

THE CANCER FOUNDATION, INC.

Review of the Financial Statements

For the Year Ended December 31, 2021

THE CANCER FOUNDATION, INC.
FINANCIAL STATEMENTS
As Of and For the Year Ended December 31, 2021

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Treadwell, Jamplin & Co.

Certified Public Accountants
A Limited Liability Partnership

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Independent Accountant's Review Report

To the Board of Directors
The Cancer Foundation, Inc.
Athens, Georgia

We have reviewed the accompanying financial statements of The Cancer Foundation, Inc., (a Georgia not-for-profit corporation) which comprise the statement of financial position as of December 31, 2021, and the related statement of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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.

Accountant's Responsibility

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

We are required to be independent of The Cancer Foundation, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Treadwell, Jamplin & Co.

Madison, Georgia
November 4, 2022

THE CANCER FOUNDATION, INC.
STATEMENT OF FINANCIAL POSITION
December 31, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
ASSETS			
Current Assets			
Cash and cash equivalents (Note 7)	\$ 935,890	\$ -	\$ 935,890
Pledges receivable due within one year (Note 3)	-	49,384	49,384
Prepaid card inventory	21,250	-	21,250
Total current assets	<u>957,140</u>	<u>49,384</u>	<u>1,006,524</u>
Noncurrent Assets			
Pledges receivable due in more than one year (Note 3)	-	40,000	40,000
Investments (Note 4 and Note 5)	1,149,338	-	1,149,338
Total Assets	<u>\$ 2,106,478</u>	<u>\$ 89,384</u>	<u>\$ 2,195,862</u>
LIABILITIES AND NET ASSETS			
Current Liabilities			
Accrued expenses	12,500	\$ -	\$ 12,500
Total current liabilities	<u>12,500</u>	<u>-</u>	<u>12,500</u>
Net Assets			
Without donor restrictions	2,093,978	-	2,093,978
With donor restrictions (Note 6)	-	89,384	89,384
Total net assets	<u>2,093,978</u>	<u>89,384</u>	<u>2,183,362</u>
Total Liabilities and Net Assets	<u>\$ 2,106,478</u>	<u>\$ 89,384</u>	<u>\$ 2,195,862</u>

See accompanying notes and independent accountant's review report.

THE CANCER FOUNDATION, INC.
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues and other support			
Donations	\$ 552,972	\$ 48,151	\$ 601,123
Fundraising events	170,784	-	170,784
PPP loan forgiveness	71,200	-	71,200
In-kind support	21,600	-	21,600
Investment income, net of expenses	24,769	-	24,769
Realized and unrealized gains on investments	94,352	-	94,352
Total revenue, gains, and other support before releases	<u>935,677</u>	<u>48,151</u>	<u>983,828</u>
Net assets released from restriction	15,000	(15,000)	-
Total revenue, gains, and other support	<u>950,677</u>	<u>33,151</u>	<u>983,828</u>
Expenses			
Program services	573,880	-	573,880
Supporting services	153,409	-	153,409
Fundraising expenses	57,819	-	57,819
Total expenses	<u>785,108</u>	<u>-</u>	<u>785,108</u>
Change in net assets	<u>165,569</u>	<u>33,151</u>	<u>198,720</u>
Net assets, beginning	<u>1,928,409</u>	<u>56,233</u>	<u>1,984,642</u>
Net assets, ending	<u>\$ 2,093,978</u>	<u>\$ 89,384</u>	<u>\$ 2,183,362</u>

STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2021

	<u>Supporting Services</u>			<u>Total</u>
	<u>Program Services</u>	<u>Management & General</u>	<u>Fundraising</u>	
Expenses				
Direct financial assistance	\$ 469,209	\$ -	\$ -	\$ 469,209
Personnel costs	92,254	103,149	41,690	237,093
Direct costs of fundraisers	-	-	16,129	16,129
Contract services	-	2,335	-	2,335
Director expenses	-	-	-	-
Occupancy costs - in-kind	-	14,400	-	14,400
Office expenses - in-kind	-	7,200	-	7,200
Office expenses	12,417	20,319	-	32,736
Professional fees	-	6,006	-	6,006
Total Expenses	<u>\$ 573,880</u>	<u>\$ 153,409</u>	<u>\$ 57,819</u>	<u>\$ 785,108</u>

See accompanying notes and independent accountant's review report.

THE CANCER FOUNDATION, INC.
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2021

OPERATING ACTIVITIES

Change in net assets	\$ 198,720
Adjustments to reconcile change in net assets to net cash used for operating activities:	
Realized and unrealized (gains) losses on investments	(94,774)
Non-cash contributions - forgiveness of PPP loans	(71,200)
Changes in deferred and accrued amounts:	
Unconditional promises to give	(48,151)
Prepaid card inventory	2,000
Accrued expenses	5,000
Payroll liabilities	(6,725)
<i>Net cash provided by (used for) operating activities</i>	(15,130)

INVESTING ACTIVITIES

Purchase of investments	(582,184)
Proceeds from sale of investments	595,048
<i>Net cash provided by investing activities</i>	12,864

FINANCING ACTIVITIES

Proceeds from PPP loan received and forgiven during the year	35,600
<i>Net cash provided by financing activities</i>	35,600
 <i>Net change in cash and cash equivalents</i>	 33,334
Cash and cash equivalents, beginning	902,556
Cash and cash equivalents, ending	\$ 935,890

See accompanying notes and independent accountant's review report.

THE CANCER FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 1: NATURE OF ACTIVITIES

The Cancer Foundation, Inc. (the “Organization”) is a Georgia not-for-profit corporation, incorporated under the laws of the State of Georgia, dedicated to alleviating the financial burden of cancer treatment for eligible patients and their families by providing monetary assistance for basic living expenses such as housing, utilities, transportation, food and medication. The Organization serves the following counties in northeast Georgia: Banks, Barrow, Clarke, Elbert, Franklin, Greene, Habersham, Hart, Jackson, Madison, Morgan, Newton, Oconee, Oglethorpe, Putnam, Stephens, Taliaferro, Walton, and Wilkes. The Organization’s major sources of revenues come from fundraising events and contributions. The Organization receives contributions from individuals, private corporations, and granting entities.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Statement Presentation

The Organization’s financial statements have been prepared based on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 dated August 2016, and the provisions of the American Institute of Certified Public Accountants (AICPA) “Audit and Accounting Guide for Not-for-Profit Organizations” (“Guide”).

Accounting standards require that net assets and revenues and gains and losses be classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and the changes therein are classified as follows:

1. Net assets without donor restrictions – Net assets that are not subject to donor imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. The Organization’s board may designate assets without restrictions for specific purposes at their discretion. Such designations would not change the classification of the net assets.
2. Net assets with donor restrictions – Net assets subject to stipulations imposed by donors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or the passage of time.

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 reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the statement of financial position and the reported amounts of revenues and expenses for the reporting period. Actual results could differ from those estimates.

Contributions

Contributions, including unconditional promises to give, are recorded in the period received as either with or without restrictions support depending on the existence and/or nature of any donor restrictions. Non-cash contributions are recorded at their estimated fair value as of the date of contribution. The Organization reports unconditional promises to give as net assets with donor restrictions because of the implied restriction on the period in which such resources can be used by the Organization. Contributions required to be used to purchase long-lived assets are reported as net assets with donor restrictions until the related asset is placed in service. Contributions, including contributions of long-lived property, with donor restrictions which are met in the year received are reported as an increase to net assets without donor restrictions.

Unconditional promises to give that are receivable more than one year from the date of grant are discounted to their net present value using a discount rate commensurate with the related risks involved. Amortization of any discount on long-term promises to give is reported as additional contribution revenue. The Organization reports allowances for uncollectible unconditional promises to give based on management’s evaluation of the current portfolio of promises to give and the likelihood that the Organization might not collect all of the promised contributions.

THE CANCER FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Contributions, continued

The Organization received many hours of contributed services from unpaid volunteers. These services were all in support of the Organization's programs and activities. Even though these volunteers are important in the Organization meeting its goals, the Organization does not reflect the value of these services in its financial statements because the services do not require specialized skills and the services would typically not be purchased if they were not donated.

Substantially all of the revenues of the Organization are receipts from fundraising activities and other contributions from donors. Revenues from fundraisers are considered to be partly contributions to the Organization and partly exchange transactions. The revenue from the exchange transaction component of fundraisers is considered to be earned upon the fundraising event occurring as the Organization has no further performance obligation beyond hosting the event. Payments from all fundraising events are due prior to the event taking place or shortly thereafter. The Organization had no payments receivable from fundraising events that were outstanding at year-end and the Organization has no obligations to accept returns of items purchased at these events or to provide any service related to these sales whatsoever.

Cash and Cash Equivalents

Cash and cash equivalents include demand deposits and all short-term investments with maturity dates of three months or less when purchased.

Investments

The investments held by the Organization are comprised of publicly-traded stocks, exchange traded funds, mutual funds, and bonds. The Organization reports the values of these investments at their quoted market prices and classifies them as noncurrent assets because there is no plan to liquidate the investments within one year. All gains and losses and investment income are reported as increase or decrease in net assets without donor restrictions unless the investment income or gain is either restricted by the donor or by statute. Restricted investment income or gains for which the restrictions are met in the same year as recognized are reported as increases to net assets without donor restrictions.

Compensated Absences

Employees of the Organization are entitled to paid vacation and personal days off, depending on job classification, length of service and other factors. It is not practical to estimate the amount of compensation for future absences and, accordingly, no liability has been recorded in the accompanying financial statements. The Organization's policy is to recognize the cost of compensated absences when actually paid to employees. The results reported using this policy do not differ materially from those that would be presented if the Organization accrued a liability for earned and unused compensated absences.

Retirement Contributions

The Organization maintains a SIMPLE-IRA plan for eligible employees. Under the plan, the Organization will match the contributions of participants to a maximum of 3% of compensation. Contributions to the plan for the year totaled \$4,726.

Functional Expenses Allocation

The costs of providing various programs, services, and other activities have been summarized and categorized on a functional basis in the accompanying statement of functional expenses as either program services, management and general services or fundraising costs. Specific expenses that are readily identifiable to a single program or activity are charged directly to that function. However, certain expenses relate to more than one function and are allocated between program and supporting services based on management's estimate of the percentage of the expense consumed by each function.

THE CANCER FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Income Taxes

The Organization is exempt from all federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes is made in the financial statements.

FASB ASC 740 *Income Taxes* provides guidance related to the recognition and measurement of uncertain income tax positions. The Organization does not have any uncertain income tax positions to report. The Organization's tax returns are generally open to examination by federal and state taxing authorities for three years from the later of the due date of the return or when the return is actually filed. The Organization's tax returns from 2018 forward are still open to examination.

Fair Value of Financial Instruments

FASB ASC 820 *Fair Value Measurements and Disclosure* defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs used to measure fair value and enhances disclosure requirements for fair value measurements. Inputs are assumptions that market participants would use in pricing assets and liabilities, including assumptions about risk. Fair value is defined 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. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability at the measurement date. A financial instrument's categorization within the valuation hierarchy is based on the lowest level of input that is significant to the fair value measurement. The three levels in the valuation hierarchy are as follows:

Level 1 – inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets

Level 2 – inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument

Level 3 – inputs to the valuation methodology are unobservable and significant to the fair value measurements

Certain financial instruments are carried at cost on the statement of financial position, which approximates fair value, due to their short-term and highly liquid nature. These include cash, receivables, prepaid expenses, payables, and accrued expenses.

Statement of Cash Flows

The statement of cash flows is intended to reflect only receipt and payment activities arising from cash transactions. The statement of cash flows does not reflect immaterial non-cash investing activities.

THE CANCER FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 3: PLEDGES RECEIVABLE

The Organization had pledges outstanding at year-end that were due as follows:

One year	\$ 49,384
Two to five years	40,000
Thereafter	<u>-</u>
	<u>\$ 89,384</u>

The Organization has not discounted the pledges to their net present value. While some of the pledges are due more than one year from year-end, they are all due in the relatively near term. The results reported using this method do not differ significantly from the results that would be reported if the pledges had been discounted.

The fair value of the pledges receivable approximates their face value. The Organization does not require collateral or the use of a master netting agreement to secure any pledges receivable. If all of the donors were to completely fail to pay their pledges, the Organization would suffer an accounting loss equal to the carrying value of the pledges.

NOTE 4: INVESTMENTS

The investments held by the Organization at year-end are summarized as follows:

	<u>Cost</u>	<u>Fair Value</u>			<u>Unrealized Gain (Loss)</u>
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	
Stock	\$ 454,090	\$ 583,030	\$ -	\$ -	\$ 128,940
Mutual funds	299,647	358,091	-	-	58,444
Corporate bonds	114,699	116,168	-	-	1,469
Government bonds	<u>78,012</u>	<u>78,041</u>	<u>-</u>	<u>-</u>	<u>29</u>
Total investments	<u>\$ 946,448</u>	<u>\$ 1,135,330</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 188,882</u>

Summary of investment returns and their classification in the statement of activities:

Interest income	\$ 3,442
Interest earned on cash	3,032
Dividend income	25,571
Capital gain distributions	6,070
Less: investment fees	<u>(13,346)</u>
Total investment income, net	24,769
Unrealized and realized gains	<u>94,352</u>
Total investment income and gains	<u>\$ 119,121</u>

The investment is a quasi-endowment fund that is not subject to donor restrictions. The funds are set aside by the board of directors to be invested for a long-term period. The governing board has the right to expend the funds at its discretion.

The Organization incurred investment management fees of \$13,346 for the year ended December 31, 2021.

THE CANCER FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 5: LIQUIDITY, AVAILABILITY, AND MANAGEMENT OF RESERVE AND BOARD DESIGNATED ENDOWMENT FUNDS

To improve the understanding of an organization’s liquidity and how the assets are being managed, ASU 2016-14 requires organizations to disclose information about the liquidity of assets and the short-term demands on those assets. The Cancer Foundation’s financial assets consisting of the Cancer Foundation’s cash and cash equivalents balance of \$935,890 were all available to be used to fund expenses within one year of the balance sheet date.

The Cancer Foundation is substantially supported by contributions without donor restrictions. Contributions with donor restrictions may not be available for general expenditures within one year. The Organization’s policy is to structure its financial assets to be available as expenditures, liabilities and other obligations come due. In addition, cash in excess of daily requirements is invested in short-term and long-term investments.

The Cancer Foundation has a board designated quasi-endowment of \$1,149,338. These assets are not subject to external donor restrictions and are reported as part of net assets without donor restrictions. Although, the Organization does not intend to spend from the quasi-endowment other than amounts appropriated for expenditure as part of its annual budget approval process, amounts from the quasi-endowment could be made available, if necessary. The Organization has not adopted an annual spending policy on its endowment fund and the Organization’s board retains the discretion to make expenditures from the fund.

The Organization has hired professional investment management to help it meets its goals of increasing the long-term value of the endowment fund while allowing for sufficient liquidity in the investments to allow for the expenditure of the funds should the need arise. The Organization has invested the endowment fund in a diversified portfolio of common stocks, government and corporate bonds and mutual funds.

The changes in endowment net assets for the year are as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment, beginning	\$ 1,067,428	\$ -	\$ 1,067,428
Board designations	5,400	-	5,400
Investment income, net of fees	22,159	-	22,159
Net appreciation (depreciation)	94,352	-	94,352
Amounts appropriated for expenditure	<u>(40,001)</u>	<u>-</u>	<u>(40,001)</u>
Endowment, ending	<u>\$ 1,149,338</u>	<u>\$ -</u>	<u>\$ 1,149,338</u>

THE CANCER FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 5: LIQUIDITY, AVAILABILITY, AND MANAGEMENT OF RESERVE AND BOARD DESIGNATED ENDOWMENT FUNDS, continued

Georgia has adopted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) and part of its code at O.C.G.A. §44-15-1 et seq. The UPMIFA imposes a standard of conduct for managing endowment funds on entities receiving gifts. It also provides for a statutory restriction on increases in net assets above donor restricted amounts in an endowment fund until those the assets are appropriated for expenditure by an institution's board. Because all of the net assets in the Organization's endowment fund have been included in the endowment fund by board designation rather than by donor restriction, the Organization interprets the UPMIFA as not imposing a statutory restriction on the net assets prior to the Organization's board appropriating the assets for expenditure.

NOTE 6: NET ASSETS WITH DONOR RESTRICTIONS

The Organization reported \$89,384 of net assets with donor restrictions. All of this amount represents unconditional promises to give by donors that had not yet been collected at year-end. The unconditional promises to give are subject to an implied time restriction because the resources were not in a spendable form at year-end.

NOTE 7: CONCENTRATIONS AND RISK

The Organization's cash deposits are placed with high quality institutions and these cash balances at times exceed the \$250,000 limit for FDIC coverage. At year-end, the Organization had \$463,446 of uninsured and uncollateralized deposits at one bank. The Organization has not experienced any losses on such accounts.

NOTE 8: PPP Loans

The Organization received a Payroll Protection Program (PPP) loan under a program created for the Small Business Administration (SBA) by the CARES Act of \$35,600 during 2020. The PPP provided that the loan would be forgiven by the SBA provided that certain requirements about expenditures for payroll and employment levels were met during the organization's covered period. The Organization met these requirements and applied for and was granted forgiveness of the loan balance during 2021. The Organization received an additional loan of \$35,600 during 2021 under the PPP during 2021. The Organization met the requirements for this second loan to be forgiven as granted loan forgiveness during 2021. The organization was not required to, and did not, make any payments toward either of the two notes. The Organization reported \$71,200 of revenue on the Statement of Activities related to the forgiveness of the two notes.

NOTE 8: SUBSEQUENT EVENTS

Management has evaluated subsequent events through November 4, 2022, which is the date the financial statements were available to be issued. As of this date, there are no material subsequent events that require adjustments to or disclosure in the financial statements.

COVID-19 has had a detrimental impact on nearly every organization. Management has not made an estimate of the financial consequences of COVID-19s impact on the organization's current and future operations. These financial statements do not contain any estimate of the effects of COVID-19 on the organization.