Me Squared Cancer Foundation

Financial Statements

December 31, 2023

Me Squared Cancer Foundation
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Hatter & Associates, LLP
Certified Public Accountants

Report of Independent Auditors

The Board of Directors of
Me Squared Cancer Foundation

Opinion

We have audited the accompanying financial statements of Me Squared Cancer Foundation (a nonprofit organization referred to herein as the "Foundation"), which comprise the statement of financial position as of December 31, 2023, and 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 financial statements referred to above present fairly, in all material respects, the financial position of the Foundation, as of December 31, 2023, 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. 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 Foundation 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.

Management's Responsibilities 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 Foundation's ability to continue as a going concern within one year after the date that the financial statements are 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 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 Foundation'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 Foundation'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.

Hatter & Associates, LLP

Fort Worth, Texas
November 15, 2024

Me Squared Cancer Foundation
Statement of Financial Position
December 31, 2023

ASSETS		
Cash and cash equivalents	$	428,594
Accounts receivables, net of allowance for credit losses of $5,597		2,650
Prepaid expense		11,435
Caring bag inventory		4,449
Contributions receivable		20,000
	$	467,128
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	$	17,327
Grants payable		14,065
Deferred revenue		5,580
Advances on conditional contributions		18,820
Other liabilities		115
		55,907
Net Assets		
Net assets without donor restrictions		391,221
Net assets with donor restrictions		20,000
		411,221
	$	467,128

See accompanying notes to financial statements.

Me Squared Cancer Foundation
Statement of Activities
For the Year Ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue			
Contributions	$ 173,694	$ 20,000	$ 193,694
Contributions of nonfinancial assets	165,328	-	165,328
Event revenue of $415,877			
net of direct benefit to donors	321,343	-	321,343
Other revenue	7,650	-	7,650
	668,015	20,000	688,015
Expenses			
Programs:			
Financial assistance	297,777	-	297,777
Caring bags	11,130		11,130
	308,907	-	308,907
Supporting services:			
Management and general	18,541	-	18,541
Fundraising	76,927	-	76,927
	95,468	-	95,468
	404,375	-	404,375
Change in net assets	263,640	20,000	283,640
Net assets - beginning of year	127,581	-	127,581
Net assets - End of Year	$ 391,221	$ 20,000	$ 411,221

See accompanying notes to financial statements.

Me Squared Cancer Foundation
Statement of Functional Expenses
For the Year Ended December 31, 2023

	Programs		Supporting Services		
	Financial Assistance	Caring Bags	Management and General	Fundraising	Total
Salaries and employee benefits	$ 2,623	$ 6,558	$ 3,935	$ 13,115	$ 26,231
Payroll taxes and related expenses	201	502	301	1,003	2,007
Grants for cancer treatment	288,913	-	-	-	288,913
Program supplies	-	3,583	-	-	3,583
Insurance	-	-	1,104	-	1,104
Information technology	445	-	939	7,609	8,993
Office expense	-	-	1,403	-	1,403
Advertising	-	-	-	1,860	1,860
Professional fees	5,400	-	3,130	-	8,530
Special events	-	-	-	52,299	52,299
Other expense	195	487	7,729	1,041	9,452
Cost of direct benefits to donors	-	-	94,534	-	94,534
	297,777	11,130	113,075	76,927	498,909
Less expenses included with revenues on the statement of activities:					
Cost of direct benefits to donors	-	-	(94,534)	-	(94,534)
	$ 297,777	$ 11,130	$ 18,541	$ 76,927	$ 404,375

See accompanying notes to financial statements.

Me Squared Cancer Foundation
Statement of Cash Flows
For the Year Ended December 31, 2023

Cash Flows from Operating Activities		
Change in net assets	$	283,640
Change in:		
Accounts receivable		29,205
Prepaid expense		2,498
Caring bag inventory		(3,265)
Contributions receivable		(20,000)
Accounts payable		15,712
Grants payable		(41,064)
Deferred revenue		(126,081)
Advances on conditional contributions		18,820
Other liabilities		(239)
Net cash provided by operating activities		159,226
Net change in cash and cash equivalents		159,226
Cash and cash equivalents at beginning of year		269,368
Cash and cash equivalents at end of year	$	428,594

See accompanying notes to financial statements.

1. History and Summary of Significant Accounting Policies

Nature of Operations
Me Squared Cancer Foundation (the "Foundation") is a Texas non-profit corporation chartered in 2019. The Foundation helps adults with newly diagnosed cancer in the Dallas-Fort Worth area by providing cancer-related educational and financial assistance to ease their journey and give them hope. The Foundation obtains its support for contributions from donors.

