

The Chick Mission, Inc.

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

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Independent Auditor's Report

Board of Directors
The Chick Mission, Inc.

Opinion

We have audited the financial statements of The Chick Mission, Inc. (the "Organization"), which comprise the statement of financial position as of December 31, 2021, the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization 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 Organization's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 GAAS, 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 Organization'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 Organization'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.



Parsippany, New Jersey
September 12, 2022

THE CHICK MISSION, INC.
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2021

ASSETS

Cash and cash equivalents	\$	776,734
Contributions receivable, net		130,362
Accounts receivable		186
Prepaid expenses and other assets		2,072
Website, net		13,416
TOTAL ASSETS	\$	922,770

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable and accrued expenses	\$	47,500
Grants payable		74,710
TOTAL LIABILITIES		<u>122,210</u>

NET ASSETS

Without donor restrictions		681,847
With donor restrictions		118,713
TOTAL NET ASSETS		<u>800,560</u>
TOTAL LIABILITIES AND NET ASSETS	\$	922,770

The accompanying notes are an integral part of these financial statements.

THE CHICK MISSION, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021

REVENUE, SUPPORT AND GAINS	Without Donor Restrictions	With Donor Restrictions	Total
Contributions	\$ 710,326	\$ -	\$ 710,326
Contributions - in-kind	46,742	-	46,742
Grants	5,000	-	5,000
Gross special events revenue	343,481	-	343,481
Less cost of direct benefits to donors	<u>(276,156)</u>		<u>(276,156)</u>
Net special event revenue	67,325	-	67,325
Net investment income	532	-	532
Net assets released from restrictions	43,812	<u>(43,812)</u>	<u>-</u>
TOTAL REVENUE, SUPPORT AND GAINS	<u>873,737</u>	<u>(43,812)</u>	<u>829,925</u>
EXPENSES			
Program services	636,878	-	636,878
General and administrative	147,010	-	147,010
Fundraising	106,580	-	106,580
TOTAL EXPENSES	<u>890,468</u>	<u>-</u>	<u>890,468</u>
CHANGE IN NET ASSETS	<u>(16,731)</u>	<u>(43,812)</u>	<u>(60,543)</u>
NET ASSETS - BEGINNING OF YEAR, as originally stated	850,766	10,337	861,103
Prior period adjustment	<u>(152,188)</u>	<u>152,188</u>	<u>-</u>
NET ASSETS - BEGINNING OF YEAR, as restated	<u>698,578</u>	<u>162,525</u>	<u>861,103</u>
NET ASSETS - END OF YEAR	<u>\$ 681,847</u>	<u>\$ 118,713</u>	<u>\$ 800,560</u>

The accompanying notes are an integral part of these financial statements.

THE CHICK MISSION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Support Services</u>				Total
	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Cost of Direct Benefits to Donors</u>	
Accounting fees	\$ -	\$ 62,000	\$ -	\$ -	\$ 62,000
Amortization	4,600	1,150	1,917	-	7,667
Bank charges and fees	-	36	-	-	36
Charitable contributions	100	-	-	-	100
Computer and technology	10,868	6,275	4,242	-	21,385
Consulting	126,861	38,993	62,980	-	228,834
Education and awareness	4,734	-	-	-	4,734
Event and program expenses	13,177	1,833	14,494	276,156	305,660
Fundraising	2,862	26,368	19,086	-	48,316
Grants	463,024	-	-	-	463,024
Graphic design	2,457	288	145	-	2,890
Legal fees	2,548	1,092	-	-	3,640
Meals and entertainment	830	-	-	-	830
Office supplies	-	1,585	-	-	1,585
Photography and videography	3,700	-	2,950	-	6,650
Postage and shipping	-	1,652	40	-	1,692
Press	232	-	-	-	232
Registration fees	-	1,201	-	-	1,201
Storage fees	-	4,256	-	-	4,256
Travel	885	281	726	-	1,892
Total expenses by function	\$ 636,878	\$ 147,010	\$ 106,580	\$ 276,156	\$ 1,166,624
Less expenses included with revenues on the statement of activities					
Cost of direct benefits to donors	-	-	-	(276,156)	(276,156)
Total expenses included in expense section on the statement of activities	\$ 636,878	\$ 147,010	\$ 106,580	\$ -	\$ 890,468

The accompanying notes are an integral part of these financial statements.

