

NEVADA CHILDHOOD CANCER FOUNDATION
FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021



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**NEVADA CHILDHOOD CANCER FOUNDATION
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Nevada Childhood Cancer Foundation
Las Vegas, Nevada

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Nevada Childhood Cancer Foundation, 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 Nevada Childhood Cancer Foundation 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 (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Nevada Childhood Cancer Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Nevada Childhood Cancer Foundation's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

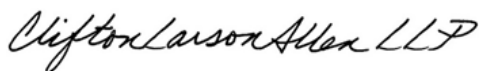
Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 GAAS 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 GAAS, 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 Nevada Childhood Cancer Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Nevada Childhood Cancer Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.



CliftonLarsonAllen LLP

Las Vegas, Nevada
September 7, 2023

NEVADA CHILDHOOD CANCER FOUNDATION
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 1,035,393	\$ 554,309
Investments	2,617,845	2,803,422
Accounts Receivable	30,601	5,699
Pledges Receivable - Current	-	105,000
Prepaid Expenses	22,447	22,047
Total Current Assets	<u>3,706,286</u>	<u>3,490,477</u>
OTHER ASSETS		
Pledges Receivable, Net of Current Portion and Discount	-	2,579
Property and Equipment, Net	2,352,806	2,433,185
Deposits	1,647	1,647
Total Other Assets	<u>2,354,453</u>	<u>2,437,411</u>
Total Assets	<u><u>\$ 6,060,739</u></u>	<u><u>\$ 5,927,888</u></u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 135,071	\$ 10,054
Accrued Expenses	47,590	36,396
Current Portion of Long-Term Debt	35,547	54,704
Total Current Liabilities	<u>218,208</u>	<u>101,154</u>
LONG-TERM LIABILITIES		
Long-Term Debt, Net of Current Portion	1,335,528	1,371,286
Deferred Compensation	272,293	259,075
Total Long-Term Liabilities	<u>1,607,821</u>	<u>1,630,361</u>
Total Liabilities	1,826,029	1,731,515
NET ASSETS		
Without Donor Restrictions	3,659,857	3,336,826
With Donor Restrictions	574,853	859,547
Total Net Assets	<u>4,234,710</u>	<u>4,196,373</u>
Total Liabilities and Net Assets	<u><u>\$ 6,060,739</u></u>	<u><u>\$ 5,927,888</u></u>

See accompanying Notes to Financial Statements.

NEVADA CHILDHOOD CANCER FOUNDATION
STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS		
Revenues, Gains, and Other Support:		
Contributions	\$ 801,220	\$ 871,581
In-Kind Donations	450,508	391,471
Special Events:		
Special Event Revenue	\$ 790,227	\$ 784,660
Cost of Direct Benefits to Donors	<u>(257,009)</u>	<u>(186,383)</u>
Net Revenues from Special Events	533,218	598,277
Investment Income (Loss)	(49,854)	100,658
Released from Restrictions	<u>496,302</u>	<u>544,060</u>
Total Revenues, Gains, and		
Other Support	<u>2,231,394</u>	<u>2,506,047</u>
Expenses:		
Program Services	2,070,832	1,875,954
Supporting Services:		
Management and General	82,366	77,881
Fundraising	<u>151,627</u>	<u>138,533</u>
Total Expenses	<u>2,304,825</u>	<u>2,092,368</u>
INCREASE (DECREASE) IN NET ASSETS		
WITHOUT DONOR RESTRICTION	(73,431)	413,679
NET ASSETS WITH DONOR RESTRICTIONS		
Contributions	608,070	608,070
Released from Restrictions:		
Satisfied by Purpose or Time	<u>(496,302)</u>	<u>(544,060)</u>
INCREASE IN NET ASSETS		
WITH DONOR RESTRICTION	<u>111,768</u>	<u>64,010</u>
INCREASE IN NET ASSETS	38,337	477,689
Net Assets - Beginning of Year	<u>4,196,373</u>	<u>3,718,684</u>
NET ASSETS - END OF YEAR	<u><u>\$ 4,234,710</u></u>	<u><u>\$ 4,196,373</u></u>

See accompanying Notes to Financial Statements.

**NEVADA CHILDHOOD CANCER FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2022**

		Supporting Services		Special Events	
	Program	Management and General	Fundraising	Direct Benefits to Donor	Total
Salaries	\$ 734,007	\$ 22,275	\$ 72,110	\$ -	\$ 828,392
Payroll Taxes	56,811	1,724	5,581	-	64,116
Employee Benefits	165,967	45,037	16,305	-	227,309
Advertising	75	-	-	-	75
Bank Fees	20,688	272	6,457	-	27,417
Conferences	1,049	-	-	-	1,049
Direct Services	578,190	-	-	-	578,190
Depreciation	120,623	3,661	11,850	-	136,134
Insurance	57,545	1,746	5,653	-	64,944
Interest	69,057	2,096	6,784	-	77,937
Meals and Entertainment	3,712	28	114	-	3,854
Occupancy	113,488	2,141	6,930	-	122,559
Fundraising	4,432	-	8,882	-	13,314
Professional Fees	64,307	1,824	5,903	-	72,034
Program Supplies	16,770	411	1,331	-	18,512
Repairs and Maintenance	23,803	720	2,332	-	26,855
Equipment	6,933	211	681	-	7,825
Transportation	33,375	220	714	-	34,309
Total	<u>\$ 2,070,832</u>	<u>\$ 82,366</u>	<u>\$ 151,627</u>	257,009	2,561,834
Less: Cost of Direct Benefit to Donors				<u>(257,009)</u>	<u>(257,009)</u>
Total				<u>\$ -</u>	<u>\$ 2,304,825</u>

See accompanying Notes to Financial Statements.

