THE V FOUNDATION

Cary, North Carolina

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2016
(With Comparative Totals for the
Year Ended September 30, 2015)

BLACKMAN & SLOOP
CERTIFIED PUBLIC ACCOUNTANTS

CONTENTS

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CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
The V Foundation
Cary, North Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of The V Foundation (a nonprofit organization), which comprise the statement of financial position as of September 30, 2016, and the related statements of activities and changes in net assets and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

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

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

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

BLACKMAN & SLOOP, CPAs, P.A.

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The V Foundation as of September 30, 2016, 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.

Report on Summarized Comparative Information

We have previously audited The V Foundation's 2015 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated February 12, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2015, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses on page 26 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Blackman & Sloop

Chapel Hill, North Carolina
February 9, 2017

THE V FOUNDATION

STATEMENTS OF FINANCIAL POSITION

EXHIBIT A

September 30, 2016 and 2015

ASSETS

	2016	2015
CURRENT ASSETS:		
Cash and cash equivalents	$ 26,715,427	$ 19,729,603
Accounts receivable	146,048	701,214
Promises to give, net	1,881,305	1,909,895
Grants receivable	3,122,687	4,450,000
Prepaid expenses	87,933	113,720
TOTAL CURRENT ASSETS	31,953,400	26,904,432
PROPERTY AND EQUIPMENT, NET	1,898,342	1,858,646
OTHER ASSETS:		
Investments	28,244,080	27,849,888
Promises to give, net	4,200,335	5,409,750
Grants receivable, net	588,813	2,551,768
Intangible assets	50,000	50,000
Other assets	20,150	-
TOTAL OTHER ASSETS	33,103,378	35,861,406
TOTAL ASSETS	$ 66,955,120	$ 64,624,484

LIABILITIES AND NET ASSETS

	2016	2015
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	$ 154,985	$ 293,905
Accrued payroll and related liabilities	99,239	86,285
Deferred rent	-	23,000
Deferred revenue	-	31,000
Line of credit	1,800,000	1,800,000
Grants payable	18,926,508	15,367,080
TOTAL CURRENT LIABILITIES	20,980,732	17,601,270
LONG-TERM LIABILITIES:		
Deferred rent	-	7,350
Grants payable, net	12,880,346	14,167,592
TOTAL LIABILITIES	33,861,078	31,776,212
NET ASSETS:		
Unrestricted:		
Board designated	14,182,981	11,545,566
Undesignated	(3,708,030)	(5,926,218)
	10,474,951	5,619,348
Temporarily restricted	10,437,488	15,022,276
Permanently restricted	12,181,603	12,206,648
TOTAL NET ASSETS	33,094,042	32,848,272
TOTAL LIABILITIES AND NET ASSETS	$ 66,955,120	$ 64,624,484

The accompanying Notes to Financial Statements are an integral part of these statements.

THE V FOUNDATION

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

EXHIBIT B

For the Year Ended September 30, 2016
(With Comparative Totals for the Year Ended September 30, 2015)

	Unrestricted	Temporarily Restricted	Permanently Restricted	2016 Totals	2015 Totals
SUPPORT AND REVENUE:					
Contributions and gifts	$ 12,727,876	$ 10,443,760	$ 61,713	$ 23,233,349	$ 25,701,633
Special events:					
Contributions	75,000	-	-	75,000	1,861,510
Event income	125,000	-		125,000	219,100
Less: costs of direct benefits to donors	(75,000)	-	-	(75,000)	(742,493)
Net revenues from special events	125,000	-	-	125,000	1,338,117
Royalties	17,730	-	-	17,730	5,952
Investment income, net of fees	389,096	221,819	-	610,915	464,544
Unrealized gains (losses) on investments	648,280	397,618	-	1,045,898	(1,667,083)
Realized gains on investments	361,251	221,571	-	582,822	770,051
	14,269,233	11,284,768	61,713	25,615,714	26,613,214
Net assets released from restrictions	15,877,421	(15,877,421)	-	-	-
TOTAL SUPPORT AND REVENUE	30,146,654	(4,592,653)	61,713	25,615,714	26,613,214
EXPENSES:					
Program Services	22,415,462	-	-	22,415,462	22,205,720
Supporting Services:					
Management and general	1,227,627	-	-	1,227,627	1,071,242
Fundraising expenses	1,648,025	-	-	1,648,025	1,733,837
Total Supporting Services	2,875,652	-	-	2,875,652	2,805,079
SUBTOTAL EXPENSES	25,291,114	-	-	25,291,114	25,010,799
Loss (recovery) from bad debts	(63)	(7,865)	86,758	78,830	66,626
TOTAL EXPENSES	25,291,051	(7,865)	86,758	25,369,944	25,077,425
CHANGES IN NET ASSETS	4,855,603	(4,584,788)	(25,045)	245,770	1,535,789
NET ASSETS - BEGINNING OF YEAR (AS RESTATED)	5,619,348	15,022,276	12,206,648	32,848,272	31,312,483
NET ASSETS - END OF YEAR	$ 10,474,951	$ 10,437,488	$ 12,181,603	$ 33,094,042	$ 32,848,272

The accompanying Notes to Financial Statements are an integral part of these statements.

