



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

Financial Statements

June 30, 2021 and 2020

(With Independent Auditors' Report Thereon)



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

Independent Auditors' Report

To the Board of Directors
Marc Lustgarten Pancreatic Cancer Foundation:

We have audited the accompanying 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, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

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, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the accompanying financial statements referred to the above present fairly, in all material respects, the financial position of the Foundation as of June 30, 2021 and 2020, 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.

KPMG LLP

New York, New York
May 13, 2022

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

Statements of Financial Position

June 30, 2021 and 2020

Assets	2021	2020
Cash and cash equivalents	\$ 4,253,446	1,910,337
Investments (note 3)	89,962,535	87,982,180
Contributions receivable	515,050	318,852
Royalties receivable	1,326,679	—
Prepaid expenses and other assets	372,292	174,487
Software, furniture, and equipment, net of accumulated depreciation of \$105,420 and \$208,053, respectively	131,630	165,524
Total assets	\$ 96,561,632	90,551,380
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$ 533,611	478,590
Deferred revenue	—	480,772
Grants payable	2,997,905	8,774,834
Deferred rent obligation (note 4)	82,959	76,877
Total liabilities	3,614,475	9,811,073
Net assets:		
Without donor restrictions (note 6):		
Board-designated fund for administrative expenses	32,897,996	17,888,840
Reserved for conditional grants	42,061,088	43,292,539
Reserved for research	17,601,073	19,194,928
Total without donor restrictions	92,560,157	80,376,307
With donor restrictions (note 6)	387,000	364,000
Total net assets	92,947,157	80,740,307
Total liabilities and net assets	\$ 96,561,632	90,551,380

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

(with summarized comparative totals for the year ended June 30, 2020)

	2021			2020 Total
	Without donor restrictions	With donor restrictions	Total	
Revenue:				
Contributions	\$ 11,688,250	387,000	12,075,250	9,526,625
Special events, net of costs of direct benefits to donors of \$207,875	3,386,633	—	3,386,633	3,519,808
Contributed media and services (note 2)	4,630,747	—	4,630,747	3,946,136
Dividends and interest, net of investment fees	1,604,087	—	1,604,087	1,773,168
Royalties	1,361,709	—	1,361,709	7,855
Total revenue	22,671,426	387,000	23,058,426	18,773,592
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	18,773,592
Expenses:				
Program services:				
Research	16,556,918	—	16,556,918	19,760,631
Public education and information (note 2)	5,530,544	—	5,530,544	4,739,143
Professional education	159,898	—	159,898	246,644
Total program services	22,247,360	—	22,247,360	24,746,418
Supporting services:				
Management and general	1,395,669	—	1,395,669	1,094,488
Fund-raising	2,427,517	—	2,427,517	2,828,833
Total supporting services	3,823,186	—	3,823,186	3,923,321
Total expenses	26,070,546	—	26,070,546	28,669,739
(Deficiency) excess of revenue and other support over expenses	(3,035,120)	23,000	(3,012,120)	(9,896,147)
Net appreciation in fair value of investments	15,218,970	—	15,218,970	46,899
Increase (decrease) in net assets	12,183,850	23,000	12,206,850	(9,849,248)
Net assets at beginning of period	80,376,307	364,000	80,740,307	90,589,555
Net assets at end of period	\$ 92,560,157	387,000	92,947,157	80,740,307

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, 2020

	Without donor restrictions	With donor restrictions	Total
Revenue:			
Contributions	\$ 9,162,625	364,000	9,526,625
Special events, net of costs of direct benefits to donors of \$219,523	3,519,808	—	3,519,808
Contributed media and services (note 2)	3,946,136	—	3,946,136
Dividends and interest, net of investment fees	1,773,168	—	1,773,168
Royalties	7,855	—	7,855
Total revenue	18,409,592	364,000	18,773,592
Net assets released from donor restrictions (note 6)	55,645	(55,645)	—
Total revenue and other support	18,465,237	308,355	18,773,592
Expenses:			
Program services:			
Research	19,760,631	—	19,760,631
Public education and information (note 2)	4,739,143	—	4,739,143
Professional education	246,644	—	246,644
Total program services	24,746,418	—	24,746,418
Supporting services:			
Management and general	1,094,488	—	1,094,488
Fund-raising	2,828,833	—	2,828,833
Total supporting services	3,923,321	—	3,923,321
Total expenses	28,669,739	—	28,669,739
(Deficiency) excess of revenue and other support over expenses	(10,204,502)	308,355	(9,896,147)
Net appreciation in fair value of investments	46,899	—	46,899
(Decrease) increase in net assets	(10,157,603)	308,355	(9,849,248)
Net assets at beginning of period	90,533,910	55,645	90,589,555
Net assets at end of period	\$ 80,376,307	364,000	80,740,307