NEVADA CHILDHOOD CANCER FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2021

		Supporting Services		Special Events	
	Program	Management and General	Fundraising	Direct Benefits to Donor	Total
Salaries	\$ 718,597	\$ 19,828	\$ 64,546	\$ -	\$ 802,971
Payroll Taxes	56,009	1,545	5,031	-	62,585
Employee Benefits	163,064	44,499	14,647	-	222,210
Bank Fees	19,857	249	7,272	-	27,378
Conferences	969	-	-	-	969
Direct Services	468,871	-	-	-	468,871
Depreciation	117,361	3,238	10,542	-	131,141
Insurance	52,225	1,441	4,690	-	58,356
Interest	72,566	2,002	6,518	-	81,086
Meals and Entertainment	1,305	11	37	-	1,353
Occupancy	76,631	2,100	6,837	-	85,568
Fundraising	2,797	-	8,753	-	11,550
Professional Fees	66,314	1,733	5,641	-	73,688
Program Supplies	12,982	200	651	-	13,833
Repairs and Maintenance	22,758	572	1,861	-	25,191
Equipment	14,928	412	1,341	-	16,681
Transportation	8,720	51	166	-	8,937
Total	<u>\$ 1,875,954</u>	<u>\$ 77,881</u>	<u>\$ 138,533</u>	<u>\$ 186,383</u>	<u>\$ 2,278,751</u>
Less: Cost of Direct Benefit to Donors				<u>(186,383)</u>	<u>(186,383)</u>
Total				<u>\$ -</u>	<u>\$ 2,092,368</u>

See accompanying Notes to Financial Statements.

NEVADA CHILDHOOD CANCER FOUNDATION
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	\$ 38,337	\$ 477,689
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	136,134	131,141
Unrealized (Gain) Loss on Investments	74,808	(34,386)
Change in Net Present Value of Discounts for Pledges Receivable	-	(95)
(Increase) Decrease in Operating Assets:		
Accounts Receivable	80,098	24,938
Pledges Receivable	2,579	(99,816)
Prepaid Expenses	(400)	20,355
Increase (Decrease) in Liabilities:		
Accounts Payable	125,017	(48,277)
Accrued Expenses	11,194	2,818
Deferred Compensation	13,218	57,390
Net Cash Provided by Operating Activities	<u>480,985</u>	<u>531,757</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	110,769	(426,697)
Purchase of Equipment	(55,755)	(47,881)
Net Cash Provided (Used) by Investing Activities	<u>55,014</u>	<u>(474,578)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on Long-Term Debt	<u>(54,915)</u>	<u>(51,764)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	481,084	5,415
Cash and Cash Equivalents - Beginning of Year	<u>554,309</u>	<u>548,894</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 1,035,393</u></u>	<u><u>\$ 554,309</u></u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Interest Paid During the Year	<u><u>\$ 77,937</u></u>	<u><u>81,087</u></u>

See accompanying Notes to Financial Statements.

NEVADA CHILDHOOD CANCER FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

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.

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.

NEVADA CHILDHOOD CANCER FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 statements 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 nonprofit 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.

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 statements of activities.

NEVADA CHILDHOOD CANCER FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2022 and 2021.

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 uncollectable 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, 2022 or 2021. 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.

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.

NEVADA CHILDHOOD CANCER FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Advertising Expenses

Advertising costs are expensed as incurred. Total advertising costs for the years ended December 31, 2022 and 2021 were \$75 and \$-0-, respectively.

Date of Management Review

Subsequent events have been evaluated through September 7, 2023, which is the date the financial statements were available to be issued.

Adoption of New Accounting Standards

In February 2016, the Financial Accounting Standards Board (FASB) issued ASU 2016-02, Leases (Topic 842). This new standard increases transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the balance sheet. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases. There was no material impact on the Foundation's financial position and results of operations as a result of the adoption of this accounting standard.

The FASB has also issued ASU 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The FASB issued this ASU to improve the transparency of contributed nonfinancial assets through enhancements to presentation and disclosure. Nonfinancial assets are defined within the ASU as including fixed assets (such as land, buildings, and equipment), use of fixed assets or utilities, materials, and supplies, intangible assets, services and unconditional promises of those assets. The amendments do not change the recognition and measurement of nonfinancial assets. The Foundation's financial statements reflect the application of ASU 2020-07 guidance retrospectively.