THE V FOUNDATION

STATEMENTS OF CASH FLOWS

EXHIBIT C

For the Years Ended September 30, 2016 and 2015

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in net assets	$ 245,770	$ 1,535,789
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation and amortization	51,697	26,951
Donated equipment	(2,320)	-
Unrealized (gain) loss on investments	(1,045,898)	1,667,083
Realized gain on investments	(582,822)	(770,051)
Permanently restricted contributions	(132,835)	(448,270)
Increase (decrease) in cash arising from changes in assets and liabilities:		
Accounts receivable	555,166	(608,414)
Promises to give, net	1,238,005	1,275,752
Grants receivable, net	3,290,268	(1,676,900)
Prepaid expenses	25,787	(89,026)
Other assets	(20,150)	-
Accounts payable and accrued expenses	(138,920)	198,207
Accrued payroll and related liabilities	12,954	27,829
Deferred rent	(30,350)	(10,000)
Deferred revenue	(31,000)	18,500
Grants payable, net	2,272,182	5,587,210
NET CASH PROVIDED BY OPERATING ACTIVITIES	5,707,534	6,734,660
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of property and equipment	(89,073)	(1,849,049)
Purchases of investments	(8,920,321)	(10,596,420)
Sales of investments	10,154,849	8,744,759
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	1,145,455	(3,700,710)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Cash advances on line of credit	-	2,300,000
Payment on line of credit	-	(500,000)
Permanently restricted contributions	132,835	448,270
NET CASH PROVIDED BY FINANCING ACTIVITIES	132,835	2,248,270
NET INCREASE IN CASH AND CASH EQUIVALENTS	6,985,824	5,282,220
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	19,729,603	14,447,383
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 26,715,427	$ 19,729,603
SUPPLEMENTAL DISCLOSURE:		
Noncash contributions:		
Donated securities	$ 1,289,873	$ 3,402,531
Donated equipment	$ 2,320	$ -
Donated raffle item	$ 75,000	$ -

The accompanying Notes to Financial Statements are an integral part of these statements.

THE V FOUNDATION

NOTES TO FINANCIAL STATEMENTS

NATURE OF ACTIVITIES

The V Foundation (the "Foundation") was incorporated on February 12, 1993, as a nonprofit charitable organization dedicated to saving lives by helping to find a cure for cancer. The Foundation's mission is to generate broad based support for cancer research and create an urgent awareness among all Americans of the importance of the war against cancer. The Foundation accomplishes its mission through advocacy, education, fundraising, and philanthropy.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES

A. Basis of Accounting.

The Foundation's financial statements are presented on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP"). Accordingly, revenues and support are recognized when earned, and expenses are recognized when the obligation is incurred.

The Foundation reports gifts of cash and other assets as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Permanently restricted contributions represent only those contributions restricted by the donor to be invested in perpetuity for the purpose of providing a permanent source of income. The accumulated earnings are reflected in temporarily restricted net assets until appropriated.

B. Cash and Cash Equivalents.

Cash and cash equivalents consist of monies on deposit at financial institutions and other highly liquid investments with maturities of three months or less excluding monies maintained in the endowment investment fund. At times, the Foundation places deposits with high-quality financial institutions that may be in excess of federally insured amounts. The Foundation has not experienced any financial loss related to such deposits.

C. Accounts Receivable.

Accounts receivable consist of receivables from special events held with the specific purpose of promoting and publicizing the Foundation and are carried at their net realizable value. The Foundation provides an allowance for doubtful accounts equal to the estimated losses that are expected to be incurred in their collection. The allowance is based on historical collection experience and a review by management of the current status of the existing receivables. As of September 30, 2016 and 2015, all accounts receivable were deemed collectible by management.

THE V FOUNDATION

NOTES TO FINANCIAL STATEMENTS

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES (CONTINUED)

D. Promises to Give.

Unconditional promises to give are recognized as support and assets in the period received. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The Foundation provides an allowance for doubtful promises to give equal to the estimated losses that are expected to be incurred in their collection. The allowance is based on historical collection experience and a review by management of the current status of the existing promises to give.

Conditional promises to give are recognized when the conditions on which they depend are substantially met.

