

**APPENDIX CANCER/PSEUDOMYXOMA
PERITONEI RESEARCH FOUNDATION, INC.
(OR ACPMP)**

**FINANCIAL STATEMENTS
December 31, 2023 and 2022**

APPENDIX CANCER/PSEUDOMYXOMA PERITONEI RESEARCH FOUNDATION, INC.
(OR ACPMP)
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December 31, 2023 and 2022

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INDEPENDENT ACCOUNTANT'S REPORT

To the Board of Directors of
Appendix Cancer/Pseudomyxoma Peritonei Research Foundation, Inc. (or ACPMP)
Springfield, Pennsylvania

We have reviewed the accompanying financial statements of Appendix Cancer/Pseudomyxoma Peritonei Research Foundation, Inc. (or ACPMP) (a nonprofit organization), which comprise the statements of assets, liabilities and net assets – modified cash basis as of December 31, 2023 and 2022, and the related statements of support, revenue and expenses – modified cash basis and statements of functional expenses – modified cash basis for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Appendix Cancer/Pseudomyxoma Peritonei Research Foundation, Inc. (or ACPMP) management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of financial statements in the circumstances. Management is also responsible 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.

Accountant's Responsibility

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

We are required to be independent of Appendix Cancer/Pseudomyxoma Peritonei Research Foundation, Inc. (or ACPMP) and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our reviews.

Basis for Qualified Conclusion

As disclosed in Note 2 to the financial statements, the Foundation's policy is to present inventory which would normally be expensed as incurred in modified cash basis statements and to present investments at fair value rather than cost. This results in additional net assets of \$12,402 and \$5,262 at December 31, 2023 and 2022, respectively. The impact to the statement of support, revenue and expenses – modified cash basis has not been determined.

Qualified Conclusion

Based on our reviews, except for the matter described in the Basis for Qualified Conclusion paragraph, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with the modified cash basis of accounting.

Basis of Accounting

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of American. Our conclusion is not modified with respect to this matter.

A handwritten signature in cursive script that reads "Corbits & Associates".

May 24, 2024
Solon, Ohio

**APPENDIX CANCER/PSEUDOMYXOMA PERITONEI RESEARCH FOUNDATION, INC.
(OR ACPMP)**

**Statements of Assets, Liabilities and Net Assets – Modified Cash Basis
December 31, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash	\$ 411,876	\$ 1,694,406
Investments	1,632,378	
Inventory	<u>10,309</u>	<u>5,262</u>
TOTAL ASSETS	<u>\$ 2,054,563</u>	<u>\$ 1,699,668</u>
 NET ASSETS		
Without donor restrictions	\$ 2,026,505	\$ 1,699,668
With donor restrictions	<u>28,058</u>	<u>-</u>
TOTAL NET ASSETS	<u>\$ 2,054,563</u>	<u>\$ 1,699,668</u>

See independent accountant's review report and accompanying notes to financial statements

**APPENDIX CANCER/PSEUDOMYXOMA PERITONEI RESEARCH FOUNDATION, INC.
(OR ACPMP)**

**Statements of Support, Revenue and Expenses – Modified Cash Basis
Years Ended December 31, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
CHANGES IN NET ASSETS		
WITHOUT DONOR RESTRICTIONS		
Revenue and Support		
Contributions		
Events	\$ 247,573	\$ 165,827
Other	258,334	319,626
Investment income	52,767	(12,302)
Merchandise sales	3,306	5,430
Net assets release from restriction	25,000	-
Total revenue and support	<u>586,980</u>	<u>478,581</u>
Expense		
Program Services		
Grants	32,500	82,500
Education	102,449	41,558
Supporting Services		
Management and general	23,193	33,774
Fundraising	<u>102,001</u>	<u>88,573</u>
Total expense	<u>260,143</u>	<u>246,405</u>
INCREASE IN NET ASSETS		
WITHOUT DONOR RESTRICTIONS	326,837	232,176
CHANGES IN NET ASSETS		
WITH DONOR RESTRICTIONS		
Contributions - Events	50,558	-
Grants received	2,500	-
Net assets released from restriction	<u>(25,000)</u>	<u>-</u>
INCREASE IN NET ASSETS		
WITH DONOR RESTRICTIONS	<u>28,058</u>	<u>-</u>
INCREASE IN NET ASSETS	354,895	232,176
NET ASSETS AT BEGINNING OF YEAR	<u>1,699,668</u>	<u>1,467,492</u>
NET ASSETS AT END OF YEAR	<u>\$2,054,563</u>	<u>\$ 1,699,668</u>

See independent accountant's review report and accompanying notes to financial statements