THE CHICK MISSION, INC
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ (60,543)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Amortization of website costs	7,667
Contributions receivable, net	21,826
Accounts receivable	9,812
Prepaid expenses and other assets	19,295
Accounts payable and accrued expenses	19,000
Grants payable	13,533
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>30,590</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	30,590
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>746,144</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 776,734</u>

The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

1. NATURE OF THE ORGANIZATION

The Chick Mission, Inc. (the "Organization") was incorporated in New York, NY in September 2017 as a nonprofit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Its mission, as a national organization, is to provide education, support, and access to newly diagnosed cancer patients who seek to preserve their fertility before life-saving treatment begins.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). In the statement of financial position, assets and liabilities are presented in the order of liquidity or conversion to cash and their maturity resulting in the use of cash, respectively.

Financial Statement Presentation

The classification of the Organization's net assets and its support, revenues, and expenses is based on the existence or absence of donor-imposed restrictions. It requires that the amounts for each of the two classes of net assets – with donor restrictions or without donor restrictions – be displayed in a statement of financial position and that the amount of change in each of those classes of net assets be displayed in a statement of activities.

These net asset classes are defined as follows:

Net Assets with Donor Restrictions consist of contributions and other inflows of assets whose use is subject to donor-imposed restrictions that are more specific than broad limits reflecting the nature of the not-for-profit entity, the environment in which it operates, and the purposes specified in its articles of incorporation or bylaws or comparable documents. Donor-imposed restrictions may be temporary in nature, such as stipulating that resources may be used only after a specified date or limited to specific programs or services. Certain donor-imposed restrictions are perpetual in nature.

Net Assets without Donor Restrictions consist of contributions and other inflows of assets whose use is not subject to donor-imposed restrictions. This net asset category includes both contributions not subject to donor restrictions and exchange transactions.

Donor or grantor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities. The Organization had \$118,713 of net assets with donor restrictions at December 31, 2021. The funds are restricted to residents of Illinois by the Lupin Grant in the amount of \$6,525 and are restricted by the passage of time in the amount of \$112,188.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and the disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Financial Instruments and Fair Value

Accounting Standards Codification (“ASC”) 820-10, Fair Value Measurement, establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring inputs that are most observable be used when available. Observable inputs are inputs that market participants operating within the same marketplace as the Organization would use in pricing the Organization’s asset or liability based on independently derived and observable market data. Unobservable inputs are inputs that cannot be sourced from a broad active market in which assets or liabilities identical or similar to those of the Organization are traded. The input hierarchy is broken down into three levels based on the degree to which the exit price is independently observable or determinable, as follows:

Level 1 – Valuation is based on quoted market prices in active markets for identical assets or liabilities. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these assets or liabilities does not entail a significant degree of judgment.

Level 2 – Valuation is based on quoted market prices of investments that are not actively traded or for which certain significant inputs are not observable, either directly or indirectly.

Level 3 – Valuation is based on inputs that are unobservable and reflect management’s best estimate of what market participants would use in pricing the asset or liability developed based on the best information available in these circumstances.

Cash and Cash Equivalents

The Organization maintains cash balances, which at times during the year, exceeded the amount insured by the Federal Deposit Insurance Corporation (“FDIC”). Accounts at each institution are insured by the FDIC up to \$250,000 per depositor. The Organization believes it mitigates its risk by banking with major financial institutions.

For financial statement purposes, the Organization considers cash in money market accounts, cash received and held through electronic payment processors, and securities with original maturities of three months or less to be cash equivalents.

Certificate of Deposit

The Organization holds a certificate of deposit which matures on May 21, 2022 with an interest rate of 1.24% valued at \$26,474 on December 31, 2021, which is included in cash and cash equivalents on the statement of financial position.

Contributions Receivable, net

Contributions receivable represent unconditional promises to give. Contributions receivable that are expected to be collected within one year are recorded at net realizable value. Contributions receivable that are due in more than one year are discounted to present value using an annual rate of 3.25%.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions and Other Grants

Unconditional contributions and grants, including promises to give cash and other assets, are reported at fair value at the date the contribution is received. Contributions subject to donor restrictions are recognized in changes in net assets with donor restrictions. When a purpose restriction is satisfied or when a time restriction expires, the contribution is reported as net assets released from restrictions and is recognized in change in net assets without donor restrictions. If a donor-imposed restriction is fulfilled in the same period in which it is received, the contribution is reported as an increase in net assets without donor restrictions.

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

Donated Assets and Services

Donated assets are recorded as contributions at their fair market values at the date of donation. The Organization received donated goods of \$46,742 for the year ended December 31, 2021, which are included in contributions – in-kind on the statement of activities. Donated services are recognized as contributions if the services: (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by individuals with those skills, and would otherwise be purchased by the Organization. During the year ended December 31, 2021, the Organization received donated services from volunteers that did not meet the above requirements, and therefore, are excluded from the financial statements.