E. Grants Receivable.

Unconditional grants receivable are recognized as support in the period pledged and as assets, decreases of liabilities, or expenses depending on the form of the benefit received. Unconditional grants receivable that are expected to be collected within one year are recorded at net realizable value. Unconditional grants receivable that are expected to be collected in future years are recorded at the present value of estimated future cash flows. Conditional grants receivable are recognized when the conditions upon which the grants depend are substantially met. An allowance is provided for amounts management estimates to be uncollectible.

F. Property and Equipment.

Property and equipment are stated at cost for purchased assets and at market value on the date of the gift for donated assets. Property and equipment are capitalized if the life is expected to be greater than one year and if the cost exceeds $1,000. Depreciation is calculated using the straight-line method over estimated useful lives of the assets, which range from three to thirty-nine years. Depreciation expense totaled $51,697 and $26,951, for the years ended September 30, 2016 and 2015.

The Foundation reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used, and gifts of cash or other assets that must be used to acquire long-lived assets, are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Foundation reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES (CONTINUED)

G. Investments.

Investments in marketable securities and non-publicly traded companies are stated at fair market value based on readily available published values. Donated securities are recorded at their fair market value at the date of gift.

H. Intangible Assets.

Intangible assets are capitalized and stated at cost in accordance with U.S. GAAP. The assets have indefinite lives and are reviewed annually for impairment.

I. Grant Expenditures.

Grant expenditures and the corresponding grants payable are recognized in the period the grant is approved, provided the grant is not subject to significant future conditions. Conditional grants are recognized as grant expense and as a grant payable in the period in which the grantee meets the terms of the conditions. Grants payable that are expected to be paid in future years are recorded at the present value of expected future payments.

J. Advertising.

The Foundation expenses advertising costs as incurred. Advertising expense totaled $130,603 and $118,105, for the years ended September 30, 2016 and 2015, respectively.

K. Net Assets.

Unrestricted - Resources of the Foundation that are not restricted by donors or grantors as to use or purpose. These resources include amounts generated from operations, undesignated gifts, and investments in property and equipment.

Temporarily Restricted - Resources that carry a donor-imposed restriction that permits the Foundation to use or expend the donated assets for a specific purpose. The restrictions can be satisfied by the passage of time or by actions of the Foundation.

Permanently Restricted - Resources that carry a donor-imposed restriction that stipulates that donated assets be maintained in perpetuity, but may permit the Foundation to use or expend part or all of the income derived from the donated assets.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES (CONTINUED)

L. Income Taxes.

The Foundation is an exempt organization under Section 501(c)(3) of the Internal Revenue Code, and is classified as other than a private foundation. It is also exempt from North Carolina income and franchise taxes under the North Carolina Non-Profit Corporation Act. If applicable, penalties and interest assessed by income taxing authorities related to uncertain tax positions are included as management and general expenses in the statement of activities and changes in net assets.

M. Estimates.

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

PROMISES TO GIVE

Promises to give consist of the following at September 30:

	2016	2015
Receivable in less than one year	$ 1,976,420	$ 2,015,146
Receivable in one to five years	4,239,892	5,639,172
Receivable in greater than five years	365,500	401,300
Total gross promises to give	6,581,812	8,055,618
Discount at a rate of 1.90% and 2.64%, respectively	(174,886)	(334,517)
Allowance for uncollectible promises to give	(325,286)	(401,456)
Net present value of promises to give	$ 6,081,640	$ 7,319,645

The Foundation has been named in a number of wills as a beneficiary and has also been informed of other intentions to give. Such intentions to give are not recorded as promises to give until they become unconditional.

THE V FOUNDATION

NOTES TO FINANCIAL STATEMENTS

GRANTS RECEIVABLE

Grants receivable consist of the following at September 30:

	2016	2015
Receivable in less than one year	$ 3,122,687	$ 4,450,000
Receivable in one to five years	600,000	2,650,000
Total gross grants receivable	3,722,687	7,100,000
Discount at a rate of 1.90% and 2.64%, respectively	(11,187)	(98,232)
Net present value of grants receivable	$ 3,711,500	$ 7,001,768

The Foundation provides an allowance for doubtful accounts equal to the estimated losses that are expected to be incurred in collection. As of September 30, 2016 and 2015, grants receivable were deemed fully collectible by management.

On September 23, 2014, the Foundation received a conditional grant to receive $600,000 over a three year period. The Foundation can receive up to $200,000 per year. The funds are conditional on the Foundation raising funds from new donors or incremental funds from existing donors. The Foundation met this condition and recognized $200,000 in revenue for the years ended September 30, 2016 and 2015. The remaining amount will be recognized as the condition is met in 2017.

