

NEVADA CHILDHOOD CANCER FOUNDATION
FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019



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**NEVADA CHILDHOOD CANCER FOUNDATION
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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

Board of Directors
Nevada Childhood Cancer Foundation
Las Vegas, Nevada

Report on the Financial Statements

We have audited the accompanying financial statements of Nevada Childhood Cancer Foundation, which comprise the balance sheet as of December 31, 2020, and the related statements of activities, functional expenses, and cash flows for the year 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 the financial statements based on our audit. We conducted our audit 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 auditors' 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 Nevada Childhood Cancer Foundation as of December 31, 2020, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

The 2019 financial statements were reviewed by us, and our report thereon, dated November 16, 2020, stated we were not aware of any material modifications that should be made to those statements for them to be in conformity with accounting principles generally accepted in the United States of America. However, a review is substantially less in scope than an audit and does not provide a basis for expression of an opinion on the financial statements.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Las Vegas, Nevada
December 14, 2021

NEVADA CHILDHOOD CANCER FOUNDATION
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2020 AND 2019

	<u>(Audited)</u> <u>2020</u>	<u>(Reviewed)</u> <u>2019</u>
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 548,894	\$ 548,979
Investments	2,342,339	2,053,446
Accounts Receivable	30,637	52,542
Pledges Receivable - Current	-	105,000
Prepaid Expenses	42,402	41,095
Total Current Assets	<u>2,964,272</u>	<u>2,801,062</u>
OTHER ASSETS		
Pledges Receivable, Net of Current Portion and Discount	7,668	6,849
Property and Equipment, Net	2,516,445	2,624,164
Deposits	1,647	1,647
Total Other Assets	<u>2,525,760</u>	<u>2,632,660</u>
Total Assets	<u>\$ 5,490,032</u>	<u>\$ 5,433,722</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 58,331	\$ 30,756
Accrued Expenses	33,578	35,410
Current Portion of Long-Term Debt	51,744	48,715
Total Current Liabilities	<u>143,653</u>	<u>114,881</u>
LONG-TERM LIABILITIES		
Long-Term Debt, Net of Current Portion	1,426,010	1,477,769
Deferred Compensation	201,685	109,761
Total Liabilities	<u>1,771,348</u>	<u>1,702,411</u>
NET ASSETS		
Without Donor Restrictions	2,923,148	2,728,812
With Donor Restrictions	795,536	1,002,499
Total Net Assets	<u>3,718,684</u>	<u>3,731,311</u>
Total Liabilities and Net Assets	<u>\$ 5,490,032</u>	<u>\$ 5,433,722</u>

See accompanying Notes to Financial Statements.

**NEVADA CHILDHOOD CANCER FOUNDATION
STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2020 AND 2019**

	<u>(Audited)</u> 2020	<u>(Reviewed)</u> 2019
NET ASSETS WITHOUT DONOR RESTRICTIONS		
Revenues, Gains, and Other Support:		
Contributions	\$ 1,350,531	\$ 950,291
In-Kind Donations	271,286	586,648
Special Events:		
Special Event Revenue	\$ -	\$ 721,449
Cost of Direct Benefits to Donors	<u>-</u>	<u>(242,824)</u>
Net Revenues from Special Events	-	478,625
Investment Income	22,511	87,356
Released from Restrictions	<u>602,834</u>	<u>571,520</u>
Total Revenues, Gains, and Other Support	<u>2,247,162</u>	<u>2,674,440</u>
Expenses:		
Program Services	1,809,333	2,147,793
Supporting Services:		
Management and General	73,322	81,813
Fundraising	<u>170,171</u>	<u>220,830</u>
Total Expenses	<u>2,052,826</u>	<u>2,450,436</u>
INCREASE IN NET ASSETS WITHOUT DONOR RESTRICTION	194,336	224,004
NET ASSETS WITH DONOR RESTRICTIONS		
Contributions	395,871	607,893
Released from Restrictions:		
Satisfied by Purpose or Time	<u>(602,834)</u>	<u>(571,520)</u>
INCREASE (DECREASE) IN NET ASSETS WITH DONOR RESTRICTION	<u>(206,963)</u>	<u>36,373</u>
INCREASE (DECREASE) IN NET ASSETS	(12,627)	260,377
Net Assets - Beginning of Year	<u>3,731,311</u>	<u>3,470,934</u>
NET ASSETS - END OF YEAR	<u>\$ 3,718,684</u>	<u>\$ 3,731,311</u>