NEVADA CHILDHOOD CANCER FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

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 – 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:

	2022	2021
Money Market	\$ 120,990	\$ 1,119,135
Equity Securities	2,360,712	897,421
Mutual Funds	136,143	786,866
Total	<u>\$ 2,617,845</u>	<u>\$ 2,803,422</u>

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

	2022	2021
Interest and Dividends	\$ 32,418	\$ 20,880
Realized Gains (Losses)	(7,464)	5,268
Unrealized Gains (Losses)	(74,808)	74,510
Total	<u>\$ (49,854)</u>	<u>\$ 100,658</u>

NOTE 3 PLEDGES RECEIVABLE

The pledges receivable balance at December 31, 2022 and 2021 consisted of restricted pledges. Pledges receivable to be received after one year were discounted at a rate of 1.32%.

	2022	2021
Right of Use		\$ 107,592
Total Pledges Receivable	<u>\$ -</u>	<u>\$ 107,592</u>
Receivable in Less than One Year		\$ 105,000
Receivable in One to Five Years		2,592
Total	-	107,592
Less: Unamortized Discount	-	(13)
Long-Term Portion	<u>\$ -</u>	<u>\$ 2,579</u>

NEVADA CHILDHOOD CANCER FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 4 PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31:

	2022	2021
Computers and Hardware	\$ 104,482	\$ 66,327
Vehicles	25,655	25,655
Furniture, Fixtures, and Equipment	94,255	76,655
Land	371,113	371,113
Buildings and Leasehold Improvements	2,417,089	2,417,089
Total Property and Equipment	3,012,594	2,956,839
Less: Accumulated Depreciation	659,788	523,654
Property and Equipment, Net	<u>\$ 2,352,806</u>	<u>\$ 2,433,185</u>

Depreciation expense for the years ended December 31, 2022 and 2021 were \$136,134 and \$131,141, 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.

This plan is designated for internal use only and is not registered with the Internal Revenue Service. 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 noncompete 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 \$272,293 and \$259,075 as of December 31, 2022 and 2021, respectively. During the years ended December 31, 2022 and 2021, payroll expenses of \$40,000 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, 2022 and 2021.

NEVADA CHILDHOOD CANCER FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 6 NET ASSETS WITH DONOR RESTRICTIONS

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

	2022	2021
Camp Cartwheel	\$ 574,508	\$ 497,679
The Caring Place	345	359,289
Time Restricted Only	-	2,579
Total	<u>\$ 574,853</u>	<u>\$ 859,547</u>

NOTE 7 CONCENTRATIONS

The Foundation receives its revenue primarily from donor contributions generated in Southern Nevada. For the year ended December 31, 2022, the Foundation had two donors that accounted for approximately 36% of all contributions received. For the year ended December 31, 2021, the Foundation had one donor that accounted for approximately 26% of all contributions received.

Two donors accounted for approximately 93% of the total pledges receivable balance at December 31, 2021. There were no pledges receivable for the year ended December 31, 2022.

For the years ended December 31, 2022 and 2021, 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, 2022 AND 2021

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 \$401,805 and \$234,939 were provided by licensed professionals, such as doctors, nurses, instructors and contractors for the years ending December 31, 2022 and 2021, 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 nondirected expenses. The salary allocation is determined based on how much time each employee spends working in each function.

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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 was due in full in May of 2023. However, subsequent to year-end, the Foundation refinanced the note payable. The new interest rate is 6.35% and is payable in monthly installments of \$9,228.59. The loan is secured by the building and is due in full in March of 2048. The balance of the loan is \$1,371,075 and \$1,425,990 as of December 31, 2022 and 2021, respectively.

Long-term maturities are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2023	\$ 35,547
2024	23,599
2025	25,892
2026	27,363
2027	29,181
Thereafter	1,229,493
Total	<u>\$ 1,371,075</u>

Interest expense related to the long-term debt totaled \$77,937 and \$81,086 for the years ended December 31, 2022 and 2021, respectively.

NOTE 11 PAYCHECK PROTECTION PROGRAM LOAN

The Paycheck 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 received PPP loans in 2021 and 2020 and recorded its PPP funding pursuant to ASC 958-605 *Grants and Contributions* as a conditional contribution. The Foundation recognized \$-0- and \$171,205 of revenue for PPP loan forgiveness for the years ended December 31, 2022 and 2021, respectively. The SBA formally approved forgiveness for round two of funding in the amount of \$171,205.

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NOTE 12 LIQUIDITY

Under Accounting Standards Update 2016-14, the Foundation is required to disclose the assets it has available at December 31, 2022 and 2021 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.

	<u>2022</u>	<u>2021</u>
Financial Assets	\$ 3,683,839	\$ 3,468,430
Less: Those Unavailable for General Expenditures		
Within One Year, Due to:		
Restrictions by Donor with Time or Purpose	<u>(574,853)</u>	<u>(859,547)</u>
Financial Assets Available to Meet Cash Needs		
For General Expenditures Within One Year	<u>\$ 3,108,986</u>	<u>\$ 2,608,883</u>

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.

