The Skin Cancer Foundation, Inc.

Financial Statements

December 31, 2025 and 2024

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The Skin Cancer Foundation, Inc.
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December 31, 2025 and 2024

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Mount Arlington, NJ
Bridgewater, NJ
973.298.8500
nisivoccia.com
Independent Member
BKR International

Independent Auditors' Report

To the Board of Directors of
The Skin Cancer Foundation, Inc.
New York, New York

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of The Skin Cancer Foundation, Inc. (a nonprofit Organization) (the "Foundation") which comprise the statement of financial position as of December 31, 2025 and 2024, 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 Skin Cancer Foundation, Inc. as of December 31, 2025 and 2024, 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 (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 accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for one year after the date that the financial statements are issued.

To the Board of Directors of
The Skin Cancer Foundation, Inc.

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.

Nisivoccia LLP

Bridgewater, New Jersey
October 16, 2026

The Skin Cancer Foundation, Inc.
Statement of Financial Position
December 31, 2025 and 2024

	2025	2024
ASSETS		
Current assets:		
Cash and cash equivalents	$ 529,579	$ 554,370
Investments	6,536,379	6,003,393
Contributions receivable	128,848	
Foundation and corporate sponsorships receivable	355,000	129,000
Prepaid expenses	121,274	52,187
Total current assets	7,671,080	6,738,950
Noncurrent assets:		
Operating lease - right of use asset	1,259,038	1,871,948
Property and equipment, net	276,901	24,218
Total noncurrent assets	1,535,939	1,896,166
Total assets	$ 9,207,019	$ 8,635,116
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	$ 28,921	$ 52,652
Accrued expenses	129,222	136,756
Operating lease liability - current portion	573,035	583,406
Deferred revenue	895,167	646,667
Total current liabilities	1,626,345	1,419,481
Noncurrent liabilities:		
Compensated absences	45,149	40,942
Operating lease liability - net of current portion	800,024	1,352,429
Total noncurrent liabilities	845,173	1,393,371
Total liabilities	2,471,518	2,812,852
Net assets:		
Without donor restrictions	6,735,501	5,822,264
Total net assets	6,735,501	5,822,264
Total liabilities and net assets	$ 9,207,019	$ 8,635,116

See Accompanying Notes to Financial Statements

The Skin Cancer Foundation, Inc.
Statement of Activities
Years Ended December 31, 2025 and 2024

	2025	2024
Revenue and support:		
Foundation and corporate sponsorships	$ 3,359,169	$ 2,595,695
Contributions	413,655	586,683
Public information and medical education	193,530	114,151
Special events, net of direct benefit to donors of $176,018 and $144,592, respectively	575,951	771,312
In-kind contributions - program services, net of direct benefits to donors of $67,950 and $70,980, respectively	6,543,346	16,674,990
Other income	15,614	24,274
Total revenue and support	11,101,265	20,767,105
Expenses:		
Program services	9,917,998	19,903,150
Management and general	376,596	358,618
Fundraising	788,840	1,019,937
Total functional expenses	11,083,434	21,281,705
Change in net assets from operating activities	17,831	(514,600)
Nonoperating activities:		
Investment income, net	201,381	149,142
Realized gain on investments	62,857	178,857
Unrealized gain on investments	631,168	494,997
Total nonoperating activities	895,406	822,996
Change in net assets	913,237	308,396
Net assets without donor restrictions, beginning of year	5,822,264	5,513,868
Net assets without donor restrictions, end of year	$ 6,735,501	$ 5,822,264

See Accompanying Notes to Financial Statements

The Skin Cancer Foundation, Inc.
Statement of Functional Expenses
Year Ended December 31, 2025

