



**THE ULMAN CANCER FUND FOR YOUNG ADULTS
T/A ULMAN FOUNDATION**

**Financial Statements
Together with Independent Auditors' Report**

For the Years Ended December 31, 2021 and 2020



INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
The Ulman Cancer Fund for Young Adults:

Opinion

We have audited the accompanying financial statements of The Ulman Cancer Fund for Young Adults (the Organization), which comprise the statements of financial position as of December 31, 2021 and 2020, 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 The Ulman Cancer Fund for Young Adults as of December 31, 2021, and 2020, 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.

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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Ulman Cancer Fund for Young Adults 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 The Ulman Cancer Fund for Young Adults to continue as a going concern within one year after the date that 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 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.
- 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 the Organization'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 the Organization'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.

SC&H ~~Attest~~ Services, P.C.

July 12, 2022

THE ULMAN CANCER FUND FOR YOUNG ADULTS T/A ULMAN FOUNDATION

Statements of Financial Position

<i>As of December 31,</i>	<i>2021</i>	<i>2020</i>
Assets		
Cash and cash equivalents	\$ 1,075,563	\$ 1,153,860
Pledges receivable, net	266,020	397,461
Other receivables, net	115,025	69,675
Investments	537,394	477,170
Prepaid expenses and other assets	68,890	67,727
Property and equipment, net	2,515,411	2,147,620
Total Assets	\$ 4,578,303	\$ 4,313,513
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 113,235	\$ 113,451
Deferred revenue - special events	180,626	145,175
Deferred rent	-	3,157
Capital lease obligations	10,300	2,872
Note payable, net of debt issuance costs	864,845	887,576
Total Liabilities	1,169,006	1,152,231
Commitments and Contingencies (Notes 8, 9 and 12)		
Net Assets		
Without Donor Restrictions		
Undesignated	1,812,166	1,488,190
Board designated	1,151,537	1,025,861
Total Net Assets Without Donor Restrictions	2,963,703	2,514,051
With Donor Restrictions	445,594	647,231
Total Net Assets	3,409,297	3,161,282
Total Liabilities and Net Assets	\$ 4,578,303	\$ 4,313,513

The accompanying notes are an integral part of these financial statements.

**THE ULMAN CANCER FUND
FOR YOUNG ADULTS
T/A ULMAN FOUNDATION**

Statements of Activities

<i>For the Years Ended December 31,</i>	<i>2021</i>			<i>2020</i>		
	<i>Without Donor Restrictions</i>	<i>With Donor Restrictions</i>	<i>Total</i>	<i>Without Donor Restrictions</i>	<i>With Donor Restrictions</i>	<i>Total</i>
Operating Revenues and Support						
Contributions	\$ 982,156	\$ 413,569	\$ 1,395,725	\$ 1,092,831	\$ 324,709	\$ 1,417,540
Special events, net of direct expenses of \$47,153 and \$50,760	304,062	-	304,062	326,041	-	326,041
Program fees	40,000	-	40,000	40,000	-	40,000
In-kind contributions	1,341	-	1,341	1,024	-	1,024
Net assets released from restrictions	567,606	(567,606)	-	301,289	(301,289)	-
Total Operating Revenues and Support, net	1,895,165	(154,037)	1,741,128	1,761,185	23,420	1,784,605
Operating Expenses						
Program services	1,386,555	-	1,386,555	1,517,830	-	1,517,830
General and administrative	101,294	47,600	148,894	251,546	9,880	261,426
Fundraising	148,910	-	148,910	230,557	-	230,557
Total Operating Expenses	1,636,759	47,600	1,684,359	1,999,933	9,880	2,009,813
Change in Net Assets from Operating Activities	258,406	(201,637)	56,769	(238,748)	13,540	(225,208)
Non-Operating Revenues and Expenses						
Other revenue, net	15,041	-	15,041	60,658	-	60,658
Paycheck Protection Program income (Note 11)	166,775	-	166,775	210,872	-	210,872
Interest expense	(55,021)	-	(55,021)	(51,284)	-	(51,284)
Gain (loss) on disposal of property and equipment	3,013	-	3,013	(560)	-	(560)
Investment income, net	61,438	-	61,438	26,590	-	26,590
Total Non-Operating Revenues and Expenses, net	191,246	-	191,246	246,276	-	246,276
Change in Net Assets	449,652	(201,637)	248,015	7,528	13,540	21,068
Net Assets, beginning of year	2,514,051	647,231	3,161,282	2,506,523	633,691	3,140,214
Net Assets, end of year	\$ 2,963,703	\$ 445,594	\$ 3,409,297	\$ 2,514,051	\$ 647,231	\$ 3,161,282

The accompanying notes are an integral part of these financial statements.

