Georgia Center for Oncology Research and Education, Inc.

(a Not-for-Profit Organization)

Independent Auditor's Report and Audited Financial Statements

For the Six Months Ended June 30, 2021

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 for the six months ended June 30, 2021 and the related statement of activities, functional expenses, and cash flows for the period 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. for the six months ended June 30, 2021, and the results of its operations and its cash flows for the period then ended in accordance with U.S. GAAP.

K. Glenn Aldridge

K. Glenn Aldridge, PC
(d/b/a Aldridge & Associates)
April 22, 2022

CERTIFIED PUBLIC ACCOUNTANTS
3235 Satellite Blvd.
Building 400, Suite 300
Duluth, GA 30096
www.kga-cpa.com

Georgia Center for Oncology Research and Education, Inc.

Statement of Financial Position
For the Six Months Ended June 30, 2021

Assets	
Cash	$ 1,121,785
Grants receivable	533,114
Property and equipment, net	6,259
Other assets	68,123
Total assets	$ 1,729,281
Liabilities and Net Assets	
Liabilities:	
Accounts payable and accrued liabilities	$ 418,327
Total liabilities	418,327
Net assets:	
Without donor restrictions:	
Undesignated	766,597
Designated by the Board	500,000
	1,266,597
With donor restrictions:	
Purpose restrictions	44,357
Total net assets	1,310,954
Total liabilities and net assets	$ 1,729,281

Georgia Center for Oncology Research and Education, Inc.

Statement of Activities
For the Six Months Ended June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, support and gains:			
Government grants	$ 1,063,005	$ -	$ 1,063,005
Contributions and grants	79,381	-	79,381
Other revenue	125,755	-	125,755
Interest	48	-	48
Total revenues, support and gains	1,268,189	-	1,268,189
Expenses:			
Program activities	1,014,818	-	1,014,818
Supporting activities:			
Management and general	203,232	-	203,232
Development	68,544	-	68,544
Total supporting activities	271,776	-	271,776
Total expenses	1,286,594	-	1,286,594
Changes in net assets	(18,405)	-	(18,405)
Net assets, beginning of year	1,285,002	44,357	1,329,359
Net assets, end of year	$ 1,266,597	$ 44,357	$ 1,310,954

Georgia Center for Oncology Research and Education, Inc.

Statement of Functional Expenses
For the Six Months Ended June 30, 2021

	Program Activities	Supporting Activities			Total Expenses by Nature
		Management and General	Development	Total	
Research contracts	$ 455,744	$ -	$ -	$ -	$ 455,744
Compensation and benefits	234,046	52,208	-	52,208	286,254
Fees for services	214,087	70,652	32,599	103,251	317,338
Advertising and promotion	34,338	9,207	10,823	20,030	54,368
Office expense	3,741	11,571	-	11,571	15,312
Information technology	18,552	6,401	122	6,523	25,075
Occupancy	21,289	3,757	-	3,757	25,046
Travel	5,999	9,359	-	9,359	15,358
Insurance	4,494	2,440	-	2,440	6,934
Telephone	2,220	7,027	-	7,027	9,247
Other expenses	1,903	2,368	25,000	27,368	29,271
Depreciation and amortization	18,405	28,242	-	28,242	46,647
Total expenses by function	$ 1,014,818	$ 203,232	$ 68,544	$ 271,776	$ 1,286,594

See accompanying notes to financial statements

Georgia Center for Oncology Research and Education, Inc.

Statement of Cash Flows
For the Six Months Ended June 30, 2021

Cash flows from operating activities		
Cash provided by operating activities:		
Cash received from donors and grantors	$	1,131,883
Cash received from clinical trials		68,222
Cash received from other sources		125,755
Cash used by operating activities:		
Cash paid to employees		(286,254)
Cash paid to service providers and vendors		(1,123,106)
Net cash used by operating activities		(83,452)
Cash flows from investing activities		
Cash purchases of property and equipment		(5,928)
Net cash used by investing activities		(5,928)
Net decrease in cash		(89,380)
Cash, beginning of year		1,211,165
Cash, end of year	$	1,121,785
Reconciliation of change in net assets to net cash used by operating activities:		
Changes in net assets	$	(18,405)
Adjustments to reconcile changes in net assets to net cash used by operating activities		
Depreciation and amortization		46,647
Changes in assets and liabilities:		
Grants receivable		134,492
Other assets		6,895
Accounts payable and accrued liabilities		(253,081)
Net cash used by operating activities	$	(83,452)
Supplemental disclosure of noncash activities:		
Depreciation and amortization	$	46,647
Noncash disposal of property and equipment		2,608

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 following significant accounting policies are described to enhance the usefulness of the financial statements to the reader.

