

**GO2 for Lung Cancer**

Financial Statements  
and Independent Auditor's Report

December 31, 2023 and 2022

# GO2 for Lung Cancer

Financial Statements  
December 31, 2023 and 2022

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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of  
GO2 for Lung Cancer

### ***Opinion***

We have audited the accompanying financial statements of GO2 for Lung Cancer (GO2), which comprise the statements of financial position as of December 31, 2023 and 2022; 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 financial statements referred to above present fairly, in all material respects, the financial position of GO2 as of December 31, 2023 and 2022, 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. 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 GO2 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.

***Responsibilities of Management for the Financial Statements (continued)***

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 GO2's ability to continue as a going concern within 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, including omissions, 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 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 GO2'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 GO2's ability to continue as a going concern for a reasonable period of time.

*Auditor's Responsibilities for the Audit of the Financial Statements (continued)*

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.

Handwritten signature in black ink that reads "Rogers + Company PLLC". The signature is written in a cursive, slightly stylized font.

Vienna, Virginia  
August 6, 2024

## GO2 for Lung Cancer

### Statements of Financial Position December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<b>Assets</b>		
Cash	\$ 1,540,437	\$ 2,670,885
Investments	11,901,277	12,132,538
Accounts and interest receivable	10,828	14,652
Contributions and grants receivable, net	3,819,935	3,344,536
Prepaid expenses and other assets	220,125	262,429
Property and equipment, net	732,366	840,993
Right-of-use assets – operating leases	2,738,476	3,096,287
Total assets	<u>\$ 20,963,444</u>	<u>\$ 22,362,320</u>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts payable and accrued expenses	\$ 744,642	\$ 752,963
Grants payable	-	25,000
Deferred dues revenue	16,405	23,837
Lease liabilities – operating leases	3,980,112	4,368,617
Total liabilities	<u>4,741,159</u>	<u>5,170,417</u>
<b>Net Assets</b>		
Without donor restrictions	2,450,159	3,264,471
With donor restrictions	13,772,126	13,927,432
Total net assets	<u>16,222,285</u>	<u>17,191,903</u>
Total liabilities and net assets	<u>\$ 20,963,444</u>	<u>\$ 22,362,320</u>

See accompanying notes.

## GO2 for Lung Cancer

Statement of Activities  
For the Year Ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue and Support</b>			
Contributions and grants	\$ 1,521,498	\$ 9,965,929	\$ 11,487,427
Special events	977,261	-	977,261
Less: direct benefits to donors	(576,265)	-	(576,265)
Contract revenue	181,151	-	181,151
In-kind contributions	197,072	-	197,072
Registration fees	26,637	-	26,637
Fiscal sponsorship dues	74,681	-	74,681
Investment return	572,509	-	572,509
Other income	55,537	-	55,537
Released from restrictions	10,121,235	(10,121,235)	-
<b>Total revenue and support</b>	<b>13,151,316</b>	<b>(155,306)</b>	<b>12,996,010</b>
<b>Expenses</b>			
Program services:			
Advocacy and Policy	1,501,198	-	1,501,198
Patient Support	2,005,749	-	2,005,749
Research	2,344,017	-	2,344,017
Excellence in Healthcare Delivery	2,092,593	-	2,092,593
Marketing	2,902,036	-	2,902,036
Fiscal Sponsorship	158,788	-	158,788
<b>Total program services</b>	<b>11,004,381</b>	<b>-</b>	<b>11,004,381</b>
Supporting services:			
Management and general	790,827	-	790,827
Information technology	184,995	-	184,995
Philanthropy and development	1,260,317	-	1,260,317
Events and community engagement	725,108	-	725,108
<b>Total supporting services</b>	<b>2,961,247</b>	<b>-</b>	<b>2,961,247</b>
<b>Total expenses</b>	<b>13,965,628</b>	<b>-</b>	<b>13,965,628</b>
<b>Change in Net Assets</b>	<b>(814,312)</b>	<b>(155,306)</b>	<b>(969,618)</b>
<b>Net Assets, beginning of year</b>	<b>3,264,471</b>	<b>13,927,432</b>	<b>17,191,903</b>
<b>Net Assets, end of year</b>	<b>\$ 2,450,159</b>	<b>\$ 13,772,126</b>	<b>\$ 16,222,285</b>

See accompanying notes.

## GO2 for Lung Cancer

Statement of Activities  
For the Year Ended December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue and Support</b>			
Contributions and grants	\$ 1,662,546	\$ 12,369,128	\$ 14,031,674
Special events	1,017,004	-	1,017,004
Less: direct benefits to donors	(450,245)	-	(450,245)
Contract revenue	289,817	-	289,817
In-kind contributions	216,285	-	216,285
Registration fees	32,274	-	32,274
Fiscal sponsorship dues	68,592	-	68,592
Investment return	127,454	-	127,454
Other income	139,906	-	139,906
Released from restrictions	9,897,723	(9,897,723)	-
<b>Total revenue and support</b>	<b>13,001,356</b>	<b>2,471,405</b>	<b>15,472,761</b>
<b>Expenses</b>			
Program services:			
Advocacy and Policy	1,035,901	-	1,035,901
Patient Support	1,639,099	-	1,639,099
Research	2,351,630	-	2,351,630
Excellence in Healthcare Delivery	2,405,087	-	2,405,087
Marketing	2,508,482	-	2,508,482
Fiscal Sponsorship	154,813	-	154,813
<b>Total program services</b>	<b>10,095,012</b>	<b>-</b>	<b>10,095,012</b>
Supporting services:			
Management and general	832,320	-	832,320
Philanthropy and development	1,166,161	-	1,166,161
Events and community engagement	633,356	-	633,356
<b>Total supporting services</b>	<b>2,631,837</b>	<b>-</b>	<b>2,631,837</b>
<b>Total expenses</b>	<b>12,726,849</b>	<b>-</b>	<b>12,726,849</b>
<b>Change in Net Assets</b>	<b>274,507</b>	<b>2,471,405</b>	<b>2,745,912</b>
<b>Net Assets, beginning of year</b>	<b>2,989,964</b>	<b>11,456,027</b>	<b>14,445,991</b>
<b>Net Assets, end of year</b>	<b>\$ 3,264,471</b>	<b>\$ 13,927,432</b>	<b>\$ 17,191,903</b>

See accompanying notes.