**APPENDIX CANCER/PSEUDOMYXOMA PERITONEI RESEARCH FOUNDATION, INC.
(OR ACPMP)**

**Statement of Functional Expense – Modified Cash Basis
Year Ended December 31, 2023**

	<u>Program Services</u>		<u>Supporting Services</u>		
	<u>Grants and Contributions</u>	<u>Education</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Advertising & marketing	\$	\$	\$	\$ 1,803	\$ 1,803
Salary/wages		25,276	9,556	26,932	61,764
Payroll taxes & benefits		2,897	746	3,027	6,670
Symposium sponsorship		47,000			47,000
Symposium materials		1,961			1,961
Conference exhibits & fees		4,222			4,222
Educational sessions		1,704			1,704
Merchant fees				15,292	15,292
Bank service charges			531		531
Communication -Zoom		4,981			4,981
Dues, fees, subscriptions	7,500		3,980	27,009	38,489
Event cost				18,559	18,559
Insurance			1,685		1,685
IT and website		7,200	75	5,105	12,380
Office & misc			854		854
Merchandise cost of sales				2,592	2,592
Merchandise giveaways				1,682	1,682
Postage and delivery			1,539		1,539
Professional fees			4,227		4,227
Research grants	25,000				25,000
Travel		7,208			7,208
	<u>\$ 32,500</u>	<u>\$ 102,449</u>	<u>\$ 23,193</u>	<u>\$ 102,001</u>	<u>\$ 260,143</u>

See independent accountant's review report and accompanying notes to financial statements

**APPENDIX CANCER/PSEUDOMYXOMA PERITONEI RESEARCH FOUNDATION, INC.
(OR ACPMP)**

**Statement of Functional Expense – Modified Cash Basis
Year Ended December 31, 2022**

	<u>Program Services</u>		<u>Supporting Services</u>		
	<u>Grants and Contributions</u>	<u>Education</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Advertising & marketing	\$	\$	\$	\$ 744	\$ 744
Salary/wages		22,094	13,895	35,988	71,977
Payroll taxes		1,690	1,063	2,753	5,506
Symposiums		9,580			9,580
Merchant fees				9,362	9,362
Bank service charges			508		508
Communication expense			639		639
Dues, fees, subscriptions	7,500		4,783	9,000	21,283
Event cost				15,243	15,243
Insurance			3,426		3,426
IT and website		7,200		9,166	16,366
Office & misc			1,899		1,899
Merchandise sales cost				3,134	3,134
Merchandise giveaways				917	917
Postage and delivery				1,841	1,841
Professional fees			7,561		7,561
Research grants	75,000				75,000
Travel		994		425	1,419
	<u>\$ 82,500</u>	<u>\$ 41,558</u>	<u>\$ 33,774</u>	<u>\$ 88,573</u>	<u>\$ 246,405</u>

See independent accountant's review report and accompanying notes to financial statements

**APPENDIX CANCER/PSEUDOMYXOMA PERITONEI RESEARCH FOUNDATION, INC.
(OR ACPMP)**

Notes to Financial Statements

NOTE 1 – NATURE OF ACTIVITIES

The Foundation was established in 2008 to fund and support promising research to find a cure for Pseudomyxoma Peritonei (PMP), Appendix Cancer and related Peritoneal Surface Malignancies (PSM) and to fund educational programs for physicians and their patients about these diseases. The organization also supports the appendix cancer, PMP and PSM community as a resource for information about managing the disease. The Foundation is supported through donations and proceeds of fundraising events, such as walks. The Foundation also sells promotional merchandise.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the modified cash basis of accounting which differs from generally accepted accounting principles in that revenue and support are recognized when received and expenditures when paid. Certain contributed goods and services which may require recognition under generally accepted accounting principles are not recorded in these modified cash basis statements. Under generally accepted accounting principles, the contribution of services is recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

The Foundation has chosen to present investments at fair value rather than at cost which differs from traditional modified cash basis. Unrealized gain (losses) are recognized in the financial statements. In addition, the Foundation has recorded inventory which would generally be expensed in a modified cash basis statement.

Use of Estimates

The preparation of financial statements on the modified cash basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

See independent accountant's review report.

**APPENDIX CANCER/PSEUDOMYXOMA PERITONEI RESEARCH FOUNDATION, INC.
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Notes to Financial Statements

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

Contributions

Contributions are recorded when received. The Foundation on occasion will receive contributions where the donor has restricted use of funds for a particular purpose. Contributions and grants received of \$53,058 and \$0 in 2023 and 2022 respectively, were subject to donor restrictions where the funds must be used to fund research grants.