**THE ULMAN CANCER FUND
FOR YOUNG ADULTS
T/A ULMAN FOUNDATION**

**Statement of Functional Expenses
For the Year Ended December 31, 2021**

	Program Services	General and Administrative	Fundraising	Total
Salaries and wages	\$ 710,935	\$ 23,698	\$ 55,295	\$ 789,928
Community outreach	254,710	-	48,793	303,503
Depreciation	81,587	612	612	82,811
Payroll taxes	57,737	1,925	4,491	64,153
Employee benefits	54,439	1,815	4,234	60,488
Bad debts	-	58,779	-	58,779
Bank charges	38,563	7,420	7,502	53,485
Accounting and legal fees	5,173	41,869	287	47,329
Office expenses	28,683	3,435	7,853	39,971
Rent	35,800	1,796	1,770	39,366
Contractual services	30,040	3,755	3,755	37,550
Insurance	20,501	1,139	1,139	22,779
Meetings and conferences	16,227	776	3,871	20,874
Advertising and branding	11,194	-	5,645	16,839
Postage and delivery	13,605	91	2,555	16,251
Dues and subscriptions	10,057	1,367	320	11,744
Telephone	5,014	167	218	5,399
Support groups	3,239	-	-	3,239
Utilities	2,859	113	114	3,086
Website	2,133	48	177	2,358
In-kind expenses	1,266	-	75	1,341
Automobile repairs	1,188	64	64	1,316
Printing and publications	883	-	103	986
Travel	722	25	37	784
Total Operating Expenses	\$ 1,386,555	\$ 148,894	\$ 148,910	\$ 1,684,359

The accompanying notes are an integral part of these financial statements.

**THE ULMAN CANCER FUND
FOR YOUNG ADULTS
T/A ULMAN FOUNDATION**

**Statement of Functional Expenses
For the Year Ended December 31, 2020**

	Program Services	General and Administrative	Fundraising	Total
Salaries and wages	\$ 676,267	\$ 90,272	\$ 123,737	\$ 890,276
Community outreach	343,515	-	34,455	377,970
Rent	102,338	12,381	12,792	127,511
Depreciation	86,080	2,212	2,212	90,504
Employee benefits	56,541	7,071	7,509	71,121
Bad debts	-	70,314	-	70,314
Payroll taxes	52,480	6,992	9,524	68,996
Accounting and legal fees	1,455	55,448	41	56,944
Bank charges	29,697	4,530	4,530	38,757
Insurance	30,642	2,847	2,847	36,336
Website	24,879	2,130	6,734	33,743
Scholarships	30,000	-	-	30,000
Advertising and branding	14,655	-	9,671	24,326
Office expenses	15,742	1,906	1,814	19,462
Contractual services	10,800	1,350	5,548	17,698
Meetings and conferences	11,507	281	4,597	16,385
Telephone	8,995	697	897	10,589
Dues and subscriptions	6,185	1,824	461	8,470
Postage and delivery	4,043	437	1,852	6,332
Utilities	4,527	566	566	5,659
Support groups	3,343	-	-	3,343
Printing and publications	1,983	168	168	2,319
Travel	891	-	602	1,493
In-kind expenses	1,024	-	-	1,024
Automobile repairs	241	-	-	241
Total Operating Expenses	\$ 1,517,830	\$ 261,426	\$ 230,557	\$ 2,009,813

The accompanying notes are an integral part of these financial statements.

THE ULMAN CANCER FUND FOR YOUNG ADULTS T/A ULMAN FOUNDATION

Statements of Cash Flows

<i>For the Years Ended December 31,</i>	<i>2021</i>	<i>2020</i>
Cash Flows from Operating Activities		
Change in net assets	\$ 248,015	\$ 21,068
Adjustments to reconcile change in net assets to net cash and cash equivalents provided by (used in) operating activities		
Contributions designated for capital improvements	(230,000)	(97,500)
Depreciation	82,811	90,504
Provision for uncollectible pledges receivable	56,779	34,000
Provision for uncollectible other receivables	2,000	36,314
Increase (decrease) in discount on pledges receivable	6	(3,656)
Amortization of debt issuance costs	4,082	4,082
Net realized and unrealized gain on investments	(49,043)	(21,581)
Interest and dividends reinvested	(14,648)	(5,462)
Gain (loss) on disposal of property and equipment	(3,013)	560
Changes in operating assets and liabilities:		
Pledges receivable	74,656	77,741
Other receivables	(47,350)	(70,503)
Prepaid expenses and other assets	(1,163)	18,057
Accounts payable and accrued expenses	(216)	10,791
Deferred revenue - special events	35,451	(122,317)
Deferred rent	(3,157)	(11,797)
Net Cash and Cash Equivalents Provided by (Used in) Operating Activities	155,210	(39,699)
Cash Flows from Investing Activities		
Purchases of property and equipment	(440,687)	(10,194)
Proceeds from sale of property and equipment	5,000	-
Proceeds from sale of investments	107,252	88,831
Purchases of investments	(103,785)	(134,677)
Net Cash and Cash Equivalents Used in Investing Activities	(432,220)	(56,040)
Cash Flows from Financing Activities		
Contributions designated for capital improvements	230,000	97,500
Principal payments on note payable	(26,813)	(15,812)
Principal payments on capital lease obligations	(4,474)	(8,708)
Net Cash and Cash Equivalents Provided by Financing Activities	198,713	72,980
Net Decrease in Cash and Cash Equivalents	(78,297)	(22,759)
Cash and Cash Equivalents, beginning of year	1,153,860	1,176,619
Cash and Cash Equivalents, end of year	\$ 1,075,563	\$ 1,153,860
Supplemental Cash Flow Information		
Cash paid for interest	\$ 50,939	\$ 47,202
Supplemental Disclosure of Noncash Investing and Financing Activities		
Acquisition of property and equipment financed with capital leases	\$ 11,904	\$ -

The accompanying notes are an integral part of these financial statements.