**GO2 for Lung Cancer**

Statement of Functional Expenses  
For the Year Ended December 31, 2023

	Program Services							Supporting Services					Total
	Advocacy and Policy	Patient Support	Research	Excellence in Healthcare Delivery	Marketing	Fiscal Sponsorship	Total Program Services	Management and General	Information Technology	Philanthropy and Development	Events and Community Engagement	Total Supporting Services	
	Salaries, benefits, and taxes	\$ 978,134	\$ 1,020,134	\$ 1,049,528	\$ 1,063,346	\$ 1,079,637	\$ -	\$ 5,190,779	\$ 624,655	\$ 142,512	\$ 733,156	\$ 300,906	
Fundraising event expense	-	6,604	824	726	268,501	-	276,655	-	-	384	299,226	299,610	576,265
Grants – ALCMI	-	-	670,000	195,468	-	-	865,468	-	-	-	-	-	865,468
Grants to others	-	-	25,000	-	-	-	25,000	-	-	-	-	-	25,000
Professional fees	114,854	212,052	140,227	197,970	333,231	-	998,334	31,716	2,735	18,348	81,711	134,510	1,132,844
Facilities	66,038	74,402	72,773	71,310	72,426	-	356,949	44,638	9,556	49,289	20,186	123,669	480,618
Telecommunications	16,133	18,237	18,311	17,565	19,066	-	89,312	10,980	2,629	12,150	6,357	32,116	121,428
Insurance	5,058	5,275	5,427	5,499	5,583	-	26,842	3,442	737	3,791	1,556	9,526	36,368
Supplies	2,846	4,391	2,871	2,237	3,504	-	15,849	951	200	1,725	1,536	4,412	20,261
Postage and shipping	1,984	5,996	2,575	1,715	9,709	-	21,979	1,702	130	1,782	9,453	13,067	35,046
Printing and publications	1,610	277,174	5,073	2,644	16,311	-	302,812	875	187	6,782	16,641	24,485	327,297
Equipment rental	209	218	225	228	231	-	1,111	143	31	157	64	395	1,506
Equipment lease expense	1,296	1,352	1,391	1,409	1,431	-	6,879	882	189	971	399	2,441	9,320
Storage	567	591	608	616	625	-	3,007	386	83	425	174	1,068	4,075
Bank and credit card fees	273	168	181	1,028	15,312	-	16,962	7,777	24	28,046	16,916	52,763	69,725
Dues and subscriptions	26,989	2,622	5,397	7,534	900	-	43,442	3,366	117	10,002	253	13,738	57,180
Contributions	28,005	-	-	-	-	-	28,005	500	11	-	-	511	28,516
Staff training	399	875	600	4,112	444	-	6,430	95	75	965	105	1,240	7,670
Awards	673	1,416	10,912	5,233	357	-	18,591	450	29	1,135	215	1,829	20,420
Marketing	48,896	219,623	55,750	87,491	1,108,595	-	1,520,355	-	425	254,318	105,683	360,426	1,880,781
Travel and events	141,204	85,883	81,961	322,837	76,634	-	708,519	16,381	8,683	54,198	40,693	119,955	828,474
Website and technology	43,853	40,167	173,495	80,025	48,945	-	386,485	28,592	13,796	61,662	24,914	128,964	515,449
In-kind expenses	2,821	13,819	944	3,284	86,216	-	107,084	122	26	136	89,704	89,988	197,072
Depreciation and amortization	18,679	19,481	20,042	20,306	20,617	-	99,125	12,713	2,721	14,000	5,746	35,180	134,305
Fees and licenses	677	1,873	726	736	2,262	-	6,274	461	99	7,279	1,896	9,735	16,009
Fiscal sponsorship	-	-	-	-	-	158,788	158,788	-	-	-	-	-	158,788
<b>Total expenses</b>	<b>1,501,198</b>	<b>2,012,353</b>	<b>2,344,841</b>	<b>2,093,319</b>	<b>3,170,537</b>	<b>158,788</b>	<b>11,281,036</b>	<b>790,827</b>	<b>184,995</b>	<b>1,260,701</b>	<b>1,024,334</b>	<b>3,260,857</b>	<b>14,541,893</b>
Less: direct benefits to donors	-	(6,604)	(824)	(726)	(268,501)	-	(276,655)	-	-	(384)	(299,226)	(299,610)	(576,265)
<b>Expenses reported on SOA</b>	<b>\$ 1,501,198</b>	<b>\$ 2,005,749</b>	<b>\$ 2,344,017</b>	<b>\$ 2,092,593</b>	<b>\$ 2,902,036</b>	<b>\$ 158,788</b>	<b>\$ 11,004,381</b>	<b>\$ 790,827</b>	<b>\$ 184,995</b>	<b>\$ 1,260,317</b>	<b>\$ 725,108</b>	<b>\$ 2,961,247</b>	<b>\$ 13,965,628</b>

See accompanying notes.