The Foundation receives services from a number of volunteers who give significant amounts of their time to the Foundation's programs, fundraising, and management. No amounts have been reflected for these types of donated services. In addition significant accounting and administrative services are provided pro-bono, but amounts have not been quantified.

Revenue Recognition

The Foundation also offers promotional merchandise for sale on-line. Sales activity is managed by an on-line service and income is recorded when received from them.

Cash and Cash Equivalents

The Foundation considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. At December 31, 2023 and 2022 cash is comprised of demand deposits, including a money market account and cash held in an investment account. The Foundation's cash exceeded insured limits (by approximately \$118,000 and \$1,455,000 at December 31, 2023 and 2022, respectively.)

Investments

Investments consist of two different brokerage accounts investing in a money market mutual fund and brokerage certificates of deposit. The investments are reported at fair value in the statement of assets, liabilities and net assets – modified cash basis. Unrealized gain and losses are included in the change in net assets.

Inventory

During 2021 the Foundation set up a program to purchase inventory which consists of merchandise which may be sold or used as promotional give aways. Inventory is recorded at cost.

See independent accountant's review report.

**APPENDIX CANCER/PSEUDOMYXOMA PERITONEI RESEARCH FOUNDATION, INC.
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Notes to Financial Statements

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

Advertising Costs

Costs incurred for advertising included certain promotional materials and related costs and are expensed when incurred.

Allocation of Functional Expenses

The costs of providing the Foundation's programs and other activities have been summarized on a functional basis. Accordingly certain costs have been allocated among the programs and supporting services benefited. These expenses require allocation on a basis that is consistently applied. Most expenses are specifically segregated by a vendor or payee. The expenses that are allocated include compensation and related payroll taxes and benefits which are allocated based on estimates of time and effort taking into consideration job description and responsibilities. IT and website costs are allocated based on specific vendors/payees as well as on the portion of the website devoted to each function.

Income Taxes

The Foundation is a not-for-profit organization 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, and as such, contributions to the Foundation qualify for deduction as charitable contributions. However, income generated from activities unrelated to the Foundation's exempt purpose is subject to tax under Section 511 of the Code.

There were no uncertain tax positions recorded in the financial statements at December 31, 2023 or 2022. The Foundation's Form 990s from 2020 through this year end are subject to examination by the IRS, generally for three years after they were filed. The Foundation registers in various states including domiciled state (Ohio), base of operations (Pennsylvania), and potentially others based on Board evaluation of events and solicitation.

NOTE 3 – INVESTMENTS AND FAIR VALUE MEASUREMENTS

At January 1, 2022 the Foundation held an investment in a beneficiary IRA. The Foundation did not intend to hold the investment long-term. In May 2022, the Foundation liquidated the beneficiary IRA and transferred the funds received to their cash account (approximately \$233,000.) The IRA held investments in publicly traded mutual funds and some cash.

See independent accountant's review report.

**APPENDIX CANCER/PSEUDOMYXOMA PERITONEI RESEARCH FOUNDATION, INC.
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Notes to Financial Statements

NOTE 3 – INVESTMENTS AND FAIR VALUE MEASUREMENTS – (Continued)

The fair value measurement accounting literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical cases and have the highest priority, Level 2 inputs consist of observable inputs other than quoted market prices for identical assets, and Level 3 inputs have the lowest priority.

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value Level 1
December 31, 2023				
Money Market Mutual Fund	\$ 630,286	\$	\$	\$ 630,286
Certificates of Deposit	<u>1,000,000</u>	<u>2,550</u>	<u>(458)</u>	<u>1,002,092</u>
	<u>\$ 1,630,286</u>	<u>\$ 2,550</u>	<u>\$ (458)</u>	<u>\$ 1,632,378</u>

Investment income consists of the following:

	<u>2023</u>	<u>2022</u>
From Investments		
Dividends	\$ 11,486	\$
Interest	18,207	
Gains	10	
Loss at Liquidation		(24,688)
Unrealized Gains	<u>2,092</u>	
	<u>31,795</u>	<u>(24,688)</u>
From Cash Deposits		
Interest	<u>20,972</u>	<u>12,386</u>
	<u>\$ 52,767</u>	<u>\$ (12,302)</u>

At December 31, 2023, the foundation held investments in a money market mutual fund (publicly traded) and brokerage Certificates of Deposit (which can be traded on the secondary market).

See independent accountant's review report.

**APPENDIX CANCER/PSEUDOMYXOMA PERITONEI RESEARCH FOUNDATION, INC.
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Notes to Financial Statements

NOTE 4 - GRANTS

Research

The Foundation previously awarded research grants through the National Organization for Rare Disorders (NORD), and subsequent administration/distribution was also monitored by NORD. Two grants funded in 2020 through NORD were awarded in 2022 (COVID delay) and an additional grant from that 2021 RFP was funded and awarded in 2022 (\$50,000). NORD will continue to monitor progress on these grants.