Use of Estimates
The preparation of financial statements, in conformity with generally accepted accounting principles, 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 reported revenues and expenses during the reported period. Actual results could differ from those estimates.

Functional Allocation of Expenses
The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Certain indirect costs related primarily to salary and benefits and related employee expenses have been allocated among the programs and supporting services benefited primarily by time and effort of applicable staff.

Financial Statement Presentation
The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

- *Net Assets Without Donor Restrictions* – net assets available for use in general operations and not subject to donor-imposed restrictions. These may be designated for specific purposes by action of the Board of Directors.

- *Net Assets With Donor Restrictions* – net assets subject to donor-imposed restrictions that will be met either by occurrence of a specific event or the passage of time, or are perpetual in nature are classified as net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Investment income and contributions received with donor-imposed restrictions that are met in the same year as received are reported as unrestricted revenue.

The Foundation reports gifts of property and equipment as unrestricted support unless explicit donor stipulations specify how the assets are to be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used, and gifts of cash or other assets that must be used to acquire long-lived assets, are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Foundation reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Cash and Cash Equivalents
Cash and cash equivalents consist of cash on hand and certain highly liquid investments purchased with an initial maturity of three months or less.

1. History and Summary of Significant Accounting Policies (continued)

Accounts Receivable
Accounts receivable consist of sponsorship packets and other items uncollected at year end and are expected to be collected within one year. Accounts receivable are derived from individuals, foundations, and corporations, whom are granted credit on a short-term basis and the related credit risks are minimal. The accounts receivable are presented net of an expected allowance for credit losses. At each reporting date, the Foundation recognizes an expected allowance for credit losses. In addition, at each reporting date, this estimate is updated to reflect any changes in credit risk since the receivable was initially recorded. The allowance estimate is derived from a review of the Foundation's collection history based on the aging of the accounts and other specific information that may affect the collectability of individual accounts. Accounts receivable are charged to expense in the period they are determined to be uncollectible. If any recoveries are made from any accounts previously written off, they will be recognized in income in the year of recovery.

Caring Bag Inventory
Inventory is stated at the lower of cost (first-in, first-out method) or market and consists of caring bag items to be granted to patients.

Grants Payable
Grants payable generally represent approved grants to patients that are unpaid at year end.

Deferred Revenue
Deferred revenue generally represents advance receipts from sponsorship packets for future fundraising events and pre-ordered merchandise.

Advertising Costs
Advertising costs are expensed when incurred and amounted to $1,860 during the year ended December 31, 2023.

Revenue Recognition
Revenue from sponsorship packets, event ticket sales, raffle and gaming ticket sales, auction item sales, and merchandise sales are recognized when control of these products or services is transferred to customers, in an amount that reflects the consideration the Foundation expects to be entitled to in exchange for those products and services. Incidental items that are immaterial to the contract are recognized as expense. The Foundation does not have any significant financing components as payment is received before, at, or shortly after the point of sale.

Contributions
Unconditional contributions, those that do not include a measurable performance-related or other barrier or are those in which the Foundation has discretion over how the contribution should be spent, are recognized as revenues in the period received and are reported as increases in the appropriate categories of net assets in accordance with donor restrictions. Contributions that include a measurable barrier or those for which the Foundation has limited discretion over how the contribution should be spent and a right of return or release from future obligations are recorded as conditional contributions. Conditional contributions are not recognized until they become unconditional, that is, when the conditions surrounding the indications of the barrier have been met.

1. History and Summary of Significant Accounting Policies (continued)

Contributed Nonfinancial Assets

Contributed nonfinancial goods and services are recorded at their fair value when received. Fair value is estimated based on retail value typically charged for similar goods or services. Contributed services are recognized for services that (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. Volunteers have donated significant amounts of time in the Foundation's program and supporting services. The value of volunteer services is not recorded as a donation since no objective basis is available to measure the value of such services.

Federal Income Taxes

The Foundation is exempt from federal income tax in accordance with Section 501(c)(3) of the Internal Revenue Code, except for tax on any unrelated business income. The Foundation had no material tax on unrelated business income. The Internal Revenue Service has determined the Foundation is not a "private foundation" within the meaning of Section 509(a) of the Internal Revenue Code.

