Georgia Center for Oncology Research and Education, Inc.

(a Not-for-Profit Organization)

Financial Statements

As of and for the Years Ended December 31, 2020 and 2019

Georgia Center for Oncology Research and Education, Inc.

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ALDRIDGE & ASSOCS.

Independent Auditor's Report

To the Board of Directors
Georgia Center for Oncology Research and Education, Inc.
Atlanta, Georgia

Report on Financial Statements
We have audited the accompanying financial statements of Georgia Center for Oncology Research and Education, Inc. (a not-for-profit organization), which comprise the statement of financial position as of December 31, 2020 and the related statement of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP); 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.

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

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

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

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Georgia Center for Oncology Research and Education, Inc. as of December 31, 2020, and the results of its operations and its cash flows for the year then ended in accordance with U.S. GAAP.

K. Glenn Aldridge

K. Glenn Aldridge, PC
(d/b/a Aldridge & Associates)
November 4, 2021

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Georgia Center for Oncology Research and Education, Inc.

Comparative Statement of Financial Positions
As of December 31, 2020 and 2019

	2020	2019
Assets		
Cash	$ 1,210,041	$ 811,248
Grants receivable	667,606	790,442
Property and equipment, net	5,453	11,877
Other assets	117,667	105,927
Total assets	$ 2,000,767	$ 1,719,494
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued liabilities	$ 671,758	$ 544,550
Deferred rent	-	6,230
Total liabilities	671,758	550,780
Net assets:		
Without donor restrictions:		
Undesignated	784,652	552,357
Designated by the Board	500,000	500,000
	1,284,652	1,052,357
With donor restrictions:		
Purpose restrictions	44,357	116,357
Total net assets	1,329,009	1,168,714
Total liabilities and net assets	$ 2,000,767	$ 1,719,494

Georgia Center for Oncology Research and Education, Inc.

Statement of Activities
For the Year Ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, support and gains:			
Contributions and grants	$ 1,670,376	$ -	$ 1,670,376
Clinical trials	-	322,319	322,319
Other revenue and gains	934	-	934
Net assets released from restrictions	277,962	(277,962)	-
Total revenues, support and gains	2,075,026	44,357	2,119,383
Expenses:			
Program activities	1,584,885	-	1,584,885
Supporting activities:			
Management and general	269,270	-	269,270
Development	104,933	-	104,933
Total supporting activities	374,203	-	374,203
Total expenses	1,959,088	-	1,959,088
Changes in net assets	115,938	44,357	160,295
Net assets, beginning of year	1,168,714		1,168,714
Net assets, end of year	$ 1,284,652	$ 44,357	$ 1,329,009

Georgia Center for Oncology Research and Education, Inc.

Statement of Functional Expenses
For the Year Ended December 31, 2020

	Program Activities	Supporting Activities			
	Total	Management and general	Development	Total	Total expenses by nature
Research contracts	$ 487,924	$ -	$ -	$ -	$ 487,924
Compensation and benefits	739,002	154,182	-	154,182	893,184
Fees for services	106,581	31,092	70,470	101,562	208,143
Advertising and promotion	51,639	7,329	25,385	32,714	84,353
Office expense	1,433	15,315	730	16,045	17,478
Information technology	85,182	15,546	-	15,546	100,728
Occupancy	29,356	7,339	-	7,339	36,695
Travel	4,359	3,824	1,898	5,722	10,081
Insurance	12,316	2,332	520	2,852	15,168
Telephone	2,220	13,827	-	13,827	16,047
Bank charges	-	2,640	-	2,640	2,640
Training	10,349	226	5,930	6,156	16,505
Other expenses	-	4,288	-	4,288	4,288
Depreciation and amortization	54,524	11,330	-	11,330	65,854
Total expenses by function	$ 1,584,885	$ 269,270	$ 104,933	$ 374,203	$ 1,959,088

See accompanying notes to financial statements

Georgia Center for Oncology Research and Education, Inc.