On July 9, 2015, the Foundation received an additional conditional grant to receive $1,000,000, over a four year period. The Foundation can receive up to $250,000 per year. The funds are conditional on the donor raising a specified amount. The donor met this condition and the Foundation recognized $250,000 in revenue for the years ended September 30, 2016 and 2015. The remaining amount will be recognized as the conditions are met in 2017 through 2018.

PROPERTY AND EQUIPMENT

Property and equipment consist of the following at September 30:

	2016	2015
Building	$ 1,850,701	$ 1,809,572
Furniture and fixtures	86,508	49,404
Office equipment	68,144	54,984
Software	56,070	56,070
	2,061,423	1,970,030
Accumulated depreciation	(163,081)	(111,384)
Net property and equipment	$ 1,898,342	$ 1,858,646

THE V FOUNDATION

NOTES TO FINANCIAL STATEMENTS

INVESTMENTS

Investments in marketable securities are stated at fair market value and are recorded on the trade or contract date. The estimated value of the marketable securities is based on quoted market prices, except for alternative investments for which quoted market prices are not available. The estimated fair value of alternative investments is based on valuations provided by the external investment managers. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of financial position.

Investments of the Foundation consist of the following at September 30:

	2016		2015	
	Cost	Market	Cost	Market
Investments:				
Carried at fair value:				
Money market funds	$ 950,388	$ 950,388	$ 522,253	$ 522,253
Equity securities	15,825,734	17,540,118	17,639,886	18,227,711
U.S. Treasury securities	3,982,915	4,085,729	4,142,941	4,218,500
Corporate debt securities	3,565,646	3,652,671	3,303,866	3,353,498
Preferred stock	28,252	30,237	-	-
Alternative investments	2,011,935	1,984,937	1,407,630	1,527,926
Total investments	$ 26,364,870	$ 28,244,080	$ 27,016,576	$ 27,849,888

The following schedule summarizes the investment returns and their classifications in the statement of activities and changes in net assets for the year ended September 30, 2016. Investment income on the statement of activities and changes in net assets for the year ended September 30, 2016, is recorded net of investment fees of $174,806, and includes earnings from deposits at financial institutions totaling $27,440.

September 30, 2016	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Investment income	$ 470,007	$ 288,275	$ -	$ 758,282
Unrealized gains	648,280	397,618	-	1,045,898
Realized gains	361,251	221,571	-	582,822
Total investment return	$ 1,479,538	$ 907,464	$ -	$ 2,387,002

THE V FOUNDATION

NOTES TO FINANCIAL STATEMENTS

INVESTMENTS (CONTINUED)

The following schedule summarizes the investment returns and their classifications in the statement of activities and changes in net assets for the year ended September 30, 2015. Investment income on the statement of activities and changes in net assets for the year ended September 30, 2015, is recorded net of investment fees of $190,356, and includes earnings from deposits at financial institutions totaling $15,746.

September 30, 2015	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Investment income	$ 413,804	$ 225,350	$ -	$ 639,154
Unrealized loss	(1,221,151)	(445,932)	-	(1,667,083)
Realized gains	498,550	271,501	-	770,051
Total investment return	$ (308,797)	$ 50,919	$ -	$ (257,878)

FAIR VALUE OF ASSETS

U.S. GAAP defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It also establishes a fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Foundation. Unobservable inputs reflect the Foundation's assumptions about the inputs market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1 - Valuations based on unadjusted quoted prices in active markets for identical assets as of the reporting date.

Level 2 - Valuations based on inputs other than quoted prices included, which are either directly or indirectly observable as of the reporting date, are valued at prices for similar assets or liabilities in markets not active, or determined through the use of models or other valuation methodologies.

FAIR VALUE OF ASSETS (CONTINUED)

Level 3 – Pricing inputs are unobservable and include situations where there is little, if any, market activity for the asset. Fair value for these assets is determined using valuation methodologies that consider a range of factors, including but not limited to the price at which the asset was acquired, the nature of the assets, local market conditions, trading values on public exchanges for comparable securities, current and projected operating performance and financing transactions subsequent to the acquisition of the asset. The inputs into the determination of fair value require significant management judgment. Due to the inherent uncertainty of these estimates, these values may differ materially from the values that would have been used had a ready market for these assets existed.

The Foundation's investments are classified as Level 1, Level 2, and Level 3.

There were no changes during the year ending September 30, 2016, to the Foundation's valuation techniques used to measure asset values on a recurring basis.