**GO2 for Lung Cancer**

Statement of Functional Expenses  
For the Year Ended December 31, 2022

	Program Services							Supporting Services				Total
	Advocacy and Policy	Patient Support	Research	Excellence in Healthcare Delivery	Marketing	Fiscal Sponsorship	Total Program Services	Management and General	Philanthropy and Development	Events and Community Engagement	Total Supporting Services	
Salaries, benefits, and taxes	\$ 772,714	\$ 922,657	\$ 897,225	\$ 894,032	\$ 882,155	\$ -	\$ 4,368,783	\$ 686,270	\$ 726,686	\$ 354,216	\$ 1,767,172	\$ 6,135,955
Fundraising event expense	-	-	-	-	215,231	-	215,231	-	-	235,014	235,014	450,245
Grants – ALCMI	-	-	600,000	-	-	-	600,000	-	-	-	-	600,000
Grants to others	-	-	366,642	680,000	-	-	1,046,642	-	-	-	-	1,046,642
Professional fees	73,168	213,423	213,253	341,504	415,579	-	1,256,927	24,706	45,210	84,348	154,264	1,411,191
Facilities	58,869	76,248	68,720	68,160	67,186	-	339,183	52,667	55,398	26,992	135,057	474,240
Telecommunications	10,639	21,285	14,773	13,355	15,572	-	75,624	13,547	14,248	6,230	34,025	109,649
Insurance	2,793	3,335	3,243	3,243	4,727	-	17,341	2,500	2,626	2,913	8,039	25,380
Supplies	2,272	1,536	1,968	11,332	3,977	-	21,085	1,329	2,432	2,038	5,799	26,884
Postage and shipping	315	10,149	5,055	2,134	10,091	-	27,744	790	36,479	9,835	47,104	74,848
Printing and publications	640	141,136	1,778	866	12,151	-	156,571	804	8,848	11,323	20,975	177,546
Equipment rental	1,240	1,481	1,440	1,435	1,416	-	7,012	1,110	1,166	568	2,844	9,856
Storage	393	469	456	454	448	-	2,220	352	369	180	901	3,121
Bank and credit card fees	1,290	3,199	1,495	6,657	19,194	-	31,835	1,324	24,410	19,888	45,622	77,457
Dues and subscriptions	15,450	3,275	7,065	12,731	3,719	-	42,240	2,460	6,866	603	9,929	52,169
Contributions	2,500	-	-	-	-	-	2,500	-	394	-	394	2,894
Staff training	-	650	-	-	4,756	-	5,406	-	844	236	1,080	6,486
Literature	96	14	74	13	13	-	210	10	11	5	26	236
Awards	524	1,135	784	5,860	1,363	-	9,666	106	764	1,066	1,936	11,602
Marketing	6,114	134,632	11,741	49,583	675,525	-	877,595	63	60,324	43,902	104,289	981,884
Travel and events	42,886	32,784	34,711	260,097	65,871	-	436,349	13,789	30,952	43,941	88,682	525,031
Website and technology	23,526	30,714	98,695	27,002	127,260	-	307,197	13,730	111,634	13,153	138,517	445,714
In-kind expenses	1,466	15,398	260	4,600	175,721	-	197,445	-	15,700	3,140	18,840	216,285
Depreciation and amortization	16,487	19,686	19,143	19,075	18,822	-	93,213	14,759	15,505	7,558	37,822	131,035
Fees and licenses	366	3,322	609	463	435	-	5,195	76	3,270	187	3,533	8,728
Bad debt expense	2,153	2,571	2,500	2,491	2,501	-	12,216	1,928	2,025	1,034	4,987	17,203
Fiscal sponsorship	-	-	-	-	-	154,813	154,813	-	-	-	-	154,813
<b>Total expenses</b>	<b>1,035,901</b>	<b>1,639,099</b>	<b>2,351,630</b>	<b>2,405,087</b>	<b>2,723,713</b>	<b>154,813</b>	<b>10,310,243</b>	<b>832,320</b>	<b>1,166,161</b>	<b>868,370</b>	<b>2,866,851</b>	<b>13,177,094</b>
Less: direct benefits to donors	-	-	-	-	(215,231)	-	(215,231)	-	-	(235,014)	(235,014)	(450,245)
<b>Expenses reported on SOA</b>	<b>\$ 1,035,901</b>	<b>\$ 1,639,099</b>	<b>\$ 2,351,630</b>	<b>\$ 2,405,087</b>	<b>\$ 2,508,482</b>	<b>\$ 154,813</b>	<b>\$ 10,095,012</b>	<b>\$ 832,320</b>	<b>\$ 1,166,161</b>	<b>\$ 633,356</b>	<b>\$ 2,631,837</b>	<b>\$ 12,726,849</b>

See accompanying notes.

