

Cancer for College

Financial Statements

Years Ended December 31, 2022 and 2021



CANCER FOR COLLEGE
Financial Statements
Years Ended December 31, 2022 and 2021

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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, 2022 and 2021, 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, 2022 and 2021, 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.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

INDEPENDENT AUDITOR'S REPORT, CONTINUED

Auditor's Responsibility for the Audit of the Financial Statements, continued

- 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
November 27, 2023

CANCER FOR COLLEGE
Statements of Financial Position
December 31, 2022 and 2021

ASSETS	<u>2022</u>	<u>2021</u>
Assets:		
Cash and cash equivalents	\$ 765,136	\$ 591,868
Investments	11,789,552	11,274,316
Contributions receivable	394,000	80,696
Prepaid expenses	<u>71,677</u>	<u>30,200</u>
Total Assets	<u>\$ 13,020,365</u>	<u>\$ 11,977,080</u>
 LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable	\$ 29,799	\$ 37,164
Accrued expenses	144,434	74,625
Deferred revenue	<u>133,855</u>	<u>8,855</u>
Total Liabilities	308,088	120,644
Net Assets:		
Without donor restrictions	12,219,795	11,130,562
With donor restrictions	<u>492,482</u>	<u>725,874</u>
Total Net Assets	<u>12,712,277</u>	<u>11,856,436</u>
Total Liabilities and Net Assets	<u>\$ 13,020,365</u>	<u>\$ 11,977,080</u>

CANCER FOR COLLEGE
Statement of Activities
Year Ended December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support:			
Special events, net of expenses of \$235,472	\$ 2,567,297	\$ -	\$ 2,567,297
Investment losses	(1,320,949)	-	(1,320,949)
Contributions	1,002,819	15,067	1,017,886
Other	50,851	-	50,851
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 Activities
Year Ended December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support:			
Special events, net of expenses of \$155,887	\$ 2,205,471	\$ 58,929	\$ 2,264,400
Investment gains	1,289,126	-	1,289,126
Contributions	109,913	63,515	173,428
Paycheck Protection Program loan forgiveness	49,805	-	49,805
Other	1,900	-	1,900
Net assets released from restrictions, Satisfaction of program restrictions	204,505	(204,505)	-
Total Revenue and Support	3,860,720	(82,061)	3,778,659
Expenses:			
Program services	847,578	-	847,578
Supporting services:			
General and administrative	146,455	-	146,455
Fundraising	175,329	-	175,329
Total Expenses	1,169,362	-	1,169,362
Change in Net Assets	2,691,358	(82,061)	2,609,297
Net Assets, beginning	8,439,204	807,935	9,247,139
Net Assets, ending	\$ 11,130,562	\$ 725,874	\$ 11,856,436

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

	<u>Supporting Services</u>			<u>Total</u>
	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	
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
Travel and entertainment	9,915	-	9,915	19,830
Dues and subscriptions	7,829	3,914	3,914	15,657
Taxes and licenses	4,431	8,325	671	13,427
Supplies	6,560	2,230	4,329	13,119
Marketing and development	2,931	3,020	2,931	8,882
Insurance	2,152	2,217	2,152	6,521
Rent	855	880	855	2,590
Postage	857	107	107	1,071
Utilities	39	40	39	118
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
Statement of Functional Expenses
Year Ended December 31, 2021

	Program Services	Supporting Services		Total
		General and Administrative	Fundraising	
Scholarships	\$ 622,882	\$ -	\$ -	\$ 622,882
Salaries and benefits	173,974	43,783	94,903	312,660
Professional fees	-	80,700	-	80,700
Bank processing fees	18,990	-	56,970	75,960
Rent	5,544	5,712	5,544	16,800
Marketing and development	4,843	4,990	4,843	14,676
Dues and subscriptions	5,300	2,649	2,650	10,599
Supplies	4,463	1,517	2,945	8,925
Travel and entertainment	4,325	-	4,325	8,650
Taxes and licenses	2,247	4,221	340	6,808
Insurance	1,917	1,974	1,917	5,808
Postage	2,515	314	314	3,143
Utilities	578	595	578	1,751
Total Operating Expenses	847,578	146,455	175,329	1,169,362
Special event expense	-	-	155,887	155,887
Total Functional Expenses	\$ 847,578	\$ 146,455	\$ 331,216	\$ 1,325,249

CANCER FOR COLLEGE
Statements of Cash Flows
Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash Flows from Operating Activities:		
Change in net assets	\$ 855,841	\$ 2,609,297
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Realized and unrealized losses (gains) on investments	1,384,764	(1,231,195)
Paycheck Protection Program loan forgiven	-	(49,805)
Changes in operating assets and liabilities:		
Contributions receivable	(313,304)	(74,696)
Prepaid expenses	(41,477)	(3,713)
Accounts payable	(7,365)	24,542
Accrued expenses	69,809	24,824
Deferred revenue	<u>125,000</u>	<u>(88,801)</u>
Net Cash Provided by Operating Activities	2,073,268	1,210,453
Cash Flows Used by Investing Activities:		
Purchases of investments	<u>(1,900,000)</u>	<u>(1,000,000)</u>
Net Increase in Cash and Cash Equivalents	173,268	210,453
Cash and cash equivalents, beginning	<u>591,868</u>	<u>381,415</u>
Cash and cash equivalents, ending	<u>\$ 765,136</u>	<u>\$ 591,868</u>

CANCER FOR COLLEGE

Notes to Financial Statements

Years Ended December 31, 2022 and 2021

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.