The following tables summarize the assets of the Foundation for which fair values are determined on a recurring basis as of September 30, 2016 and 2015. As required by U.S. GAAP, assets are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

September 30, 2016	Level 1	Level 2	Level 3	Total
Money market funds	$ -	$ 950,388	$ -	$ 950,388
U. S. Treasury securities	-	4,085,729	-	4,085,729
Corporate debt securities	-	3,652,671	-	3,652,671
Equity securities:				
Consumer discretionary	2,480,557	-	-	2,480,557
Consumer staples	1,830,037	-	-	1,830,037
Energy	462,374	-	-	462,374
Equities blend	3,715,323	-	-	3,715,323
Financials	1,214,414	-	-	1,214,414
Healthcare	1,920,092	-	-	1,920,092
Industrials	1,847,495	-	-	1,847,495
Information technology	2,307,462	-	-	2,307,462
Materials	517,483	-	-	517,483
Real estate	498,221	-	-	498,221
Telecommunications	431,820	-	-	431,820
Utilities	314,840	-	-	314,840
Preferred stock	-	30,237	-	30,237
Alternative investments	-	-	1,984,937	1,984,937
	$ 17,540,118	$ 8,719,025	$ 1,984,937	$ 28,244,080

THE V FOUNDATION

NOTES TO FINANCIAL STATEMENTS

FAIR VALUE OF ASSETS (CONTINUED)

September 30, 2015	Level 1	Level 2	Level 3	Total
Money market funds	$ -	$ 522,253	$ -	$ 522,253
U. S. Treasury securities	-	4,218,500	-	4,218,500
Corporate debt securities	-	3,353,498	-	3,353,498
Equity securities:				
Consumer discretionary	2,296,963	-	-	2,296,963
Consumer staples	1,702,742	-	-	1,702,742
Energy	990,035	-	-	990,035
Equities blend	3,119,267	-	-	3,119,267
Financials	2,335,325	-	-	2,335,325
Healthcare	2,216,865	-	-	2,216,865
Industrials	1,883,086	-	-	1,883,086
Information technology	2,417,703	-	-	2,417,703
Materials	674,174	-	-	674,174
Telecommunications	329,044	-	-	329,044
Utilities	262,507	-	-	262,507
Alternative investments	-	-	1,527,926	1,527,926
	$ 18,227,711	$ 8,094,251	$ 1,527,926	$ 27,849,888

The changes in investments classified as Level 3 are as follows for the years ended September 30, 2016 and 2015:

Beginning balance on October 1, 2015	$ 1,527,926
Purchases	604,653
Net sales	-
Fees	(150)
Total realized/unrealized losses	(147,492)
Ending balance on September 30, 2016	$ 1,984,937
Beginning balance on October 1, 2014	$ 1,480,539
Purchases	370,000
Net sales	(367,845)
Fees	(150)
Total realized/unrealized gains	45,382
Ending balance on September 30, 2015	$ 1,527,926

FAIR VALUE OF ASSETS (CONTINUED)

Gains and losses (realized and unrealized) for Level 3 investments included in revenue for the years ended September 30 are reported as follows:

	2016	2015
Total gains and losses included in realized gains on investments and unrealized gains (losses) on investments.	$ (147,492)	$ 45,382
Unrealized gains or losses relating to assets held at year-end included in unrealized gains (losses) on investments	$ (147,492)	$ 68,871

There were $0 and $117,845 of realized gains (losses) on Level 3 investments for the years ended September 30, 2016 and 2015, respectively.

Level 3 investments include $264,376 and $205,560, at September 30, 2016 and 2015, respectively, of investments in a fund that invests substantially all of its assets in privately negotiated mezzanine investment funds. The fair value of the investments in this class has been estimated using the net asset value per share of the investments. The fund consists of private equity, long term, ill-liquid investments. The fund does not offer any liquidity; therefore, there is no redemption frequency or redemption fees.

Level 3 investments include $603,335 and $430,398, at September 30, 2016 and 2015, respectively, of investments in a fund that invests substantially all of its assets in secondary opportunities to acquire private investment funds on a global basis, with a focus on the United States and Western Europe. The fund seeks capital appreciation primarily through the purchase of secondary interests in mature, high-quality leveraged buyout funds. The fair value of the investments in this fund has been estimated using the underlying portfolio investments as provided by the underlying funds' general partners or managers, adjusted dollar-for-dollar for subsequent capital contributions to, and distributions received from, the underlying funds. Interests in the fund are ill-liquid, and the term period is ten years from the final closing, subject to four one-year extensions. The fund does not offer any liquidity; therefore, there is no redemption frequency or redemption fees.

Level 3 investments include $15,000 at September 30, 2016, of investments in a fund that invests substantially all of its assets in global private equities in medium-to-large, industry leading businesses and equity investments in secular growth areas with structural downside protection, limited leverage and low concept or technology risk in the United States, Canada, Europe, and Israel. The fair value of the investments in this class has been estimated using the net asset value per share of the investments. Interests in the fund are ill-liquid and the term period is one year after the termination of the underlying fund.