	Program Services	Supporting Services: Management and General	Supporting Services: Fundraising	Total
Payroll and related expenses:				
Salaries and wages	$ 1,291,308	$ 265,786	$ 328,729	$ 1,885,823
Employee benefits	117,491	24,974	30,675	173,140
Payroll taxes	110,382	23,462	28,819	162,663
Total payroll and related expenses	1,519,181	314,222	388,223	2,221,626
Research and fellowship	88,402			88,402
Payroll fees	3,340	15,204	4,057	22,601
Public and medical education	738,956			738,956
Seminars and conferences	39,477			39,477
Professional fees	120,473	5,767	1,922	128,162
Office supplies	7,002	335	112	7,449
Postage and shipping	5,929	284	95	6,308
Rent expense	594,787	28,474	9,491	632,752
Electricity	9,421	451	150	10,022
Dues and subscriptions	2,562	123	41	2,726
Insurance	30,536	1,462	487	32,485
Special events			380,838	380,838
Miscellaneous	62,512	2,993	998	66,503
Repairs and maintenance	3,989	191	64	4,244
Computer and telephone	33,167	1,588	529	35,284
Bank charges	331	16	5	352
Registration fees	21,928	1,050	349	23,327
In-kind expenses	6,543,346			6,543,346
Total expenses before depreciation	9,825,339	372,160	787,361	10,984,860
Depreciation	92,659	4,436	1,479	98,574
Total expenses	$ 9,917,998	$ 376,596	$ 788,840	$ 11,083,434

See Accompanying Notes to Financial Statements

The Skin Cancer Foundation, Inc.
Statement of Functional Expenses
Year Ended December 31, 2024

	Program Services	Supporting Services: Management and General	Supporting Services: Fundraising	Total
Payroll and related expenses:				
Salaries and wages	$ 1,081,393	$ 274,560	$ 571,543	$ 1,927,496
Employee benefits	86,859	21,847	44,665	153,371
Payroll taxes	77,228	20,503	46,207	143,938
Total payroll and related expenses	1,245,480	316,910	662,415	2,224,805
Research and fellowship	185,890			185,890
Public and medical education	850,656			850,656
Seminars and conferences	74,936			74,936
Professional fees	165,889	7,942	2,647	176,478
Office supplies	15,515	743	248	16,506
Postage and shipping	1,577	76	25	1,678
Rent expense	508,491	24,343	8,114	540,948
Taxes	18,201	871	290	19,362
Electricity	9,284	444	148	9,876
Dues and subscriptions	4,921	236	79	5,236
Insurance	28,763	1,377	459	30,599
Special events			343,620	343,620
Miscellaneous	12,295	589	196	13,080
Repairs and maintenance	5,767	276	92	6,135
Computer and telephone	68,594	3,284	1,095	72,973
Bank charges	528	25	8	561
Registration fees	14,272	683	228	15,183
In-kind expenses	16,674,990			16,674,990
Total expenses before depreciation	19,886,049	357,799	1,019,664	21,263,512
Depreciation	17,101	819	273	18,193
Total expenses	$ 19,903,150	$ 358,618	$ 1,019,937	$ 21,281,705

See Accompanying Notes to Financial Statements

The Skin Cancer Foundation, Inc.
Statement of Cash Flows
Years Ended December 31, 2025 and 2024

	2025	2024
Cash flows from operating activities:		
Change in net assets	$ 913,237	$ 308,396
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	98,574	18,193
Realized gain on investments	(62,857)	(178,857)
Unrealized gain on investments	(631,168)	(494,997)
Dividends and interest, reinvested	(235,995)	(107,879)
Changes in operating assets and liabilities:		
Contributions receivable	(128,848)	
Foundation and corporate sponsorships receivable	(226,000)	(16,787)
Prepaid expenses	(69,087)	(8,925)
Accounts payable	(23,731)	(119,680)
Accrued expenses	(7,534)	46,231
Deferred revenue	248,500	101,890
Compensated absences	4,207	15,317
Operating lease asset and liability	50,134	(37,073)
Net cash used in operating activities	(70,568)	(474,171)
Cash flows from investing activities:		
Purchase of property and equipment	(351,257)	(3,805)
Sale of investments	660,836	651,960
Purchase of investments	(263,802)	(418,836)
Net cash provided by investing activities	45,777	229,319
Net decrease in cash and cash equivalents	(24,791)	(244,852)
Cash and cash equivalents, beginning of year	554,370	799,222
Cash and cash equivalents, end of year	$ 529,579	$ 554,370
Supplemental disclosures of noncash information:		
Unrealized gain on investments	$ 631,168	$ 494,997
Donated stock		$ 1,477
In-kind contributions	$ 6,787,314	$ 16,890,562

See Accompanying Notes to Financial Statements

1. Nature of Activities

The Skin Cancer Foundation, Inc. (the "Foundation") was incorporated as a non-profit organization in New York State in 1977. The Foundation's purpose is to conduct public and medical education programs regarding the incidence, morbidity, and mortality of skin cancer. This is accomplished by the development and distribution of informational materials to the general public, the media, and the medical professions. Additionally, the Foundation provides support for medical training and research to help reduce skin cancer.

