial Position

June 30, 2022 and 2021

Assets	2022	2021
Cash and cash equivalents	\$ 2,308,831	4,253,446
Investments (note 3)	73,805,521	89,962,535
Contributions receivable	1,982,801	515,050
Royalties receivable	—	1,326,679
Prepaid expenses and other assets	213,049	372,292
Software, furniture, and equipment, net of accumulated depreciation of \$193,616 and \$105,420, respectively	195,195	131,630
Total assets	\$ 78,505,397	96,561,632
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$ 760,077	533,611
Grants payable	7,629,947	2,997,905
Deferred rent obligation (note 4)	83,740	82,959
Total liabilities	8,473,764	3,614,475
Commitments (note 4)		
Net assets:		
Without donor restrictions (note 6):		
Board-designated fund for administrative expenses	23,731,424	32,897,996
Reserved for conditional grants	34,120,569	42,061,088
Reserved for research	10,519,640	17,601,073
Total without donor restrictions	68,371,633	92,560,157
With donor restrictions (note 6)	1,660,000	387,000
Total net assets	70,031,633	92,947,157
Total liabilities and net assets	\$ 78,505,397	96,561,632

See accompanying notes to financial statements.

MARC LUSTGARTEN PANCREATIC CANCER FOUNDATION
(a/k/a The Lustgarten Foundation for Pancreatic Cancer Research)

Statement of Activities

Year ended June 30, 2022

(with summarized comparative totals for the year ended June 30, 2021)

	2022			2021 Total
	Without donor restrictions	With donor restrictions	Total	
Revenue:				
Contributions	\$ 12,848,977	1,660,000	14,508,977	12,075,250
Special events, net of cost of direct benefits to donors of \$287,450	5,343,272	—	5,343,272	3,386,633
Contributed media and services (note 2)	180,693	—	180,693	4,630,747
Dividends and interest, net of investment fees	1,540,044	—	1,540,044	1,604,087
Royalties	11,255	—	11,255	1,361,709
Total revenue	<u>19,924,241</u>	<u>1,660,000</u>	<u>21,584,241</u>	<u>23,058,426</u>
Net assets released from donor restrictions (note 6)	<u>387,000</u>	<u>(387,000)</u>	<u>—</u>	<u>—</u>
Total revenue and other support	<u>20,311,241</u>	<u>1,273,000</u>	<u>21,584,241</u>	<u>23,058,426</u>
Expenses:				
Program services:				
Research	26,550,891	—	26,550,891	16,556,918
Public education and information (note 2)	677,642	—	677,642	5,530,544
Professional education	817,430	—	817,430	159,898
Total program services	<u>28,045,963</u>	<u>—</u>	<u>28,045,963</u>	<u>22,247,360</u>
Supporting services:				
Management and general	2,392,903	—	2,392,903	1,395,669
Fund-raising	3,423,462	—	3,423,462	2,427,517
Total supporting services	<u>5,816,365</u>	<u>—</u>	<u>5,816,365</u>	<u>3,823,186</u>
Total expenses	<u>33,862,328</u>	<u>—</u>	<u>33,862,328</u>	<u>26,070,546</u>
(Deficiency) excess of revenue and other support over expenses	(13,551,087)	1,273,000	(12,278,087)	(3,012,120)
Net (depreciation) appreciation in fair value of investments	<u>(10,637,437)</u>	<u>—</u>	<u>(10,637,437)</u>	<u>15,218,970</u>
(Decrease) increase in net assets	(24,188,524)	1,273,000	(22,915,524)	12,206,850
Net assets at beginning of period	<u>92,560,157</u>	<u>387,000</u>	<u>92,947,157</u>	<u>80,740,307</u>
Net assets at end of period	<u>\$ 68,371,633</u>	<u>1,660,000</u>	<u>70,031,633</u>	<u>92,947,157</u>

See accompanying notes to financial statements.