## GO2 for Lung Cancer

Statements of Cash Flows  
For the Years Ended December 31, 2023 and 2022

	2023	2022
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ (969,618)	\$ 2,745,912
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation and amortization – property and equipment	134,305	131,035
Donated securities	(6,890)	(48,033)
Net realized and unrealized (gain) loss on investments	(25,471)	13,595
Change in present-value discount on receivables	62,165	64,175
Amortization of right-of-use assets – operating leases	376,968	374,918
Change in operating assets and liabilities:		
Decrease (increase) in:		
Accounts and interest receivable	3,824	68,898
Contributions and grants receivable	(537,564)	(983,000)
Prepaid expenses and other assets	42,304	38,986
(Decrease) increase in:		
Accounts payable and accrued expenses	(8,321)	(42,973)
Grants payable	(25,000)	25,000
Deferred revenue	(7,432)	(204,158)
Lease liabilities – operating leases, net	(407,662)	(46,480)
Net cash (used in) provided by operating activities	(1,368,392)	2,137,875
<b>Cash Flows from Investing Activities</b>		
Purchase of investments	(12,799,962)	(10,362,585)
Proceeds from maturities of treasury bills and sales	13,063,584	3,283,000
Purchases of property and equipment	(25,678)	(73,553)
Net cash provided by (used in) investing activities	237,944	(7,153,138)
<b>Net Decrease in Cash</b>	(1,130,448)	(5,015,263)
<b>Cash, beginning of year</b>	2,670,885	7,686,148
<b>Cash, end of year</b>	\$ 1,540,437	\$ 2,670,885
<b>Non-Cash Transactions Arising from ASC 842 Adoption:</b>		
Establishment of right-of-use assets – operating lease	\$ 19,157	\$ 3,471,205
Establishment of lease liabilities – operating lease	\$ 19,157	\$ 4,415,097

See accompanying notes.

## GO2 for Lung Cancer

Notes to Financial Statements  
December 31, 2023 and 2022

### 1. Nature of Operations

GO2 for Lung Cancer (GO2) relentlessly confronts lung cancer on every front, every day, for everyone. Formed in 2019 through the merger of the Bonnie J. Addario Lung Cancer Foundation (ALCF) and Lung Cancer Alliance (LCA), GO2 is dedicated to increasing survival rates for those at risk, diagnosed, and living with lung cancer. As a nonprofit organization, GO2 is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC).

### 2. Summary of Significant Accounting Policies

#### Basis of Accounting and Presentation

GO2's financial statements are prepared on the accrual basis of accounting. Net assets are reported based on the presence or absence of donor-imposed restrictions in the following classes:

- *Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.
- *Net Assets With Donor Restrictions* – Net assets subject to 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 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.

#### Investments

Investments are recorded at fair value based on quoted market prices. All realized and unrealized gains and losses are included as a component of investment return in the accompanying statements of activities. Money market and short-term investment funds, held as a portion of GO2's investment portfolio, are classified as investments and are not considered to be cash equivalents for purposes of cash flows.

## GO2 for Lung Cancer

Notes to Financial Statements  
December 31, 2023 and 2022

### 2. Summary of Significant Accounting Policies (continued)

#### Accounts and Interest Receivable

Accounts and interest receivable are stated at their net realizable value. All amounts are collectible within one year and are recorded at net realizable value. The allowance for credit losses is based upon historical loss experience in combination with current economic conditions and a forecast of future economic conditions. Any change in the assumptions used in analyzing a specific account receivable might result in an additional allowance for credit losses being recognized in the period in which the change occurs. However, no allowance for credit losses is provided, as GO2 historically had insignificant write-offs due to bad debts, and current conditions indicate all receivables are fully collectible. Therefore, no allowance for credit losses has been recognized.

#### Contributions and Grants Receivable

Contributions and grants receivable represent unconditional promises to give and are recorded at net realizable value. Contributions and grants due in more than one year are discounted to present value based on management's estimate of the risk-adjusted rate of return. Management determines the allowance for doubtful accounts based upon review of outstanding receivables, historical collection information, and existing economic conditions. Management believes that all contributions and grants receivable are collectible at December 31, 2023 and 2022, and accordingly, no allowance for uncollectible accounts has been established.

#### Trademark

Consistent with accounting principles generally accepted in the United States of America, costs associated with the registration filings of the name of GO2 are being amortized on a straight-line basis over a 15-year period. Trademark was fully amortized at both years ended December 31, 2023 and 2022.

#### Property and Equipment

Property and equipment with a cost in excess of \$5,000 and a useful life exceeding one year are capitalized and recorded at cost. Depreciation and amortization is computed using the straight-line method over the estimated useful lives of the individual assets, which range from three to 10 years. Leasehold improvements are stated at cost and are amortized using the straight-line method over the shorter of their estimated useful lives or the lease term. Expenditures for repairs and maintenance are expensed as incurred.

## GO2 for Lung Cancer

Notes to Financial Statements  
December 31, 2023 and 2022

### 2. Summary of Significant Accounting Policies (continued)

#### Grants Payable

Grant expenses are nonreciprocal and are expensed when grants are approved by GO2. Grant expenses recognized but not paid are recognized as grants payable. All grants payable are expected to be paid out within one year and are recorded at net realizable value.

#### Operating Leases

GO2 determines whether an arrangement is a lease at inception. Operating leases are included in right-of-use (ROU) assets, representing GO2's right to use an underlying asset for the lease term, and in lease liabilities, representing GO2's obligation to make lease payments. Operating ROU assets and liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. To determine the present value of lease payments, GO2 used a risk-free treasury rate based on the term of the lease at the commencement date.

The ROU assets also include any lease payments made and exclude lease incentives. GO2's lease terms may include an option to extend or terminate the lease when it is reasonably certain that GO2 will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

#### Revenue Recognition

##### *Revenue Accounted for in Accordance with Contribution Accounting*

GO2 recognizes contributions, grants, and sponsorships when it receives cash, securities, other assets, an unconditional promise to give, or a notification of a beneficial interest. 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. GO2 reports them as restricted support if they are received or promised with donor stipulations that limit the use of the donated funds to one of GO2's programs or to a future year. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Net assets with donor restrictions are reported as net assets without donor restrictions if the restrictions are met in the same period as received.