Statement of Activities
For the Year Ended December 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, support and gains:			
Contributions and grants	$ 1,899,578	$ 125,560	$ 2,025,138
Clinical trials		399,039	399,039
Other revenue and gains	17,100	-	17,100
Interest income	1,743	-	1,743
Net assets released from restrictions	607,365	(607,365)	-
Total revenues, support and gains	2,525,786	(82,766)	2,443,020
Expenses:			
Program activities	1,722,095	-	1,722,095
Supporting activities:			
Management and general	243,651	-	243,651
Fundraising	92,736	-	92,736
Total supporting activities	336,387	-	336,387
Total expenses	2,058,482	-	2,058,482
Changes in net assets	467,304	(82,766)	384,538
Net assets, beginning of year	585,053	199,123	784,176
Net assets, end of year	$ 1,052,357	$ 116,357	$ 1,168,714

Georgia Center for Oncology Research and Education, Inc.

Statement of Functional Expenses
For the Year Ended December 31, 2019

	Program Activities	Supporting Activities			
	Total	Management and general	Fundraising	Total	Total expenses by nature
Research contracts	$ 651,401	$ -	$ -	$ -	$ 651,401
Compensation and benefits	767,349	104,209	-	104,209	871,558
Fees for services	93,197	47,374	64,131	111,505	204,702
Advertising and promotion	61,334	4,104	20,373	24,477	85,811
Office expense	7,382	22,026	889	22,915	30,297
Information technology	22,005	16,600	-	16,600	38,605
Occupancy	29,062	7,079	-	7,079	36,141
Travel	15,416	9,890	1,242	11,132	26,548
Insurance	13,183	1,769	-	1,769	14,952
Telephone	2,510	11,371	-	11,371	13,881
Bank charges	-	2,343	-	2,343	2,343
Training	35,516	423	6,101	6,524	42,040
Other expenses	2,300	3,921	-	3,921	6,221
Depreciation and amortization	21,440	12,542	-	12,542	33,982
Total expenses by function	$ 1,722,095	$ 243,651	$ 92,736	$ 336,387	$ 2,058,482

See accompanying notes to financial statements

Georgia Center for Oncology Research and Education, Inc.

Statement of Cash Flows
For the Years Ended December 31, 2020 and 2019

	2020	2019
Cash flows from operating activities		
Cash provided by operating activities:		
Cash received from donors and grantors	$ 1,754,816	$ 1,895,235
Cash received from clinical trials	360,715	304,755
Cash received from other sources	934	17,100
Cash received from interest	125,754	1,743
Cash used by operating activities:		
Cash paid to employees	(893,184)	(871,558)
Cash paid to service providers and vendors	(943,311)	(1,112,146)
Net cash provided by operating activities	405,724	235,129
Cash flows from investing activities		
Cash purchases of property and equipment	(4,906)	(4,682)
Net cash used by investing activities	(4,906)	(4,682)
Cash flows from financing activities		
Reception of PPP loan	125,754	-
Net cash provided by financing activities	125,754	-
Net increase in cash	526,572	230,447
Cash, beginning of year	811,248	580,801
Cash, end of year	$ 1,210,041	$ 811,248
Supplemental disclosure of noncash activities:		
Depreciation and amortization	$ 65,854	$ 33,982
Noncash rent adjustment	-	6,298

See accompanying notes to financial statements.

1. NATURE OF ACTIVITIES

Georgia Center for Oncology Research and Education, Inc. (Georgia CORE or the Organization) was incorporated on March 26, 2003, under the laws of the state of Georgia as a not-for-profit corporation for the purpose of contributing to the state's distinction as a national leader in cancer care through a statewide network of care providers, scientists, and educators dedicated to providing resources for cancer prevention, treatment, research, and education. The Organization's primary funding is provided from grants and contributions and its corporate office is located in Atlanta, Georgia.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Organization prepares its financial statements in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The following significant accounting policies are described to enhance the usefulness of the financial statements to the reader.

Use of Estimates

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

Cash and Cash Equivalents

Cash and cash equivalents include cash, checking and savings accounts, and highly liquid investments that are readily convertible into cash and have a maturity of ninety days or less when purchased. At times, cash and cash equivalent balances may exceed federally insured amounts. The Organization has not experienced any losses in such accounts and management believes it is not exposed to any significant credit risk.

