

**ZERO PROSTATE CANCER**

FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2024

**ZERO PROSTATE CANCER**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED MARCH 31, 2024**

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**AUDIT  
AND  
ASSURANCE**

## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
ZERO Prostate Cancer

### **Opinion**

We have audited the financial statements of ZERO Prostate Cancer ("ZERO"), which comprise the statement of financial position as of March 31, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of ZERO as of March 31, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of ZERO and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 ZERO's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

### **Auditor's 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 auditor's 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 generally accepted auditing standards 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.

To the Board of Directors  
ZERO Prostate Cancer

In performing an audit in accordance with generally accepted auditing standards, 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 ZERO'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 ZERO'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.

*Green Hasson & Janks LLP*

November 14, 2024  
Los Angeles, California

# ZERO PROSTATE CANCER

## STATEMENT OF FINANCIAL POSITION March 31, 2024

### ASSETS

Cash	\$ 719,343
Investments	5,733,916
Grants and Contributions Receivable	262,318
Prepaid Expenses and Other Assets	203,270
Property and Equipment (Net)	294,557
Right-of-Use Assets	<u>281,884</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 7,495,288</u></b>

### LIABILITIES AND NET ASSETS

#### CURRENT LIABILITIES:

Accounts Payable and Accrued Expenses	\$ 336,671
Grants Payable	417,921
Operating Lease Liabilities	<u>302,429</u>
<b>TOTAL LIABILITIES</b>	<b><u>1,057,021</u></b>

#### NET ASSETS:

Without Donor Restrictions	5,358,663
With Donor Restrictions	<u>1,079,604</u>
<b>TOTAL NET ASSETS</b>	<b><u>6,438,267</u></b>
<b>TOTAL LIABILITIES NET ASSETS</b>	<b><u>\$ 7,495,288</u></b>

The Accompanying Notes are an Integral Part of These Financial Statements

## ZERO PROSTATE CANCER

### STATEMENT OF ACTIVITIES Year Ended March 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUE AND SUPPORT:</b>			
Grants and Contributions	\$ 8,598,840	\$ 885,000	\$ 9,483,840
Special Events (Net of Direct Donor Benefit Expenses of \$78,104)	74,288	-	74,288
In-Kind Contributions	72,198	-	72,198
Investment Return (Net)	848,952	-	848,952
Other Income	18,623	-	18,623
Net Assets Released from Donor Restrictions	866,613	(866,613)	-
<b>TOTAL REVENUE AND SUPPORT</b>	10,479,514	18,387	10,497,901
<b>EXPENSES:</b>			
Program Services:			
Patient Support	1,900,948	-	1,900,948
Education and Awareness	3,808,025	-	3,808,025
Research	41,892	-	41,892
Advocacy	1,447,425	-	1,447,425
<b>TOTAL PROGRAM SERVICES</b>	7,198,290	-	7,198,290
Supporting Services:			
Management and general	1,126,038	-	1,126,038
Fundraising	1,598,771	-	1,598,771
<b>TOTAL SUPPORTING SERVICES</b>	2,724,809	-	2,724,809
<b>TOTAL EXPENSES</b>	9,923,099	-	9,923,099
<b>CHANGE IN NET ASSETS</b>	556,415	18,387	574,802
Net Assets - Beginning of Year	4,802,248	1,061,217	5,863,465
<b>NET ASSETS - END OF YEAR</b>	\$ 5,358,663	\$ 1,079,604	\$ 6,438,267