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	2020 Total
	Research	Public education and information	Professional education	Total	Management and general	Fundraising	Total		
Grants expense	\$ 15,742,900	—	—	15,742,900	—	—	—	15,742,900	18,894,873
Research support	—	—	82,687	82,687	—	—	—	82,687	40,000
Contributed media and services (note 2)	—	4,525,966	—	4,525,966	104,781	—	104,781	4,630,747	3,946,136
Salaries, professional services and related costs	665,433	682,408	—	1,347,841	990,205	1,534,680	2,524,885	3,872,726	3,384,754
Supplies and mail	20,955	34,924	20,955	76,834	27,939	69,848	97,787	174,621	202,740
Meetings, travel and related costs	—	—	—	—	—	33,488	33,488	33,488	101,956
Insurance	7,980	7,980	1,996	17,956	6,391	15,960	22,351	40,307	39,751
Printing	29,966	39,957	—	69,923	79,916	99,888	179,804	249,727	147,379
Depreciation	10,186	16,976	10,186	37,348	13,582	33,953	47,535	84,883	72,210
Marketing and advertising	—	121,322	—	121,322	84,326	297,775	382,101	503,423	1,074,872
Rent	36,300	36,301	9,075	81,676	27,228	72,603	99,831	181,507	185,276
Utilities and maintenance	10,929	10,929	2,732	24,590	8,197	21,857	30,054	54,644	50,384
Bank and credit card fees	—	—	—	—	10,080	139,903	149,983	149,983	204,233
Information technology and web site	30,077	50,129	30,077	110,283	40,102	100,257	140,359	250,642	251,315
Other	2,192	3,652	2,190	8,034	2,922	7,305	10,227	18,261	73,860
	<u>\$ 16,556,918</u>	<u>5,530,544</u>	<u>159,898</u>	<u>22,247,360</u>	<u>1,395,669</u>	<u>2,427,517</u>	<u>3,823,186</u>	26,070,546	28,669,739
Direct benefits to donors								<u>207,875</u>	<u>219,523</u>
Total expenses and direct benefits to donors								<u>\$ 26,278,421</u>	<u>28,889,262</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, 2020

	Program services				Supporting services			Total expenses
	Research	Public education and information	Professional education	Total	Management and general	Fund-raising	Total	
Grants expense	\$ 18,894,873	—	—	18,894,873	—	—	—	18,894,873
Research support	—	—	40,000	40,000	—	—	—	40,000
Contributed media and services (note 2)	—	3,573,393	—	3,573,393	290,061	82,682	372,743	3,946,136
Salaries, professional services and related costs	710,860	858,213	120,878	1,689,951	584,975	1,109,828	1,694,803	3,384,754
Supplies and mail	24,329	40,548	24,329	89,206	32,438	81,096	113,534	202,740
Meetings, travel and related costs	10,196	5,098	—	15,294	20,391	66,271	86,662	101,956
Insurance	7,870	7,870	1,968	17,708	6,303	15,740	22,043	39,751
Printing	17,685	23,581	—	41,266	47,163	58,950	106,113	147,379
Depreciation	8,665	14,442	8,665	31,772	11,554	28,884	40,438	72,210
Marketing and advertising	—	103,831	—	103,831	500	970,541	971,041	1,074,872
Rent	37,055	37,055	9,264	83,374	27,791	74,111	101,902	185,276
Utilities and maintenance	10,077	10,077	2,519	22,673	7,558	20,153	27,711	50,384
Bank and credit card fees	—	—	—	—	13,726	190,507	204,233	204,233
Information technology and web site	30,158	50,263	30,158	110,579	40,210	100,526	140,736	251,315
Other	8,863	14,772	8,863	32,498	11,818	29,544	41,362	73,860
Total expenses	<u>\$ 19,760,631</u>	<u>4,739,143</u>	<u>246,644</u>	<u>24,746,418</u>	<u>1,094,488</u>	<u>2,828,833</u>	<u>3,923,321</u>	28,669,739
Direct benefits to donors								<u>219,523</u>
Total expenses and direct benefits to donors								<u>\$ 28,889,262</u>