Grants Receivable

Grants receivable is unsecured, noninterest-bearing outstanding balances due from grantors less an allowance for uncollectible grants receivable based on an assessment of grant agreements and knowledge of circumstances that may affect the ability of the grantors to meet their obligations. Grants receivables are evaluated for impairment if full payments are not received in accordance with contractual terms. Grants receivables are written off when deemed uncollectible. At December 31, 2020, management has determined that no allowance for uncollectible grants receivable is required.

Property and Equipment

The Organization's capitalization policy is to capitalize property and equipment with a purchase price, or donation value, in excess of $1,500 and which has a useful life greater than one year. Property and equipment purchased are recorded at cost, or fair value at the date of donation, if donated.

Maintenance and repairs, which do not improve or extend the life of the respective assets, are expensed currently. Property items retired, or otherwise disposed of, are removed from the asset and accumulated depreciation accounts and any resulting gain or loss is reflected in the statement of activities.

Depreciation is provided over the estimated useful lives of the individual assets using the straight-line method as follows: furniture and computer equipment, 3 -7 years.

Leasehold improvements are amortized using the straight-line method over the lesser of the useful lives of the improvements or the term of the lease.

The Organization also amortizes website development costs over a two-year period.

Impairment

Long-lived assets, such as property and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. If a long-lived asset is considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying value of the asset exceeds the fair value of the asset. There were no indicators of asset impairment during the year ended December 31, 2020.

Net Assets

To ensure observance of limitations and restrictions placed on the use of resources available to the Organization, amounts reported in the financial statements are classified in two self-balancing net asset categories as follows:

- Net assets without donor restrictions are resources currently available for use in general operations, including internal limits imposed by board decisions.

- Net assets with donor restrictions are resources whose use is limited by donor / grantor-imposed restrictions for specific purpose, passage of time, or perpetual donor-imposed stipulations that neither expire by the passage of time nor can be removed by actions of the Organization.

Recognition of Revenue

Unconditional Contributions

Contributions are reported when made, which is generally when cash (or notification of a beneficial interest) is received, unconditional promises to give are made, or ownership of donated assets is transferred to the Organization.

The Organization recognizes contributions as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor-imposed temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and presented in the accompanying statement of activities as net assets released from restrictions.

In certain cases, contributions are solicited for support and project accounts that have been previously funded by unrestricted resources in anticipation of receiving donor restricted contributions. Such contributions are immediately recognized as reclassifications to unrestricted support in the period received since the donor-imposed restrictions have already been satisfied.

Contributions to Acquire Long-Term Assets

Contributions of cash and other assets that must be used to acquire long-term assets are recognized as restricted support. In the absence of explicit donor stipulations about how long those long-term assets must be maintained, the Organization reports expirations of donor-imposed restrictions when the acquired long-term assets are placed into service.

Conditional Contributions

Conditional contributions received are either accounted for as a liability or are unrecognized initially until the barriers to entitlement are overcome, at which point the transaction is recognized as unconditional. There were no conditional contributions at December 31, 2020.

Exchange Transactions

The Organization receives revenue from grantors pursuant to grant contracts. The characteristics of each individual grant are considered to determine if a resource provider is receiving commensurate value in return for the resources transferred. A benefit received by the public is treated as a contribution and a benefit received by the resource provider is treated as an exchange transaction. Exchange transaction revenue is recorded as the costs are incurred for cost reimbursement grants or as the services are performed for operating and performance grants. Management has determined that all grants should be treated as contributions.

Donated Goods and Services

Unconditional contributions of goods are recorded at fair value at the date of donation. Conditional contributions of goods are either accounted for as a liability or are unrecognized initially until the barriers to entitlement are overcome, at which point the asset is recognized as unconditional. There were no conditional contributions of goods at December 31, 2020.

Contributions of long-term assets, such as property and equipment, are recorded as unrestricted support unless explicit donor stipulations specify how the long-term asset must be used. Contributions of long-term assets with explicit restrictions that specify how the assets are to be used are recognized as restricted support when received and are released from restrictions when the donated assets are placed into service.

Donated professional services that create or enhance nonfinancial assets, or require skills that would otherwise typically be purchased, are recorded as contributions at their estimated fair values when the services are rendered.