2. Summary of Significant Accounting Policies

A summary of the significant accounting policies followed by the Foundation in the preparation of the accompanying financial statements is set forth below:

Basis of Accounting

The financial statements of the Foundation are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Basis of Presentation

The Foundation prepares its financial statements in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC"), *Accounting for Contributions Received and Made*, and FASB ASC, *Presentation of Financial Statements of Not-for-Profit Entities.* FASB ASC, *Presentation of Financial Statements of Not-for-Profit Entities* establishes standards for external financial reporting by not-for-profit organizations and requires that resources be classified for accounting and reporting purposes into two net asset categories: net assets with donor restrictions and net assets without donor restrictions.

Contributions that are restricted by the donor are reported as increases in net assets without donor restriction if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. In addition, the standard requires the presentation of qualitative information on how the Foundation manages its liquid available resources and liquidity risks.

Quantitative information that communicates the availability of a nonprofit's financial assets at the statement of financial position date to meet cash needs for general expenditures within one year is required to be presented on the face of the financial statement and/or in the notes to the financial statements. FASB ASC, *Accounting for Contributions Received and Made* requires that unconditional promises to give be recorded as receivables and revenue and requires the Foundation to distinguish between contributions received for each net asset category in accordance with donor-imposed restrictions.

Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

Net assets without donor restrictions are resources representing the portion of expendable funds available for support of the Foundation's programs and general operations. These resources are not subject to donor-imposed restrictions.

Net assets with donor restrictions represent amounts with 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 those resources be maintained in perpetuity. Generally, the donors of these assets permit the Foundation to use all, or part of the income earned on any related investments for general or specific purposes. 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. There were no net assets with donor restrictions at December 31, 2025 and 2024.

Revenue and Support Recognition

Revenue is measured based on consideration specified in a contract with a customer. This occurs with the transfer of control at a specific point in time. The Foundation recognizes revenue from public information and medical education at the time the service is performed. The Foundation records special events revenue equal to the fair value of direct benefits to donors. There are no multi-year contracts and performance obligations are typically satisfied within one year or less. Amounts billed for future services are reported as deferred revenue in the statement of financial position.

The Foundation recognizes contributions when cash, securities or other assets, an unconditional promise to give, or 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 substantially met.

The Foundation offers sponsorships of various categories that typically last for a term of one year. The Foundation divides fees from these sponsorships between contributions and exchange transactions and recognizes revenue for the contribution upon receipt of an unconditional promise or contributed asset and for the exchange portion of the transaction ratably over the term of the sponsorship.

Disaggregation of Revenue

In the following table, revenue is disaggregated by timing of satisfaction of performance obligations for the years ended December 31:

	2025	2024
Performance obligations satisfied at a point in time	$ 2,370,098	$ 1,862,226
Performance obligations satisfied over time	$ 1,643,372	$ 1,461,705

Revenue from performance obligations satisfied at a point in time is comprised of foundation and corporate sponsorships, public information and medical education, and special events revenue, less the cost of direct benefit to donors.

Revenue from performance obligations satisfied over time is comprised of corporate council membership dues.

Income Taxes

The Foundation is a not-for-profit corporation that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. The Foundation is also exempt under Chapter 35 of the Consolidated Laws of New York. Accordingly, no provision for federal or state income tax has been presented in the accompanying financial statements.

The Foundation follows the provisions of FASB ASC, *Income Taxes*. The standard prescribes minimum recognition threshold and measurement methodology that a tax position taken or expected to be taken in a tax return is required to meet before being recognized in the financial statements. It also provides guidance for derecognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition as they relate to those tax positions. The Foundation is subject to audit by tax authorities, including a review of its nonprofit status, which management believes would be upheld upon examination.

As required by law, the Foundation files informational returns with both the United States federal and state of New York jurisdictions on an annual basis - Form 990 with the Internal Revenue Service and CHAR-500 with the New York State Department of Law. These returns are subject to examination by these authorities within certain statutory defined periods for federal and state jurisdictions.

Cash and Cash Equivalents

The Foundation considers all highly liquid investing instruments purchased with an original maturity of three months or less to be cash equivalents.