In 2022, the Foundation established a Scientific Advisory Board (SAB) and implemented an internal process to review applications, award grants and monitor progress. During 2022, the Foundation awarded \$50,000 and funded the initial \$25,000. During 2023, the Foundation awarded \$100,000 and funded \$25,000.

At December 31, 2023, the Foundation has the following grant commitments to be funded:

2022 Award	\$ 25,000
2023 Awards	\$ <u>75,000</u>
	\$ <u>100,000</u>

Educational/Scholarship

The Foundation is also a sponsor for the Advanced Cancer Therapies Symposium put on by the Society of Surgical Oncology. Sponsorship includes an amount specified as scholarship or travel awards to enable physicians to attend the symposium to increase their knowledge about these diseases. For 2023 and 2022 the sponsorship included awards for 10 and 14 participants respectively, as well as contributing to the cost of the event and exhibits. Funding for these scholarships/events were \$47,000 paid in 2021 for the 2022 event which included a \$25,000 Young Investigator Award and \$4,000 in 2022 for 4 additional travel awards. Total sponsorship in 2023 was \$47,000 all paid in 2023.

NOTE 5 – RELATED PARTY TRANSACTIONS

Board

The Foundation is primarily a volunteer organization. The members of the Board of Directors perform administration, management and fundraising activities for the organization. Board members have directly paid expenses on behalf of the organization. Board members do not seek reimbursement in these circumstances. Board members and their relatives may make contributions to the Foundation as well.

See independent accountant's review report.

**APPENDIX CANCER/PSEUDOMYXOMA PERITONEI RESEARCH FOUNDATION, INC.
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Notes to Financial Statements

NOTE 5 – RELATED PARTY TRANSACTIONS – (Continued)

Grants

The Foundation is a member of NORD. During 2023 and 2022 the Foundation paid NORD \$500 in dues each year.

The Foundation has established a protocol for the SAB to avoid conflicts of interest in the grant review process. Current SAB members are not eligible for an ACPMP grant during their tenure. Given the relatively small population of experts dealing with this rare cancer, ACPMP permits a researcher at the same institution as an SAB reviewer to apply for a grant but requires the SAB member of that institution to recuse him or herself from review of that proposal and, instead, calls upon an unaffiliated ad hoc member with relevant expertise for the reviewer subject matter needed for that proposal.

Certain advisory board members have been awarded grants prior to their tenure. One of the current Scientific Advisory Board members was awarded a two year \$50,000 research grant prior to joining the Advisory Board. The Advisory Board member did not participate in the process that awarded the grant; however, since the grant is funded over two years, tenure on the Advisory Board can overlap the research and actual funding – progress will be independently evaluated. At December 31, 2023 \$25,000 is still committed to be funded on this grant.

NOTE 6 – CONCENTRATIONS

A substantial amount of the Foundation's revenue is generated from fundraising events. Various different fundraising events are held around the country and Canada. In 2023 one event accounted for approximately 58% of event revenue (70% in 2022).

NOTE 7 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Foundation has established an investment policy, investing funds in excess of those needed to meet annual expenditures. In addition, the Foundation has two investment accounts and plans to use one to specifically segregate funds committed for research grants.

The Foundation experienced organizational changes in 2022, and therefore until 2023, decided to maintain substantial cash balances in order to ensure availability for strategic goals, such as bringing the grant process in-house and hiring employees, could be achieved.

See independent accountant's review report.

**APPENDIX CANCER/PSEUDOMYXOMA PERITONEI RESEARCH FOUNDATION, INC.
(OR ACPMP)**

Notes to Financial Statements

NOTE 7 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS (Continued)

The following reflects the Organization’s financial assets as the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions.

	<u>2023</u>	<u>2022</u>
Financial assets at year-end		
Cash	\$ 411,876	\$ 1,694,406
Investments	<u>1,632,378</u>	<u>-</u>
	<u>2,044,254</u>	<u>1,694,406</u>
Less:		
Amounts not available for general use		
Donor restricted for research grants	28,058	-
Board designated for grants awarded	<u>100,000</u>	<u>25,000</u>
	<u>\$ 1,916,196</u>	<u>\$ 1,669,406</u>

NOTE 8 - SUBSEQUENT EVENTS

Evaluation

The Foundation has evaluated subsequent events through May 24, 2024, the date which the financial statements were available to be issued.

Grants to be Awarded

To date in 2024 the Board has awarded two \$50,000 grants to be paid over two years \$25,000 each in 2024 and 2025.

See independent accountant’s review report.