MARC LUSTGARTEN PANCREATIC CANCER FOUNDATION
(a/k/a The Lustgarten Foundation for Pancreatic Cancer Research)

Statement of Activities

Year ended June 30, 2021

	Without donor restrictions	With donor restrictions	Total
Revenue:			
Contributions	\$ 11,688,250	387,000	12,075,250
Special events, net of costs of direct benefits to donors of \$207,875	3,386,633	—	3,386,633
Contributed media and services (note 2)	4,630,747	—	4,630,747
Dividends and interest, net of investment fees	1,604,087	—	1,604,087
Royalties	1,361,709	—	1,361,709
Total revenue	22,671,426	387,000	23,058,426
Net assets released from donor restrictions (note 6)	364,000	(364,000)	—
Total revenue and other support	23,035,426	23,000	23,058,426
Expenses:			
Program services:			
Research	16,556,918	—	16,556,918
Public education and information (note 2)	5,530,544	—	5,530,544
Professional education	159,898	—	159,898
Total program services	22,247,360	—	22,247,360
Supporting services:			
Management and general	1,395,669	—	1,395,669
Fund-raising	2,427,517	—	2,427,517
Total supporting services	3,823,186	—	3,823,186
Total expenses	26,070,546	—	26,070,546
(Deficiency) excess of revenue and other support over expenses	(3,035,120)	23,000	(3,012,120)
Net appreciation in fair value of investments	15,218,970	—	15,218,970
Increase in net assets	12,183,850	23,000	12,206,850
Net assets at beginning of period	80,376,307	364,000	80,740,307
Net assets at end of period	\$ 92,560,157	387,000	92,947,157

See accompanying notes to financial statements.

MARC LUSTGARTEN PANCREATIC CANCER FOUNDATION
(a/k/a The Lustgarten Foundation for Pancreatic Cancer Research)

Statement of Functional Expenses

Year ended June 30, 2022

	<u>Program services</u>				<u>Supporting services</u>			<u>Total expenses</u>	<u>2021 Total</u>
	<u>Research</u>	<u>Public education and information</u>	<u>Professional education</u>	<u>Total</u>	<u>Management and general</u>	<u>Fundraising</u>	<u>Total</u>		
Grants expense	\$ 25,469,007	—	—	25,469,007	—	—	—	25,469,007	15,742,900
Research support	15,970	—	—	15,970	—	—	—	15,970	82,687
Contributed media and services (note 2)	—	—	—	—	107,375	73,318	180,693	180,693	4,630,747
Salaries, consulting, professional services and related costs	796,555	300,728	678,906	1,776,189	1,834,624	1,641,043	3,475,667	5,251,856	3,872,726
Supplies, mail and other	57,936	96,561	57,936	212,433	77,249	193,121	270,370	482,803	367,503
Meetings, travel and related costs	4,069	2,035	—	6,104	8,139	26,451	34,590	40,694	33,488
Insurance	9,019	9,019	2,255	20,293	6,764	18,037	24,801	45,094	40,307
Printing	81,740	108,987	—	190,727	217,974	272,468	490,442	681,169	249,727
Depreciation	10,584	17,639	10,584	38,807	14,111	35,278	49,389	88,196	84,883
Marketing and advertising	—	—	—	—	—	692,413	692,413	692,413	503,423
Rent	39,662	39,662	9,916	89,240	29,747	79,324	109,071	198,311	181,507
Utilities and maintenance	11,355	11,355	2,839	25,549	8,516	22,710	31,226	56,775	54,644
Bank and credit card fees	—	—	—	—	15,079	185,987	201,066	201,066	149,983
Information technology and Web site	54,994	91,656	54,994	201,644	73,325	183,312	256,637	458,281	250,642
	<u>\$ 26,550,891</u>	<u>677,642</u>	<u>817,430</u>	<u>28,045,963</u>	<u>2,392,903</u>	<u>3,423,462</u>	<u>5,816,365</u>	<u>33,862,328</u>	<u>26,245,167</u>
Direct benefits to donors								<u>287,450</u>	<u>207,875</u>
Total expenses and cost of direct benefits to donors								<u>\$ 34,149,778</u>	<u>26,453,042</u>

See accompanying notes to financial statements.