See accompanying Notes to Financial Statements.

**NEVADA CHILDHOOD CANCER FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2020**

	(Audited)			Special Events Direct Benefits to Donor	Total
	Program	Supporting Services			
		Management and General	Fundraising		
Salaries	\$ 744,394	\$ 17,955	\$ 58,452	\$ -	\$ 820,801
Payroll Taxes	55,260	1,400	4,558	-	61,218
Employee Benefits	144,594	43,664	11,927	-	200,185
Advertising	484	-	1,757	-	2,241
Bank Fees	7,594	190	902	-	8,686
Conferences	233	-	-	-	233
Direct Services	420,719	-	-	-	420,719
Depreciation	110,888	2,810	9,147	-	122,845
Insurance	47,840	1,212	3,946	-	52,998
Interest	75,934	1,924	6,263	-	84,121
Meals and Entertainment	2,337	22	299	-	2,658
Occupancy	61,441	1,557	5,068	-	68,066
Fundraising	4,109	-	59,219	-	63,328
Professional Fees	90,305	1,712	5,573	-	97,590
Program Supplies	16,299	317	1,247	-	17,863
Repairs and Maintenance	9,878	250	813	-	10,941
Equipment	9,102	231	750	-	10,083
Transportation	7,922	78	250	-	8,250
Total	<u>\$ 1,809,333</u>	<u>\$ 73,322</u>	<u>\$ 170,171</u>	-	2,052,826
Less: Cost of Direct Benefit to Donors				-	-
Total				<u>\$ -</u>	<u>\$ 2,052,826</u>

See accompanying Notes to Financial Statements.

**NEVADA CHILDHOOD CANCER FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2019**

	(Reviewed)				Special Events Direct Benefits to Donor	Total
	Supporting Services					
	Program	Management and General	Fundraising			
Salaries	\$ 637,013	\$ 34,378	\$ 76,165	\$ -	\$ 747,556	
Payroll Taxes	57,227	3,048	6,839	-	67,114	
Employee Benefits	101,468	32,621	5,407	-	139,496	
Advertising	16,474	478	1,048	-	18,000	
Bank Fees	14,488	206	878	-	15,572	
Conferences	6,130	58	128	-	6,316	
Direct Services	816,830	-	-	-	816,830	
Depreciation	109,126	3,165	6,942	-	119,233	
Insurance	25,469	736	1,614	-	27,819	
Interest	79,194	2,297	5,038	-	86,529	
Meals and Entertainment	10,440	37	225	-	10,702	
Occupancy	103,848	1,777	3,897	-	109,522	
Fundraising	-	-	105,946	-	105,946	
Professional Fees	97,135	1,533	3,411	-	102,079	
Program Supplies	17,713	363	843	-	18,919	
Repairs and Maintenance	10,285	298	654	-	11,237	
Equipment	13,114	380	834	-	14,328	
Transportation	31,839	438	961	-	33,238	
	<u>\$ 2,147,793</u>	<u>\$ 81,813</u>	<u>\$ 220,830</u>	242,824	2,693,260	
Less: Cost of Direct Benefit to Donors				<u>(242,824)</u>	<u>(242,824)</u>	
Total				<u>\$ -</u>	<u>\$ 2,450,436</u>	

See accompanying Notes to Financial Statements.