## GO2 for Lung Cancer

Notes to Financial Statements  
December 31, 2023 and 2022

### 2. Summary of Significant Accounting Policies (continued)

#### Revenue Recognition (continued)

##### *Revenue Accounted for as Contracts with Customers*

Revenue is recognized when GO2 satisfies a performance obligation by transferring a promised good to, or performing a service for, a customer. The amount of revenue recognized reflects the consideration GO2 expects to receive in exchange for satisfying distinct performance obligations. If a performance obligation does not meet the criteria to be considered distinct, GO2 combines it with other performance obligations until a distinct bundle of goods or services exists. Fees or amounts received in advance of satisfying contractual performance obligations are reflected as deferred revenue in the statements of financial position. Revenue is recognized either over time or at the point in time that contractual obligations are met.

Specifically, for the various types of contracts, GO2 recognizes revenue as follows:

GO2 holds fundraising events throughout the year. The gross revenues and expenses, including direct benefits to donors, from these events are presented in the statements of activities. Fundraising events revenue includes event registration fees, event sponsorship payments, and donations collected during events. Registration fees are recognized at the time the event takes place and event sponsorships, and event-related donations are recognized when the commitment is made.

Contract revenue is evaluated and recognized based on the underlying agreement, usually over the term of the agreement. GO2 recognizes base revenue from contract agreements ratably over the term of the agreements, while additional amounts paid under the agreements are recognized in the year earned. Amounts received in advance before the expenditures are incurred are reported as deferred revenue in the accompanying statements of financial position.

Registrations for meetings and events are recognized at the time the event takes place, which is when the sole performance obligation is satisfied. Amounts received in advance of the event are included in deferred revenue in the accompanying statements of financial position.

## GO2 for Lung Cancer

Notes to Financial Statements  
December 31, 2023 and 2022

### 2. Summary of Significant Accounting Policies (continued)

#### In-Kind Contributions

The value of contributions that enhance a nonfinancial asset, which are considered specialized and can be estimated, and would have been purchased if not donated, are reflected in the accompanying statements of activities as in-kind contributions. In-kind contributions consist of contributed services and supplies. In-kind contributions are recognized as revenue and expense in the accompanying statements of activities at their estimated fair value, as provided by the donor, at the date of receipt, or calculated fair value of use of property in the period the property is used.

#### Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

#### Adopted Accounting Pronouncement

In 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-13, *Financial Instruments – Credit Losses* (Topic 326), *Measurement of Credit Losses on Financial Instruments*. This ASU addresses measurement and reporting of credit losses related to accounts receivable, notes receivable, leases receivable, and held-to-maturity debt securities. The ASU mandates the current expected credit loss model, which measures and reports expected losses over the contractual life of an asset. The measurement of expected life credit losses will be based on relevant information, not just past events (including historical experience and current conditions), but also the “reasonable and supportable” forecasts that affect collectability of the reported amount. This guidance is effective for GO2 for the year ended December 31, 2023. GO2 adopted ASU 2016-13 during the year ended December 31, 2023, and has adjusted the presentation in the financial statements as permitted by ASU 2016-13.

#### 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 reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

## GO2 for Lung Cancer

Notes to Financial Statements  
December 31, 2023 and 2022

### 2. Summary of Significant Accounting Policies (continued)

#### Subsequent Events

In preparing these financial statements, GO2 has evaluated events and transactions for potential recognition or disclosure through August 6, 2024, the date the financial statements were available to be issued.

### 3. Liquidity and Availability

GO2 maintained liquid financial assets to be able to fulfill its general expenditures, liabilities, and other obligations as of December 31, 2023 and 2022. As part of its liquidity management, GO2 invests cash in excess of daily requirements in various short-term investments.

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position date, comprise the following at December 31:

	<u>2023</u>	<u>2022</u>
Cash	\$ 1,540,437	\$ 2,670,885
Investments	11,901,277	12,132,538
Accounts and interest receivable	10,828	14,652
Contributions and grants receivable, net	<u>3,819,935</u>	<u>3,344,536</u>
Total financial assets	17,272,477	18,162,611
Less: restricted by donors	<u>(13,772,126)</u>	<u>(13,927,432)</u>
Total available for general expenditures	<u>\$ 3,500,351</u>	<u>\$ 4,235,179</u>

## GO2 for Lung Cancer

Notes to Financial Statements  
December 31, 2023 and 2022

### 4. Concentrations of Risk

#### Credit Risk

Financial instruments that potentially subject GO2 to significant concentrations of credit risk consist primarily of cash and investments. GO2 maintains cash deposit and transaction accounts, along with investments, with various financial institutions and these values, from time to time, may exceed insurable limits under the Federal Deposit Insurance Corporation (FDIC) and Securities Investor Protection Corporation (SIPC). GO2 has not experienced any credit losses on its cash and investments to date as it relates to FDIC and SIPC insurance limits. Management periodically assesses the financial condition of these financial institutions and believes that the risk of any credit loss is minimal.

#### Revenue and Receivable Risk

For the year ended December 31, 2022, approximately 19% of total revenue and support was provided by one donor. Any significant reduction in revenue and support from this contributor may impact GO2's financial position and operations. There was no revenue risk for the year ended December 31, 2023. GO2 was owed \$1,000,000 by one donor and \$1,900,000 by two donors, which accounted for 26% and 57% of contributions and grants receivable at December 31, 2023 and 2022, respectively.

