



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

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

For the Years Ended December 31, 2023 and 2022



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, 2023 and 2022, 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 the Organization as of December 31, 2023, and 2022, 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 Organization 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 Organization 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 ALERT Services, P.C.

November 13, 2024

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

Statements of Financial Position

<i>As of December 31,</i>	<i>2023</i>	<i>2022</i>
Assets		
Cash and cash equivalents	\$ 613,626	\$ 1,202,095
Pledges receivable, net	205,688	142,128
Other receivables, net	444,551	238,582
Investments	492,686	439,893
Prepaid expenses and other assets	29,871	61,122
Property and equipment, net	2,288,089	2,424,752
Right-of-use assets - finance, net	6,134	8,613
Total Assets	\$ 4,080,645	\$ 4,517,185
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 124,875	\$ 110,670
Deferred revenue - special events	24,534	30,970
Lease liabilities - finance	6,133	8,613
Note payable, net of debt issuance costs	808,493	837,500
Total Liabilities	964,035	987,753
Commitments and Contingencies (Notes 8 and 10)		
Net Assets		
Without Donor Restrictions		
Undesignated	981,336	1,483,407
Board designated	1,650,445	1,642,445
Total Net Assets Without Donor Restrictions	2,631,781	3,125,852
With Donor Restrictions	484,829	403,580
Total Net Assets	3,116,610	3,529,432
Total Liabilities and Net Assets	\$ 4,080,645	\$ 4,517,185

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>	2023			2022		
	<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	\$ 859,211	\$ 326,165	\$ 1,185,376	\$ 1,271,318	\$ 546,103	\$ 1,817,421
Special events, net of direct expenses of \$61,840 and \$66,202	483,372	-	483,372	494,783	-	494,783
Program fees	40,000	-	40,000	40,000	-	40,000
In-kind contributions	-	-	-	3,700	-	3,700
Net assets released from restrictions	244,916	(244,916)	-	588,117	(588,117)	-
Total Operating Revenues and Support, net	1,627,499	81,249	1,708,748	2,397,918	(42,014)	2,355,904
Operating Expenses						
Program services	1,721,129	-	1,721,129	1,714,046	-	1,714,046
General and administrative	363,040	-	363,040	174,262	-	174,262
Fundraising	338,680	-	338,680	261,188	-	261,188
Total Operating Expenses	2,422,849	-	2,422,849	2,149,496	-	2,149,496
Change in Net Assets from Operating Activities	(795,350)	81,249	(714,101)	248,422	(42,014)	206,408
Non-Operating Revenues and Expenses						
Other revenue, net	255	-	255	33,619	-	33,619
Employee retention credit income (Note 9)	292,235	-	292,235	-	-	-
Interest expense	(48,392)	-	(48,392)	(50,534)	-	(50,534)
Loss on disposal of property and equipment	(1,281)	-	(1,281)	-	-	-
Investment income (loss), net	58,462	-	58,462	(69,358)	-	(69,358)
Total Non-Operating Revenues and Expenses, net	301,279	-	301,279	(86,273)	-	(86,273)
Change in Net Assets	(494,071)	81,249	(412,822)	162,149	(42,014)	120,135
Net Assets, beginning of year	3,125,852	403,580	3,529,432	2,963,703	445,594	3,409,297
Net Assets, end of year	\$ 2,631,781	\$ 484,829	\$ 3,116,610	\$ 3,125,852	\$ 403,580	\$ 3,529,432

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

**THE ULMAN CANCER FUND
FOR YOUNG ADULTS
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**Statement of Functional Expenses
For the Year Ended December 31, 2023**

