

Cancer for College

FINANCIAL STATEMENTS

Years Ended December 31, 2023 and 2022
See Independent Auditor's Report



CANCER FOR COLLEGE

Financial Statements

Years Ended December 31, 2023 and 2022

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Cancer for College
San Diego, California

Opinion

We have audited the accompanying financial statements of Cancer for College (a nonprofit organization), which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Cancer for College as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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 Cancer for College 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; 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.

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 Cancer for College'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 Responsibility 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.

INDEPENDENT AUDITOR'S REPORT, CONTINUED

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 Cancer for College'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 Cancer for College'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.

Aldrich CPAs + Advisors LLP

San Diego, California
August 20, 2024

CANCER FOR COLLEGE
Statements of Financial Position
December 31, 2023 and 2022

ASSETS	<u>2023</u>	<u>2022</u>
Assets:		
Cash and cash equivalents	\$ 261,918	\$ 765,136
Investments	15,512,334	11,789,552
Contributions receivable	50,000	394,000
Prepaid expenses	11,087	71,677
Property and equipment, net of accumulated depreciation	<u>28,002</u>	<u>-</u>
Total Assets	<u>\$ 15,863,341</u>	<u>\$ 13,020,365</u>
 LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable	\$ 32,117	\$ 29,799
Accrued expenses	75,128	144,434
Deferred revenue	<u>-</u>	<u>133,855</u>
Total Liabilities	107,245	308,088
Net Assets:		
Without donor restrictions	15,335,100	12,219,795
With donor restrictions	<u>420,996</u>	<u>492,482</u>
Total Net Assets	<u>15,756,096</u>	<u>12,712,277</u>
Total Liabilities and Net Assets	<u>\$ 15,863,341</u>	<u>\$ 13,020,365</u>

CANCER FOR COLLEGE

Statement of Activities

Year Ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support:			
Contributions	\$ 2,711,666	\$ 92,875	\$ 2,804,541
Investment gains	1,691,784	-	1,691,784
Special events, net of expenses of \$1,216,522	645,648	-	645,648
Campaign	151,200	-	151,200
Other	7,000	-	7,000
Net assets released from restrictions, Satisfaction of program restrictions	164,361	(164,361)	-
Total Revenue and Support	5,371,659	(71,486)	5,300,173
Expenses:			
Program services	1,352,429	-	1,352,429
Supporting services:			
General and administrative	430,254	-	430,254
Fundraising	473,671	-	473,671
Total Expenses	2,256,354	-	2,256,354
Change in Net Assets	3,115,305	(71,486)	3,043,819
Net Assets, beginning	12,219,795	492,482	12,712,277
Net Assets, ending	<u>\$ 15,335,100</u>	<u>\$ 420,996</u>	<u>\$ 15,756,096</u>

CANCER FOR COLLEGE

Statement of Activities

Year Ended December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support:			
Contributions	\$ 3,002,819	\$ 15,067	\$ 3,017,886
Special events, net of expenses of \$235,472	567,297	-	567,297
Campaign	50,851	-	50,851
Investment losses	(1,320,949)	-	(1,320,949)
Net assets released from restrictions, Satisfaction of program restrictions	248,459	(248,459)	-
Total Revenue and Support	2,548,477	(233,392)	2,315,085
Expenses:			
Program services	975,348	-	975,348
Supporting services:			
General and administrative	256,693	-	256,693
Fundraising	227,203	-	227,203
Total Expenses	1,459,244	-	1,459,244
Change in Net Assets	1,089,233	(233,392)	855,841
Net Assets, beginning	11,130,562	725,874	11,856,436
Net Assets, ending	\$ 12,219,795	\$ 492,482	\$ 12,712,277

CANCER FOR COLLEGE
Statement of Functional Expenses
Year Ended December 31, 2023

	Program Services	Supporting Services		Total
		General and Administrative	Fundraising	
Scholarships	\$ 886,822	\$ -	\$ -	\$ 886,822
Salaries and benefits	271,010	213,535	266,324	750,869
Travel and entertainment	75,145	-	75,145	150,290
Professional fees	-	137,349	-	137,349
Marketing and development	41,872	43,140	41,872	126,884
Bank processing fees	20,820	-	62,460	83,280
Dues and subscriptions	20,476	10,238	10,238	40,952
Supplies	10,819	3,678	7,140	21,637
Rent	5,481	5,647	5,481	16,609
Taxes and licenses	5,451	10,242	826	16,519
Insurance	3,469	3,573	3,469	10,511
Postage	5,426	678	678	6,782
Depreciation	5,600	-	-	5,600
Miscellaneous	38	2,174	38	2,250
	<u>1,352,429</u>	<u>430,254</u>	<u>473,671</u>	<u>2,256,354</u>
Total Operating Expenses				
Special event expense	-	-	1,216,522	1,216,522
	<u>-</u>	<u>-</u>	<u>1,216,522</u>	<u>1,216,522</u>
Total Functional Expenses	\$ <u>1,352,429</u>	\$ <u>430,254</u>	\$ <u>1,690,193</u>	\$ <u>3,472,876</u>