MARC LUSTGARTEN PANCREATIC CANCER FOUNDATION
(a/k/a The Lustgarten Foundation for Pancreatic Cancer Research)

Statement of Functional Expenses

Year ended June 30, 2021

	Program services				Supporting services			Total expenses
	Research	Public education and information	Professional education	Total	Management and general	Fund-raising	Total	
Grants expense	\$ 15,742,900	—	—	15,742,900	—	—	—	15,742,900
Research support	—	—	82,687	82,687	—	—	—	82,687
Contributed media and services (note 2)	—	4,525,966	—	4,525,966	104,781	—	104,781	4,630,747
Salaries, professional services and related costs	665,433	682,408	—	1,347,841	990,205	1,534,680	2,524,885	3,872,726
Supplies, mail and other	23,147	38,576	23,145	84,868	30,861	77,153	108,014	192,882
Meetings, travel and related costs	—	—	—	—	—	33,488	33,488	33,488
Insurance	7,980	7,980	1,996	17,956	6,391	15,960	22,351	40,307
Printing	29,966	39,957	—	69,923	79,916	99,888	179,804	249,727
Depreciation	10,186	16,976	10,186	37,348	13,582	33,953	47,535	84,883
Marketing and advertising	—	121,322	—	121,322	84,326	297,775	382,101	503,423
Rent	36,300	36,301	9,075	81,676	27,228	72,603	99,831	181,507
Utilities and maintenance	10,929	10,929	2,732	24,590	8,197	21,857	30,054	54,644
Bank and credit card fees	—	—	—	—	10,080	139,903	149,983	149,983
Information technology and web site	30,077	50,129	30,077	110,283	40,102	100,257	140,359	250,642
Total expenses	\$ 16,556,918	5,530,544	159,898	22,247,360	1,395,669	2,427,517	3,823,186	26,070,546
Direct benefits to donors								207,875
Total expenses and cost of direct benefits to donors								\$ 26,278,421

See accompanying notes to financial statements.

MARC LUSTGARTEN PANCREATIC CANCER FOUNDATION
(a/k/a The Lustgarten Foundation for Pancreatic Cancer Research)

Statements of Cash Flows

Years ended June 30, 2022 and 2021

	2022	2021
Cash flows from operating activities:		
(Decrease) increase in net assets	\$ (22,915,524)	12,206,850
Adjustments to reconcile (decrease) increase in net assets to net cash flows used in operating activities:		
Net depreciation (appreciation) in fair value of investments	10,637,437	(15,218,970)
Contributed marketable securities	—	(142,960)
Depreciation	88,196	84,883
Changes in assets and liabilities:		
Contributions receivable	(1,467,751)	(196,198)
Royalties receivable	1,326,679	(1,326,679)
Prepaid expenses and other assets	159,243	(197,805)
Accounts payable and accrued expenses	226,466	55,021
Deferred revenue	—	(480,772)
Grants payable	4,632,042	(5,776,929)
Deferred rent obligation	781	6,082
Net cash flows used in operating activities	(7,312,431)	(10,987,477)
Cash flows from investing activities:		
Proceeds from sale of investments	154,420,696	76,978,283
Purchase of investments	(148,901,119)	(63,596,708)
Purchase of fixed assets	(151,761)	(50,989)
Net cash flows provided by investing activities	5,367,816	13,330,586
Net (decrease) increase in cash and cash equivalents	(1,944,615)	2,343,109
Cash and cash equivalents at beginning of year	4,253,446	1,910,337
Cash and cash equivalents at end of year	\$ 2,308,831	4,253,446
Noncash activities:		
Contributed marketable securities	\$ —	142,960
Contributed media	73,318	4,525,966
Contributed services	107,375	104,781

See accompanying notes to financial statements.