**NEVADA CHILDHOOD CANCER FOUNDATION
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

	(Audited) 2020	(Reviewed) 2019
	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (12,627)	\$ 260,377
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	122,845	119,233
Change in Net Present Value of Discounts for Pledges Receivable	(1,003)	(2,390)
(Increase) Decrease in Operating Assets:		
Accounts Receivable	21,905	(39,792)
Pledges Receivable	105,184	105,184
Prepaid Expenses	(1,307)	(6,134)
Deposits	-	3,228
Increase (Decrease) in Liabilities:		
Accounts Payable	27,575	9,448
Accrued Expenses	(1,832)	3,271
Deferred Compensation	91,924	41,385
Net Cash Provided by Operating Activities	<u>352,664</u>	<u>493,810</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	(288,893)	(553,177)
Purchase of Equipment	(15,126)	(51,625)
Net Cash Used by Investing Activities	<u>(304,019)</u>	<u>(604,802)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on Long-Term Debt	<u>(48,730)</u>	<u>(46,321)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(85)	(157,313)
Cash and Cash Equivalents - Beginning of Year	<u>548,979</u>	<u>706,291</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 548,894</u>	<u>\$ 548,978</u>
SUPPLEMENTAL DISCLOSURES		
Interest Paid During the Year	<u>\$ 84,121</u>	<u>86,529</u>

See accompanying Notes to Financial Statements.

**NEVADA CHILDHOOD CANCER FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Nevada Childhood Cancer Foundation (the "Foundation") was incorporated on May 11, 1993. The mission of the Foundation is to provide social, emotional, educational, and psychological support services and programs to families of children diagnosed with life threatening or critical illnesses such as cancer, HIV/AIDS, sickle cell, hemophilia, renal disorders, and immunologic diseases and to provide healing arts and wellness programs to adults touched by cancer and to chronically ill children and their caregivers. The Foundation is primarily supported through contributions sourced in the Southern Nevada region.

Basis of Accounting

The financial statements of the Foundation have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities.

Estimates

Timely preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures, some of which may need revision in future periods.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). Under FASB ASC, the Foundation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The financial statement presentation in these financial statements follows the recommendations of authoritative accounting guidance generally accepted in the United States. Net assets and revenues and other support are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment.

**NEVADA CHILDHOOD CANCER FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as restricted revenue when received and released from restrictions when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Restricted and Unrestricted Revenues

Contributions received, as well as investment income, are recorded as increases in net assets, depending on the existence and/or nature of any donor-imposed restrictions. When a restriction expires, donor restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Donor restricted contributions and investment income whose restrictions are met in the same period received are reported as unrestricted support.

Gifts of Long-Lived Assets

The Foundation reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must 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 temporarily 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.

Income Tax Status

The Foundation is a not-for-profit organization as described in Section 501(c)(3) of the Internal Revenue Code and is generally exempt from income taxes on related income pursuant to the appropriate section of the Internal Revenue Code.

Concentration of Credit Risk

Financial instruments that potentially subject the Foundation to concentrations of credit risk consist principally of cash and cash equivalents. The Foundation places its cash and cash equivalents with high credit quality financial institutions and generally limits the amount of credit exposure to the amount in excess of the FDIC insurance coverage limit of \$250,000. The Foundation has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk to cash.

**NEVADA CHILDHOOD CANCER FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

For the purposes of the statements of cash flows, the Foundation considers all highly-liquid investments with an initial maturity of three months or less to be cash equivalents.

Investments

Investments, consisting primarily of equity securities, corporate bonds and mutual funds, with readily determinable market values, are measured at fair value in the financial statements. Investment income or loss (including interest and dividends), realized gains and losses, and unrealized gains and losses on investments are recognized in the statement of activities.