THE ULMAN CANCER FUND FOR YOUNG ADULTS T/A ULMAN FOUNDATION

Notes to the Financial Statements For the Years Ended December 31, 2021 and 2020

1. DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of the Organization

The Ulman Cancer Fund for Young Adults (Organization), trading as Ulman Foundation, provides support programs, education and resources, free of charge, to young adults affected by cancer and their families and friends. The Organization also promotes awareness and prevention of cancer through various programs and printed material.

Basis of Accounting

The accompanying financial statements of the Organization are prepared on the accrual basis of accounting whereby revenue is recognized when earned and expenses are recognized when incurred.

Financial Statement Presentation

The financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, *Not-For-Profit Entities: Presentation of Financial Statements* (ASC 958). Under ASC 958, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions.

Net assets without donor restrictions: Net assets without donor restrictions are the net assets that are not restricted by donor-imposed stipulations:

Undesignated – Represents resources available for support of operations. Contributions with donor-imposed restrictions that are met in the same reporting period that the contribution is received are reported as net assets without donor restrictions.

Board designated – Represents certain amounts designated by the Organization's Board of Directors (the Board), to be spent only for purposes approved by the Board.

Net assets with donor restrictions: Net assets with donor restrictions result from contributions whose use is limited by donor-imposed stipulations. Net assets may be donor restricted for use in future periods or use for specified purposes. Donor restrictions may expire by the passage of time or can be fulfilled by actions of the Organization pursuant to these stipulations. Net assets with donor restrictions may also result from contributions whose use is limited by donor-imposed stipulations that neither expire by the passage of time nor can be fulfilled by the Organization's actions.

THE ULMAN CANCER FUND FOR YOUNG ADULTS T/A ULMAN FOUNDATION

Notes to the Financial Statements For the Years Ended December 31, 2021 and 2020

1. DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd.

Use of Estimates

The 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 reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include highly liquid investments with original maturities of three months or less. The Organization maintains substantially all of its cash with one commercial bank. Accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per depositor. The Organization periodically maintains cash balances in excess of FDIC coverage. Management considers this to be a normal business risk.

Pledges Receivable

Pledges receivable are recognized when donors and corporate sponsors make a promise to contribute to the Organization that is, in substance, unconditional.

In accordance with ASC 958-310, *Not-for-Profit Entities: Receivables*, pledges receivable to be received in a future period are discounted to their net present value at the time the promise to give is recorded.

The Organization uses the allowance method to determine the reserve for uncollectible pledges. The allowance is based on historical experience and management's analysis of specific pledges. The allowance for doubtful pledges receivable totaled \$49,358 and \$45,508 as of December 31, 2021 and 2020, respectively.

Other Receivables

The Organization utilizes the allowance method to provide for doubtful accounts based on management's evaluation of the collectability of other receivables. The Organization determines other receivables to be delinquent when greater than 90 days past due. Other receivables are written off when management determines amounts to be uncollectible. The allowance for doubtful other receivables totaled \$2,000 and \$4,000 as of December 31, 2021 and 2020, respectively.

THE ULMAN CANCER FUND FOR YOUNG ADULTS T/A ULMAN FOUNDATION

Notes to the Financial Statements For the Years Ended December 31, 2021 and 2020

1. DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd.

Property and Equipment

Property and equipment is recorded at cost if purchased and fair value if donated. The Organization's current policy is to capitalize all property and equipment greater than \$500. Upon disposal of property and equipment, the cost of the asset and the related accumulated depreciation are removed from the accounts and any resulting gain or loss is recorded in earnings. Expenditures for repairs and maintenance are charged to operations as incurred. Depreciation of property and equipment are determined on a straight-line basis over the estimated useful lives as follows:

Computer Equipment	5 years
Vehicles	5 years
Leasehold Improvements	39 years
Race Equipment	10 years
Furniture and Fixtures	7 years
Buildings	39 years

Valuation of Long-Lived Assets

The Organization accounts for the valuation of long-lived assets in accordance with ASC 360, *Property, Plant and Equipment*. ASC 360 requires that long-lived assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of the long-lived asset is measured by a comparison of the carrying amount of the asset to future undiscounted net 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 by which the carrying amount of the assets exceeds the estimated fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value, less costs to sell. Management has determined that there is no impairment indicated or assets held for disposal as of December 31, 2021 and 2020.