MARC LUSTGARTEN PANCREATIC CANCER FOUNDATION
(a/k/a The Lustgarten Foundation for Pancreatic Cancer Research)

Notes to Financial Statements

June 30, 2022 and 2021

(1) Description of Organization and Summary of Significant Accounting Policies

The Marc Lustgarten Pancreatic Cancer Foundation (a/k/a The Lustgarten Foundation for Pancreatic Cancer Research) (the Foundation), formed in 1998, is a not-for-profit organization whose main office is located in Woodbury, New York.

The mission of the Foundation is to cure pancreatic cancer by:

- Funding scientific and clinical research related to the diagnosis, treatment, and prevention of pancreatic cancer.
- Providing research information and clinical support services to patients, caregivers, and individuals at high risk.
- Increasing public awareness and hope for those dealing with this disease.

The significant accounting policies followed by the Foundation are described below:

(a) Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting.

(b) Net Assets

Net assets, revenue, and gains are classified based on the existence or absence of donor-imposed restrictions, as follows:

(i) Net Assets without Donor Restrictions

Net assets not subject to donor-imposed restrictions. Net assets without donor restrictions may be designated for specific uses by action of the Board of Directors.

(ii) Net Assets with Donor Restrictions

Net assets subject to donor-imposed restrictions that will be met either by actions of the Foundation and/or the passage of time.

When a donor restriction expires, that is, when a time restriction ends or a purpose restriction is met, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported as net assets released from donor restrictions.

(c) Cash and Cash Equivalents

The Foundation considers all highly liquid investments with original maturities of three (3) months or less when purchased to be cash equivalents, except for those highly liquid investments held by investment managers for investment purposes. Cash equivalents at June 30, 2022 and 2021 were \$0 and \$85,009, respectively. The Foundation's cash equivalents are demand deposits placed within money market funds and Bank Deposit Programs (the BDPs). The BDPs are cash sweep features whereby free credit balances are automatically deposited into accounts established for clients.

MARC LUSTGARTEN PANCREATIC CANCER FOUNDATION
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Notes to Financial Statements

June 30, 2022 and 2021

(d) Investments and Fair Value

Investments are primarily debt and equity securities and are stated at fair value based on quoted market prices. The cost basis for securities received through gift is the fair value at the date of donation.

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that a reporting entity has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which a fair measurement in its entirety falls is based on the lowest-level input that is significant to the fair value measurement.

(e) Contributions

Contributions to the Foundation are recorded as revenues at the earlier of the receipt of unconditional pledges or of cash or other assets. Gifts of cash and other assets are reported as restricted support if they are received with donor stipulations that limit the use of the donated assets. Donor-restricted contributions, whose restrictions are met within the same year as received, are reflected as contributions without donor restrictions. In the absence of donor specification that income and gains on donated funds are restricted, such income and gains are reported as increases of net assets without donor restrictions. Contributions are classified as conditional if a barrier must be overcome to be entitled to the funds or if a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets exists. Conditional pledges are not included as support until the conditions are met. Contributions receivable at June 30, 2022 are expected to be collected as follows: \$992,034 within one (1) year and \$990,767 within two (2) to five (5) years. Contributions receivable at June 30, 2021 were expected to be collected primarily within one (1) year.

(f) Special Events Revenue

Special events revenue is shown net of costs of direct benefits to donors.

(g) Royalties

Royalties revenue is from technology that was developed via organization funded research.

MARC LUSTGARTEN PANCREATIC CANCER FOUNDATION
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Notes to Financial Statements

June 30, 2022 and 2021

(h) Functional Allocation of Expenses

The costs of providing the various program and supporting services have been reported on a functional and natural basis in the accompanying financial statements. The majority of the Foundation's expenses are charged on the direct-identification method. Those expenses that cannot be directly identified have been allocated to program and supporting services based on a percentage established by management, either based on square footage or other reasonable basis consistent with the benefit derived by each program.

(i) Software, Furniture, and Equipment

Software, furniture, and equipment are stated at cost and depreciated over their estimated useful lives of three (3) to eight (8) years on a straight-line basis.