Accounts Receivable

Accounts receivable are stated as unpaid balances, less any discounts and allowance for doubtful accounts. The Foundation provides for losses on receivables using the allowance method. The allowance is based on experience and other circumstances, which may affect the ability of parties to meet their obligations. It is the Foundation's policy to allow for any uncollectible receivables when management determines the receivable will not be collected. All receivables were deemed to be collectable and no allowances were made as of December 31, 2020 and 2019.

Pledges Receivable

Promises to give are classified as pledges receivable when the promise has been received and can be readily determined at its fair value. Pledges receivable are stated as the present value of unpaid balances, less any discounts and allowance for doubtful accounts. The Foundation provides for losses on pledges receivable using the allowance method. The allowance is based on experience and other circumstances, which may affect the ability of parties to meet their obligations. It is the Foundation's policy to allow for any uncollectible pledges receivable when management determines the receivable will not be collected. All pledges receivable were deemed to be collectable and no allowances were made as of December 31, 2020 or 2019. Refer to Note 3 for additional information on pledges receivable.

Property and Equipment

Property and equipment are carried at cost, or if donated, at the approximate fair value at the date of the donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The Foundation capitalizes items that have a useful life greater than one year and a cost of \$500 or more.

**NEVADA CHILDHOOD CANCER FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of Long-Lived Assets

The Foundation reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net undiscounted cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount which the carrying amount of the assets exceeds the fair value of the assets.

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Foundation.

Advertising Expenses

Advertising costs are expensed as incurred. Total advertising costs for the years ended December 31, 2020 and 2019 were \$2,241 and \$18,000, respectively.

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

Date of Management Review

Subsequent events have been evaluated through December 14, 2021, which is the date the financial statements were available to be issued.

NEVADA CHILDHOOD CANCER FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 2 INVESTMENTS AND FAIR VALUE

Fair value is identified as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and is measured according to a hierarchy that includes: “Level 1” inputs, such as quoted prices in an active market for identical assets or liabilities; “Level 2” inputs, which are observable inputs for similar assets; or “Level 3” inputs, which are unobservable inputs.

Investments below are measured at fair value on a recurring basis at December 31 and are all Level 1 investments. Investments are summarized as follows:

	<u>2020</u>	<u>2019</u>
Money Market	\$ 1,010,847	\$ 1,416,885
Equity Securities	593,015	449,367
Mutual Funds	738,477	187,194
Total	<u>\$ 2,342,339</u>	<u>\$ 2,053,446</u>

Total investment return for the years ended December 31 consisted of the following:

	<u>2020</u>	<u>2019</u>
Interest and Dividends	\$ 15,372	\$ 22,027
Realized Gains	8,582	16,690
Unrealized Gains (Losses)	(1,443)	48,639
Total	<u>\$ 22,511</u>	<u>\$ 87,356</u>

NOTE 3 PLEDGES RECEIVABLE

The pledges receivable balance at December 31, 2020 and 2019 consisted of restricted pledges. Pledges receivable to be received after one year were discounted at a rate of 1.32%.

	<u>2020</u>	<u>2019</u>
Right of Use	\$ 7,776	\$ 12,960
Education	-	100,000
Total Pledges Receivable	<u>\$ 7,776</u>	<u>\$ 112,960</u>
Receivable in Less than One Year	-	105,000
Receivable in One to Five Years	7,776	7,960
Total	7,776	112,960
Less: Unamortized Discount	(108)	(1,111)
Total	7,668	111,849
Less: Current Portion	-	(105,000)
Long-Term Portion	<u>\$ 7,668</u>	<u>\$ 6,849</u>

**NEVADA CHILDHOOD CANCER FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 4 PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31:

	<u>2020</u>	<u>2019</u>
Computers and Hardware	24,114	16,989
Vehicles	25,655	25,655
Furniture, Fixtures, and Equipment	76,655	68,655
Land	371,113	371,113
Buildings and Leasehold Improvements	<u>2,423,689</u>	<u>2,423,689</u>
Total Property and Equipment	2,921,226	2,906,101
Less: Accumulated Depreciation	<u>404,781</u>	<u>281,937</u>
Total Property and Equipment	<u><u>\$ 2,516,445</u></u>	<u><u>\$ 2,624,164</u></u>

Depreciation expense for the years ended December 31, 2020 and 2019 were \$122,845 and \$119,234, respectively.