The Accompanying Notes are an Integral Part of These Financial Statements

## ZERO PROSTATE CANCER

### STATEMENT OF FUNCTIONAL EXPENSES Year Ended March 31, 2024

	Program Services				Total Program Services	Supporting Services		Total Supporting Services	Total Expenses
	Patient Support	Education and Awareness	Research	Advocacy		Management and General	Fundraising		
Salaries	\$ 826,861	\$ 2,139,964	\$ -	\$ 605,434	\$ 3,572,259	\$ 521,650	\$ 893,189	\$ 1,414,839	\$ 4,987,098
Payroll Taxes	63,460	164,229	-	46,468	274,157	40,070	68,544	108,614	382,771
Benefits	113,258	292,964	-	83,020	489,242	74,761	121,602	196,363	685,605
<b>TOTAL PERSONNEL COSTS</b>	1,003,579	2,597,157	-	734,922	4,335,658	636,481	1,083,335	1,719,816	6,055,474
Consultants	426,212	205,115	-	290,678	922,005	126,929	83,595	210,524	1,132,529
Professional Fees	70,284	198,781	-	70,482	339,547	175,521	94,548	270,069	609,616
Travel	63,890	168,077	-	157,979	389,946	50,093	82,451	132,544	522,490
Equipment and Facilities Rental	130,712	78,721	-	76,532	285,965	3,877	50,644	54,521	340,486
Dues and State Registration	32,201	106,659	-	37,979	176,839	28,547	58,534	87,081	263,920
Public Relations	25,344	74,798	-	22,548	122,690	4,934	32,386	37,320	160,010
Grants	58,859	58,859	41,892	-	159,610	-	-	-	159,610
Printing and Publications	26,687	89,849	-	11,621	128,157	2,175	14,818	16,993	145,150
Bank and Credit Card Fees	12,572	50,770	-	8,364	71,706	11,877	41,361	53,238	124,944
Other Expenses	14,104	57,386	-	9,166	80,656	13,581	13,528	27,109	107,765
Depreciation and Amortization	15,679	40,577	-	11,480	67,736	9,891	16,936	26,827	94,563
Postage	13,387	46,414	-	10,327	70,128	2,813	11,425	14,238	84,366
Occupancy	1,867	10,336	-	1,087	13,290	53,656	3,549	57,205	70,495
Insurance	5,571	24,526	-	4,260	34,357	5,663	11,661	17,324	51,681
<b>TOTAL FUNCTIONAL EXPENSES</b>	<u>\$ 1,900,948</u>	<u>\$ 3,808,025</u>	<u>\$ 41,892</u>	<u>\$ 1,447,425</u>	<u>\$ 7,198,290</u>	<u>\$ 1,126,038</u>	<u>\$ 1,598,771</u>	<u>\$ 2,724,809</u>	<u>\$ 9,923,099</u>

The Accompanying Notes are an Integral Part of These Financial Statements

## ZERO PROSTATE CANCER

### STATEMENT OF CASH FLOWS Year Ended March 31, 2024

<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Change in Net Assets	\$ 574,802
Adjustments to Reconcile Change in Net Assets to Net Cash Used in Operating Activities:	
Net Realized and Unrealized Gain on Investments	(713,927)
Depreciation and Amortization	94,563
Change in Operating Assets and Liabilities:	
Decrease (Increase) in:	
Grants and Contributions Receivable	(239,052)
Prepaid Expenses and Other Assets	(32,767)
Right-of-Use Assets	75,974
Decrease in:	
Accounts Payable and Accrued Expenses	(121,085)
Grants Payable	(158,010)
Operating Lease Liabilities	<u>(117,729)</u>
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<b>(637,231)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Purchases of Property and Equipment	(140,681)
Purchases of Investments	(137,685)
Proceeds from Sales of Investments	<u>1,240,991</u>
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>	<b><u>962,625</u></b>
<b>NET INCREASE IN CASH</b>	<b>325,394</b>
Cash - Beginning of Year	<u>393,949</u>
<b>CASH - END OF YEAR</b>	<b><u>\$ 719,343</u></b>

The Accompanying Notes are an Integral Part of These Financial Statements



# ZERO PROSTATE CANCER

## NOTES TO FINANCIAL STATEMENTS MARCH 31, 2024 AND 2023

### **NOTE 1 - NATURE OF OPERATIONS**

ZERO Prostate Cancer ("ZERO") is a leading national nonprofit with the mission to end prostate cancer and help all who are impacted. ZERO advances research, provides support, and creates solutions to achieve health equity to meet the most critical needs of communities. ZERO is building Generation ZERO, the first generation of men free from prostate cancer, through its national run/walk series, education and patient support programs, and grassroots advocacy. ZERO is a 501(c)(3) philanthropic organization, ranked four stars by Charity Navigator and accredited by the Better Business Bureau, with regional chapters across the country.

ZERO's activities and programs are created to advance research, encourage action, provide patient support, and promote education and awareness of prostate cancer. Programs are funded primarily through contributions from individuals, foundations, and corporations.

#### **(a) PROGRAM DESCRIPTION**

ZERO's patient support programs help men navigate their diagnosis and treatment options with a free, customized service that connects them with the resources they need including financial assistance and emotional support.