(j) Grants

Grants that have been awarded are recorded as expenses, unless deemed to be conditional. Conditional grants are discussed further in note 4 – Commitments. The Foundation expects that the grants payable balance of \$7,629,947 and \$2,997,905 at June 30, 2022 and 2021, respectively, will be substantially paid within one (1) year.

(k) Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The Foundation makes estimates regarding valuation of investments, collection of receivables, received in-kind contributions, and allocation of functional expenses. Actual results could differ from those estimates.

(l) Income Taxes

The Foundation has received a final determination letter from the Internal Revenue Service stating that the Foundation is exempt from federal income tax under Section 501(c)(3). The Foundation is treated as a public charity as defined in Sections 509(a)(1) and 170(b)(1)(A)(vi).

The Foundation follows the provisions of Accounting Standards Codification (ASC) Subtopic 740-10, *Income Taxes – Overall (ASC 740-10)*, relating to uncertainty in income taxes. For the Foundation, ASC 740-10 is primarily applicable to the incurrence of unrelated business income tax attributable to certain of its investments. ASC 740-10 establishes a minimum threshold for financial statement recognition of the benefits of positions taken, or expected to be taken, in filing tax returns. It requires the evaluation of tax positions taken or expected to be taken, in the course of preparing the Foundation's income tax returns to determine whether the tax positions are "more likely than not" of being sustained by the applicable tax authority. Tax positions not deemed to meet the more-likely than-not threshold are recorded as tax expense. For the years ended June 30, 2022 and 2021, the Foundation has not identified or provided for any such positions.

MARC LUSTGARTEN PANCREATIC CANCER FOUNDATION
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Notes to Financial Statements

June 30, 2022 and 2021

(m) New Accounting Pronouncements

In September 2020, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2020-07, *Presentation and Disclosures by Not-for Profit Entities for Contributed Nonfinancial Assets*. The standard requires nonprofits to expand their financial statement presentation and disclosure of contributed nonfinancial assets, including in-kind contributions. The standard includes disclosure of information on an entity's policies on contributed nonfinancial assets about monetization and utilization during the reporting period, information on donor-imposed restrictions, and valuation techniques. The new standard, as amended, is to be applied retrospectively to annual reporting periods after June 15, 2021, and interim periods within annual reporting periods beginning after June 15, 2022. The Foundation has adopted the standard in 2022. The standard did not have a material impact on the financial statements.

(n) Future Accounting Pronouncements

FASB issued ASU No. 2016-02, *Leases*, which require lessees to recognize a lease liability and a right of use asset for all lease obligations with the exception for short-term leases (less than 12 months). The lease liability will represent the lessee's obligation to make lease payments arising from the lease measured on a discounted basis. The right of use asset will represent the lessee's right to use or control a specified asset during the lease term. The Foundation is currently evaluating the impact of this ASU and plans to adopt for the year ending June 30, 2023.

(o) Reclassification

Certain prior year amounts have been reclassified to conform to the current year presentation.

(2) Contributed Media and Services

The Foundation's financial statements include the following in-kind contributions revenue and support, and associated expense:

Media

The Foundation receives donated advertising through television and radio vignettes, and magazine advertisements that serve as platforms to market and brand its events. These donated advertisements are recognized as in-kind contributions at fair value, which was provided by the service provider, who estimates the fair value based on the date, time, and market in which each is displayed. Contributed media were \$73,318 and \$4,525,966 for the years ended June 30, 2022 and 2021, respectively.

Services

The Foundation receives donated professional services that would typically be purchased if not provided as an in-kind contribution. These services, which require specialized skills, are recognized as in-kind contributions at fair value based on current market rates for similar services and expensed when the services are rendered. Contributed services were \$107,375 and \$104,781 for the years ended June 30, 2022 and 2021, respectively.

MARC LUSTGARTEN PANCREATIC CANCER FOUNDATION
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Notes to Financial Statements

June 30, 2022 and 2021

(3) Investments at Fair Value

Investments at fair value at June 30, 2022 and 2021 are summarized as follows:

	2022	2021
Level 1:		
Equity securities	\$ 45,377,646	53,183,310
Level 2:		
Corporate bonds	4,928,336	23,273,962
U.S. government bonds	20,270,974	1,617,372
Cash equivalents	3,228,565	11,887,891
	\$ 73,805,521	89,962,535

At June 30, 2022 and 2021, there were no investments that were measured using Level 3 inputs.