Contributions Receivable, Foundation and Corporate Sponsorships Receivable, and Allowances for Credit Losses

Contributions receivable represents outstanding unconditional promises to give and are stated at the amounts management expects to collect from outstanding balances.

Foundation and corporate sponsorships typically have a term of one year and include components of both contributions and exchange transactions. The Foundation recognizes the contribution portion upon receipt of an unconditional promise or contributed asset and the exchange portion as the related sponsorship benefits are provided. Foundation and corporate sponsorships receivable are stated at the amounts management expects to collect from outstanding sponsorship balances.

Management provides for uncollectible amounts related to contributions and the contribution portion of foundation and corporate sponsorships through a charge to expense and a credit to an allowance for uncollectible accounts based on its assessment of historical collection experience and the current status of individual accounts. For the exchange portion of sponsorships, management estimates expected credit losses based on historical collection experience, current conditions, and reasonable and supportable forecasts affecting collectability. Expected credit losses are recorded through a charge to credit loss expense and a credit to the allowance for credit losses.

Balances that remain outstanding after management has used reasonable collection efforts and determined them to be uncollectible are written off through a charge to the applicable allowance and a credit to receivables. Write-offs are determined on a case-by-case basis. There were no allowances for uncollectible accounts or credit losses as of December 31, 2025 and 2024, as management considered all contributions and sponsorships receivable to be collectible. At January 1, 2024, foundation and corporate sponsorships receivable amounted to $17,500.

The Foundation applies FASB ASC 326, which significantly changed how entities measure credit losses for most financial assets and certain other instruments that aren't measured at fair value through changes in net assets. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the Foundation that are subject to the guidance in FASB ASC 326 were foundation and corporate sponsorships receivable.

Leases

The Foundation applies FASB ASC 842, *Leases*, to determine whether an arrangement is or contains a lease at inception. The Foundation leases office space and equipment. Operating leases are included in operating lease right-of-use (ROU) assets and operating lease liabilities on the statement of financial position.

ROU assets represent the Foundation's right to use an underlying asset for the lease term and lease liabilities represent their obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As most of their leases do not provide an implicit rate, the Foundation used a risk-free rate of 1.63% for the years ended December 31, 2025 and 2024, for its office space and equipment classes of assets based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Foundation will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

The Foundation's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

The Foundation has elected for all underlying classes of assets, to not recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less, but greater than 1 month at lease commencement, and do not include an option to purchase the underlying asset that the Foundation is reasonably certain to exercise. The Foundation recognizes lease cost associated with its short-term leases on a straight-line basis over the lease term.

Investments

The Foundation follows the provisions of FASB ASC, *Accounting for Certain Investments Held by Not-for-Profit Foundations.* In accordance with this accounting standard, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair value in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income or loss (including interest, dividends, and realized gains and losses on sale of investments) are included in the statement of activities as increases or decreases of net assets without donor restrictions unless the income or loss is restricted by the donor or law.

A decline in the market value of an investment security below its cost that is designated to be other than temporary is recognized through an impairment charge. That impairment charge would be included in the statement of activities, and a new cost basis would be established. For the years ended December 31, 2025 and 2024, the Foundation did not record any impairment charge in the statement of activities.

Fair Value Measurement

In accordance with FASB ASC, *Fair Value Measurements and Disclosures*, fair value is defined as a market-based measurement, not an entity-specific measurement. The objective of a fair value measurement is to estimate the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions (that is, an exit price at the measurement date from the perspective of a market participant that holds the asset or owes the liability).

A fair value measurement assumes that the transaction to sell the asset or transfer the liability either occurs in the principal market (or in its absence, the most advantageous market) for the asset or liability. The Fair Value Measurements Topic of the FASB ASC establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The measurement of fair value focuses on the price that would be received to sell the asset or paid to transfer the liability regardless of whether an observable liquid market price existed (an exit price). An exit price valuation will include margins for risk even if they are not observable.

As the Foundation is released from risk, the margins for risk will also be released through net realized capital gains (losses) in net income. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy are described below:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement. Level 3 assets and liabilities measured at fair value are based on one or more of three valuation techniques:

- Market approach - Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities;
- Cost approach - Amount that would be required to replace the service capacity of an asset (i.e., current replacement cost);
- Income approach - Techniques that convert future amounts to a single present amount based on current market expectations about those future amounts (including present value techniques, option-pricing models, and lattice models).