Revenue Recognition

In accordance with ASC 606, revenue is recognized when a customer obtains control of promised goods or services (performance obligation) in an amount that reflects the consideration the Organization expects to receive in exchange for those goods or services (transaction price). The Organization recorded the following exchange transaction revenue in its statements of activities for the years ended December 31, 2021 and 2020:

Program fees: The Organization enters into contracts with hospitals to help navigate cancer patients of the hospital through the treatment process. The hospital pays a fixed-fee contract price in equal installments over the contract period. Program fee revenue is recognized as the services are rendered.

THE ULMAN CANCER FUND FOR YOUNG ADULTS T/A ULMAN FOUNDATION

Notes to the Financial Statements For the Years Ended December 31, 2021 and 2020

1. DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd.

Revenue Recognition – cont'd.

Special event revenue: The Organization conducts special events and a portion of the gross proceeds paid by the participant represent an exchange component and a non-exchange component. The special event exchange component consists of the event fee, which is paid to attend the event. The event fee is set by the Organization. The performance obligation is the delivery of the event. The special event revenue exchange component totaled \$82,395 and \$79,095 during the years ended December 31, 2021 and 2020, respectively. The special event non-exchange component consists of sponsorships and contributions that are received from the event. The non-exchange component is the excess of gross proceeds over the fair value of the direct donor benefit. The direct costs of the special events, which ultimately benefit the participant rather than the Organization, are netted against special events revenue in the accompanying statements of activities.

Deferred Revenue

The Organization receives payments in advance of the date of special events. The payments are initially deferred and are recognized as revenue upon delivery of the special event.

Contributions

The Organization records contribution revenue in accordance with FASB ASC 958-605 *Not-for-Profit Entities Revenue Recognition*. In accordance with ASC 958-605, contributions received, including unconditional promises to give (pledges), are recorded as contributions with or without donor restrictions depending on the existence and/or nature of any donor restrictions. Contributions are recognized when the donor makes an unconditional promise to give to the Organization. If an unconditional promise to give is not previously made, then the contribution is recognized when received. Contribution revenue is reported at the fair value of expected future cash flows.

Contributions received, including unconditional promises to give (pledges), are recognized as revenues, in the appropriate category of net assets in the period received. Conditional promises to give are not recognized until the related conditions are substantially met.

In-Kind Contributions

The Organization receives in-kind contributions, which consist of, but are not limited to donated goods and services. The donated services are recognized if the service creates or enhances long-lived assets or if the service is provided by an individual possessing a specialized skill, which would typically be purchased had it not been provided in-kind. Donated goods and services are recorded at the fair value of the good or service provided. For the years ended December 31, 2021, and 2020, in-kind contributions totaled \$1,341 and \$1,024, respectively, and are classified as in-kind contributions within the accompanying statements of activities.

THE ULMAN CANCER FUND FOR YOUNG ADULTS T/A ULMAN FOUNDATION

Notes to the Financial Statements For the Years Ended December 31, 2021 and 2020

1. DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont’d.

In-Kind Contributions – cont’d.

Donated goods and services that create or enhance long-lived assets are capitalized. For the years ended December 31, 2021 and 2020, there were no donated goods and services which enhanced long-lived assets.

Fair Value Measurement

ASC 820, *Fair Value Measurement*, defines fair value and establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement). The three levels of the fair value hierarchy under ASC 820 are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets to which the Organization has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset’s or liability’s fair value measurement level within the fair value hierarchy is based upon the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

THE ULMAN CANCER FUND FOR YOUNG ADULTS T/A ULMAN FOUNDATION

Notes to the Financial Statements For the Years Ended December 31, 2021 and 2020

1. DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont’d.

Fair Value Measurement – cont’d.

The following is a description of the valuation methodologies used for assets and liabilities measured at fair value:

Common Stocks: Valued at the closing price reported in the active market in which the individual securities are traded.

Exchange Traded Funds and Mutual Funds: Valued at the closing price reported in the active market in which the funds are offered (open-end mutual fund) or traded (closed-end mutual fund), as appropriate.

Mortgage Backed Securities: Valued utilizing the quoted prices and yields currently available on comparable bonds of issuers with similar credit ratings.

Real Estate Investment Trusts: Valued at the closing price reported in the active market in which the individual securities are traded.

Treasury Stripped Interest Security: Valued at the most recent bid price of the equivalent quoted yield for such securities or those of comparable maturity, quality and type.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain instruments could result in a different fair value measurement at the reporting date. There have been no changes in the methodologies used as of December 31, 2021 and 2020, respectively.

The following table sets forth by level, within the fair value hierarchy, the Organization’s assets measured at fair value as of December 31, 2021:

	Level 1	Level 2	Level 3	Total
Common Stocks	\$ 219,701	\$ -	\$ -	\$ 219,701
Exchange Traded Funds and Mutual Funds	232,524	-	-	232,524
Mortgage Backed Securities	-	16,513	-	16,513
Real Estate Investment Trusts	46,313	-	-	46,313
Treasury Stripped Interest Security	-	22,343	-	22,343
	\$ 498,538	\$ 38,856	\$ -	\$ 537,394

THE ULMAN CANCER FUND FOR YOUNG ADULTS T/A ULMAN FOUNDATION

Notes to the Financial Statements For the Years Ended December 31, 2021 and 2020

1. DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd.

Fair Value Measurement – cont'd.