Basis of Accounting

The Organization prepares its financial statements in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Financial Accounting Standards Board (FASB) provides authoritative guidance regarding U.S. GAAP through the Accounting Standards Codification (ASC) and related Accounting Standards Updates (ASUs).

Reporting Period

The Organization has elected to change its fiscal year end from December 31 to June 30; accordingly, the accompanying financial statements are for the six month period ended June 30, 2021 and is referred to herein as 2021.

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.

Grant Receivable

Grant receivables are 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. Grant receivables are evaluated for impairment if full payments are not received in accordance with contractual terms. Grant receivables are written off when deemed uncollectible. At June 30, 2021, management has determined that no allowance for uncollectible grants receivable are 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 for the six months ended June 30, 2021.

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 for the six months ended June 30, 2021.

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 for the six months ended June 30, 2021.

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 2021, the Organization had four major grantors accounting for approximately 95% 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 2021, advertising costs totaled $54,368.

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 the six months of 2021 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 for the six months ended June 30, 2021.

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

For the six months ended June 30, 2021, three collaboration partners accounted for 100% 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:

Computer equipment	$	32,062
Furniture		23,901
		55,963
Less accumulated depreciation		(49,704)
Net property and equipment	$	6,259

Depreciation expense for 2021 was $2,514.

4. OTHER ASSETS

A summary of other assets is as follows:

Prepaids	$	8,592
Security deposit		3,096
Website development		176,533
		188,221
Less website amortization		(120,098)
Total other assets	$	68,123

Amortization expense related to the website totaled $44,133 for 2021. The Organization expects for the remaining balance of $56,436 to be fully amortized in 2022.

5. COMMITMENTS

Operating Leases

In September 2020, the Organization entered into a new operating lease for the use of the building for operations that will expire in 2022 with an option to renew indefinitely. The lease requires monthly lease payments of $3,096 for 2021 that will increase by 3% in 2022. At June 30, 2021, minimum annual lease payments under the lease agreement follows:

For the year ended December 31,		
2022	$	48,184
2023		24,448

Rent expense for the six months of 2021, which includes payments for base rent additional ancillary fees such as insurance, utilities, and property taxes, totaled $25,046 for facility rental and is included in occupancy expense.

In January, 2020, the Organization entered into a lease agreement for office equipment that has been accounted for as a capital lease. The office equipment has been capitalized at the lesser of fair market value or the present value of the minimum lease payments at the inception of the lease using the Organization's incremental borrowing rate.

For the six months ended June 30, 2021, the future minimum payments under the capital lease, together with the present value of the minimum lease payments were as follows:

For the year ended December 31,		
2022	**$**	**3,339**
2023		**1,113**

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 March 11, 2021, 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 other revenue during 2022.

6. NET ASSETS WITHOUT DONOR RESTRICTIONS

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

Undesignated	**$**	**766,597**
Designated by the Board		
Board designated for sustainability		**300,000**
Board designated for strategic initiatives		**200,000**
Total net assets without donor restrictions	**$**	**1,266,597**

7. NET ASSETS WITH DONOR RESTRICTIONS

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

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

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:

Financial assets, at year end:		
Cash	**$**	**1,121,785**
Grants receivable expected to be collected within one year		**533,114**
		1,654,899
Less:		
Donor-imposed restrictions likely to be met by expenditure within one year making financial assets unavailable for general expenditure		**(44,357)**
Liabilities to be paid within one year		**(418,327)**
Board designated liquidity reserve		**(500,000)**
Financial assets available to meet cash needs for general expenditures within one year	**$**	**692,215**

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. COVID-19 continues to be extended beyond the financial statements period.

9. SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date of the auditor's report, the date on which the financial statements were available to be issued. Subsequent events after that date have not been evaluated. 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 the financial position date. The Organization discloses non-recognized events it required to keep the financial statements from being misleading. There were no events identified by Management that require disclosure.

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