The Foundation follows the provisions of FASB ASC 740, Income Taxes, which requires financial statement recognition and disclosure for uncertain tax positions taken or expected to be taken in a tax return. As of December 31, 2023, management determined that the Foundation does not have any unrecognized tax benefits or liabilities. With few exceptions, the Foundation's federal exempt organization returns for the past three years are subject to examination by tax authorities and may change upon examination.

2. Change in Accounting Principle

In June 2016, the FASB issued ASU 2016-13 *Financial Instruments – Credit Losses* (ASC 326), which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that are not measured at fair value through change in net assets. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the Foundation that are subject to the guidance in FASB ASC 326 are accounts receivable. The Foundation adopted the standard effective January 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in new or enhanced disclosure only.

3. Allowance for Credit Losses

The allowance for credit losses for account and other receivables by portfolio segment and the related activity are as follow for the year ended December 31, 2023:

	Individuals	Foundations and Corporations	Total
Allowance for credit losses at December 31, 2022	$ -	$ -	$ -
Provision for credit losses	-	5,597	5,597
Write-offs	-	-	-
Recoveries	-	-	-
Allowance for credit losses at December 31, 2023	$ -	$ 5,597	$ 5,597

4. Contributions Receivable

Unconditional promises to give by donors consist of the following at December 31, 2023:

Receivable in less than one year	$ -
Receivable in one to five years	20,000
	$ 20,000

5. Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of December 31, 2023, comprise the following:

Cash and cash equivalents	$ 428,594
Accounts receivable, net of allowance for credit losses	2,650
Financial assets available to meet general expenditures within one year	$ 431,244

The Foundation considers all expenditures related to its ongoing program activities, as well as the conduct of services undertaken to support those activities, to be general expenditures. As part of the liquidity management plan, the Foundation invests cash in excess of daily requirements in a money market savings account.

6. Contributions of Nonfinancial Assets

Contributions of nonfinancial assets were recognized as follows for the year ended December 31, 2023:

	Program	Event	Total
Raffle prizes	$ -	$ 2,155	$ 2,155
Auction items	-	153,185	153,185
Caring bag items	2,679	-	2,679
Accounting services	5,400	-	5,400
Shipping services	1,909	-	1,909
	$ 9,988	$ 155,340	$ 165,328

Contributed caring bag items and raffle prizes were recognized at their estimated fair value and utilized in the caring bags program and special events held in the year ended December 31, 2023.

Contributed auction items were valued at the gross selling price received during a special event held in the year ended December 31, 2023. There were no donor imposed restrictions on proceeds from sales of the auction items.

Contributed accounting and shipping services were recognized at their estimated fair value and utilized in programs in the year ended December 31, 2023.

7. Net Assets

Net assets with donor restrictions of $20,000 at December 31, 2023 are for general operation and are subject to expenditure for time.

8. Conditional Contributions

Receipts of conditional contributions of $18,820 are reported as advances on conditional contributions in the accompanying statement of position and have not been recognized as revenue in the accompanying statement of activities because the condition on which they depend has not been met as of December 31, 2023. The conditional contributions depend on holding a fundraising event.

9. Revenue

Disaggregation of Revenue from Contracts with Customers
Disaggregation of the Foundation's revenue based on major sources of income and the timing of satisfaction of performance obligations is as follows for the years ended December 31, 2023:

Source of Income	Over Time	Point in Time
Event revenue		
Sponsorship packet sales	$ -	$ 63,303
Event ticket sales	-	12,967
Raffle and gaming ticket sales	-	24,800
Auction	-	158,185
Merchandise sales	-	1,315
	$ -	$ 260,570

Contract Balances
Accounts receivable and deferred revenue from contracts with customers are as follows at December 31:

	2023	2022
Accounts receivable, net of allowance	$ 2,650	$ 31,855
Unearned revenue	5,580	131,661

Performance Obligations
Performance obligations related to sales of sponsorship packets and events, raffle, and gaming tickets to a fundraising event are satisfied at the point in time when such an event is held.

Performance obligations related to sales of auction items and merchandise are satisfied at the point of sale.

10. Concentrations

During 2023, the Foundation received revenue from two fundraising events of $571,217 and contributions from one foundation of $76,763, which individually exceeded five percent of total revenue and are considered material to these financial statements.

The Foundation places its cash with financial institutions and periodically maintains deposits in amounts which exceed FDIC insurance coverage. The Foundation had cash deposits in excess of FDIC insurance coverage of about $177,000 at December 31, 2023. Management believes the risk of incurring material losses related to this credit risk is remote.

11. Subsequent Events

Management has evaluated subsequent events through November 15, 2024, which is the date the financial statements were available to be issued.