

Cancer for College

Financial Statements

Years Ended December 31, 2020 and 2019



CANCER FOR COLLEGE
Financial Statements
Years Ended December 31, 2020 and 2019

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INDEPENDENT AUDITORS' REPORT

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

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, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years 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 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 Cancer for College as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Aldrich CPAs + Advisors LLP

San Diego, California
May 21, 2021

CANCER FOR COLLEGE
Statements of Financial Position
December 31, 2020 and 2019

ASSETS	<u>2020</u>	<u>2019</u>
Assets:		
Cash and cash equivalents	\$ 381,415	\$ 487,727
Investments	9,043,121	8,009,546
Contributions receivable	6,000	10,350
Prepaid expenses	<u>26,487</u>	<u>4,737</u>
Total Assets	<u>\$ 9,457,023</u>	<u>\$ 8,512,360</u>
 LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable	\$ 12,622	\$ 47,868
Accrued expenses	49,801	33,732
Deferred revenue	97,656	-
Paycheck Protection Program loan	<u>49,805</u>	<u>-</u>
Total Liabilities	209,884	81,600
Net Assets:		
Without donor restrictions	8,439,204	7,440,329
With donor restrictions	<u>807,935</u>	<u>990,431</u>
Total Net Assets	<u>9,247,139</u>	<u>8,430,760</u>
Total Liabilities and Net Assets	<u>\$ 9,457,023</u>	<u>\$ 8,512,360</u>

CANCER FOR COLLEGE
Statement of Activities
Year Ended December 31, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue and Support:			
Special events, net of expenses of \$62,232	\$ 728,186	\$ 8,437	\$ 736,623
Investment gains	711,588	-	711,588
Contributions	387,233	13,945	401,178
Net assets released from restrictions, Satisfaction of program restrictions	<u>204,878</u>	<u>(204,878)</u>	<u>-</u>
Total Revenue and Support	2,031,885	(182,496)	1,849,389
Expenses:			
Program services	617,641	-	617,641
Supporting services:			
General and administrative	164,797	-	164,797
Fundraising	<u>250,572</u>	<u>-</u>	<u>250,572</u>
Total Expenses	<u>1,033,010</u>	<u>-</u>	<u>1,033,010</u>
Change in Net Assets	998,875	(182,496)	816,379
Net Assets, beginning	<u>7,440,329</u>	<u>990,431</u>	<u>8,430,760</u>
Net Assets, ending	<u>\$ 8,439,204</u>	<u>\$ 807,935</u>	<u>\$ 9,247,139</u>

CANCER FOR COLLEGE
Statement of Activities
Year Ended December 31, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue and Support:			
Special events, net of expenses of \$93,356	\$ 1,065,261	\$ 252,196	\$ 1,317,457
Investment gains	1,021,400	-	1,021,400
Contributions	143,217	160,367	303,584
Other	1,450	-	1,450
Net assets released from restrictions, Satisfaction of program restrictions	<u>229,456</u>	<u>(229,456)</u>	<u>-</u>
Total Revenue and Support	2,460,784	183,107	2,643,891
Expenses:			
Program services	592,232	-	592,232
Supporting services:			
General and administrative	171,356	-	171,356
Fundraising	<u>318,628</u>	<u>-</u>	<u>318,628</u>
Total Expenses	<u>1,082,216</u>	<u>-</u>	<u>1,082,216</u>
Change in Net Assets	1,378,568	183,107	1,561,675
Net Assets, beginning	<u>6,061,761</u>	<u>807,324</u>	<u>6,869,085</u>
Net Assets, ending	<u>\$ 7,440,329</u>	<u>\$ 990,431</u>	<u>\$ 8,430,760</u>

CANCER FOR COLLEGE
Statement of Functional Expenses
Year Ended December 31, 2020

	Program Services	Supporting Services		Total
		General and Administrative	Fundraising	
Scholarships	\$ 495,423	\$ -	\$ -	\$ 495,423
Salaries and benefits	99,251	57,021	116,688	272,960
Professional fees	-	86,738	-	86,738
Marketing and development	6,846	6,846	54,767	68,459
Bank processing fees	-	-	57,982	57,982
Rent	5,544	5,712	5,544	16,800
Insurance	3,324	3,424	3,324	10,072
Dues and subscriptions	3,055	3,148	3,055	9,258
Taxes and licenses	827	-	4,685	5,512
Supplies	1,156	1,156	2,312	4,624
Travel and entertainment	1,232	-	1,232	2,464
Utilities	492	507	492	1,491
Postage	491	245	491	1,227
Total Operating Expenses	617,641	164,797	250,572	1,033,010
Special event expense	-	-	62,232	62,232
Total Functional Expenses	\$ <u>617,641</u>	\$ <u>164,797</u>	\$ <u>312,804</u>	\$ <u>1,095,242</u>