### 5. Investments and Fair Value Measurements

GO2 follows FASB Accounting Standards Codification 820, *Fair Value Measurements and Disclosures*, for its financial assets. This standard establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. Fair value measurement standards require an entity to maximize the use of observable inputs (such as quoted prices in active markets) and minimize the use of unobservable inputs (such as appraisals or other valuation techniques) to determine fair value. The categorization of a financial instrument within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to the entity's perceived risk of that instrument.

The inputs used in measuring fair value are categorized into three levels. Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and liabilities and have the highest priority. Level 2 is based upon observable inputs other than quoted market prices, and Level 3 is based on unobservable inputs. GO2 recognizes transfers between levels in the fair value hierarchy at the end of the reporting period.

## GO2 for Lung Cancer

Notes to Financial Statements  
December 31, 2023 and 2022

### 5. Investments and Fair Value Measurements (continued)

GO2 uses net asset value (NAV) per share, or its equivalent, such as member units or an ownership interest in partners' capital, as a practical expedient to estimate the fair values of certain alternative estimates that do not have readily determinable fair values. Investments that are measured at fair value using NAV per share as a practical expedient are not classified in the fair value hierarchy. In general, and where applicable, GO2 uses quoted prices in active markets for identical assets to determine fair value. This pricing methodology applies to Level 1 investments.

GO2 used the following methods and significant assumptions to estimate fair value of assets recorded at fair value:

*Cash, money funds, and money market funds* consist primarily of domestic commercial paper and other cash management accounts. Money market accounts seek to maintain stable NAVs of \$1.

*US treasury bills* are valued at their NAV at the end of each business day and are categorized in Level 2 of the fair value hierarchy.

*Private equity funds* are valued based on NAV as a practical expedient for fair value. Private equity funds are measured at NAV per share (or its equivalent) using the practical expedient, and have not been categorized in the fair value hierarchy.

The fair value amounts presented in the tables below are intended to permit reconciliation of the fair value hierarchy to the amounts present in the accompanying statements of financial position.

The following table presents GO2's fair value hierarchy for those assets measured on a recurring basis as of December 31, 2023:

	Level 1	Level 2	Level 3	NAV	Total
Cash and money funds	\$ 2,961,949	\$ -	\$ -	\$ -	\$ 2,961,949
Money market funds	3,302,296	-	-	-	3,302,296
US treasury bills	-	5,621,238	-	-	5,621,238
Total assets at fair value	6,264,245	5,621,238	-	-	11,885,483
Private equity funds	-	-	-	15,794	15,794
Total investments	\$ 6,264,245	\$ 5,621,238	\$ -	\$ 15,794	\$ 11,901,277

## GO2 for Lung Cancer

Notes to Financial Statements  
December 31, 2023 and 2022

### 5. Investments and Fair Value Measurements (continued)

The following table presents GO2's fair value hierarchy for those assets measured on a recurring basis as of December 31, 2022:

	Level 1	Level 2	Level 3	NAV	Total
Cash and money funds	\$ 4,290,556	\$ -	\$ -	-	\$ 4,290,556
Money market funds	3,933,168	-	-	-	3,933,168
US treasury bills	-	3,895,038	-	-	3,895,038
<b>Total assets at fair value</b>	<b>8,223,724</b>	<b>3,895,038</b>	<b>-</b>	<b>-</b>	<b>12,118,762</b>
Private equity funds	-	-	-	13,776	13,776
<b>Total investments</b>	<b>\$ 8,223,724</b>	<b>\$ 3,895,038</b>	<b>\$ -</b>	<b>\$ 13,776</b>	<b>\$ 12,132,538</b>

The following table summarizes the nature of GO2's funds based on NAV as a practical expedient and its ability to redeem these funds as of December 31:

	NAV	Unfunded Commitments	Redemption Frequency	Redemption Notice
<u>2023:</u>				
Private equity funds	\$ 15,794	\$ -	Not eligible	Not eligible
<u>2022:</u>				
Private equity funds	\$ 13,776	\$ -	Not eligible	Not eligible

Investment return consists of the following for the years ended December 31:

	2023	2022
Interest and dividends	\$ 547,038	\$ 141,049
Realized gain	2,162	855
Unrealized gain (loss)	23,309	(14,450)
<b>Total investment return</b>	<b>\$ 572,509</b>	<b>\$ 127,454</b>

GO2 did not have investment expenses for the years ended December 31, 2023 and 2022.

## GO2 for Lung Cancer

Notes to Financial Statements  
December 31, 2023 and 2022

### 6. Contributions and Grants Receivable

Contributions and grants receivable are due as follows at December 31:

	<u>2023</u>	<u>2022</u>
Due in less than one year	\$ 1,838,450	\$ 2,063,853
Due in one to five years	2,127,967	1,374,000
Due in more than five years	<u>9,000</u>	<u>-</u>
Total contributions and grants receivable	3,975,417	3,437,853
Less: discount to net present value 3.84% and 3.96%	<u>(155,482)</u>	<u>(93,317)</u>
Contributions and grants receivable, net	<u><u>\$ 3,819,935</u></u>	<u><u>\$ 3,344,536</u></u>

Contributions and grants receivable due in more than one year were discounted at an average annual rate of 3.84% and 3.96% as of December 31, 2023 and 2022, respectively, using the five-year treasury rates.