THE V FOUNDATION

NOTES TO FINANCIAL STATEMENTS

FAIR VALUE OF ASSETS (CONTINUED)

Level 3 investments include $857,446 and $891,968, at September 30, 2016 **and 2015**, respectively, of investments in an event driven hedge fund.

Event driven hedge funds include funds whose objective is to achieve appreciation of their assets through trading in debt and equity securities and other investments expected to appreciate in price due to financial recovery and/or restructuring. They seek to deliver consistent positive risk-adjusted returns throughout market cycles, with a strong focus on risk management and capital preservation.

Portfolio composition is determined by market opportunities rather than any predetermined commitment to investment discipline or geography. The fair values of the investments in this class have been estimated using the net asset value per share of the investments. The fund has a quarterly redemption frequency with a 30 day redemption notice requirement.

Level 3 investments include $244,780 at September 30, 2016, of investments in a fund that invests substantially all of its assets in commercial real estate loan portfolios, direct real estate and commercial real estate companies in Europe, North America, and Japan. The fair value of the investments in this class has been estimated using the net asset value per share of the investments.

ENDOWMENT

Interpretation of Relevant Law

The Board of Directors of the Foundation has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by SPMIFA.

ENDOWMENT (CONTINUED)

In accordance with SPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund,
2. The purposes of the Foundation and the donor-restricted endowment fund,
3. General economic conditions,
4. The possible effect of inflation and deflation,
5. The expected total return from income and the appreciation of investments,
6. Other resources of the Foundation, and
7. The investment policies of the Foundation.

Return Objectives and Risk Parameters

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specified period(s) and board designated funds. The Foundation expects its endowment fund, over time, to provide an average rate of return of approximately 6% in perpetuity. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints as managed by the Foundation's Endowment Committee.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Foundation has a policy of appropriating investment earnings for distribution each year based upon the prior year's investment earnings of the related endowment. In establishing this policy, the Foundation considered the long-term expected return on its endowment. Accordingly, over the long term, the Foundation expects the current spending policy to allow its endowment to grow at a moderate rate. This is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term, as well as to provide additional real growth through new gifts and investment return.

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that SPMIFA requires to retain as a fund of perpetual duration. As of September 30, 2016 and 2015, the endowment fund was above the required amounts.

ENDOWMENT (CONTINUED)

Changes in the endowment fund consist of the following during the year ended September 30, 2016:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Net assets, beginning of year	$ 16,275,032	$ -	$ 11,793,665	$ 28,068,697
Investment income	470,007	288,275	-	758,282
Net appreciation (realized and unrealized)	1,009,531	619,189	-	1,628,720
Contributions	1,645,806	-	132,835	1,778,641
Appropriation of assets for expenditure	(2,541,231)	(841,008)	-	(3,382,239)
Investment fees	(108,351)	(66,456)	-	(174,807)
Net assets, end of year	$ 16,750,794	$ -	$ 11,926,500	$ 28,677,294

The endowment net asset composition by type of fund as of September 30, 2016, was as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted	$ 2,567,813	$ -	$ 11,926,500	$ 14,494,313
Board-designated	14,182,981	-	-	14,182,981
Total funds	$ 16,750,794	$ -	$ 11,926,500	$ 28,677,294

Permanently restricted endowment funds noted above exclude endowment promises to give.

Changes in the endowment fund consist of the following during the year ended September 30, 2015:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Net assets, beginning of year	$ 15,755,578	$ -	$ 11,345,395	$ 27,100,973
Investment income	413,803	225,350	-	639,153
Net appreciation (realized and unrealized)	(722,600)	(174,432)	-	(897,032)
Contributions	3,973,783	-	448,270	4,422,053
Appropriation of assets for expenditure	(3,006,094)	-	-	(3,006,094)
Investment fees	(139,438)	(50,918)	-	(190,356)
Net assets, end of year	$ 16,275,032	$ -	$ 11,793,665	$ 28,068,697

ENDOWMENT (CONTINUED)

Permanently restricted endowment funds noted above exclude endowment promises to give.

The endowment net asset composition by type of fund as of September 30, 2015, was as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted	$ 4,729,466	$ -	$ 11,793,665	$ 16,523,131
Board-designated	11,545,566	-	-	11,545,566
Total funds	$ 16,275,032	$ -	$ 11,793,665	$ 28,068,697

GRANTS PAYABLE

Grants payable consist of the following at September 30:

Year Ending September 30,	
2017	$ 18,926,508
2018	10,493,571
2019	2,681,500
Total gross grants payable	32,101,579
Discount at a rate of 1.90%	(294,725)
Net present value of grants payable	$ 31,806,854

LINE OF CREDIT

In July 2015, the Foundation obtained a line of credit for $5,000,000 with a financial institution to assist in covering operating expenses. The line of credit bears interest at a variable rate and is secured by the Foundation's investment portfolio. The interest rate at September 30, 2016 and 2015, was 1.52% and 1.94%, respectively, and the balance outstanding was $1,800,000. Accrued interest totaled $28,224 and $2,319, at September 30, 2016 and 2015, respectively.