The following table sets forth by level, within the fair value hierarchy, the Organization's assets measured at fair value as of December 31, 2020:

	Level 1	Level 2	Level 3	Total
Common Stocks	\$ 234,065	\$ -	\$ -	\$ 234,065
Exchange Traded Funds and Mutual Funds	177,449	-	-	177,449
Mortgage Backed Securities	-	17,292	-	17,292
Real Estate Investment Trusts	25,219	-	-	25,219
Treasury Stripped Interest Security	-	23,145	-	23,145
	\$ 436,733	\$ 40,437	\$ -	\$ 477,170

Investments and Investment Income

Investments are recorded at fair value. The cost of investments sold is determined using the specific identification method. Realized and unrealized gains or losses on investments are recorded in the period in which the gain or loss occurs.

Realized gains or losses on the sale of investments are computed on a specific identification basis and are recorded on the settlement date of the transaction in the appropriate net asset category.

The Board determines when investment funds can be spent. The Organization's investment policy is to have a diversified, risk-averse balanced portfolio which will provide a high total return over the long-term.

Investment Risks and Uncertainties

The Organization invests in a professionally managed portfolio. Such investments are exposed to various risks such as interest rate, market and credit. Due to the level of risk associated with such investments and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in risks in the near term could materially affect investment balances and the amounts reported in the financial statements.

THE ULMAN CANCER FUND FOR YOUNG ADULTS T/A ULMAN FOUNDATION

Notes to the Financial Statements For the Years Ended December 31, 2021 and 2020

1. DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd.

Debt Issuance Costs

The Organization accounts for debt issuance costs in accordance with ASC 835, *Simplifying the Presentation of Debt Issuance Costs*. ASC 835 requires that debt issuance costs be presented in the accompanying statements of financial position as a reduction from the related note payable.

As of December 31, 2021, and 2020, the debt issuance costs totaled \$28,574 and consist of costs incurred in connection with the issuance of a Note Payable (Note 5). The debt issuance costs are being amortized to interest expense over the term of the loan agreement using the straight-line method which is not materially different from the effective interest method. Amortization expenses totaled \$4,082 for each of the years ended December 31, 2021 and 2020. Accumulated amortization as of December 31, 2021 and 2020 totaled \$18,028 and \$13,946, respectively. The note payable on the accompanying statements of financial position has been reduced by the net debt issuance costs totaling \$10,546 and \$14,628 as of December 31, 2021 and 2020, respectively.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis within the accompanying statements of functional expenses. Expenses that could not be specifically traced to a particular function or expenses that benefit more than one functional category are allocated on the basis of estimates. The functional expense allocation is based on management's judgment over the portion of time an employee spends on a specific program or the perceived benefit to the program for which the expense was incurred.

Advertising

The Organization expenses advertising costs as incurred. Advertising costs totaled \$16,839 and \$24,326 for the years ended December 31, 2021 and 2020, respectively.

Deferred Rent

The Organization recognizes rent expense from noncancelable operating leases (Note 9) in accordance with ASC 840, *Leases*, which requires rent expense to be recorded using the straight-line method over the duration of the lease. The difference between the straight-line rent expense and rent payments is recorded as a deferred rent expense on the accompanying statements of financial position. Deferred rent totaled \$0 and \$3,157 as of December 31, 2021 and 2020, respectively.

THE ULMAN CANCER FUND FOR YOUNG ADULTS T/A ULMAN FOUNDATION

Notes to the Financial Statements For the Years Ended December 31, 2021 and 2020

1. DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont’d.

Income Taxes

The Organization is described in Section 170(c) of the Internal Revenue Code (the Code) and is exempt from taxation under Section 501(c)(3) of the Code. ASC 740, *Income Taxes*, prescribes a recognition threshold and a measurement attribute for the financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return as well as guidance on de-recognition, classification, interest and penalties, and financial statement reporting disclosures. For these benefits to be recognized, a tax position must be more-likely-than not to be sustained upon examination by taxing authorities. The amount recognized is measured as the largest amount of benefit that is greater than fifty percent likely of being realized upon ultimate settlement. The Organization has not identified any unrecognized tax exposures. The Organization recognizes interest and penalties accrued on any unrecognized tax exposures as a component of income tax expense. The Organization does not have any amounts accrued relating to interest and penalties as of December 31, 2021 and 2020. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits in progress.

Recently Issued Accounting Pronouncements

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*, to increase transparency and comparability among Organizations by recognizing lease assets and lease liabilities on the statements of financial position and disclosing key information about leasing transactions. The distinction between finance leases and operating leases is substantially similar to the distinction between capital leases and operating leases in the previous leases’ guidance. Lessor accounting is also largely unchanged. For lessees, leases under both categories will be reported on the statement of financial position as a depreciable right-to-use asset and a liability to make lease payments. The asset and liability should be initially measured at the present value of the lease payments, including payments to be made in optional periods only if the lessee is reasonably certain to exercise an option to extend the lease or not to exercise an option to terminate the lease.