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, 2021 and 2020

	2021	2020
Cash flows from operating activities:		
Increase (decrease) in net assets	\$ 12,206,850	(9,849,248)
Adjustments to reconcile increase (decrease) in net assets to net cash (used by) provided by operating activities:		
Net appreciation in fair value of investments	(15,218,970)	(46,899)
Contributed marketable securities	(142,960)	(121,633)
Depreciation	84,883	72,210
Changes in assets and liabilities:		
Contributions receivable	(196,198)	12,319,927
Royalties receivable	(1,326,679)	—
Prepaid expenses and other assets	(197,805)	56,924
Accounts payable and accrued expenses	55,021	(338,110)
Deferred revenue	(480,772)	168,158
Grants payable	(5,776,929)	1,235,604
Deferred rent obligation	6,082	11,228
Net cash (used in) provided by operating activities	(10,987,477)	3,508,161
Cash flows from investing activities:		
Proceeds from sale of investments	76,978,283	35,999,987
Purchases of investments	(63,596,708)	(43,442,226)
Purchase of fixed assets	(50,989)	(1,400)
Net cash provided by (used in) investing activities	13,330,586	(7,443,639)
Net increase (decrease) in cash and cash equivalents	2,343,109	(3,935,478)
Cash and cash equivalents at beginning of year	1,910,337	5,845,815
Cash and cash equivalents at end of year	\$ 4,253,446	1,910,337
Noncash activities:		
Contributed marketable securities	\$ 142,960	121,633
Contributed media	4,525,966	3,656,075
Contributed services	104,781	290,061

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, 2021 and 2020

(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) Current Environment

In March 2020, the World Health Organization declared the novel coronavirus (COVID-19) a pandemic. The outbreak of the disease has affected travel, commerce, and financial markets globally, including in the United States. The continued spread of COVID-19 and its impact on social interaction, travel, economies, and financial markets may adversely affect operations and financial condition, including, among other things, the ability of the Foundation to conduct its operations and/or the cost of operations and financial markets impacting investments valuation and interest rates.

Commencing in March 2020, all in-person events were suspended and continued to be suspended through the entire 2020 fiscal year.

During fiscal year 2021, the organization resumed in-person events where they could be safely held. While the number of events held is still less than Pre-COVID-19 levels, the organization expects to return to a full slate of in person events in fiscal year 2022.

The COVID-19 pandemic has negatively affected national, state, and local economies and global financial markets. While the financial impact on the Foundation cannot be quantified at this time, the pandemic may have a material adverse effect on the current and future financial profile and operating performance of the Foundation. The Foundation continues to monitor the course of the pandemic and is prepared to take additional measures to protect the health of the Foundation community and promote the continuity of its mission.

(b) Basis of Presentation

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

MARC LUSTGARTEN PANCREATIC CANCER FOUNDATION
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Notes to Financial Statements

June 30, 2021 and 2020

(c) 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.

(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.

(d) Cash and Cash Equivalents

The Foundation considers all highly liquid investments with original maturities of three 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, 2021 and 2020 were \$85,009 and \$26,224, 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.

(e) 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.

MARC LUSTGARTEN PANCREATIC CANCER FOUNDATION
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Notes to Financial Statements

June 30, 2021 and 2020

(f) 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, 2021 and 2020 were \$515,050 and \$318,852 respectively, and are expected to be collected in one year.

(g) Special Events Revenue

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

(h) Royalties

Royalties revenues are from technology that was developed via organization funded research.

(i) Functional Allocation of Expenses

The costs of providing program and supporting services have been reported on a functional and natural basis. 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.

(j) Software, Furniture, and Equipment

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

(k) Grants

Grants that have been awarded are recorded as expenses, unless deemed to be conditional. Conditional grants are noted in commitments (note 5). The Foundation expects that the grants payable balance of \$2,997,905 and \$8,774,834 at June 30, 2021 and 2020, respectively, will be substantially paid within one year.

(l) 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. Actual results could differ from those estimates.

MARC LUSTGARTEN PANCREATIC CANCER FOUNDATION
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Notes to Financial Statements

June 30, 2021 and 2020

(m) 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, 2021 and 2020, the Foundation has not identified or provided for any such positions.

(n) Recently Adopted Accounting Standards

In 2020, the Foundation adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2018-08, *Not-for-Profit Entities – Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* for contributions received. This update helps an entity evaluate whether it should account for a grant (or similar transaction) as a contribution or as an exchange transaction. The update also clarifies and expands the criteria for determining whether a contribution is conditional, which may delay recognition of contribution revenue (recipient) or expenses (resource provider). The guidance for contributions made was adopted for the year ending June 30, 2021. The adoption did not have a significant impact in the financial statements in 2021 or 2020.