NOTE 5 DEFERRED COMPENSATION

On September 1, 2015, a deferred compensation plan was established by the Nevada Childhood Cancer Foundation and is intended to be an unfunded, nonqualified deferred compensation plan maintained primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees within the meaning of Employee Retirement Income Security Act of 1974, as amended (ERISA), and the Internal Revenue Code of 1986, as amended (the Code).

This plan is designated for internal use only and is not registered with the IRS. Qualifications of the plan dictate that eligible management be employed by the Foundation for a minimum of 10 years in order to be eligible. The chief executive officer is the only eligible employee of the Foundation as of the effective date of the plan. He has received participation and is fully vested per the terms and conditions of the plan. In the event of termination of employment with the Foundation (voluntary/involuntary) the vested portion of the account will be paid. In the event of termination (voluntary/involuntary), which violated the non-compete and nondisclosure agreement the participant shall forfeit all compensation plan benefit balances.

Currently, the Foundation has established an investment account with proceeds to the account amounting to \$201,685 and \$109,761 as of December 31, 2020 and 2019, respectively. During the years ended December 31, 2020 and 2019, payroll expenses of \$25,000 were related to this plan. No additional funds have been contributed to the account, and no vesting or distributions have been withdrawn from the account, during the years ended December 31, 2020 and 2019.

**NEVADA CHILDHOOD CANCER FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 6 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were held in the following assets at December 31:

	<u>2020</u>	<u>2019</u>
Cash and Equivalents	\$ 787,868	\$ 890,650
Pledges Receivable, Net	7,668	111,849
Total	<u>\$ 795,536</u>	<u>\$ 1,002,499</u>

Net assets with donor restrictions consist of the following as of December 31:

	<u>2020</u>	<u>2019</u>
Education	\$ -	\$ 99,180
Camp Cartwheel	312,552	355,833
The Caring Place	475,316	534,818
Time Restricted Only	7,668	12,668
	<u>\$ 795,536</u>	<u>\$ 1,002,499</u>

NOTE 7 CONCENTRATIONS

The Foundation receives its revenue primarily from donor contributions generated in Southern Nevada. For the year ended December 31, 2020, the Foundation had one donor that accounted for approximately 35% of all contributions received. For the year ended December 31, 2019, the Foundation had one donor that accounted for approximately 23% of all contributions received.

One donor accounted for approximately 100% and 89% of the total pledges receivable balance at December 31, 2020 and 2019, respectively.

For the year ended December 31, 2019, the Foundation received donated classroom space located in the Sunrise Children's Hospital, the value of which is recognized as in-kind revenue and expense in the statements of activities. The Torino Foundation Classroom, which is funded by one significant donor, provides educational assistance for children who are required to miss school due to an extended stay in the hospital. The classroom is conveniently located on the premises of the hospital so that the children are required to travel only a very short distance. If at any time the hospital decides to charge rent for the classroom, and the funding by the significant donor is stopped, the Foundation may no longer be able to support The Torino Foundation Classroom.

NEVADA CHILDHOOD CANCER FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 8 DONATED GOODS AND SERVICES

The Foundation receives a significant amount of donated services from unpaid volunteers. The value of such services has not been reflected in the accompanying financial statements since the volunteers' time does not meet the criteria for recognition as contributed services.

Generally, donated goods, if significant in amount, are recorded at their fair market value, provided the Foundation has a clearly measurable and objective basis for determining the value. In the case of goods where such values cannot reasonably be determined, the donation is not recorded.