In June 2020, the FASB deferred the effective date of the lease guidance for non-public entities to reporting periods beginning after December 15, 2021. Early adoption is permitted. Management is evaluating the impact of adopting the new lease standard on the Organization’s accompanying financial statements.

THE ULMAN CANCER FUND FOR YOUNG ADULTS T/A ULMAN FOUNDATION

Notes to the Financial Statements For the Years Ended December 31, 2021 and 2020

1. DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont’d.

Recently Issued Accounting Pronouncements – cont’d.

In September 2020, the FASB issued ASU No. 2020-07, *Presentation and Disclosures for Not-for-Profit Entities for Contributed Nonfinancial Assets*, to increase the transparency of contributed nonfinancial assets through enhancements to presentation and disclosure requirements. Under the ASU, not-for-profit entities must present contributed nonfinancial assets (in-kind contributions) as a separate line item in the statement of activities. Not-for-profit entities must also disclose the disaggregation of the amount of contributed non-financial assets as well as additional qualitative information. ASU 2020-07 is effective for annual periods beginning after June 15, 2021. Early adoption is permitted. Management is evaluating the impact of adopting the standard on the Organization’s accompanying financial statements.

Subsequent Event

The Organization evaluated, for disclosure, any subsequent events through July 12, 2022, the date the financial statements were available to be issued, and determined there were no material events that warrant disclosure.

2. PLEDGES RECEIVABLE

Pledges receivable consist of the following as of December 31,;

	2021	2020
Gross pledges receivable	\$ 315,428	\$ 443,013
Less: allowance for uncollectible pledges	(49,358)	(45,508)
Less: present value discount	(50)	(44)
Pledges receivable, net	\$ 266,020	\$ 397,461

Pledges receivable are expected to be received as follows as of December 31,;

	2021	2020
Less than one year	\$ 310,928	\$ 409,720
One to five years	4,500	33,293
Gross pledges receivable	\$ 315,428	\$ 443,013

THE ULMAN CANCER FUND FOR YOUNG ADULTS T/A ULMAN FOUNDATION

Notes to the Financial Statements For the Years Ended December 31, 2021 and 2020

2. PLEDGES RECEIVABLE – cont’d.

Pledges receivable due in more than one year are recorded at the present value of future cash flows. The Organization uses the U.S. Treasury Bill rates to discount pledges receivable due in more than one year, which ranged from 0.73% to 0.97% for the year ended December 31, 2021 and 0.10% to 0.17% for the year ended December 31, 2020. Pledges receivable are payable at the discretion of the donors. As of December 31, 2021, one donor accounted for approximately 71% of gross pledges receivable. As of December 31, 2020, one donor accounted for approximately 61% of gross pledges receivable.

3. INVESTMENTS

Cost and fair value of investments consist of the following as of December 31,:

	2021		2020	
	Cost	Fair Value	Cost	Fair Value
Common Stocks	\$ 135,455	\$ 219,701	\$ 151,359	\$ 234,065
Exchange Traded Funds and Mutual Funds	218,269	232,524	164,410	177,449
Mortgage Backed Securities	12,263	16,513	12,263	17,292
Real Estate Investment Trusts	40,192	46,313	22,947	25,219
Treasury Stripped Interest Security	20,450	22,343	20,450	23,145
Total Investments	\$ 426,629	\$ 537,394	\$ 371,429	\$ 477,170

Investment income consists of the following for the years ended December 31,:

	2021	2020
Interest and dividends	\$ 17,545	\$ 9,252
Realized gain (loss) on investments	43,957	(10,992)
Unrealized gain on investments	5,086	32,573
Investment management fees	(5,150)	(4,243)
Investment income, net	\$ 61,438	\$ 26,590

THE ULMAN CANCER FUND FOR YOUNG ADULTS T/A ULMAN FOUNDATION

Notes to the Financial Statements For the Years Ended December 31, 2021 and 2020

4. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of December 31,:

	2021	2020
Buildings	\$ 2,552,103	\$ 2,128,972
Computer Equipment	152,365	148,912
Furniture and Fixtures	60,793	77,406
Vehicles	23,152	23,152
Race Equipment	10,631	10,631
Leasehold Improvements	-	5,818
	2,799,044	2,394,891
Less: Accumulated Depreciation	(283,633)	(256,107)
	2,515,411	2,138,784
Construction in Progress	-	8,836
Property and equipment, net	\$ 2,515,411	\$ 2,147,620

Depreciation expense totaled \$82,811 and \$90,504 for the years ended December 31, 2021 and 2020, respectively. The construction in progress as of December 31, 2020 relates to the renovation of the Ulman House basement, which was placed in service during the year ended December 31, 2021.