### 7. Property and Equipment

Property and equipment consists of the following at December 31:

	<u>2023</u>	<u>2022</u>
Website	\$ 393,485	\$ 367,807
Software	37,482	37,482
Furniture and equipment	170,516	170,516
Leasehold improvements	<u>803,907</u>	<u>803,907</u>
Total property and equipment	1,405,390	1,379,712
Less: accumulated depreciation and amortization	<u>(673,024)</u>	<u>(538,719)</u>
Property and equipment, net	<u><u>\$ 732,366</u></u>	<u><u>\$ 840,993</u></u>

## GO2 for Lung Cancer

Notes to Financial Statements  
December 31, 2023 and 2022

### 8. Net Assets With Donor Restrictions

Net assets with donor restrictions were restricted for the following at December 31:

	<u>2023</u>	<u>2022</u>
Purpose restricted:		
Excellence in screening and care	\$ 4,540,105	\$ 6,222,540
Science and research	3,299,453	1,835,025
Patient and support services	2,088,061	3,483,475
Government affairs and health policy	258,616	178,158
Events	169,540	-
Communication and marketing	118,500	66,550
	<u>10,474,275</u>	<u>11,785,748</u>
Total purpose restricted		
Time restricted	3,297,851	2,141,684
	<u>3,297,851</u>	<u>2,141,684</u>
Total net assets with donor restrictions	<u>\$ 13,772,126</u>	<u>\$ 13,927,432</u>

### 9. Fiscal Sponsorship

GO2 entered into a formal agreement to sponsor LungCAN through the process of obtaining tax exemption under IRC Section 501(c)(3). LungCAN is a collaborative group of lung cancer advocacy organizations that have come together to raise public awareness about the realities of lung cancer. On March 16, 2023, the fiscal sponsorship agreement between GO2 and LungCAN was terminated, and LungCAN began operating as a separate legal entity.

For the years ended December 31, 2023 and 2022, grants amounting to \$84,107 and \$97,500, respectively, were received on behalf of LungCAN and have been included as contributions and grants revenue in the accompanying statements of activities. Total expenses of \$0 and \$86,719 that were incurred on behalf of LungCAN have been included in the accompanying statements of activities for the years ended December 31, 2023 and 2022, respectively. As a fiscal sponsor, GO2 received donations and provided organizational infrastructure and tax-exempt status for the projects for a small administrative fee. Under the term of the agreement, GO2 assessed a 5% administrative fee against all gifts and/or grants received on behalf of LungCAN. For the years ended December 31, 2023 and 2022, GO2 received fiscal sponsor fees from LungCAN in the amount of \$0 and \$4,875, respectively. GO2 held no assets at December 31, 2023 and 2022 for the fiscal sponsorship agreement.

## GO2 for Lung Cancer

Notes to Financial Statements  
December 31, 2023 and 2022

### 9. Fiscal Sponsorship (continued)

GO2 also has another agreement to sponsor Deadliest Cancers Coalition (DCC) through the process of obtaining tax exemption under IRC Section 501(c)(3). DCC is a collaboration of national nonprofit organizations focused on addressing policy issues related to the nation's most lethal, or recalcitrant, cancers, defined as those that have five-year relative survival rates below 50%. For the years ended December 31, 2023 and 2022, dues amounting to \$74,681 and \$68,592, respectively, were received on behalf of DCC and have been included as fiscal sponsorship dues revenue in the accompanying statements of activities. Total expenses of \$73,517 and \$66,580 that were incurred on behalf of DCC have been included in the accompanying statements of activities for the years ended December 31, 2023 and 2022, respectively. Under the terms of the agreement, GO2 assesses a 2% administrative fee against all dues received on behalf of DCC. For the years ended December 31, 2023 and 2022, GO2 received fiscal sponsor fees from DCC in the amount of \$1,464 and \$1,515, respectively. GO2 held no assets at December 31, 2023 and 2022 for the fiscal sponsorship agreement.

### 10. In-Kind Contributions

Contributed nonfinancial assets recognized within the statements of activities included the following at December 31:

	2023	2022
Supplies	\$ 157,056	\$ -
Photography service	35,432	-
Consulting services	4,584	-
Advertising service	-	216,285
Total in-kind contributions	<u>\$ 197,072</u>	<u>\$ 216,285</u>

Contributed supplies, photography service, consulting service, and advertising service are valued using estimated U.S. wholesale prices (principal market) of identical or similar products using pricing data under a "like-kind" methodology considering the goods' condition and utility for use at the time of the contribution.

All in-kind contributions received during the years ended December 31, 2023 and 2022 were unrestricted.

## GO2 for Lung Cancer

Notes to Financial Statements  
December 31, 2023 and 2022

### 11. Commitments and Contingencies

#### Operating Leases

On January 7, 2021, GO2 entered into an agreement to lease office space in Washington, D.C. The lease commenced on August 16, 2021 and is set to expire on February 16, 2033. The lease calls for a base monthly rent of \$34,645 and annual rental increases of 2.50%. The terms of the lease include lease incentives in the form of free rent for the first 18 months. In addition, the lease terms provide for a leasehold improvement allowance up to \$803,908 for remodeling and renovation of the office space. Additionally, the lease terms include an early termination option on January 16, 2030.

On April 21, 2019, GO2 entered into an agreement to lease office space in San Carlos, California. The lease commenced on May 2, 2019 and expired on April 30, 2024. The lease called for a base monthly rent of \$8,879 and annual rental increases for GO2's proportionate share of any increase in operating expenses incurred by the landlord for that year over the operating expenses incurred by the landlord in the year of lease commencement. Subsequent to year end, in May 2024, this lease has been renewed on a month to month basis.

Total rent expense for the years ended December 31, 2023 and 2022 was \$471,299 and \$464,484, respectively, and is included in facilities in the accompanying statements of functional expenses.

GO2 also leases office equipment under various operating leases. Total operating lease costs under these leases totaled \$9,319 and \$9,756 for the years ended December 31, 2023 and 2022, respectively.