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

For some assets and liabilities, observable market transactions or market information may be available. For other assets and liabilities, observable market transactions and market information might not be available.

When a price for an identical asset or liability is not observable, a reporting entity measures fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. Because fair value is a market-based measurement, it is measured using the assumptions that market participants would use when pricing the asset or liability, including assumptions about risk. As a result, a reporting entity's intention to hold an asset or settle or otherwise fulfill a liability is not relevant when measuring fair value.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2025 and 2024.

Mutual Funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Foundation are open-ended mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price.

Common Stocks: Valued at the closing price reported on the active market on which the individual securities are traded.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The Foundation invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the Foundation's investments and the amounts reported in the statement of financial position and the statement of activities.

Property and Equipment

Property and equipment are recorded at cost when purchased or at fair value at date of gift, when donated. The Foundation capitalizes additions of property and equipment with a purchase price of $1,000 or more and a useful life of more than one year; the fair value of donated fixed assets is similarly capitalized. Proceeds from the sale of fixed assets, if without donor restrictions, are transferred to net assets without donor restrictions, or, if restricted, to deferred amounts restricted for fixed asset acquisitions.

Depreciation of assets is provided for by the straight-line method over their estimated useful lives. Leasehold improvements are amortized over the useful life of the asset. Expenditures for maintenance, repairs, and renewals of minor items are charged to earnings as incurred. Major renewals and improvements are capitalized.

The Foundation continually evaluates whether current events or circumstances warrant adjustments to the carrying value or estimated useful lives of fixed assets in accordance with the provisions of FASB ASC, *Accounting for the Impairment or Disposal of Long-Lived Assets*.

In-Kind Contributions

The Foundation follows the provisions of ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* (Topic 958), which requires nonprofits to present contributed nonfinancial assets as a separate line item in the statement of activities apart from contributions of cash or other financial assets.

In-kind contributions are reflected as contributions at their fair value on the date of donation and are reported as without donor restrictions unless explicit donor stipulations specify how contributed assets must be used.

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 of assets and liabilities, revenues and expenses and changes therein, and disclosures of contingent assets and contingent liabilities and accompanying notes. It is reasonably possible that the Foundation's estimates may change in the near term.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the program and supporting services benefited. The financial statements may report certain categories of expense that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied.

Costs are allocated between program services, management and general, and fundraising based on evaluations of the related benefits. Program expenses are those related to the various programs offered by the Foundation. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Foundation. Fundraising includes the direct costs of special events and the allocation of employees' salaries and other costs involved in fundraising and special events based on methods considered by management to be reasonable.

Deferred Revenues

Deferred revenues represent sponsorships either pledged or paid prior to the end of the year that are attributable to the subsequent year. Deferred revenues also include membership fees paid in advance for the subsequent year. The Foundation reported deferred revenues of $895,167 and $646,667 as of December 31, 2025 and 2024, respectively. At January 1, 2024, deferred revenue amounted to $544,777.

Compensated Absences

Foundation employees are granted sick, vacation, personal, and compensatory time in varying amounts throughout the year. Employees are permitted to carry over a maximum of 5 vacation days into the following year. Sick, personal, and compensatory time cannot be carried over from year to year. The Foundation reported compensated absences of $45,149 and $40,942 as of December 31, 2025 and 2024, respectively.

Concentration of Credit Risk

The Foundation maintains its cash in bank deposit accounts, which, at times, may exceed federally insured limits. The Foundation has not experienced any losses in such accounts. Management believes it is not exposed to any significant credit risks related to cash.

Concentration of credit risk associated with investments is considered low due to the credit quality of the financial institutions holding these investments.

Contributed Services

The Foundation recognizes contributed services at their fair value if the services have value to the Foundation and require specialized skills, are provided by individuals possessing those skills, and would have been purchased if not provided by contributors. If these criteria are met, the related amounts are reported as both in-kind contribution revenue and expense in the statement of activities.

Volunteers make significant contributions of time relative to general management and operations of the Foundation. The value of this contributed time is not reflected in these financial statements since it does not meet criteria for recognition under U.S. generally accepted accounting principles.

Professional Employer Organization Agreement

The Foundation has entered into a co-employment agreement with a Professional Employer Organization ("PEO") to provide human resources, payroll processing, employee benefits administration, and other related services. Under this arrangement, the PEO is the employer of record for certain legal and administrative purposes; however, the Foundation retains responsibility for directing and controlling the day-to-day activities of its employees.