CANCER FOR COLLEGE
Statement of Functional Expenses
Year Ended December 31, 2022

	Program Services	Supporting Services		Total
		General and Administrative	Fundraising	
Scholarships	\$ 784,584	\$ -	\$ -	\$ 784,584
Salaries and benefits	129,332	68,325	124,700	322,357
Professional fees	-	167,635	-	167,635
Bank processing fees	25,863	-	77,590	103,453
Rent	9,915	-	9,915	19,830
Marketing and development	7,829	3,914	3,914	15,657
Dues and subscriptions	4,431	8,325	671	13,427
Supplies	6,560	2,230	4,329	13,119
Travel and entertainment	2,931	3,020	2,931	8,882
Taxes and licenses	2,152	2,217	2,152	6,521
Insurance	855	880	855	2,590
Postage	896	147	146	1,189
Total Operating Expenses	975,348	256,693	227,203	1,459,244
Special event expense	-	-	235,472	235,472
Total Functional Expenses	\$ 975,348	\$ 256,693	\$ 462,675	\$ 1,694,716

CANCER FOR COLLEGE**Statements of Cash Flows**

Years Ended December 31, 2022 and 2023

	<u>2023</u>	<u>2022</u>
Cash Flows from Operating Activities:		
Change in net assets	\$ 3,043,819	\$ 855,841
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	5,600	-
Realized and unrealized losses (gains) on investments	(1,622,782)	1,384,764
Changes in operating assets and liabilities:		
Contributions receivable	344,000	(313,304)
Prepaid expenses	60,590	(41,477)
Accounts payable	2,318	(7,365)
Accrued expenses	(69,306)	69,809
Deferred revenue	(133,855)	125,000
	<u>1,630,384</u>	<u>2,073,268</u>
Net Cash Provided by Operating Activities	1,630,384	2,073,268
Cash Flows from Investing Activities:		
Purchases of investments	(2,100,000)	(1,900,000)
Purchases of equipment	(33,602)	-
	<u>(2,133,602)</u>	<u>(1,900,000)</u>
Net Cash Used by Investing Activities	(2,133,602)	(1,900,000)
Net Increase (decrease) in Cash and Cash Equivalents	(503,218)	173,268
Cash and cash equivalents, beginning	<u>765,136</u>	<u>591,868</u>
Cash and cash equivalents, ending	<u>\$ 261,918</u>	<u>\$ 765,136</u>

CANCER FOR COLLEGE

Notes to Financial Statements

Years Ended December 31, 2022 and 2023

Note 1 - Organization and Summary of Significant Accounting Policies

Nature of Activities

Cancer for College (Organization) is a 501(c)(3) nonprofit organization that was incorporated in 1994 in California. The principal mission of the Organization is to provide need-based college scholarships and educational experiences to cancer survivors.

New Accounting Standard

Effective January 1, 2023, the Organization adopted Accounting Standards Update (ASU) No. 2016-13, "Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments". This update requires the use of a forward-looking expected credit loss model for instruments within its scope, including accounts receivable, and replaces the previous incurred loss impairment model. The expected credit loss model requires management to estimate current expected credit losses over the lifetime of the assets by considering all reasonable and supportable information, including historical experience, current conditions, and reasonable and supportable forecasts affecting collectability. Management has analyzed provisions contained in Topic 326 and determined that there is no impact on net assets as of January 1, 2023 due to the adoption of the new policy.

Basis of Presentation

The financial statements of the Organization have been prepared in accordance with accounting principles generally accepted in the United States of America (US GAAP), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

- Net assets without donor restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors.
- Net assets with donor restrictions – Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity. The Organization did not have any donor restrictions that were perpetual in nature for the years ended December 31, 2023 and 2022.

Donor 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 statements of activities.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

The Organization considers highly liquid investments with maturities of three months or less, when purchased, to be cash equivalents.

Investments

Investments are carried at market value and realized and unrealized gains and losses are reflected in the change in net assets in the statements of activities.