Grants Payable

The Organization awards grants to qualified recipients as part of its ongoing services. Grants payable as of December 31, 2021 are due in less than one year.

Website, net

Website development costs are stated at cost and amortized when the asset is placed in service. Amortization is calculated using the straight-line method over the estimated useful life of the asset, which is three years. The Organization capitalizes all software licenses in excess of \$2,500.

Impairment of Long-Lived Assets

The Organization reviews long-lived assets for impairment whenever events or changes in business circumstances indicate that the carrying amount of an asset may not be fully recoverable. An impairment loss would be recognized when the estimated future cash flows from the use of the asset are less than the carrying amount of that asset. As of December 31, 2021, there have been no such losses.

Operating Measure

The Organization's operating revenues in excess of expenses include all operating revenues and expenses that are an integral part of its programs and supporting activities and net assets released from donor restrictions to support operating expenditures, when applicable, to support current operating activities. The measure of operations includes support for operating activities from both net assets with and without donor restrictions.

Advertising Costs

The Organization expenses advertising costs as incurred. The Organization incurred \$0 of advertising costs for the year ended December 31, 2021.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

Transfers of cash or other assets or settlement of liabilities that are both voluntary and nonreciprocal are recognized as contributions. Reciprocal transfers in which each party receives and sacrifices goods or services with approximate commensurate value are recognized as exchange transactions.

Contributions may either be conditional or unconditional. A contribution is considered conditional when the donor imposes both a barrier and a right of return. Conditional contributions are recognized as revenue on the date all donor-imposed barriers are overcome or explicitly waived by the donor. Barriers may include specific and measurable outcomes, limitations on the performance of an activity and other stipulations related to the contribution. A donor has a right of return of any assets transferred or a right of release of its obligation to transfer any assets in the event the Organization fails to overcome one or more barriers. Assets received before the barrier is overcome are accounted for as refundable advances.

The Organization applies Accounting Standards Update ("ASU") 2014-09, Revenue from Contracts with Customers (Topic 606) to exchange transactions when applicable. With the exception of special event revenue, all of the Organization's revenues for the year ended December 31, 2021, which included contributions, in-kind contributions, grants, special event revenue and investment income, were from non-exchange transactions. The Organization records special event revenue equal to the ticket revenue earned from the event. Special event revenue is recognized when the event takes place.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying statement of functional expenses. Expenses that can be directly identified with the program or supporting service to which they relate are charged accordingly. Other expenses by function have been allocated among program and supporting service classifications based upon benefits received. The underlying allocation basis used for the statement of functional expenses is estimates of time and effort.

Income Taxes

The Organization follows the accounting standard for uncertainty in income taxes. The standard prescribes a minimum recognition threshold and measurement methodology that a tax position taken or expected to be taken in a tax return is required to meet before being recognized in the financial statements. It also provides guidance for derecognition, classification, interest and penalties, disclosure and transition.

The Organization files informational returns in the federal jurisdiction. With few exceptions, the Organization is no longer subject to federal income tax examinations for fiscal years before 2018.

The Organization believes that it has appropriate support for the positions taken on its tax returns. Nonetheless, the amounts ultimately paid, if any, upon resolution of the issues raised by the taxing authorities may differ materially from the amounts paid. Management believes that its nonprofit status would be sustained upon examination.

Should there be interest on underpayments of income tax, the Organization would classify it as interest expense. The Organization would classify penalties in connection with underpayments of income tax as other expense.

There was no unrelated business income for the year ended December 31, 2021.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recently Issued Accounting Pronouncements But Not Yet Adopted

Leases

In February 2016, the Financial Accounting Standards Board ("FASB") issued ASU 2016-02, *Leases* (Topic 842). The guidance in this ASU supersedes the leasing guidance in Topic 840, *Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. The new standard is effective for fiscal years beginning after December 15, 2021, including interim periods within those fiscal years. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the consolidated financial statements, with certain practical expedients available. The Organization is currently evaluating the effect that this new guidance will have on the financial statements and related disclosures.