(o) Recent Accounting Pronouncements

In February 2016, the 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 new standard is effective for the Foundation for the year ending June 30, 2023. The Foundation is evaluating the impact of adopting this guidance on its financial statements.

(p) Reclassification

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

(2) Contributed Media and Services

Audit and various program services were donated to the Foundation totaling \$104,781 and \$290,061 for the years ended June 30, 2021 and 2020, respectively. Contributed services are recognized as revenue and expenses in the accompanying financial statements, based upon their estimated fair values.

MARC LUSTGARTEN PANCREATIC CANCER FOUNDATION
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Notes to Financial Statements

June 30, 2021 and 2020

Contributions have been made to the Foundation in the form of pro bono advertising time and space (contributed media). The Foundation's policy for recognizing contributed media is to recognize the contributed asset if it is determined that the contributions are for the benefit of the Foundation, help the Foundation communicate its message, and the Foundation has significant influence over the creative product. The Foundation has recognized the fair value of contributed media in the financial statements of approximately \$4.5 million and \$3.7 million for the years ended June 30, 2021 and 2020, respectively. The fair value of the contributed media has been estimated by using the number of spots aired and the market rate per spot at the time of airing.

(3) Investments at Fair Value

Investments at fair value at June 30, 2021 and 2020 are summarized as follows:

	2021	2020
Level 1:		
Equity securities	\$ 53,183,310	51,151,252
Level 2:		
Corporate bonds	23,273,962	11,053,462
U.S. government bonds	1,617,372	24,534,193
Cash equivalents	11,887,891	1,243,273
	\$ 89,962,535	87,982,180

At June 30, 2021 and 2020, there were no investments that were measured using Level 3 inputs.

(4) Commitments

The Foundation had commitments of \$42,061,088 and \$43,292,539 for conditional grants as of June 30, 2021 and 2020, respectively. Such grants become payable once the underlying conditions have been achieved, which is expected to be as follows:

Fiscal year	Amount
2022	\$ 20,331,090
2023	14,113,073
2024	6,116,925
2025	1,000,000
2026	500,000
Total	\$ 42,061,088

MARC LUSTGARTEN PANCREATIC CANCER FOUNDATION
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Notes to Financial Statements

June 30, 2021 and 2020

The Foundation is obligated under two operating leases for office equipment expiring in 2022 and 2024. Lease expense amounted to \$12,252 and \$10,705 for the years ended June 30, 2021 and 2020, respectively. Future minimum lease payments required under the operating leases are as follows:

2022	\$	11,154
2023		10,788
2024		<u>3,596</u>
Total future lease expense	\$	<u><u>25,538</u></u>

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 months' rent. Rent expense is recorded on a straight-line basis with an associated deferred rent obligation. Rent expense was \$181,507 and \$185,276 for the years ended June 30, 2021 and 2020, respectively.

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

2022	\$	182,002
2023		187,462
2024		193,086
2025		198,879
2026		204,845
2027 and later		<u>228,615</u>
Total future lease expense	\$	<u><u>1,194,889</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 \$70,977 and \$56,507 for the years ended June 30, 2021 and 2020, respectively.

MARC LUSTGARTEN PANCREATIC CANCER FOUNDATION
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Notes to Financial Statements

June 30, 2021 and 2020

(6) Net Assets

Time or purpose restricted net assets of \$364,000 and \$55,645 have been released due to donor-imposed time restrictions being met during the years ended June 30, 2021 and 2020, respectively. Time or purpose restricted net assets are available for the following purposes at June 30, 2021 and 2020:

	2021	2020
Annual scientific conference	\$ —	40,000
Time restricted	387,000	324,000
	\$ 387,000	364,000

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. In addition, in 2021 the Board designated an additional \$9.5 million of funds that had been received through unrestricted bequests, royalties agreements, sponsorships, and investment income for this purpose. All remaining net assets without donor restrictions are considered reserved for research.

(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, 2021 and 2020, the financial assets available within one year of the financial position date for general expenditures such as operating expenses are as follows:

	2021	2020
Cash and cash equivalents	\$ 4,253,446	1,910,337
Investments	89,962,535	87,982,180
Contributions receivable	515,050	318,852
Royalties receivable	1,326,679	—
	\$ 96,057,710	90,211,369

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

Notes to Financial Statements

June 30, 2021 and 2020

As part of the Foundation's liquidity management, the board has designated \$32,897,996 and \$17,888,840 as of June 30, 2021 and 2020, 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 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, 2021 through May 13, 2022, which was the date the financial statements were available for issuance, and concluded that no additional disclosures were required.