RETIREMENT PLAN

The Foundation has established a simple IRA plan for its eligible employees. Employees of the Foundation are eligible for coverage under this plan after 90 days of service. The Foundation matches up to 3% of each participating employee's compensation. The expense was $54,465 and $45,217, for the years ended September 30, 2016 and 2015, respectively.

THE V FOUNDATION

NOTES TO FINANCIAL STATEMENTS

OPERATING LEASES

The Foundation leases a postage machine under an operating lease agreement at $162 a month, which expires in June 2018. The Foundation leased its office space under an operating lease agreement which was amended and renewed in fiscal year 2012 for a five year term ending October 2016. The Foundation purchased a building to house the Foundation's operations and terminated the existing lease for office space in August 2016.

In June 2012, the Foundation leased online fundraising and marketing software under an operating lease agreement, with quarterly payments of $23,216, which expires in July 2018.

Rent expense for the Foundation under these lease agreements totaled $202,630 and $194,983, for the years ended September 30, 2016 and 2015, respectively.

Total minimum lease payments under the existing lease agreements are as follows:

Year Ending September 30,		
2017	$	94,806
2018		71,105
Total minimum lease payments	$	165,911

RELATED PARTY TRANSACTIONS

Members of the Board of Directors and management of the Foundation make contributions for the support of general operations and the Foundation's programs. The Foundation received contributions from related parties totaling $6,041,718 and $671,137, at September 30, 2016 and 2015, respectively. The Foundation had outstanding related party promises to give of $3,025,611 and $3,114,922, at September 30, 2016 and 2015, respectively.

The Foundation assisted in the establishment of The V Foundation Canada/La Foundation V ("La Foundation V"), a Canadian nonprofit organization, whose goals and objectives are identical to those of The V Foundation. The Foundation is related to La Foundation V through common control through the Board of Directors.

SUPPORTING ORGANIZATION

Effective September 21, 2015, a supporting organization, Don't Ever Give Up, Inc. ("Organization") was formed for the purpose of supporting and/or benefitting The V Foundation and to help carry out the purpose of The V Foundation. The managing and coordinating of all special events of the Foundation were transferred to the Organization during the year. Monies raised by the Organization are granted to the Foundation. The Foundation recognized $5,850,000 in contributions from the Organization for the year ended September 30, 2016. The Organization reimbursed the Foundation for shared costs including facilities, personnel, and administrative expenses totaling $1,786,625 for the year ended September 30, 2016. The Organization owed the Foundation $795,186 at September 30, 2016.

THE V FOUNDATION

NOTES TO FINANCIAL STATEMENTS

CONCENTRATIONS

Promises to give are from individuals throughout the United States and abroad. A substantial portion of the Foundation's revenues and support is derived from donor promises to give and grants awarded to the Foundation. Three donors represent approximately 30% of the outstanding gross promises to give at September 30, 2016, and one donor represents 11% of the outstanding gross promises to give at September 30, 2015. Two grantors represent approximately 55% and 85% of gross grants receivable at September 30, 2016 and 2015, respectively.

One special event provided 100% of net proceeds of the Foundation's total special events revenue, net of expenses for the year ended September 30, 2016. Two special events provided net proceeds of approximately 94%, of the Foundation's total special events revenue, net of expenses for the year ended September 30, 2015.

TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of the following at September 30:

	2016	2015
Purpose restriction:		
Various cancer programs	$ 574,687	$ 798,611
Gastric Cancer Fund	565,832	734,426
Kay Yow Foundation	266,931	1,739
Geno's Cancer Team	191,322	191,322
Richard F. Jones Memorial Fund	68,785	68,625
Tamar Goodfellow Fund	53,988	-
Garry Betty Foundation	16,661	16,114
Ewing's Sarcoma Foundation	1,140	1,140
	1,739,346	1,811,977
Time restriction:		
General	8,698,142	13,210,299
Total temporarily restricted net assets	$ 10,437,488	$ 15,022,276

PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted net assets represent contributions made by donors who have restricted the use of their contributions to provide funding for the V Foundation Endowment Fund ("Fund"). The Fund has been established to provide funding for the operations of the Foundation from the earnings on restricted assets. Permanently restricted net assets totaled $12,181,603 and $12,206,648, at September 30, 2016 and 2015, respectively.

THE V FOUNDATION

NOTES TO FINANCIAL STATEMENTS

RESTATEMENT OF NET ASSETS

During the year ended September 30, 2016, management noted promises to give that were not properly classified in the beginning net assets. This resulted in an overstatement of unrestricted net assets and understatement of temporarily restricted net assets totaling $2,148,354. The following balances were restated as of September 30, 2016:

	September 30, 2015 Originally Reported		Adjustments		September 30, 2015 Restated Balances	
Unrestricted net assets	$	7,767,702	$	(2,148,354)	$	5,619,348
Temporarily restricted net assets	$	12,873,922	$	2,148,354	$	15,022,276

The restatement had no impact on total net assets at September 30, 2015.

NET ASSETS RELEASED FROM RESTRICTION

Temporarily restricted net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors. The amounts released during the years ended September 30, 2016 and 2015, were as follows:

	2016	2015
Purpose restriction:		
Various cancer programs	$ 5,572,214	$ 5,808,319
General operations	841,008	-
Gastric Cancer Foundation	456,262	463,786
Kay Yow Foundation	100,028	250,000
Ewing's Sarcoma Foundation	25,834	17,477
Tamar Goodfellow Fund	1,000	-
Garry Betty Fund	8	-
	6,996,354	6,539,582
Time restriction:		
General	8,881,067	5,315,181
Total temporarily restricted net assets released	$ 15,877,421	$ 11,854,763

DONATED SERVICES

The Foundation recognizes donated services that create or enhance non-financial assets or that require specialized skills, and would typically need to be purchased if not provided by donation. No services meeting these requirements for recognition in the financial statements were received during the years ended September 30, 2016 and 2015. However, a number of persons have donated a significant amount of time and services to the Foundation's operations.

FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain indirect costs have been allocated between the programs and supporting services benefited based on management's estimates.

RECLASSIFICATIONS

Certain reclassifications have been made to the 2015 financial statements in order to conform to the 2016 presentation. Such reclassifications had no effect on net assets.

PRIOR YEAR INFORMATION

The statements of activities and changes in net assets and functional expenses include certain prior-year summarized comparative information in total but not by net asset class and functional category, respectively. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Foundation's financial statements for the year ended September 30, 2015, from which the summarized information was derived.

SUBSEQUENT EVENTS

Management has evaluated subsequent events for recognition or disclosure through February 9, 2017, the date the financial statements were available to be issued. Management did not identify any events that occurred subsequent to year-end that require disclosure in the financial statements.

ADDITIONAL INFORMATION

FOR THE YEAR ENDED SEPTEMBER 30, 2016
(With Comparative Totals for the
Year Ended September 30, 2015)

THE V FOUNDATION

SCHEDULE OF FUNCTIONAL EXPENSES

SCHEDULE 1

For the Year Ended September 30, 2016
(With Comparative Totals for the Year Ended September 30, 2015)

	Program Services	Management and General	Fundraising	2016 Totals	2015 Totals
Grant expense	$ 20,737,928	$ -	$ -	$ 20,737,928	$ 20,339,767
Salaries	722,073	544,869	837,612	2,104,554	2,211,896
Employee benefits	165,568	124,937	192,062	482,567	511,954
Professional fees	154,940	221,020	10,998	386,958	484,342
Computer maintenance	87,962	66,375	102,036	256,373	146,529
Travel related expenses	63,754	48,108	73,956	185,818	177,027
Payroll taxes	50,399	38,030	58,463	146,892	162,578
Charity partner support expense	142,171	-	-	142,171	130,783
Occupancy expenses	43,659	32,944	50,644	127,247	160,139
Advertising	44,810	33,813	51,980	130,603	118,105
Printing and copying	43,389	32,741	50,332	126,462	86,179
Bank service charges	31,805	24,000	36,894	92,699	129,943
Direct fundraising expenses	-	-	89,595	89,595	173,906
Postage and shipping	25,239	19,045	29,277	73,561	46,112
Depreciation and amortization	17,738	13,384	20,575	51,697	26,951
Miscellaneous	16,564	12,497	19,213	48,274	29,338
Office supplies	9,860	7,440	11,438	28,738	24,369
V Scholar summit	23,438	-	-	23,438	-
Scientific advisory board expenses	23,002	-	-	23,002	17,708
Insurance	7,072	5,336	8,204	20,612	17,945
Sales tax	3,254	2,456	3,775	9,485	-
Board expenses	837	632	971	2,440	15,228
	$ 22,415,462	$ 1,227,627	$ 1,648,025	$ 25,291,114	$ 25,010,799