Major Collaboration Partners

During 2020, the Organization had three major grantors accounting for approximately 85% of total contributions and grants.

Advertising Costs

Advertising costs, which are reflected as advertising and promotion, consist primarily of direct advertisements, graphic design, promotional materials, and participation in health fairs, are expensed as incurred. During 2020, advertising costs totaled and $84,353.

Allocation of Expenses

The costs of providing the various programs and other activities have been summarized in the accompanying financial statements. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Except for depreciation and occupancy, all expenses are allocated based on an estimate of where time and efforts are made, and benefits are received. Depreciation and occupancy are allocated based on estimated usage and square footage.

Tax-Exempt Status

The Organization has been organized as a Georgia not-for-profit corporation, recognized by the IRS as exempt from federal income tax under Internal Revenue Code Section 501(c)(3), and determined not to be a private foundation.

The Organization is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Organization is subject to income tax on net income derived from business activities that are unrelated to its exempt purpose. Management has determined that the Organization had no unrelated business income during 2020 and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

The Organization only recognizes the tax benefit from an uncertain tax position taken or to be taken in a tax return if the tax position is more likely than not to be sustained upon an examination, based on the technical merits of the position. Management has analyzed tax positions taken for filings with the IRS and all state jurisdictions where the Organization operates. Management believes that income tax filing positions would be sustained upon examination and does not anticipate that any adjustments would result in a material adverse effect on the Organization's financial condition, results of operations or cash flows. Accordingly, the Organization has not recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions at December 31, 2020.

The Organization is subject to federal and state examinations, generally three years from the date that the returns are filed; currently there are no examinations in progress for any tax periods. The Organization believes it is no longer subject to income tax examinations for fiscal years prior to 2017.

Credit Risk and Geographic Concentration

At December 31, 2020, five collaboration partners accounted for 99% of the outstanding grants receivable balance. Credit risk associated with grants receivable is considered to be limited due to high historical collection rates and because outstanding amounts are due from collaboration partners supportive of the Organization's mission.

The Organization conducts its operations solely within the state of Georgia, and, therefore, is subject to risks from changes in political and local economic conditions. A change in politics or a downturn in the local economy could cause a decrease in contributions and grants concurrently with an increase in community need for the Organization's services.

3. PROPERTY AND EQUIPMENT

A summary of property and equipment follows:

	2020	2019
Computer equipment	$ 31,350	$ 48,885
Leasehold improvements	9,703	9,703
Furniture	23,901	23,900
	64,954	82,488
Less accumulated depreciation	(59,501)	(70,611)
Net property and equipment	$ 5,453	$ 11,877

Depreciation expense for 2020 and 2019 were $11,330 and $12,542, respectively.

4. OTHER ASSETS

A summary of other assets is as follows:

	2020	2019
Prepaids	$ 14,002	$ 21,357
Security deposit	3,096	3,096
Website development	176,533	102,914
	193,631	127,367
Less website amortization	(75,964)	(21,440)
Total other assets	$ 117,667	$ 105,927

Estimated aggregate amortization expense for the website for each of the two succeeding years follows:

For the year ended December 31, 2020	
2021	$ 54,524
2022	33,748

Amortization expense related to the website totaled $54,524 and $21,440 for 2020 and 2019, respectively.

5. COMMITMENTS

Operating Leases

In November 2017, the Organization relocated to a new suite, within the same building of their previous lease, and entered into an operating lease that included certain lease incentives, such as free and escalating rent and a landlord allowance for leasehold improvements and moving expenses. These incentives are being allocated on a straight-line basis over the term of the lease. The difference between the expense and the cash payments plus the unamortized landlord allowance for leasehold improvements is reported as a deferred rent liability. This lease expired in December 2020.

During 2017, the Organization used $9,703 of a $15,480 tenant improvement allowance and $1,925 of a $4,128 moving allowance. The used portion of the tenant improvement allowance has been capitalized with property and equipment and is being amortized to depreciation and amortization over the term of the lease. The used portion of the moving allowance was recorded as an expense in 2017. The lease was fully amortized at the end of the December 31, 2020, and there were no outstanding balances at the end of the year. The Organization entered into a new lease for the fiscal year 2021 and 2022. See the note in the subsequent events section for additional information.