ZERO also provides comprehensive treatment and education information to patients and their families throughout their prostate cancer journeys via ZERO's website and robust social media, webinars, and widely distributed videos and printed materials. ZERO's national platform of events, including the ZERO Prostate Cancer Run/Walk series, the Team ZERO endurance program, and the ZERO Prostate Cancer Summit, is activating the prostate cancer community and increasing research funding while raising awareness and protecting access to care.

ZERO is committed to bridging the gap between racial and health disparities in prostate cancer among Black men. ZERO's team, in collaboration with its Prostate Cancer Health Equity Task Force, helps bring awareness of prostate cancer to high-risk men, strengthen existing early detection and education initiatives, and identifies new ways to further address these issues in a consistent and impactful manner.

#### **(b) CHAPTERS**

ZERO has nine regional Chapters ("the Chapters") that were established to carry out activities in support of ZERO's mission in the regions outside the Washington, DC metro area, including efforts on runs/walks within each of the Chapters' geographical regions, and also cultivating education and awareness events within their regions. The Chapters cover nine regions: the Mid-Atlantic Chapter, South Atlantic Chapter, Upper Midwest Chapter, Central Midwest Chapter, Texas/Oklahoma Chapter, East Coast Metro Chapter, Southeast Chapter, the Pacific Northwest Chapter, and Southwest Chapter. The Chapters are field staff territories.

# ZERO PROSTATE CANCER

## NOTES TO FINANCIAL STATEMENTS MARCH 31, 2024

### NOTE 1 - NATURE OF OPERATIONS (continued)

#### (c) AREAS OF PROGRAM FOCUS

##### **Patient Support:**

ZERO has multiple patient and caregiver support programs. ZERO360 is a free, comprehensive helpline staffed by case managers who help patients and their families navigate insurance, find resources to help pay for treatment and living expenses, connect with emotional support services and ensure access to care. ZERO also offers several peer-support options including a support group network of over 160 nationwide peer-led virtual and in-person groups offering emotional support, resources and education to empower those impacted by prostate cancer to make informed decisions on testing, treatment and management of side effects. ZERO's MENtor program offers one-to-one peer support where trained volunteer MENTors provide support and insights based on their experiences. For those who prefer online communities, ZERO Connect (via Facebook) and our Inspire Online Support Community allow patients, survivors and their loved ones to share stories, ask questions and connect.

##### **Education and Awareness:**

ZERO offers various educational resources from prostate cancer awareness and screening for those at risk to information on diagnosis, treatment and side effects for prostate cancer patients and their loved ones. These include website content, printable materials, webinars, blogs, newsletters and in-person events.

##### **Research:**

While ZERO does not directly engage in or conduct research, ZERO provides grants to local nonprofit organizations with a focus to support prostate cancer-specific efforts and programs. Recipients of these grants may use the funds for prostate cancer research purposes.

##### **Advocacy:**

ZERO engages in government relations and advocacy efforts to advance policies that improve the lives of prostate cancer patients and their loved ones, as well as those at risk for prostate cancer. ZERO's advocacy efforts include policy development, direct lobbying, and grassroots advocacy to improve prostate cancer awareness, increase access to prostate cancer screening, early detection and appropriate care, and encourage investment in research to discover new treatments and diagnostic tools. ZERO's grassroots program includes the ZERO Prostate Cancer Advocacy Summit, which brings the prostate cancer community to Capitol Hill to share their stories and educate lawmakers about the need for policy change.

# ZERO PROSTATE CANCER

## NOTES TO FINANCIAL STATEMENTS MARCH 31, 2024

### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### (a) BASIS OF PRESENTATION

ZERO's financial statements have been prepared on the accrual basis of accounting.

#### (b) NET ASSETS

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

- **Net Assets Without Donor Restrictions.** Net assets available for use in general operations and not subject to donor-imposed restrictions.
- **Net Assets With Donor Restrictions.** Net assets subject to donor-imposed (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 that resources be maintained in perpetuity. 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.

#### (c) INVESTMENTS

Investments in marketable securities with readily determinable fair values are reported at fair value. Securities are generally held in custodial investment accounts administered by financial institutions. Investment purchases and sales are accounted for on a trade-date basis. Interest income is recorded as earned on an accrual basis, and dividend income is recorded based upon the ex-dividend rate. Realized gains and losses are calculated based upon the underlying cost of the securities traded. Unrealized gains and losses are included in investment return in the statement of activities and represent the change in the difference between the cost and fair value of investments held at the end of the fiscal year.

Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Because of the level of risk associated with certain investments, it is reasonably possible that changes in the values of these investments will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position.

# ZERO PROSTATE CANCER

## NOTES TO FINANCIAL STATEMENTS MARCH 31, 2024

### **NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

#### **(d) GRANTS AND CONTRIBUTIONS RECEIVABLE AND REVENUE RECOGNITION**

ZERO recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a 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 met. Contributions are recorded at fair value, and in the case of pledges, are recorded at the present value of their estimated future cash flows.

The carrying value of grants and contributions receivable, net of the reserve for uncollectible amounts, if any, represents their estimated net realizable value. The reserve for doubtful accounts is estimated based on historical collection trends, type of donor, the age of outstanding receivables and existing economic conditions. Past due balances are written off when internal collection efforts have been unsuccessful in collecting the amount due. At March 31, 2024, ZERO has evaluated the collectability of its grants and contributions receivable and determined that no reserve for uncollectible accounts is necessary.

During the year ended March 31, 2024, ZERO qualified for the Employee Retention Credit (ERC), a refundable payroll tax credit program enacted by the Coronavirus Aid, Relief, and Economic Security (CARES) Act in March 2020. ZERO accounted for the ERC as a conditional government grant and considers that it substantially met the various conditions prescribed in the ERC program for the applicable period. Accordingly, ZERO recognized grant income totaling \$543,785 during the year ended March 31, 2024, which is included in grants and contributions in accompanying statement of activities. Of this amount, \$262,318 was still outstanding at year-end and is included in grants and contributions receivable in the statement of financial position.

#### **(e) PROPERTY AND EQUIPMENT**

Property and equipment are recorded at cost at the date of acquisition if purchased or at estimated fair value at the date of donation if donated. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets. Expenditures for repairs and maintenance are charged to expense as incurred. Property and equipment are capitalized if the cost of an asset is greater than or equal to \$2,500 and the useful life is greater than one year.

#### **(f) LONG-LIVED ASSETS**

ZERO evaluates long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. An impairment loss is recognized when the sum of the undiscounted future cash flows is less than the carrying amount of the asset, in which case a write-down is recorded to reduce the related asset to its estimated realizable value. No impairment losses were recognized during the year ended March 31, 2024.

# ZERO PROSTATE CANCER

## NOTES TO FINANCIAL STATEMENTS MARCH 31, 2024

### **NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

#### **(g) RIGHT-OF-USE ASSETS AND LIABILITIES**

ZERO recognizes and measures its leases in accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 842, *Leases*. ZERO determines if an arrangement is a lease, or contains a lease, at inception of a contract and when the terms of an existing contract are changed. ZERO recognizes a lease liability and a right-of-use (ROU) lease asset at the commencement date of the lease. The lease liability is initially and subsequently recognized based on the present value of its future lease payments. Variable payments are included in the future lease payments when those variable payments depend on an index or a rate. The discount rate is the implicit rate if it is readily determinable or otherwise ZERO uses the risk-free rate.

The ROU lease asset is subsequently measured throughout the lease term at the amount of the re-measured lease liability (i.e., present value of the remaining lease payments), plus unamortized initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received, and any impairment recognized. Lease cost for lease payments is recognized on a straight-line basis over the lease term.

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

#### **(h) IN-KIND CONTRIBUTIONS**

Contributions of donated non-cash assets are recorded at fair value in the period received and expensed when utilized. Non-cash goods are valued based upon estimates of fair market value that would be received for selling the goods in their principal market considering their condition and utility for use at the time the goods are contributed by the donor. Donated contributed goods are not sold but rather used for ZERO's operations.

Contributions of donated services are recognized at fair value if the services received (a) create or enhance long-lived assets, or (b) require specialized skills, were provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

# ZERO PROSTATE CANCER

## NOTES TO FINANCIAL STATEMENTS MARCH 31, 2024

### **NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

#### **(i) GRANTS**

Grants payable represent amounts due to cities participating in ZERO's races for a percentage of the total income generated from the races. Additionally, ZERO funds prostate cancer research through discretionary grants. Unconditional grants are expensed when approved. Conditional grants - that is, those with a measurable performance or other barrier and a right of return or release - are not recognized until the conditions on which they depend have been met by the grantee. The actual payment of the grant may not necessarily occur in the year of authorization. All grants payable are due within one year as of March 31, 2024.