5. NOTE PAYABLE

Effective July 31, 2017, the Organization entered into a credit agreement (Construction Loan) with a financial institution which allowed for borrowings up to \$950,000. The construction loan was used to finance the construction of the Ulman House. During the construction period, the Organization was required to make interest only payments until the earlier of January 31, 2019 or the date of the final advance, at which point the construction loan would be converted to a permanent loan. The construction period commenced on July 31, 2017 (closing date) and concluded on January 31, 2019. The construction loan bore interest at the prime rate plus 2.00% per annum.

Effective February 1, 2019, the construction loan converted to a permanent loan. Commencing on March 1, 2019, monthly installments of principal and interest are due through July 31, 2025 (maturity date). The permanent loan bears interest at the seven-year treasury bill yield plus 2.50% per annum. Interest expense on the permanent loan totaled \$48,670 and \$45,601 during the years ended December 31, 2021 and 2020, respectively.

THE ULMAN CANCER FUND FOR YOUNG ADULTS T/A ULMAN FOUNDATION

Notes to the Financial Statements For the Years Ended December 31, 2021 and 2020

5. NOTE PAYABLE – cont’d.

On June 29, 2020, the loan was amended for the deferment of loan principal payments for a period of six months, beginning with the payment due on June 30, 2020, through and including the payment due on December 30, 2020 (Deferment Period). Interest on the outstanding principal balance will continue to be due and payable throughout the deferment period. All principal payments deferred will be due and payable upon maturity of the loan.

As of December 31, 2021 and 2020, the amount outstanding on the note payable totaled \$875,391 and \$902,204, respectively.

Future maturities under the note payable are as follows during the years ended December 31,:

2022	\$ 32,127
2023	33,801
2024	35,562
2025	773,901
Total	875,391
Less: unamortized debt issuance costs	(10,546)
Note payable, net of debt issuance costs	\$ 864,845

Borrowings under the note payable are collateralized by substantially all assets of the Organization. The Organization is subject to certain financial covenants under the terms of the note payable. The Organization is in compliance with all covenants as of December 31, 2021 and 2020.

6. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were restricted for the following purposes as of December 31,:

	2021	2020
Shearer Fund	\$ 67,451	\$ 66,251
Capital Campaign	267,688	389,720
Other	39,278	38,402
Scholarships	23,603	24,045
Patient Navigation	22,574	31,313
Capital Project Fund - UCF House Renovations	25,000	97,500
Total	\$ 445,594	\$ 647,231

THE ULMAN CANCER FUND FOR YOUNG ADULTS T/A ULMAN FOUNDATION

Notes to the Financial Statements For the Years Ended December 31, 2021 and 2020

6. NET ASSETS WITH DONOR RESTRICTIONS – cont'd.

During the years ended December 31, 2021 and 2020, net assets totaling \$567,606 and \$301,289, respectively, were released from donor restrictions by incurring expenses satisfying the restricted purposes, passage of time, or by occurrence of other events specified by donors such as special events or capital events.

7. RETIREMENT PLAN

The Organization maintains a defined contribution retirement plan for eligible employees. Employees who elect to contribute a percentage of their compensation to the plan will receive a matching contribution up to 3% of their annual compensation. For the years ended December 31, 2021 and 2020, employer matching contributions totaled \$11,876 and \$23,556, respectively.

8. CAPITAL LEASES

Effective December 22, 2015, the Organization entered into a furniture lease agreement in the amount of \$30,104. The lease required monthly payments of \$518, commencing on January 1, 2016 through the maturity date of January 1, 2021. The lease was capitalized using a discount rate of 1.25%.

Effective February 12, 2016, the Organization entered into a copier lease agreement in the amount of \$20,452. The lease required monthly payments of \$325, commencing on March 1, 2016 through the maturity date of July 1, 2021. This lease was non-interest bearing.

Effective February 4, 2021, the Organization entered into a copier lease agreement in the amount of \$18,544. The lease required monthly payments of \$309, commencing on March 1, 2021 through the maturity date of February 1, 2026. The lease was capitalized using a discount rate of 19.05%.

The furniture and equipment under the capital leases serves as the collateral for the leases. The furniture and equipment held under the capital leases and the related capital lease obligations are recorded at the lesser of the present value of the minimum lease payments or the fair value of the equipment at the time of the lease origination. The furniture and equipment is being amortized over the shorter of the lease term or estimated useful life.

The furniture and equipment held under capital leases is as follows as of December 31,:

	2021	2020
Furniture and equipment under capital leases	\$ 62,460	\$ 50,556
Less: accumulated amortization	(52,160)	(47,684)
Net book value	\$ 10,300	\$ 2,872

THE ULMAN CANCER FUND FOR YOUNG ADULTS T/A ULMAN FOUNDATION

Notes to the Financial Statements For the Years Ended December 31, 2021 and 2020

8. CAPITAL LEASES – cont’d.

Future minimum lease payments required under the capital leases are as follows for the years ending December 31,:

2022	\$ 3,710
2023	3,710
2024	3,710
2025	3,841
Total minimum lease payments	14,971
Less: amounts representing interest	(4,671)
Present value of future minimum lease payments	10,300
Less: current maturities of capital lease obligations	(1,432)
Capital lease obligations, net of current maturities	\$ 8,868

9. OPERATING LEASES

Effective April 1, 2016, the Organization entered into a non-cancelable operating lease for office and storage which expired during March 2021 and was not renewed. The lease provided for base monthly rent of \$10,260, an annual rent escalation of 2.50% and rent abatement for the first three months of the lease. The rent expense for office facilities totaled \$39,366 and \$127,511 during the years ended December 31, 2021 and 2020, respectively.