Supplemental qualitative information related to the operating leases is as follows as of and for the years ended December 31:

	<u>2023</u>	<u>2022</u>
Operating leases cost	\$ 480,618	\$ 474,240
Cash paid for amounts included in the measurement of lease liabilities – operating cash flows	\$ 407,662	\$ 46,480
ROU assets obtained in exchange for lease obligations	\$ 19,157	\$ 3,471,205
Weighted-average remaining lease term (in years)	9.0	9.8
Weighted-average discount rate	1.63%	1.60%

## GO2 for Lung Cancer

Notes to Financial Statements  
December 31, 2023 and 2022

### 11. Commitments and Contingencies (continued)

#### Operating Leases (continued)

Maturities of the lease liabilities under GO2's operating leases are as follows for the years ending December 31:

2024	\$	465,311
2025		440,298
2026		449,934
2027		452,379
2028		468,459
Thereafter		<u>2,016,878</u>
Total minimum lease payments		4,293,259
Less: discount to present value at 1.63%		<u>(313,147)</u>
Present value of operating lease liabilities	\$	<u><u>3,980,112</u></u>

#### Hotel Agreements

GO2 holds meetings and conferences at various hotels throughout the United States. These events are contracted with the hotels in advance. In the event that GO2 cancels its agreements with the hotels, it can be held liable for liquidated damages up to the amount of lost profit less the hotel's mitigation, depending upon the date of cancellation.

#### Employment Agreement

GO2 has a signed employment agreement with the President & CEO. The agreement contains terms that require severance payments upon the occurrence of certain contractual events.

### 12. Related Party Transactions

The Addario Lung Cancer Medical Institute (ALCMI) is a separate IRC Section 501(c)(3) organization that funds lung cancer research. A Co-Founder of GO2 is also a Founder of ALCMI. GO2 entered into a grant agreement with ALCMI as part of the merger in 2019. In 2021, GO2 extended the grant agreement with ALCMI through December 31, 2023. Under the terms of the grant agreement, GO2 provided funding to ALCMI totaling \$865,468 and \$600,000 for the years ended December 31, 2023 and 2022, respectively.

## GO2 for Lung Cancer

Notes to Financial Statements  
December 31, 2023 and 2022

### 12. Related Party Transactions (continued)

In addition, GO2 entered into a shared services agreement with ALCMI. Under this agreement, GO2 acquires certain goods and services for ALCMI in order to minimize costs and to otherwise efficiently manage resources, whereas ALCMI reimburses GO2 appropriately for these goods and services provided by GO2. For the years ended December 31, 2023 and 2022, GO2 received reimbursement from ALCMI for the shared services in the amount of \$27,900 and \$122,594, respectively.

GO2 entered into an operating lease agreement for an office space in San Carlos, California from an entity owned by a Board member. This lease commenced on May 1, 2019 and expired on April 30, 2024. Rent payments for both years ended December 31, 2023 and 2022 totaled \$112,545. Upon expiration of this lease, GO2 continues leasing this office space on a month-to-month basis.

Two family members of the Co-Founder of GO2 are employed as full-time employees. During the years ended December 31, 2023 and 2022, these individuals were paid a total of \$356,646 and \$318,264, respectively. Additionally, one family member of the Co-Founder serves on the Board of Directors.

### 13. Functionalized Expenses

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. All costs incurred directly for a certain function or program are coded directly or split among those activities. The expenses that are allocated include salaries, benefits, taxes, consulting fees, office rent, office expenses, depreciation and amortization, and other expenses, which are allocated on the basis of estimates of time and effort.

### 14. Retirement Plan

GO2 maintains a 403(b) defined contribution pension plan for all eligible employees. All employees are eligible to participate in the plan upon hire and are eligible for GO2's contributions upon completion of six months of regular service and upon attaining 21 years of age. Employees contribute by payroll deductions on a pre-tax basis up to the amount allowable by federal law. Employee deferrals are immediately 100% vested and may begin at any time. GO2's contributions are discretionary and determined every year. For the years ended December 31, 2023 and 2022, GO2 contributed \$262,558 and \$214,275 to the plan, respectively.

## GO2 for Lung Cancer

Notes to Financial Statements  
December 31, 2023 and 2022

### 15. Joint Costs

Joint costs were incurred for activities that include programmatic elements (i.e., educating participants and raising awareness), as well as the solicitation of contributions. These costs have been allocated as follows for the years ended December 31:

	Communi- cations and Marketing	Events and Community Engagement	Total
<u>2023:</u>			
Joint costs	\$ 3,170,537	\$ 1,024,334	\$ 4,194,871
Less: direct benefits to donors	(268,501)	(299,226)	(567,727)
Total expenses included in the expense section of the SOA	<u>\$ 2,902,036</u>	<u>\$ 725,108</u>	<u>\$ 3,627,144</u>
<u>2022:</u>			
Joint costs	\$ 2,723,713	\$ 868,370	\$ 3,592,083
Less: direct benefits to donors	(215,231)	(235,014)	(450,245)
Total expenses included in the expense section of the SOA	<u>\$ 2,508,482</u>	<u>\$ 633,356</u>	<u>\$ 3,141,838</u>

### 16. Income Taxes

GO2 is exempt from payment of taxes on income other than net unrelated business income under IRC Section 501(c)(3). No tax expense is recorded in the accompanying financial statements as there was no unrelated business income. Contributions to GO2 are deductible as provided in IRC Section 170(b)(1)(A)(vi). Management has evaluated GO2's tax positions and concluded that GO2's financial statements do not include any uncertain tax positions.