The Foundation reimburses the PEO for gross salaries, payroll taxes, employee benefits, and administrative fees. Payments outstanding to the PEO for payroll and benefits totaled $96,071 and $117,562 as of December 31, 2025 and 2024, respectively, and are included in accrued expenses on the statement of financial position.

Auxiliary Activities

Revenue from auxiliary activities includes sales and other revenue from brochures, posters and books totaling $29,935 and $30,883 for the years ended December 31, 2025 and 2024, respectively. These amounts are included in public information and medical education on the statement of activities.

Reclassification

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

Subsequent Events

Management has reviewed subsequent events and transactions that occurred after December 31, 2025, through the date of the independent auditors' report and the date the financial statements were available to be issued, October 16, 2026. The financial statements include all events or transactions, including estimates, required to be recognized in accordance with generally accepted accounting principles in the United States of America. Management has determined that there are no non-recognized subsequent events that require additional disclosure.

3. Liquidity and Availability

The provisions of FASB Update No. 2016-14 require the presentation of qualitative information on how the Foundation manages its available liquid resources and liquidity risks. Quantitative information that communicates the availability of a nonprofit's financial assets at the statement of financial position date to meet cash needs for general expenditures within one year is required to be presented on the face of the financial statement and/or in the notes to the financial statements.

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, are comprised of the following as of December 31:

	2025	2024
Financial assets at year end:		
Cash and cash equivalents	$ 529,579	$ 554,370
Contributions receivable	128,848	
Foundation and corporate sponsorships receivable	355,000	129,000
Investments	6,536,379	6,003,393
Financial assets available to meet general expenditures within one year	$ 7,549,806	$ 6,686,763

The Foundation manages its financial assets to be available as its operating expenditures, liabilities and other obligations come due. Support from contributions and sponsorships provides sufficient funds during the year for operating expenditures and liabilities. The Foundation currently maintains approximately one month of operating expenses in cash. In addition to these available financial assets, a significant portion of the Foundation's annual expenditures will be funded by current year operating revenues including foundation and corporate sponsorships, contributions, public information and medical education, and special events revenue.

4. Property and Equipment

Property and equipment is comprised of the following as of December 31:

	Estimated Useful Life (Years)	2025	2024
Leasehold improvements	10	$ 22,440	$ 22,440
Machinery and equipment	5 - 7	169,601	166,582
Vehicles	5	512,726	164,502
Total property and equipment		704,767	353,524
Less: accumulated depreciation		(427,866)	(329,306)
Property and equipment, net		$ 276,901	$ 24,218

Depreciation expense amounted to $98,574 and $18,193 for the years ended December 31, 2025 and 2024, respectively.

5. Investments

The Foundation's investments are comprised of the following as of December 31:

	2025		
	Cost	Fair Value (Level 1)	Unrealized Gain
Mutual funds	$ 3,671,432	$ 6,186,938	$ 2,515,506
Common stock	213,114	349,441	136,327
Total investments	$ 3,884,546	$ 6,536,379	$ 2,651,833

	2024		
	Cost	Fair Value (Level 1)	Unrealized Gain
Mutual funds	$ 3,789,730	$ 5,691,118	$ 1,901,388
Common stock	193,393	312,275	118,882
Total investments	$ 3,983,123	$ 6,003,393	$ 2,020,270

The following summarizes investment activity for the years ended December 31:

	2025	2024
Fair value, beginning of year	$ 6,003,393	$ 5,454,784
Purchases, including donated investments	263,802	418,836
Dividends and interest reinvested, net	235,995	107,879
Sales	(660,836)	(651,960)
Realized gain	62,857	178,857
Unrealized gain	631,168	494,997
Fair value, end of year	$ 6,536,379	$ 6,003,393

The following summarizes the investment return for the years ended December 31:

	2025	2024
Dividends and interest income	$ 247,488	$ 190,151
Realized gain	62,857	178,857
Unrealized gain	631,168	494,997
Investment fees	(46,107)	(41,009)
	$ 895,406	$ 822,996

6. Letter of Credit

In connection with its lease of office space, the Foundation maintains an irrevocable standby letter of credit in the amount of $102,296 issued by Bank of America in favor of the landlord as security for its obligations under the lease. The letter of credit expires at the conclusion of the lease and automatically renews annually. No amounts had been drawn under the letter of credit as of December 31, 2025 and 2024.