(4) Commitments

The Foundation had commitments of \$34,120,569 and \$42,061,088 for conditional grants as of June 30, 2022 and 2021, respectively. Such grants become payable once the underlying conditions have been achieved, which is expected to be as follows:

Fiscal year	Amount
2023	\$ 16,064,150
2024	10,831,990
2025	4,839,111
2026	2,260,318
2027	125,000
Total	\$ 34,120,569

The Foundation is obligated under three operating leases for office equipment expiring from 2023 through 2026. Lease expense amounted to \$18,680 and \$12,252 for the years ended June 30, 2022 and 2021, respectively. Future minimum lease payments required under the operating leases are as follows:

2023	\$ 18,148
2024	10,057
2025	1,978
2026	1,308
Total	\$ 31,491

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Notes to Financial Statements

June 30, 2022 and 2021

In June 2017, the Foundation entered into a lease agreement for new office space and relocated its headquarters. The lease, which expires in July 2027, includes annual rent escalations and a rent credit equivalent to two (2) months' rent. Rent expense is recorded on a straight-line basis with an associated deferred rent obligation. Rent expense was \$198,311 and \$181,507 for the years ended June 30, 2022 and 2021, respectively.

The future minimum rental payments required under the office space operating lease are as follows:

	2023	\$	187,462
	2024		193,086
	2025		198,879
	2026		204,845
	2027		<u>228,615</u>
	Total	\$	<u><u>1,012,887</u></u>

(5) Retirement Plan

The Organization offers the opportunity to participate in a retirement program to all eligible staff members through a 401(k) plan through MSG. Each full-time staff is vested at 100% immediately upon contribution, and part-time staff after one year or 1,000 hours worked. The Organization's matching contributions under the plan totaled \$49,228 and \$70,977 for the years ended June 30, 2022 and 2021, respectively.

(6) Net Assets

Time or purpose restricted net assets of \$387,000 and \$364,000 have been released due to donor-imposed time restrictions being met during the years ended June 30, 2022 and 2021, respectively. Time restricted net assets accounted for \$1,660,000 and \$387,000 as of June 30, 2022 and 2021, respectively. In 2017, a board-designated fund was established to cover the Foundation's administrative expenses for the next several years. The fund was established utilizing accumulated interest, dividends, investment earnings, and royalty income. All remaining net assets without donor restrictions are considered reserved for research.

MARC LUSTGARTEN PANCREATIC CANCER FOUNDATION
(a/k/a The Lustgarten Foundation for Pancreatic Cancer Research)

Notes to Financial Statements

June 30, 2022 and 2021

(7) Liquidity and Availability

The Foundation manages its liquidity by developing annual operating budgets that provide sufficient funds for general expenditures. As of June 30, 2022 and 2021, the financial assets available within one (1) year of the financial position date for general expenditures such as operating expenses are as follows:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 2,308,831	4,253,446
Investments	73,805,521	89,962,535
Contributions receivable	1,982,801	515,050
Royalties receivable	<u>—</u>	<u>1,326,679</u>
	\$ <u>78,097,153</u>	<u>96,057,710</u>

As part of the Foundation's liquidity management, the board has designated \$23,731,424 and \$32,897,996 as of June 30, 2022 and 2021, respectively, in funds without donor restrictions for administrative expenses. The Foundation also invests cash in excess of daily requirements in short-term investments. In addition to the financial assets available within one (1) year, current year operating revenues will fund annual expenditures.

(8) Subsequent Events

In connection with the preparation of the financial statements, the Foundation evaluated subsequent events from June 30, 2022 and through the date of February 10, 2023, which is the date the financial statements were available for issuance, and concluded that there are no subsequent events which requires disclosures in the financial statements.