CANCER FOR COLLEGE
Statement of Functional Expenses
Year Ended December 31, 2019

	Program Services	Supporting Services		Total
		General and Administrative	Fundraising	
Scholarships	\$ 464,599	\$ -	\$ -	\$ 464,599
Salaries and benefits	79,324	65,711	124,583	269,618
Marketing and development	12,644	12,645	101,155	126,444
Professional fees	-	71,248	-	71,248
Supplies	10,991	10,991	21,983	43,965
Bank processing fees	-	-	39,599	39,599
Travel and entertainment	12,340	-	12,341	24,681
Rent	3,638	3,749	3,638	11,025
Dues and subscriptions	3,293	3,394	3,293	9,980
Taxes and licenses	1,422	-	8,055	9,477
Insurance	1,745	1,799	1,745	5,289
Utilities	964	993	964	2,921
Postage	911	455	911	2,277
Miscellaneous	361	371	361	1,093
Total Operating Expenses	592,232	171,356	318,628	1,082,216
Special event expense	-	-	93,356	93,356
Total Functional Expenses	\$ 592,232	\$ 171,356	\$ 411,984	\$ 1,175,572

CANCER FOR COLLEGE
Statements of Cash Flows
Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash Flows from Operating Activities:		
Change in net assets	\$ 816,379	\$ 1,561,675
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Realized and unrealized gain on investments	(564,424)	(842,879)
Changes in operating assets and liabilities:		
Contributions receivable	4,350	689,451
Prepaid expenses	(21,750)	879
Accounts payable	(35,246)	1,279
Accrued expenses	16,069	3,234
Deferred revenue	<u>97,656</u>	<u>-</u>
Net Cash Provided by Operating Activities	313,034	1,413,639
Cash Flows Used by Investing Activities:		
Purchases of investments	(469,151)	(1,387,407)
Cash Flows Provided by Financing Activities:		
Proceeds from Paycheck Protection Program loan	<u>49,805</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(106,312)	26,232
Cash and cash equivalents, beginning	<u>487,727</u>	<u>461,495</u>
Cash and cash equivalents, ending	<u>\$ 381,415</u>	<u>\$ 487,727</u>

CANCER FOR COLLEGE

Notes to Financial Statements

Years Ended December 31, 2020 and 2019

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, 2020 and 2019.

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.

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.

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 2020 were delayed until 2021 due to the COVID-19 pandemic.

CANCER FOR COLLEGE

Notes to Financial Statements

Years Ended December 31, 2020 and 2019

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

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, 2020 and 2019 as management believes all amounts are collectable. As of December 31, 2020 and 2019, all contributions receivable are due to be collected in 12 months or less.

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.

The Organization had transferred assets to the California Community Foundation (CCF) which was holding them as endowed agency funds (Funds) for the benefit of the Organization. The Organization had granted CCF variance power which gave CCF's Board of Directors the power to use the Funds for other purposes in certain circumstances, however the Organization was named as the beneficiary of these funds. The Organization reported the fair value of the beneficial interest in assets held at CCF in the statements of financial position and reported distributions received as investment income. Changes in the value of the Funds were reported as gains or losses in the statements of activities. During the years ended December 31, 2019, CCF and the Organization agreed to transfer the beneficial interest funds to an unrelated 3rd party financial institution and the Organization regained ownership of those funds. The Organization transferred \$1,065,508 to the financial institution for the years ended December 31, 2019.

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.

As a practical expedient, certain financial instruments may be valued using net asset value (NAV) per share. NAV is the amount of net assets attributable to each share of outstanding capital stock at the end of the period.

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, 2020 and 2019. 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, 2020 and 2019.

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.

CANCER FOR COLLEGE

Notes to Financial Statements

Years Ended December 31, 2020 and 2019

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, 2020 and 2019, no provision for income taxes has been made.

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, 2020 and 2019.