Measurement of Credit Losses on Financial Instruments

In June 2016, the FASB issued an ASU which will replace the current incurred loss impairment methodology in U.S. GAAP with a methodology that reflects the expected credit losses. The update is intended to provide financial statement users with more decision-useful information about expected credit losses. Also, the FASB has issued amendments to the update with transition relief intended to improve comparability of financial statement information for some entities, to decrease costs for some financial statement preparers, and to clarify some disclosures. This update is effective on a modified retrospective basis for financial statements issued for fiscal years beginning after December 15, 2022, and interim periods within those fiscal years. Early adoption is permitted for fiscal years beginning after December 15, 2018, including interim periods in those fiscal years. The Organization is currently evaluating the effect the update will have on its financial statements.

Contributed Nonfinancial Assets

In September 2020, the FASB issued an ASU which amends guidance for not-for-profit entities that receive contributed nonfinancial assets. The update requires not-for-profits to present contributed nonfinancial assets as a separate line item in the statement of activities, and to disclose information regarding each type of contributed nonfinancial asset. The update is to be applied on a retrospective basis and is effective for annual reporting periods beginning after June 15, 2021, and for interim reporting periods beginning after June 15, 2022. The Organization is currently evaluating the effect the update will have on its financial statements.

3. ADJUSTMENT TO OPENING NET ASSETS

Adjustment to Opening Net Assets

A contribution classified in the prior year's financial statements as without donor restrictions has been restated in the amount of \$152,188 to net assets with donor restrictions. The restriction will be satisfied with the passage of time. This adjustment has been reflected on the statement of activities and does not impact a total change in net assets in the prior year.

THE CHICK MISSION, INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

4. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organization's management meets monthly to address projected cash flows to meet its operational expenditures. The Organization's financial assets available within one year of the statement of financial position date for general expenditures are as follows:

Cash and cash equivalents	\$ 776,734
Contributions receivable, net	130,362
Accounts receivable	<u>186</u>
Total financial assets	907,282
Less amounts unavailable for general expenditures within one year due to:	
Restricted by contract with time	<u>(73,862)</u>
Total financial assets available to management for general expenditures within one year	<u>\$ 833,420</u>

At December 31, 2021, the Organization has no board designated net assets.

THE CHICK MISSION, INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

5. CONTRIBUTIONS RECEIVABLE, NET

Contributions receivable at December 31, 2021 was \$130,362 and is recorded net of present value on the statement of financial position. The Organization reviews receivables on a regular basis to determine collectability and estimates the portion of the balance that will not be collected, if any. No such amounts were recorded as of December 31, 2021. Contributions receivable that are due in more than one year are discounted to present value using an annual rate of 3.25%.

The following table represents the net present value of contributions receivable at December 31, 2021:

Total contributions receivable	\$ 136,500
Less: present value adjustment	<u>(6,138)</u>
Net present value of contributions receivable	<u>\$ 130,362</u>
Amounts due:	
Within one year	\$ 56,500
Within two to three years	<u>80,000</u>
Total	<u>\$ 136,500</u>

6. WEBSITE, NET

Website, net consists of the following as of December 31, 2021:

Website development costs	\$ 23,000
Less: accumulated amortization	<u>(9,584)</u>
	<u>\$ 13,416</u>

Amortization expense amounted to \$7,667 for the year ended December 31, 2021.

7. RELATED PARTY TRANSACTIONS

The Organization receives donations from board members, who are considered related parties to the Organization. For the year ended December 31, 2021, the Organization received approximately \$70,680 of donations from related parties.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

8. RISK MANAGEMENT

On March 11, 2020, the World Health Organization declared the novel strain of coronavirus (“COVID-19”) a global pandemic and recommended containment and mitigation measures worldwide. The Organization cannot reasonably estimate the length or severity of this pandemic; however, economic uncertainties have arisen which could have a material adverse effect on the Organization’s financial position, results of operations and cash flows. The Organization believes they are taking appropriate actions to mitigate the negative impact.

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”) was signed into law in response to the COVID-19 pandemic. The CARES Act includes many measures to provide relief to companies. The Organization has not taken advantage of any such measures.

9. CONCENTRATIONS

For the year ended December 31, 2021, five vendors accounted for approximately 91% of grants payable.

For the year ended December 31, 2021, one donor accounted for approximately 90% of contributions receivable.

10. COMMITMENTS

In February 2020, the Organization signed a service contract with Donorly to pay them a monthly fee for a variety of support functions. Since that time, the agreement has been amended, and the Organization pays Donorly \$10,250 per month beginning February 17, 2021 through February 28, 2022, and \$14,250 from March 1, 2022 through February 28, 2023.

11. SUBSEQUENT EVENT

The Organization’s management has performed subsequent event procedures through September 12, 2022, which is the date the financial statements were available to be issued, and there were no subsequent events requiring adjustment to the financial statements or disclosures as stated herein.