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, 2022 and 2021.

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.

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).

CANCER FOR COLLEGE
Notes to Financial Statements
Years Ended December 31, 2022 and 2021

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

Fair Value, continued

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, 2022 and 2021. 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, 2022 and 2021.

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 was no allowance for the years ended December 31, 2022 and 2021 as management believes all amounts are collectable. As of December 31, 2022 and 2021, 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. Several events that were scheduled to take place in 2021 were delayed until 2022 due to the COVID-19 pandemic.

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.

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, 2022 and 2021, no provision for income taxes has been made.

CANCER FOR COLLEGE

Notes to Financial Statements

Years Ended December 31, 2022 and 2021

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

Income Taxes, continued

The Organization follows the provisions of uncertain tax positions as addressed in 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, 2022 and 2021.

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 November 27, 2023, 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>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 765,136	\$ 591,868
Investments	11,789,552	11,274,316
Contributions receivable	<u>394,000</u>	<u>80,696</u>
Total financial assets	12,948,688	11,946,880
Less financial assets not available for general use within one year:		
Donor restricted	<u>(492,482)</u>	<u>(725,874)</u>
Total financial assets available to be used within one year for general purposes	<u>\$ 12,456,206</u>	<u>\$ 11,221,006</u>

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, 2022 and 2021, the level of liquidity and reserves was managed within the policy requirements.

CANCER FOR COLLEGE
Notes to Financial Statements
Years Ended December 31, 2022 and 2021

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, 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
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	\$ 11,789,552	\$ -	\$ -	\$ 11,789,552

CANCER FOR COLLEGE
Notes to Financial Statements
Years Ended December 31, 2022 and 2021

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, 2021:

	Level 1	Level 2	Level 3	Total
Money Market	\$ 501,636	\$ -	\$ -	\$ 501,636
Mutual Funds:				
Emerging Markets	783,634	-	-	783,634
Fixed Income	3,133,822	-	-	3,133,822
International Equities	1,771,647	-	-	1,771,647
Large Cap	1,064,235	-	-	1,064,235
Mid Cap	185,172	-	-	185,172
Real Estate	695,355	-	-	695,355
Small Cap	666,889	-	-	666,889
Common Stock:				
Communication Services	229,215	-	-	229,215
Consumer Discretionary	280,817	-	-	280,817
Consumer Staples	163,552	-	-	163,552
Energy	82,417	-	-	82,417
Financial Services	296,902	-	-	296,902
Healthcare	351,618	-	-	351,618
Industrials	206,627	-	-	206,627
Materials	64,970	-	-	64,970
Technology	737,627	-	-	737,627
Utilities	58,181	-	-	58,181
	<u>\$ 11,274,316</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,274,316</u>
Total	<u>\$ 11,274,316</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,274,316</u>

Note 5 – Paycheck Protection Program Loan

On May 6, 2020, the Organization received loan proceeds in the amount of \$49,805 under the Paycheck Protection Program (“PPP”). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”), provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The loans and accrued interest are forgivable after twenty-four weeks as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. On March 16, 2021, the Organization received a loan forgiveness approval with the financial institution. The \$49,805 of the loan balance was recognized as income during fiscal year ending December 31, 2021.

CANCER FOR COLLEGE
Notes to Financial Statements
Years Ended December 31, 2022 and 2021

Note 6 – Net Assets with Donor Restriction

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

	2022	2021
Pacific Northwest Scholarship	\$ 376,009	\$ 437,169
The Cherry Hawk Scholarship	39,907	44,608
Ross Skelton Memorial Scholarship	35,464	40,463
Dan Wray Memorial Dream Big Scholarship	25,000	55,000
Henry Streuli Scholarship	8,143	23,143
Other	7,959	7,961
Carolinas Scholarship	-	93,688
Leonard Family Entrepreneurial Spirit Scholarship	-	12,039
Go and Be Great Scholarship	-	7,000
Frank the Tank Scholarship	-	4,803
	<u>\$ 492,482</u>	<u>\$ 725,874</u>

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

	2022	2021
Carolinas Scholarship	\$ 93,688	\$ 80,104
Pacific Northwest Scholarship	61,160	80,100
Dan Wray Memorial Dream Big Scholarship	30,000	10,000
Henry Streuli Scholarship	15,000	269
Leonard Family Entrepreneurial Spirit Scholarship	12,039	5,119
Dear Jack Scholarship	10,000	-
The Cherry Hawk Scholarship	9,047	14,712
Go and Be Great Scholarship	7,000	8,000
Frank the Tank Scholarship	5,525	5,131
Ross Skelton Memorial Scholarship	5,000	-
Skip Wohl Memorial Scholarship	-	550
Old Family Partnership	-	520
	<u>\$ 248,459</u>	<u>\$ 204,505</u>

Note 7 – 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 \$4,888 and \$7,541 to the plan for the years ended December 31, 2022 and 2021, respectively.