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 May 21, 2021, 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>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 381,415	\$ 487,727
Investments	9,043,121	8,009,546
Contributions receivable	6,000	10,350
	<u>9,430,536</u>	<u>8,507,623</u>
Less financial assets not available for general use within one year:		
Donor restricted	<u>(807,935)</u>	<u>(990,431)</u>
Total financial assets available to be used within one year for general purposes	<u>\$ 8,622,601</u>	<u>\$ 7,517,192</u>

CANCER FOR COLLEGE

Notes to Financial Statements

Years Ended December 31, 2020 and 2019

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, 2020 and 2019, 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, 2020:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>NAV</u>	<u>Total</u>
Money Market	\$ 590,673	\$ -	\$ -	\$ -	\$ 590,673
Mutual Funds:					
Emerging Markets	294,495	-	-	-	294,495
Fixed Income	2,976,980	-	-	-	2,976,980
International Equities	1,213,003	-	-	-	1,213,003
Large Cap	717,787	-	-	-	717,787
Mid Cap	137,514	-	-	-	137,514
Real Estate	516,720	-	-	-	516,720
Small Cap	579,216	-	-	-	579,216
Common Stock:					
Communication Services	217,715	-	-	-	217,715
Consumer Discretionary	206,643	-	-	-	206,643
Consumer Staples	131,793	-	-	-	131,793
Energy	53,818	-	-	-	53,818
Financial Services	242,891	-	-	-	242,891
Healthcare	297,855	-	-	-	297,855
Industrials	169,164	-	-	-	169,164
Materials	48,661	-	-	-	48,661
Utilities	48,027	-	-	-	48,027
Technology	600,166	-	-	-	600,166
Total	<u>\$ 9,043,121</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,043,121</u>

CANCER FOR COLLEGE**Notes to Financial Statements**

Years Ended December 31, 2020 and 2019

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, 2019:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>NAV</u>	<u>Total</u>
Money Market	\$ 551,744	\$ -	\$ -	\$ -	\$ 551,744
Mutual Funds:					
Emerging Markets	308,859	-	-	-	308,859
Fixed Income	2,712,922	-	-	-	2,712,922
International Equities	1,202,773	-	-	-	1,202,773
Mid Cap	78,022	-	-	-	78,022
Real Estate	446,184	-	-	-	446,184
Small Cap	694,908	-	-	-	694,908
Common Stock:					
Communication Services	219,303	-	-	-	219,303
Consumer Discretionary	196,291	-	-	-	196,291
Consumer Staples	143,420	-	-	-	143,420
Energy	91,284	-	-	-	91,284
Financial Services	275,087	-	-	-	275,087
Healthcare	311,595	-	-	-	311,595
Industrials	192,298	-	-	-	192,298
Materials	57,010	-	-	-	57,010
Utilities	70,016	-	-	-	70,016
Technology	457,830	-	-	-	457,830
Total	<u>\$ 8,009,546</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,009,546</u>

CANCER FOR COLLEGE

Notes to Financial Statements

Years Ended December 31, 2020 and 2019

Note 5 – Net Assets with Donor Restriction

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

	2020	2019
Pacific Northwest Scholarship	\$ 517,269	\$ 584,285
Carolinas Scholarship	114,291	184,391
Dan Wray Memorial Dream Big Scholarship	65,000	85,000
Ross Skelton Memorial Scholarship	40,463	45,463
The Cherry Hawk Scholarship	26,133	24,534
Henry Streuli Scholarship	18,151	18,160
Go and Be Great Scholarship	15,000	20,000
Other	7,961	8,757
Frank the Tank Scholarship	3,667	7,240
Dear Jack Scholarship	-	8,000
Skip Wohl Memorial Scholarship	-	3,701
Leonard Family Entrepreneurial Spirit Scholarship	-	900
	<u>\$ 807,935</u>	<u>\$ 990,431</u>

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

	2020	2019
Pacific Northwest Scholarship	\$ 75,559	\$ 78,391
Carolinas Scholarship	69,994	110,566
Dan Wray Memorial Dream Big Scholarship	20,000	-
Dear Jack Scholarship	8,000	5,000
The Cherry Hawk Scholarship	5,633	5,241
Henry Streuli Scholarship	5,269	5,000
Frank the Tank Scholarship	5,026	5,129
Ross Skelton Memorial Scholarship	5,000	10,082
Go and Be Great Scholarship	5,000	-
Skip Wohl Memorial Scholarship	3,701	5,000
Leonard Family Entrepreneurial Spirit Scholarship	900	5,000
Old Family Partnership	796	-
Other	-	47
	<u>\$ 204,878</u>	<u>\$ 229,456</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 \$5,430 and \$5,898 to the plan for the years ended December 31, 2020 and 2019, respectively.

CANCER FOR COLLEGE**Notes to Financial Statements**Years Ended December 31, 2020 and 2019

Note 7 – Subsequent Event

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 will be recognized as income on fiscal year ending December 31, 2021.