CANCER FOR COLLEGE

Notes to Financial Statements

Years Ended December 31, 2022 and 2023

Note 1 - Organization and Summary of Significant Accounting Policies, continued

Fair Value

Fair value accounting standards defines fair value, establishes a framework for measuring fair value, outlines a fair value hierarchy based on inputs used to measure fair value and enhances disclosure requirements for fair value measurements. The fair value hierarchy distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity (observable inputs that are classified within Level 1 or 2 of the hierarchy) and the reporting entity's own assumptions about market participant assumptions (unobservable inputs classified within Level 3 of the hierarchy).

Three levels of the fair value hierarchy are as follows:

Level 1 inputs are quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date.

Level 2 inputs are based on significant observable inputs, including market prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, or inputs other than quoted prices that are observable for the asset or liability.

Level 3 inputs are significant unobservable inputs for the asset or liability.

A financial instrument's categorization within the valuation hierarchy is based on the lowest level of input that is significant to the fair value measurement. The carrying value of cash, contributions receivable, payables, and accrued expenses approximates fair value as of December 31, 2023 and 2022. The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used as of December 31, 2023 and 2022.

Mutual funds, common stock, bonds and equity securities: Valued at the closing price reported on the active market on which the individual securities are traded.

Contributions Receivable

Contributions receivable are recorded net of any estimated allowance for uncollectible amounts. The allowance for uncollectible accounts is maintained based upon management's review of the year-end contributions receivable aging and collection history. There were no allowance for Credit Losses for the years ended December 31, 2023 and 2022 as management believes all amounts are collectable. As of December 31, 2023 and 2022, all contributions receivable are due to be collected in 12 months or less.

Deferred Revenue

Sponsorship revenue for special events held by the Organization are considered conditional contributions and are recognized at a point in time, specifically when the event is held. Income from special events charged but not yet earned is recorded as deferred revenue.

Revenue Recognition

The Organization recognizes revenue in a manner that depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Organization expects to be entitled to exchange for those goods or services.

The Organization reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

CANCER FOR COLLEGE

Notes to Financial Statements

Years Ended December 31, 2022 and 2023

Note 1 - Organization and Summary of Significant Accounting Policies, continued

Income Taxes

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code. The Organization has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the Internal Revenue Code. The Organization may be subject to tax on income which is not related to its exempt purpose. For the years ended December 31, 2023 and 2022, no provision for income taxes has been made.

The Organization follows the provisions of uncertain tax positions as addressed in Financial Accounting Standards Board (FASB) Accounting Standards Codification. The Organization recognizes accrued interest and penalties associated with uncertain tax positions as part of the income tax provision, when applicable. There are no amounts accrued in the financial statements related to uncertain tax positions for the years ended December 31, 2023 and 2022.

Functional Expense Allocations

The financial statements report certain categories of expenses that attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are specifically allocated include the following:

<u>Expense Area</u>	<u>Allocation Methodology</u>
Salaries and benefits	Time and effort
Professional fees	Specific use
Utilities	Square footage

All other expenses are broken out by accounts and can be directly charged to the appropriate function based on actual expenses.

Subsequent Events

The Organization has evaluated subsequent events through August 20, 2024, which is the date the financial statements were available to be issued.

Note 2 - Financial Assets and Liquidity Resources

The Organization's financial assets available within one year of the statement of financial position date for general expenditures are as follows:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 261,918	\$ 765,136
Investments	15,512,334	11,789,552
Contributions receivable	50,000	394,000
Total financial assets	15,824,252	12,948,688
Less financial assets not available for general use within one year:		
Donor restricted	(420,996)	(492,482)
Total financial assets available to be used within one year for general purposes	\$ <u>15,403,256</u>	\$ <u>12,456,206</u>

CANCER FOR COLLEGE

Notes to Financial Statements

Years Ended December 31, 2022 and 2023

Note 2 - Financial Assets and Liquidity Resources, continued

The Organization manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. The Organization has a liquidity policy to maintain current financial assets less current liabilities at a minimum of 90 days operating expenses. To achieve this target, the entity forecasts its future cash flows and monitors its liquidity quarterly, and monitors its reserves annually. During the years ended December 31, 2023 and 2022, the level of liquidity and reserves was managed within the policy requirements.

Note 3 - Concentration of Credit Risk

Cash and Cash Equivalents

The Organization maintains accounts at a financial institution with funds insured by the Federal Deposit Insurance Corporation (FDIC) up to a limit of \$250,000 per depositor per financial institution. At times the Organization's deposits may exceed insured amounts. The Organization has not experienced any such losses in these accounts and believes it is not exposed to any significant credit risk on cash.