#### **(j) INCOME TAXES**

ZERO is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC). In accordance with the FASB's ASC Topic No. 740, *Uncertainty in Income Taxes*, ZERO recognizes the impact of tax positions in the financial statements if that position is more likely than not to be sustained on audit, based on the technical merits of the position. During the year ended March 31, 2024, ZERO performed an evaluation of uncertain tax positions and did not identify any matters that would require recognition in the financial statements, or which might have an effect on its tax-exempt status.

#### **(k) FUNCTIONAL ALLOCATION OF EXPENSES**

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of functional expenses. During the year, such costs are accumulated into separate groupings as either direct or indirect. Indirect or shared costs are allocated among program and support services by a method that best measures the relative degree of benefit, such as the proportionate number of full-time employees or square footage.

#### **(l) 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 reported amounts of assets, liabilities, revenues, and expenses as of the date and for the period presented. Accordingly, actual results could differ from those estimates.

#### **(m) SUBSEQUENT EVENTS**

ZERO has evaluated events and transactions occurring subsequent to the statement of financial position date of March 31, 2024 for items that should potentially be recognized or disclosed in these financial statements. The evaluation was conducted through November 14, 2024, the date these financial statements were available to be issued. No such material subsequent events were noted to have occurred.

## ZERO PROSTATE CANCER

### NOTES TO FINANCIAL STATEMENTS MARCH 31, 2024

#### NOTE 3 - FAIR VALUE MEASUREMENTS

ZERO has implemented the accounting standard for those assets (and liabilities) that are re-measured and reported at fair value at each reporting period. This standard establishes a single authoritative definition of fair value, sets out a framework for measuring fair value based on inputs used, and requires additional disclosures about fair value measurements. This standard applies to fair value measurements already required or permitted by existing standards.

In general, fair values determined by Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets (or liabilities). Fair values determined by Level 2 inputs utilize data points that are observable, such as quoted prices, interest rates and yield curves. Fair values determined by Level 3 inputs are unobservable data points for the asset (or liability) and include situations where there is little, if any, market activity for the asset (or liability).

The following table presents information about ZERO's investments that are measured at fair value on a recurring basis at March 31, 2024, and indicates the fair value hierarchy of the valuation techniques utilized to determine such fair value:

	Fair Value Measurements Using			
	Year Ended March 31, 2024	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money Market Funds	\$ 66,824	\$ 66,824	\$ -	\$ -
Fixed Income				
Mutual Funds	1,974,476	1,974,476	-	-
Equity Mutual Funds	3,363,656	3,363,656	-	-
Alternative Investments:				
Hedge Funds	274,868	274,868	-	-
Privately Held Investment	54,092	-	-	54,092
<b>TOTAL INVESTMENTS</b>	<b>\$ 5,733,916</b>	<b>\$ 5,679,824</b>	<b>\$ -</b>	<b>\$ 54,092</b>

The fair value of marketable securities within Level 1 inputs were obtained based on quoted market prices at the closing of the last business day of the fiscal year.

The fair value of the privately held investment classified as Level 3 is valued using the shareholders' equity value of the investee based on its most recent audited financial statements reported to ZERO. Investment return (net) earned from the privately held investment totaled \$1,473 during the year ended March 31, 2024.

## ZERO PROSTATE CANCER

### NOTES TO FINANCIAL STATEMENTS MARCH 31, 2024

#### NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following as of March 31, 2024:

Database	\$	150,978
Furniture and Equipment		163,673
Website		<u>476,606</u>
<b>TOTAL</b>		791,257
Less: Accumulated Depreciation and Amortization		<u>(496,700)</u>
<b>PROPERTY AND EQUIPMENT (NET)</b>	\$	<u><u>294,557</u></u>

Depreciation and amortization expense for the year ended March 31, 2024 was \$94,563.