The Organization subleased a portion of the office space to a tenant under a non-cancelable operating lease which expired during March 2021 and was not renewed. The Organization generated sublease revenue of \$15,000 and \$60,000 during the years ended December 31, 2021 and 2020, respectively. Sublease rental revenue is recorded in other revenue within the accompanying statements of activities.

THE ULMAN CANCER FUND FOR YOUNG ADULTS T/A ULMAN FOUNDATION

Notes to the Financial Statements For the Years Ended December 31, 2021 and 2020

10. LIQUIDITY AND AVAILABILITY OF FUNDS

The Organization's financial assets available to meet cash needs for general expenditures within one year are as follows as of December 31,:

	2021	2020
Cash and cash equivalents	\$ 1,075,563	\$ 1,153,860
Pledges receivable, net	266,020	397,461
Other receivables, net	115,025	69,675
Investments	537,394	477,170
Total Financial Assets	1,994,002	2,098,166
Less: Pledges receivables, net,:		
To be collected in more than one year	(4,500)	(33,293)
Less: Donor-imposed restrictions:		
Restricted by purpose	(177,906)	(257,511)
Less: Board designated net assets	(1,151,537)	(1,025,861)
Financial assets able to meet cash needs for general expenditures within one year	\$ 660,059	\$ 781,501

As part of the liquidity management, the Organization has a policy to structure its financial assets to be available as general expenditures, liabilities and other obligations come due. To help manage unanticipated liquidity constraints, the Organization has a spending policy for their investment portfolio. The Organization's spending policy is to draw a fixed percentage, typically between 0% to 4.5%, of the investment's market value. During the years ended December 31, 2021 and 2020, the Organization did not make any withdrawals from their investment portfolio.

11. PAYCHECK PROTECTION PROGRAM LOAN

On March 27, 2020, Congress passed a \$2 trillion stimulus bill, the Coronavirus Aid, Relief and Economic Security (CARES) Act, which provides significant tax and non-tax stimulus to individuals and businesses.

In April 2020, the Organization obtained a term note in the amount of \$210,872 with a financial institution under the U.S. Small Business Administration (SBA) Paycheck Protection Program (PPP), which was established by the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). In February 2021, the Organization obtained a second PPP term note in the amount of \$166,775.

THE ULMAN CANCER FUND FOR YOUNG ADULTS T/A ULMAN FOUNDATION

Notes to the Financial Statements For the Years Ended December 31, 2021 and 2020

11. PAYCHECK PROTECTION PROGRAM LOAN – cont'd.

The loans are eligible for forgiveness pursuant to the CARES Act, which minimally requires that (1) the loan proceeds be used to cover eligible expenses, which include payroll costs, mortgage interest, rent and utility costs, and (2) the number of employees and compensation levels are generally maintained.

The portion of the loans that is not forgiven bears interest at 1.0% and is due in monthly payments over a period of five years. In October 2020, the SBA extended the deferral period for loan repayments to either (1) the date that the SBA remits the Organization's loan forgiveness amount to the lender or (2) if the Organization does not apply for loan forgiveness, 10 months after the end of the Organization's loan forgiveness covered period. The SBA approved the first and second PPP loans for forgiveness on February 10, 2021 and August 26, 2021, respectively.

The Organization elected to account for the forgivable loans as a conditional grant in accordance with ASC 958-605, *Not-for-Profit Entities: Revenue Recognition*. Accordingly, the Organization recorded the initial loan proceeds as a loan payable and reduced the loan payable and recognized revenue once the conditions were substantially met or explicitly waived. In accordance with the CARES Act, the Organization used the loan proceeds to cover eligible expenses and maintained the required employee and compensation levels to be eligible for loan forgiveness. The Organization recognized Paycheck Protection Program loan income totaling \$166,775 and \$210,872 on the accompanying statements of activities for the years ended December 31, 2021 and 2020, respectively.

12. CORONAVIRUS

In December 2019, the novel strain of coronavirus ("COVID-19") was reported in Wuhan, China. The World Health Organization has declared COVID-19 to constitute a "Public Health Emergency of International Concern." In March 2020, COVID-19 began to spread throughout the United States. Efforts to contain COVID-19, including restrictions mandated by the Federal and State governments caused numerous non-essential businesses to temporarily close or operate remotely in an effort to prevent COVID-19 from spreading more rapidly. The extent of the impact of COVID-19 on the Organization's future operations and financial performance will depend on future developments, including the duration and spread of the outbreak, which is highly uncertain and cannot be predicted. The impact of COVID-19, however, could materially affect the Organization's results of operations.