In accordance with FASB ASC, donated professional services are recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would otherwise be purchased by the Foundation. Donated services valued at \$126,854 and \$442,783 were provided by licensed professionals, such as doctors, nurses, instructors and contractors for the years ending December 31, 2020 and 2019, respectively, in support of the Foundation's program.

NOTE 9 SIGNIFICANT ESTIMATES

The Foundation receives significant amounts of donated goods and services, as described in Note 8. This is recognized as in-kind revenue and in-kind expense, unless the items meet capitalization requirements or is determined to be a pledge. The valuation of these in-kind donations is a significant estimate. The amount recorded as revenue and expense is determined by using management's assessment of the reasonableness of invoices provided by the vendors who provide the in-kind goods and services, or through research to determine a reasonable estimate.

Significant estimates are used to allocate expenses by function. The estimate of the functional expense allocation is based upon a salary allocation of non-direct expenses. The salary allocation is determined based on how much time each employee spends working in each function.

**NEVADA CHILDHOOD CANCER FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 10 LONG-TERM DEBT

On April 16, 2018, the Foundation obtained a note payable from Mutual of Omaha. The loan has an interest rate of 5.5% and is payable in monthly installments of \$11,070.91. The loan is secured by the building and is due in full in May of 2023. The balance of the loan is \$1,477,754 and \$1,526,484 as of December 31, 2020 and 2019, respectively.

Long-term maturities are as follows:

<u>Years Ending December 31,</u>	
2021	51,744
2022	54,704
2023	1,371,306
Total	<u>\$ 1,477,754</u>

Interest expense related to the long-term debt totaled \$84,121 and \$86,529 for the years ended December 31, 2020 and 2019, respectively.

NOTE 11 PAYCHECK PROTECTION PROGRAM LOAN

The Payroll Protection Program (PPP), established as part of the Coronavirus Aid, Relief and Economic Security Act (CARES Act) provides for funding of qualifying organizations for amounts up to 2.5 times the average monthly payroll expenses of the qualifying organization. The amount funded plus any accrued interest are forgivable after eight or twenty-four weeks if the organization uses the loan proceeds for eligible purposes, including payroll, benefits, rent, and utilities, and maintains its payroll levels. The amount of forgiveness will be reduced if the borrower terminates employees or reduces salaries during the forgiveness period. The Foundation recorded its PPP funding pursuant to ASC 958-605 "Grants and Contributions" as a conditional contribution. The Foundation recognized \$167,304 of revenue for PPP loan forgiveness for the year ended December 31, 2020. Subsequent to year-end, the SBA formally approved forgiveness.

NOTE 12 LIQUIDITY

Under ASU 2016-14, the Foundation is required to disclose the assets it has available at December 31, 2020 and 2019 to meet its cash needs for general expenditures within one year of the date of the statement of financial position. Financial assets for the Foundation include cash and cash equivalents, investments, and accounts receivable.

	2020	2019
Financial Assets	\$ 2,921,870	\$ 2,759,967
Less: Those Unavailable for General Expenditures Within One Year, Due to:		
Restrictions by Donor with Time or Purpose	(795,536)	(1,002,499)
Financial Assets Available to Meet Cash Needs For General Expenditures Within One Year	\$ 2,126,334	\$ 1,757,468

NEVADA CHILDHOOD CANCER FOUNDATION
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NOTE 12 LIQUIDITY (CONTINUED)

From time to time, the Foundation receives donor-restricted contributions. Because donor restrictions require resources to be used in a particular manner or in a future period, the Foundation must maintain sufficient resources to meet those responsibilities. Thus, financial assets may not be available for general expenditure within one year. As part of the Foundation's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

NOTE 13 RISKS AND UNCERTAINTIES

During the year ended December 31, 2020, the World Health Organization declared the spread of the Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, business, and communities. Specific to the Foundation, COVID-19 has impacted various parts of its 2021 and 2020 operations and financial results. Management believes the Foundation is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events are ongoing and are still developing.

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