Note 4 - Investments and Fair Market Value

The following table summarizes the valuation of the Organization's financial instruments in accordance with authoritative guidance at December 31, 2023:

	Level 1	Level 2	Level 3	Total
Money Market	\$ 1,110,308	\$ -	\$ -	\$ 1,110,308
Mutual Funds:				
Emerging Markets	1,006,455	-	-	1,006,455
Fixed Income	4,608,564	-	-	4,608,564
International Equities	2,367,420	-	-	2,367,420
Large Cap	1,666,277	-	-	1,666,277
Mid Cap	284,273	-	-	284,273
Real Estate	956,165	-	-	956,165
Small Cap	821,185	-	-	821,185
Common Stock:				
Communication Services	234,615	-	-	234,615
Consumer Discretionary	284,092	-	-	284,092
Consumer Staples	172,513	-	-	172,513
Energy	110,249	-	-	110,249
Financial Services	364,185	-	-	364,185
Healthcare	356,738	-	-	356,738
Industrials	224,971	-	-	224,971
Materials	64,580	-	-	64,580
Technology	813,950	-	-	813,950
Utilities	65,794	-	-	65,794
Total	\$ 15,512,334	\$ -	\$ -	\$ 15,512,334

CANCER FOR COLLEGE

Notes to Financial Statements

Years Ended December 31, 2022 and 2023

Note 4 - Investments and Fair Market Value, continued

The following table summarizes the valuation of the Organization's financial instruments in accordance with authoritative guidance at December 31, 2022:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money Market	\$ 591,477	\$ -	\$ -	\$ 591,477
Mutual Funds:				
Emerging Markets	788,569	-	-	788,569
Fixed Income	3,539,399	-	-	3,539,399
International Equities	1,936,379	-	-	1,936,379
Large Cap	1,307,801	-	-	1,307,801
Mid Cap	168,579	-	-	168,579
Real Estate	700,695	-	-	700,695
Small Cap	667,449	-	-	667,449
Common Stock:				
Communication Services	164,309	-	-	164,309
Consumer Discretionary	197,324	-	-	197,324
Consumer Staples	169,030	-	-	169,030
Energy	115,023	-	-	115,023
Financial Services	312,480	-	-	312,480
Healthcare	350,764	-	-	350,764
Industrials	208,887	-	-	208,887
Materials	56,166	-	-	56,166
Technology	452,804	-	-	452,804
Utilities	62,417	-	-	62,417
Total	<u>\$ 11,789,552</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,789,552</u>

CANCER FOR COLLEGE

Notes to Financial Statements

Years Ended December 31, 2022 and 2023

Note 5 - Net Assets with Donor Restriction

Net assets with donor restriction are available for the following scholarships at December 31:

	2023	2022
Pacific Northwest Scholarship	\$ 281,962	\$ 376,009
The Cherry Hawk Scholarship	46,795	39,907
Go and Be Great Scholarship	45,000	-
Ross Skelton Memorial Scholarship	30,464	35,464
Other	6,350	7,959
Dan Wray Memorial Dream Big Scholarship	4,299	25,000
Henry Streuli Scholarship	3,393	8,143
Frank the Tank Scholarship	2,733	-
	<u>\$ 420,996</u>	<u>\$ 492,482</u>

Net assets were released from donor restrictions by incurring expenditures satisfying the restrictions at December 31:

	2023	2022
Pacific Northwest Scholarship	\$ 94,047	\$ 61,160
Dan Wray Memorial Dream Big Scholarship	20,701	30,000
Go and Be Great Scholarship	15,000	7,000
The Cherry Hawk Scholarship	12,785	9,047
Dear Jack Scholarship	10,000	10,000
Henry Streuli Scholarship	5,000	15,000
Ross Skelton Memorial Scholarship	5,000	5,000
Other	1,828	-
Carolinas Scholarship	-	93,688
Leonard Family Entrepreneurial Spirit Scholarship	-	12,039
Frank the Tank Scholarship	-	5,525
	<u>\$ 164,361</u>	<u>\$ 248,459</u>

Note 6 - Pension Plan

The Organization offers a voluntary pretax salary reduction plan in which exempt full-time may elect to participate beginning with the first payroll period administratively feasible after six-months of employment. The Organization will match up to 3% of the participants' eligible compensation. The Organization contributed \$5,604 and \$4,888 to the plan for the years ended December 31, 2023 and 2022, respectively.