7. Operating Leases

The Foundation entered into an office lease agreement that covers the period from November 15, 2017, through June 15, 2028. The annual lease payments are $472,133 for the initial year and are subject to 2.25% annual escalations and a $20,528 one-time increase in year five of the lease. Additionally, the lease allows the Foundation six months of free rent during the term of the lease. The free rent applies to months 1 through 4 and months 25 and 26 of the lease term, for total rent concessions of $239,647. The rent concessions are being amortized on a straight-line basis over the term of the lease.

The Foundation entered into an office equipment lease agreement that covers the period from January 1, 2022, through December 31, 2026. The payments are due monthly in the amount of $503, resulting in an annual cost of $6,036.

The total lease costs, including associated costs, charged to operations under FASB ASC 842 for the years ended December 31, 2025 and 2024, amounted to $632,752 and $540,948, respectively.

Other information related to the Foundation's operating lease as of and for the years ended December 31 is as follows:

	2025	2024
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash outflows from operating leases	$ 577,373	$ 570,701
Weighted-average remaining lease term in years for operating leases	2.33	3.33
Weighted-average discount rate for operating leases	1.63%	1.63%

Future minimum lease liabilities under these operating leases are as follows:

Year Ended December 31,	
2026	$ 573,035
2027	603,651
2028	221,922
Total undiscounted cash flows	1,398,608
Less: present value discount	(25,549)
Total lease liabilities	$ 1,373,059

8. Retirement Plan

The Foundation established a 401(k) Profit Sharing Plan (the "Plan") effective January 1, 2019. The Plan offers employees the opportunity to defer a portion of their salary pre-tax (Salary Deferrals) or after tax (Roth Deferrals) up to certain statutory limits. All eligible employees of the Foundation are eligible to make deferrals into the Plan. Employees must be at least 21 years of age, complete one year of service with the Foundation and work at least 1,000 hours during the Plan year to receive employer contributions. The Foundation made employer contributions of $48,229 and $47,993 to the Plan for the years ended December 31, 2025 and 2024, respectively.

9. Risks and Uncertainties and Funding Dependency

A significant portion of the Foundation's funding comes from private foundations. Revenue from one donor represented approximately 54% and 74% of total revenue for the years ended December 31, 2025 and 2024, respectively. A significant reduction in this funding could adversely affect the Foundation's operations.

Amounts due from three and two donors represented approximately 53% and 89% of receivables as of December 31, 2025 and 2024, respectively. Accordingly, there is no guarantee that such funding will continue.

10. Special Events

The Foundation holds various special events throughout the course of the year. The events are a way to further the Foundation's exempt purpose as well as raise money for future programs. The Foundation's special events are as follows for the years ended December 31:

	2025		
	Revenues	Direct Expenses	Net Income
Champions for Change Award Gala:			
Cash transactions	$ 575,951	$ 380,838	$ 195,113
In-kind transactions	176,018	176,018	
Total Champions for Change Award Gala	$ 751,969	$ 556,856	$ 195,113

	2024		
	Revenues	Direct Expenses	Net Income
Champions for Change Award Gala:			
Cash transactions	$ 771,312	$ 343,620	$ 427,692
In-kind transactions	144,592	144,592	
Total Champions for Change Award Gala	$ 915,904	$ 488,212	$ 427,692

11. In-Kind Contributions

The Foundation receives in-kind contributions from various donors for materials used in conjunction with public service announcements and benefit events. All in-kind contributions are measured at their fair value on the date of donation. The Foundation recognized $6,787,314 and $16,890,562 in in-kind revenues as of December 31, 2025 and 2024, respectively. A corresponding amount was also recognized as program expenses for each year on the statement of activities.

In-kind contributions included in the statement of activities are comprised of the following for the years ended December 31:

	2025	2024
TV/cable advertisements	$ 6,058,078	$ 15,008,642
Magazine advertisements		1,134,495
Google awards advertisements	485,268	531,853
In-kind labor (doctors) - Destination Health Skin	67,950	69,000
Gift bag donations used for program services		1,980
Total in-kind donations used for program services	6,611,296	16,745,970
Gift bag donations distributed at gala	176,018	144,592
Total in-kind donations	$ 6,787,314	$ 16,890,562