Rent expense for 2020 and 2019, which includes payments for base rent, deferred rent adjustments and additional ancillary fees such as insurance, utilities, and property taxes, totaled $36,695 and $36,141, respectively, for facility rental and is included in occupancy expense.

Grant Compliance

Certain grants entered into by the Organization are subject to discretionary review by the grantor agencies, which could result in requests for reimbursements of disallowed costs or noncompliance with grantor restrictions. Currently there are no grantor agency reviews in progress and management believes that the Organization has adhered to the terms of its grants and such reviews, if they occur, are not expected to have a material adverse effect on the Organization's past results. Should the amount of these grants decrease, the Organization may be adversely affected.

Paycheck Protection Program

On May 27, 2020, the Organization entered into a $125,755 loan under the Paycheck Protection Program created as part of the relief efforts related to COVID-19 and administered by the Small Business Administration (SBA). This loan was eligible for forgiveness of up to 100% of the loan, upon meeting certain requirements. Management determined that this loan should be accounted for as a conditional grant; accordingly, once management determined that all conditions for forgiveness had been satisfied, the conditional grant was recognized as grant income pursuant to FASB ASC 958-605, *Not-for-Profit Entities (Topic 958).* On March 10, 2021, the Organization obtained notice from the SBA stating that the loan had in fact been forgiven.

6. NET ASSETS WITHOUT DONOR RESTRICTIONS

A summary of net assets without donor restrictions were as follows:

	2020	2019
Undesignated	$ 784,652	$ 552,357
Designated by the Board		
Board designated for sustainability	300,000	300,000
Board designated for strategic initiatives	200,000	200,000
Total net assets without donor restrictions	$ 1,284,652	$ 1,052,357

7. NET ASSETS WITHOUT DONOR RESTRICTIONS

A summary of net assets with donor restrictions is a follows:

	2020	2019
Subject to expenditure for specific purpose:		
Genetic testing	$ 44,357	$ 116,357
Total net assets with donor restrictions	$ 44,357	$ 116,357

8. LIQUIDITY AND AVAILABILITY DISCLOSURES

The Organization prepares an annual budget that is reviewed and approved by the Board of Directors in advance of the upcoming year. Periodic meetings are held by the Finance Committee to review internal financial statements and budget to actual comparisons. The Organization does not commit to expenditures if cash is not available to pay the expenditures immediately.

Following is a schedule reflecting the financial assets available to meet cash needs for general expenditures within one year:

	2020	2019
Financial assets, at year end:		
Cash	$ 1,210,041	$ 811,248
Grants receivable expected to be collected within one year	667,606	790,442
	1,877,647	1,601,690
Less:		
Donor-imposed restrictions likely to be met by expenditures within one year making financial assets unavailable for general expenditure	-	(116,357)
Board designated liquidity reserve	(500,000)	(500,000)
Financial assets available to meet cash needs for general expenditures within one year	$ 1,377,647	$ 985,333

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen and have negatively affected the economic position of the Organization. Although this has affected many Organizations across the nation, it is expected to be a temporary downturn and not affect the Organization in the long run. Impacts related to COVID-19 continue beyond the financial statements period.

9. SUBSEQUENT EVENTS

Management has evaluated subsequent events through November 4, 2021, which is the date on which the financial statements were available to be issued. In general, these events are recognized in the financial statements if the conditions existed at the date of the statement of financial position but are not recognized if the conditions did not exist at the statement of financial position date. The Organization discloses non-recognized events if required to keep the financial statements from being misleading. The Organization recognizes the following event for disclosure:

Operating Lease

The Organization entered into a new lease for the fiscal year 2021 and 2022. Instead of amortizing the lease over time, the new agreement states that it will be a steady cash outflow for 2021 with a 3% increase to the monthly outflow of rent in 2022. The anticipated minimum annual lease payments subsequent to year end for the new lease agreement are as follows:

For the year ended December 31,	
2021	**47,472**
2022	**48,896**
Total	**96,368**

As of November 4, 2021, the date that the financial statements were available to be issued the Organization plans to continue leasing the building indefinitely.

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