#### NOTE 5 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following at March 31, 2024:

Purpose Restricted	\$	324,604
Time Restricted		<u>755,000</u>
<b>TOTAL NET ASSETS WITH DONOR RESTRICTIONS</b>	\$	<u><u>1,079,604</u></u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the year ended March 31, 2024:

Satisfaction of Purpose Restrictions	\$	491,613
Satisfaction of Time Restrictions		<u>375,000</u>
<b>TOTAL NET ASSETS RELEASED FROM RESTRICTIONS</b>	\$	<u><u>866,613</u></u>



## ZERO PROSTATE CANCER

### NOTES TO FINANCIAL STATEMENTS MARCH 31, 2024

#### NOTE 6 - OPERATING LEASE

ZERO has an operating lease for office space, which expires in June 2028. ZERO is responsible for its prorated share of real estate taxes and operating expenses. As of March 31, 2024, ZERO recognized \$281,884 of ROU assets and \$302,429 of related lease liabilities for contracts that are classified as operating leases.

Lease cost totaled \$95,725 for the year ended March 31, 2024. As of March 31, 2024, the weighted average remaining lease term of operating leases is approximately 4.29 years. The weighted average discount rate used to determine the lease liability as of March 31, 2024 was approximately 3.92%, which represents the risk-free rate for the remaining lease term at the time of entering into the operating lease agreement.

Maturities of lease liabilities as of March 31, 2024 are as follows:

<b>Year Ending March 31</b>	
2025	\$ 73,522
2026	75,452
2027	77,434
2028	79,472
2029	<u>25,652</u>
<b>TOTAL FUTURE LEASE PAYMENTS</b>	331,532
Less: Imputed Interest	<u>(29,103)</u>
<b>TOTAL LEASE LIABILITES</b>	<u>\$ 302,429</u>

#### NOTE 7 - RETIREMENT PLAN

ZERO has a Section 403(b) Retirement Plan ("the Plan"). Qualifying employees elect to make voluntary contributions (up to limits set by law) to the Plan through a payroll deduction. ZERO then matches 100% of the employee contributions up to the first 3% and 50% of the next 2%. Total contribution expense was \$136,921 for the year ended March 31, 2024.

## ZERO PROSTATE CANCER

### NOTES TO FINANCIAL STATEMENTS MARCH 31, 2024

#### NOTE 8 - IN-KIND CONTRIBUTIONS

For the year ended March 31, 2024, in-kind contributions consisted of the following:

Category	Function	Valuation Methodology	Amount
Legal Services	Program, Management and General, and Fundraising	Comparable Hourly Rates of Legal Professionals with Similar Expertise	\$ 43,860
Food and Beverage	Program	Market Rates for Similar Goods	12,474
Other Services	Program, Management and General, and Fundraising	Comparable Hourly Rates of Professionals with Similar Expertise	10,274
Printwork and Supplies	Program, Management and General, and Fundraising	Market Rates for Similar Items	5,590
<b>TOTAL</b>			<b>\$ 72,198</b>

#### NOTE 9 - LIQUIDITY AND AVAILABILITY

The total financial assets held by ZERO at March 31, 2024 and the amounts of those financial assets that could be made available for general expenditures within one year of the date of the statement of financial position are summarized in the following table:

Financial Assets at March 31, 2024:	
Cash	\$ 719,343
Investments	5,733,916
Grants and Contributions Receivable	<u>262,318</u>
<b>TOTAL FINANCIAL ASSETS AVAILABLE WITHIN ONE YEAR</b>	<b>6,715,577</b>
Less Amounts Unavailable for General Expenditures within One Year, Due to:	
Grants and Contributions Receivable and Funds Held with Donor Restrictions	<u>(324,604)</u>
<b>FINANCIAL ASSETS AVAILABLE TO MEET GENERAL EXPENDITURES WITHIN ONE YEAR</b>	<b>\$ 6,390,973</b>

## **ZERO PROSTATE CANCER**

### **NOTES TO FINANCIAL STATEMENTS MARCH 31, 2024**

#### **NOTE 9 - LIQUIDITY AND AVAILABILITY** (continued)

ZERO strives to maintain liquid financial assets sufficient to cover short-term general expenditures. Management periodically reviews ZERO's liquid asset needs and adjusts the cash and cash equivalents balances as necessary. Amounts in excess of operating liquidity are invested in various short-term and highly liquid securities.

Additionally, ZERO considers net assets with donor restrictions restricted by time only to be available for use within one year as the implied time and purpose restrictions expire on April 1 of the subsequent year to support current programs that are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures.