



The Cancer Foundation

SERVING NORTHEAST GEORGIA

THE CANCER FOUNDATION, INC.

(A NONPROFIT ORGANIZATION)

FINANCIAL STATEMENTS

FOR THE YEARS ENDED

DECEMBER 31, 2023 AND 2022

THE CANCER FOUNDATION, INC.
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
The Cancer Foundation, Inc.
Athens, GA 30604

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of The Cancer Foundation, Inc., (a nonprofit organization), which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities, functional expense, 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 The Cancer Foundation, Inc. as of December 31, 2023 and 2022, and the changes in its net assets and its cash flows for the years ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. 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 relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The Cancer Foundation, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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 The Cancer Foundation, Inc.'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 The Cancer Foundation, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Rushton, LLC

Certified Public Accountants
Gainesville, Georgia
April 22, 2024

THE CANCER FOUNDATION, INC.
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2023 AND 2022

| | 2023 | 2022 |
|---|---------------------|---------------------|
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash | \$ 898,449 | \$ 1,007,108 |
| Certificates of deposit | 250,000 | - |
| Promises to give | - | 42,050 |
| Prepaid card inventory | 40,000 | 13,250 |
| Total Current Assets | 1,188,449 | 1,062,408 |
| NONCURRENT ASSETS | | |
| Investments | 1,011,541 | 953,411 |
| TOTAL ASSETS | \$ 2,199,990 | \$ 2,015,819 |
| LIABILITIES AND NET ASSETS | | |
| CURRENT LIABILITIES | | |
| Ramp card balance | \$ 45,770 | \$ - |
| Accrued payroll liabilities | 5,432 | 4,951 |
| TOTAL LIABILITIES | 51,202 | 4,951 |
| NET ASSETS | | |
| Without donor restrictions | | |
| Undesignated | 1,137,247 | 1,015,407 |
| Board designated | 1,011,541 | 953,411 |
| With donor restrictions | - | 42,050 |
| TOTAL NET ASSETS | 2,148,788 | 2,010,868 |
| TOTAL LIABILITIES AND NET ASSETS | \$ 2,199,990 | \$ 2,015,819 |

See accompanying notes and independent auditors' report.

THE CANCER FOUNDATION, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023
(With Comparative Totals for the Year Ended December 31, 2022)

| | <u>Net Assets Without Donor Restrictions</u> | <u>Net Assets With Donor Restrictions</u> | <u>2023 Totals</u> | <u>2022 Totals</u> |
|---|--|---|---------------------|---------------------|
| SUPPORT AND REVENUE | | | | |
| Grants | \$ 37,000 | \$ 64,825 | \$ 101,825 | \$ 97,754 |
| Contributions | 734,946 | 10,000 | 744,946 | 610,255 |
| In-kind support | 4,843 | - | 4,843 | 9,009 |
| Special events | 238,807 | - | 238,807 | 140,218 |
| Interest and dividends | 26,298 | - | 26,298 | 4,549 |
| Realized and unrealized gains/(losses) on investments | 104,297 | - | 104,297 | (150,095) |
| Other income | - | - | - | 12,500 |
| Net assets released from restrictions | | | | |
| Restrictions satisfied by payments | 116,875 | (116,875) | - | - |
| TOTAL SUPPORT AND REVENUE | <u>1,263,066</u> | <u>(42,050)</u> | <u>1,221,016</u> | <u>724,190</u> |
| EXPENSES | | | | |
| Program services | 894,559 | - | 894,559 | 702,451 |
| Management and general | 54,059 | - | 54,059 | 113,473 |
| Fundraising | 134,478 | - | 134,478 | 80,760 |
| Total Expenses | <u>1,083,096</u> | <u>-</u> | <u>1,083,096</u> | <u>896,684</u> |
| INCREASE (DECREASE) IN NET ASSETS | <u>179,970</u> | <u>(42,050)</u> | <u>137,920</u> | <u>(172,494)</u> |
| NET ASSETS, JANUARY 1 | <u>1,968,818</u> | <u>42,050</u> | <u>2,010,868</u> | <u>2,183,362</u> |
| NET ASSETS, DECEMBER 31 | <u>\$ 2,148,788</u> | <u>\$ -</u> | <u>\$ 2,148,788</u> | <u>\$ 2,010,868</u> |

See accompanying notes and independent auditors' report.

THE CANCER FOUNDATION, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

| | Net Assets Without Donor Restrictions | Net Assets With Donor Restrictions | Totals |
|---|--|---|---------------------|
| SUPPORT AND REVENUE | | | |
| Grants | \$ 37,886 | \$ 59,868 | \$ 97,754 |
| Contributions | 610,255 | - | 610,255 |
| In-kind support | 9,009 | - | 9,009 |
| Special events | 140,218 | - | 140,218 |
| Interest and dividends | 4,549 | - | 4,549 |
| Realized and unrealized gains/(losses) on investments | (150,095) | - | (150,095) |
| Other income | 12,500 | - | 12,500 |
| Net assets released from restrictions | | | |
| Restrictions satisfied by payments | 107,202 | (107,202) | - |
| TOTAL SUPPORT AND REVENUE | 771,524 | (47,334) | 724,190 |
| EXPENSES | | | |
| Program services | 702,451 | - | 702,451 |
| Management and general | 113,473 | - | 113,473 |
| Fundraising | 80,760 | - | 80,760 |
| Total Expenses | 896,684 | - | 896,684 |
| INCREASE (DECREASE) IN NET ASSETS | (125,160) | (47,334) | (172,494) |
| NET ASSETS, JANUARY 1 | 2,093,978 | 89,384 | 2,183,362 |
| NET ASSETS, DECEMBER 31 | \$ 1,968,818 | \$ 42,050 | \$ 2,010,868 |

See accompanying notes and independent auditors' report.

THE CANCER FOUNDATION, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

| | 2023 | 2022 |
|---|-------------------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Increase (decrease) in net assets | \$ 137,920 | \$ (172,494) |
| Adjustments to reconcile increase in net income to net cash provided by operating activities: | | |
| Realized and unrealized (gains)/losses on investments | (104,297) | 150,095 |
| (Increase) decrease in operating assets: | | |
| Prepaid card inventory | (26,750) | 8,000 |
| Unconditional promises to give | 42,050 | 47,334 |
| Increase (decrease) in operating liabilities: | | |
| Ramp card balance | 45,770 | - |
| Payroll liabilities | 481 | (7,549) |
| | 95,174 | 25,386 |
| Net Cash Provided (Used) by Operating Activities | 95,174 | 25,386 |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Purchase of certificates of deposit | (250,000) | - |
| Purchase of investments | (1,334,816) | (643,555) |
| Proceeds from sale of investments | 1,380,983 | 689,387 |
| | (203,833) | 45,832 |
| Net Cash Provided (Used) by Investing Activities | (203,833) | 45,832 |
| Net Increase (Decrease) in Cash | (108,659) | 71,218 |
| CASH, JANUARY 1 | 1,007,108 | 935,890 |
| CASH, DECEMBER 31 | \$ 898,449 | \$ 1,007,108 |

See accompanying notes and independent auditors' report.

THE CANCER FOUNDATION, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023
(With Comparative Totals for the Year Ended December 31, 2022)

| | <u>Program Services</u> | <u>Management and General</u> | <u>Fundraising</u> | <u>2023 Totals</u> | <u>2022 Totals</u> |
|--|-----------------------------|-----------------------------------|--------------------|---------------------|--------------------|
| COMPENSATION AND RELATED EXPENSES | | | | | |
| Compensation | \$ 125,943 | \$ 32,965 | \$ 88,287 | \$ 247,195 | \$ 222,410 |
| Other employee benefits | 2,723 | 748 | 1,869 | 5,340 | 9,425 |
| Payroll taxes | 9,341 | 2,564 | 6,411 | 18,316 | 16,802 |
| | <u>138,007</u> | <u>36,277</u> | <u>96,567</u> | <u>270,851</u> | <u>248,637</u> |
| OTHER EXPENSES | | | | | |
| Advertising | 4,236 | 605 | 660 | 5,501 | 917 |
| Bad debt expense | 8,855 | 1,265 | 1,380 | 11,500 | - |
| Bank and credit card fees | 5,719 | 817 | 891 | 7,427 | 4,537 |
| Board and committee expense | 1,261 | 180 | 197 | 1,638 | 1,006 |
| Contract services | - | - | - | - | 1,600 |
| Dues and subscriptions | 412 | 59 | 64 | 535 | 740 |
| Financial assistance program | 632,068 | - | - | 632,068 | 551,158 |
| Fundraising expense | - | - | 18,512 | 18,512 | 1,674 |
| Insurance - organizational | 9,323 | 1,332 | 1,453 | 12,108 | 3,637 |
| In-Kind expense | 3,729 | 533 | 581 | 4,843 | 9,009 |
| Investment fees | 8,908 | 1,272 | 1,388 | 11,568 | 12,458 |
| Miscellaneous | 2,080 | 297 | 324 | 2,701 | 2,929 |
| Postage and printing | 28,919 | 4,131 | 4,507 | 37,557 | 15,650 |
| Professional fees | 17,951 | 2,564 | 2,797 | 23,312 | 4,218 |
| Software | 3,645 | 521 | 568 | 4,734 | 6,764 |
| Special events expense | 27,186 | 3,884 | 4,237 | 35,307 | 29,584 |
| Supplies | 780 | 111 | 121 | 1,012 | 505 |
| Telephone | 1,393 | 199 | 217 | 1,809 | 1,661 |
| Travel | 87 | 12 | 14 | 113 | - |
| | <u>756,552</u> | <u>17,782</u> | <u>37,911</u> | <u>812,245</u> | <u>648,047</u> |
| Total Other Expenses | | | | | |
| Total Functional Expenses | <u>\$ 894,559</u> | <u>\$ 54,059</u> | <u>\$ 134,478</u> | <u>\$ 1,083,096</u> | <u>\$ 896,684</u> |

See accompanying notes and independent auditors' report.

THE CANCER FOUNDATION, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022

| | Program Services | Management and General | Fundraising | Totals |
|--|-----------------------------|-----------------------------------|--------------------|-------------------|
| COMPENSATION AND RELATED EXPENSES | | | | |
| Compensation | \$ 97,860 | \$ 73,396 | \$ 51,154 | \$ 222,410 |
| Other employee benefits | 4,147 | 3,110 | 2,168 | 9,425 |
| Payroll taxes | 7,393 | 5,545 | 3,864 | 16,802 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total Compensation and Related Expenses | 109,400 | 82,051 | 57,186 | 248,637 |
| OTHER EXPENSES | | | | |
| Advertising | 403 | 303 | 211 | 917 |
| Bank and credit card fees | 1,996 | 1,497 | 1,044 | 4,537 |
| Board and committee expense | 443 | 332 | 231 | 1,006 |
| Contract services | 704 | 528 | 368 | 1,600 |
| Dues and subscriptions | 326 | 244 | 170 | 740 |
| Financial assistance program | 551,158 | - | - | 551,158 |
| Fundraising expense | - | - | 1,674 | 1,674 |
| Insurance - organizational | 1,600 | 1,200 | 837 | 3,637 |
| In-Kind expense | 3,964 | 2,973 | 2,072 | 9,009 |
| Investment fees | 5,482 | 4,111 | 2,865 | 12,458 |
| Miscellaneous | 1,288 | 967 | 674 | 2,929 |
| Postage and printing | 6,885 | 5,165 | 3,600 | 15,650 |
| Professional fees | 1,856 | 1,392 | 970 | 4,218 |
| Software | 2,976 | 2,232 | 1,556 | 6,764 |
| Special events expense | 13,017 | 9,763 | 6,804 | 29,584 |
| Supplies | 222 | 167 | 116 | 505 |
| Telephone | 731 | 548 | 382 | 1,661 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total Other Expenses | 593,051 | 31,422 | 23,574 | 648,047 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total Functional Expenses | \$ 702,451 | \$ 113,473 | \$ 80,760 | \$ 896,684 |

THE CANCER FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

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, Jasper, Lumpkin, Madison, Morgan, Newton, Oconee, Oglethorpe, Putnam, Rabun, Stephens, Taliaferro, Towns, Union, Walton, White, 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.

Basis of Accounting

The accompanying financial statements of The Cancer Foundation, Inc. have been prepared using the accrual basis of accounting in accordance with generally accepted accounting principles.

Basis of Presentation

The Organization's financial statements presentation follows the recommendations of the Financial Accounting Standards Board (FASB) ASC 958, *Financial Statements for Not-for-Profit Organizations*, as updated by Accounting Standards Update 2016-04, *Presentation of Financial Statements of Not-for-Profit Entities*. These standards require classification of net assets and revenue, expenses, gains, and losses based on the existence or absence of donor-imposed restrictions. It requires that the amounts for each of these two classes of net assets, with donor restrictions and without donor restrictions, be displayed in the statement of activities and changes in net assets. The accounting standards provide that if a governing body of an organization has the ability to remove a donor restriction, the contributions should be classified as net assets without donor restrictions. Accordingly, the net assets of the Organization and the changes therein are classified as follows:

- *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. These net assets may be used at the discretion of the Organization's management and the Board of Directors.
- *Net Assets With Donor Restrictions* - Net assets subject to stipulations imposed by donors and grantors. 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.

Promises to Give

Unconditional promises to give are recognized as revenues or gains in the period the donor makes the promise to give and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

THE CANCER FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers short-term, highly-liquid investments such as checking, savings, and money market accounts with an initial maturity of three months or less to be cash equivalents.

Investments

The investments held by the Organization are comprised of stocks, mutual funds, corporate bonds, government bonds, and money market funds. 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.

Generally accepted accounting principles provide a framework for measuring fair value of investments. That framework provides a fair value hierarchy that prioritizes the inputs to valuation used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Assets that are required to be recorded at fair value in the statements of financial position are categorized on the inputs to valuation techniques as follows:

Level 1 - Unadjusted quoted market prices for identical assets as of the measurement date.

Level 2 - Significant other observable inputs other than quoted market prices.

Level 3 - Unobservable inputs that cannot be corroborated by observable market data.

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 2023 and 2022 totaled \$6,138 and \$5,670, respectively.

Income Taxes

The Organization is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code and therefore has made no provision for federal income taxes in the accompanying financial statements. The Organization has been determined by the Internal Revenue Service not to be a "private foundation" within meaning of Section 509(a) of the Internal Revenue Code.

THE CANCER FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Directly identifiable expenses are charged to programs and supporting functions. The expenses that are allocated include occupancy, office, etc., which are allocated from salaries and benefits that are allocated on the basis of estimates of time and effort. Management and general expenses include those expenses that provide for the overall support and direction of the Organization.

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.

Revenue and Revenue Recognition

The Organization recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give - that is, those with a measurable performance or other barrier and a right-of-return are not recognized until the conditions on which they depend have been met.

The Organization recognizes special events revenue equal to the fair value of direct benefits to donors, and contribution income for the excess received when the event takes place.

The Organization recognizes revenue from grants and allocations when the performance obligation of the agreement is met. These typically are when the related expense occurs.

The Organization follows FASB ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which provides guidance on revenue recognition. ASU 2014-09 is based on the principle that revenue from contracts with customers should be recognized when an entity transfers goods or services to the customer at the amount the entity expects to be entitled to receive from the customer. The following five step approach is provided for recognizing and measuring revenue in order to adhere to the key principles established:

1. Identify customer contracts.
2. Identify performance obligations.
3. Determine the price of the transaction.
4. Allocate the transaction price to each performance obligation.
5. Recognize revenue as performance obligations are satisfied.

The Organization follows FASB ASU 2018-08, *Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 958)*. ASU 2018-08 requires that an entity determine whether or not a contribution is conditional on the basis of whether or not the underlying agreement includes a barrier that must be overcome, and either a right of return of the assets transferred or a right of release of the donor's obligation to transfer assets. The presence of both of these elements would represent a condition for the contribution.

THE CANCER FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 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.

Donated Assets and Services

The Organization occupies space in a facility. No rent is paid for the use of this facility. The Organization has estimated the approximate fair value of the annual rental of these facilities to be \$3,099 and \$5,800 for 2023 and 2022, respectively, and it is included with in-kind support and expenses in the statements of activities.

Donated marketable securities and other non-cash donations are recorded as contributions at their estimated fair values at the date of donation. The Organization received approximately \$4,843 and \$9,009 for rent, supplies, and various services for operations in 2023 and 2022, respectively.

Advertising

The Organization expenses advertising as incurred. Advertising expense was \$5,501 and \$917 for the years ended December 31, 2023 and 2022, respectively.

THE CANCER FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

NOTE 2 - LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, are comprised of cash and promises to give. The Organization expects to have these liquid assets available for use on general expenses and debt obligations in the next year.

The following represents the Organization's financial assets at December 31, 2023 and 2022:

| | <u>2023</u> | <u>2022</u> |
|-------------------------|---------------------|---------------------|
| Cash | \$ 898,449 | \$ 1,007,108 |
| Promises to give | - | 42,050 |
| Certificates of deposit | 250,000 | - |
| | <u>\$ 1,148,449</u> | <u>\$ 1,049,158</u> |

NOTE 3 - PROMISES TO GIVE

The Organization receives promises to give from businesses and individuals on an annual basis. Promises to give are recorded as net assets with donor restrictions until collected. The promises to give are unconditional.

Activity for unconditional promises to give was as follows for the years ended December 31, 2023 and 2022:

| | <u>2023</u> | <u>2022</u> |
|--|-------------|-------------|
| Beginning promise balance | \$ 42,050 | \$ 89,384 |
| Payments received | (30,550) | (47,334) |
| Uncollected promises | (11,500) | - |
| Outstanding unconditional promises to give | - | 42,050 |
| Receivable in less than one year | - | (42,050) |
| Receivable in more than one year | <u>\$ -</u> | <u>\$ -</u> |

The Organization has not accounted for an allowance to their promises to give at year-end as they believe it is fully collectible within one year. During the year, the Organization deemed it necessary to write off the outstanding promises to give payments not received, which totaled \$11,500.

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

THE CANCER FOUNDATION, INC.
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NOTE 4 - INVESTMENTS

Investments are presented in the financial statements at fair value using level 1 fair value measurements (quoted prices in active markets). Investments consist of the following at December 31, 2023 and 2022:

| | <u>2023</u> | <u>2022</u> |
|--------------------|---------------------|-------------------|
| Stocks | \$ - | \$ 466,390 |
| Mutual funds | 633,039 | 252,567 |
| Corporate bonds | 28,221 | 99,017 |
| Government bonds | 285,835 | 111,525 |
| Money market funds | 64,446 | 23,912 |
| | <u>\$ 1,011,541</u> | <u>\$ 953,411</u> |

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

Investment income and loss was \$104,297 and \$150,095 for the years ended December 31, 2023 and 2022, respectively. Investment fees of \$11,568 and \$12,458 are listed on the statements of functional expenses for the years ended December 31, 2023 and 2022, respectively.

NOTE 5 - ENDOWMENT FUNDS

The Organization receives donations for an established board-designated endowment fund. The endowment fund is comprised of stocks, mutual funds, corporate bonds, government bonds, and money market funds listed in Note 4 above.

Interpretation of Relevant Law

As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on existence or absence of donor-imposed restrictions. The State Prudent Management of Institutional Funds Act (SPMIFA) requires the preservation of the fair value of the original gift as of the gift date of donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, (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, and (d) the earnings on the donor-restricted endowment fund until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by SPMIFA.

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NOTE 5 - ENDOWMENT FUNDS (CONTINUED)

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

1. The duration and preservation of the various funds.
2. The purposes of the donor-restricted endowment funds.
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 Organization.
7. The Organization's investment policies.

Changes in the Endowment fund for the year ended December 31, 2023 are as follows:

| | Without Donor Restrictions | With Donor Restrictions | Total |
|--|-------------------------------|----------------------------|---------------------|
| Endowment net assets, January 1, 2023 | \$ 953,411 | \$ - | \$ 953,411 |
| Board designations | 5,400 | - | 5,400 |
| Security transfers | 1,011,318 | - | 1,011,318 |
| Net appreciation (realized and unrealized) | 104,297 | - | 104,297 |
| Amounts appropriated for expenditure | (1,051,317) | - | (1,051,317) |
| Investment fees | (11,568) | - | (11,568) |
| Endowment net assets, December 31, 2023 | <u>\$ 1,011,541</u> | <u>\$ -</u> | <u>\$ 1,011,541</u> |

Changes in the Endowment fund for the year ended December 31, 2022 are as follows:

| | Without Donor Restrictions | With Donor Restrictions | Total |
|--|-------------------------------|----------------------------|-------------------|
| Endowment net assets, January 1, 2022 | \$ 1,149,338 | \$ - | \$ 1,149,338 |
| Board designations | 5,400 | - | 5,400 |
| Security transfers | 10,026 | - | 10,026 |
| Net appreciation (realized and unrealized) | (150,095) | - | (150,095) |
| Amounts appropriated for expenditure | (48,800) | - | (48,800) |
| Investment fees | (12,458) | - | (12,458) |
| Endowment net assets, December 31, 2022 | <u>\$ 953,411</u> | <u>\$ -</u> | <u>\$ 953,411</u> |

Endowment Fund Spending Policy

The Organization established the spending policy in the establishment of the Endowment Fund. The policy spending rate for the Fund shall be 4-6 percent. The amount available for appropriation during each fiscal year shall be calculated by applying the policy spending rate to the average of the trailing 12 quarter portfolio values. Any special appropriation or decision not to spend the amount indicated by the spending formula must be approved in advance by the Board of Directors. Subject to the intent of a donor expressed in a gift instrument, the Organization may appropriate for expenditures or accumulate so much of the Fund as the Board of Directors determines to be prudent for the uses, benefits, purposes and duration for which each of the separate endowments in the Fund established.

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NOTE 6 - NET ASSETS WITH DONOR RESTRICTIONS

The Organization reported \$0 and \$42,050 of net assets with donor restrictions as of December 31, 2023 and 2022, respectively. 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.

Net assets with donor restrictions consist of contributions restricted for the following purposes at December 31, 2023 and 2022:

| | <u>2023</u> | <u>2022</u> |
|---|-------------|------------------|
| Subject to expenditure for specified purpose: | | |
| Financial Assistance Program | \$ - | \$ 20,500 |
| Subject to spending policy and appropriation: | | |
| Board-Designated-Quasi-Endowed Fund | - | 21,550 |
| Total net assets with donor restrictions | <u>\$ -</u> | <u>\$ 42,050</u> |

NOTE 7 - NET ASSETS RELEASED FROM RESTRICTION

Net assets were released from donor restrictions by incurring expenses or costs satisfying the restricted purposes or by occurrence of other events specified by the donors at December 31, 2023 and 2022:

| | <u>2023</u> | <u>2022</u> |
|-----------------------------------|-------------------|-------------------|
| Purpose restriction accomplished: | | |
| Pledge campaigns | \$ 30,550 | \$ 47,334 |
| Program services | 74,825 | 59,868 |
| Write off of pledge receivables | 11,500 | - |
| | <u>\$ 116,875</u> | <u>\$ 107,202</u> |

NOTE 8 - CONCENTRATION OF RISKS

Concentration of Cash Balance

The Organization maintains cash at one financial institution. Accounts at this institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At December 31, 2023, the Organization had \$167,215 in uninsured bank balances.

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NOTE 9 - INCOME TAXES

The Organization follows FASB ASC 740 regarding the recognition requirements for uncertain tax positions as required by generally accepted accounting principles, with no cumulative effect adjustment required. Income tax benefits are recognized for income tax positions taken or expected to be taken in a tax return, only when it is determined that the income tax position will more-likely-than not be sustained upon examination by taxing authorities. The Organization has analyzed tax positions taken in its filing with the Internal Revenue Service and state jurisdictions where it operates. The Organization believes that its income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse affect on the Organization's financial condition, results of operations or cash flows. Accordingly, the Organization has not recorded a reserve, or related accruals for interest and penalties for uncertain income tax positions as of December 31, 2023.

The Organization is subject to routine audits by taxing jurisdictions; however, there are no audits currently being performed. The Organization believes it is no longer subject to income tax examinations for years prior to 2020.

The Organization's policy is to classify income tax related interest and penalties in interest expense and other expenses, respectively.

NOTE 10 - SUBSEQUENT EVENTS

Management evaluated all events or transactions that occurred after December 31, 2023 through April 22, 2024, the date the financial statements were available to be issued. No events have occurred during this period that would require adjustment to or disclosure in the accompanying financial statements.