	Program Services	General and Administrative	Fundraising	Total
Salaries and wages	\$ 932,095	\$ 82,839	\$ 163,673	\$ 1,178,607
Community outreach	316,007	1,544	84,838	402,389
Employee benefits	99,511	28,826	16,756	145,093
Depreciation and amortization	140,847	351	351	141,549
Accounting and legal fees	850	104,596	-	105,446
Payroll taxes	73,488	6,370	12,923	92,781
Utilities	48,500	6,770	39	55,309
Bank charges	9,932	26,424	11,174	47,530
Office expenses	13,821	7,579	17,339	38,739
Insurance	2,292	30,227	-	32,519
Dues and subscriptions	21,939	4,062	2,410	28,411
Contractual services	-	22,266	5,563	27,829
Website	2,808	22,149	1,608	26,565
Travel	23,516	2,061	50	25,627
Postage and delivery	19,973	2,610	16	22,599
Bad debts	-	-	21,940	21,940
Advertising and branding	11,409	7,260	-	18,669
Telephone	2,103	4,651	-	6,754
Meetings and conferences	206	1,418	-	1,624
Support groups	1,471	-	-	1,471
Printing and publications	-	971	-	971
Automobile repairs	361	66	-	427
Total Operating Expenses	\$ 1,721,129	\$ 363,040	\$ 338,680	\$ 2,422,849

The accompanying notes are an integral part of this financial statement.

**THE ULMAN CANCER FUND
FOR YOUNG ADULTS
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**Statement of Functional Expenses
For the Year Ended December 31, 2022**

	Program Services	General and Administrative	Fundraising	Total
Salaries and wages	\$ 789,683	\$ 73,380	\$ 136,060	\$ 999,123
Community outreach	466,209	45	66,513	532,767
Employee benefits	95,094	6,952	14,157	116,203
Depreciation and amortization	90,085	293	293	90,671
Payroll taxes	60,342	5,709	10,566	76,617
Bank charges	45,255	2,540	2,517	50,312
Bad debts	-	44,025	-	44,025
Accounting and legal fees	4,860	34,263	270	39,393
Website	22,199	1,509	13,178	36,886
Insurance	26,012	1,445	1,445	28,902
Contractual services	23,064	1,256	1,602	25,922
Travel	11,997	66	8,461	20,524
Advertising and branding	15,261	68	1,579	16,908
Postage and delivery	14,266	99	2,414	16,779
Office expenses	10,696	488	488	11,672
Dues and subscriptions	9,094	1,276	1,190	11,560
Support groups	11,353	-	-	11,353
Meetings and conferences	7,537	603	210	8,350
Telephone	4,373	104	104	4,581
Scholarships	3,000	-	-	3,000
Automobile repairs	1,820	99	99	2,018
Utilities	988	-	-	988
Printing and publications	858	42	42	942
Total Operating Expenses	\$ 1,714,046	\$ 174,262	\$ 261,188	\$ 2,149,496

The accompanying notes are an integral part of this financial statement.

**THE ULMAN CANCER FUND
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Statements of Cash Flows

<i>For the Years Ended December 31,</i>	<i>2023</i>	<i>2022</i>
Cash Flows from Operating Activities		
Change in net assets	\$ (412,822)	\$ 120,135
Adjustments to reconcile change in net assets to net cash and cash equivalents (used in) provided by operating activities		
Depreciation	139,070	88,984
Amortization of right-of-use assets - finance	2,479	1,687
Provision for uncollectible other receivables	21,940	44,025
Increase in discount on pledges receivable	948	296
Amortization of debt issuance costs	4,082	4,082
Net realized and unrealized (gain) loss on investments	(49,184)	80,848
Interest and dividends reinvested	(9,615)	(12,841)
Loss on disposal of property and equipment	1,281	-
Changes in operating assets and liabilities:		
Pledges receivable	(64,508)	123,596
Other receivables	(227,909)	(167,582)
Prepaid expenses and other assets	31,251	7,768
Accounts payable and accrued expenses	14,205	(2,565)
Deferred revenue - special events	(6,436)	(149,656)
Net Cash and Cash Equivalents (Used in) Provided by Operating Activities	(555,218)	138,777
Cash Flows from Investing Activities		
Purchases of property and equipment	(3,688)	(8,625)
Proceeds from sale of investments	151,536	217,337
Purchases of investments	(145,530)	(187,843)
Net Cash and Cash Equivalents Provided by Investing Activities	2,318	20,869
Cash Flows from Financing Activities		
Principal payments on note payable	(33,089)	(31,427)
Repayments of lease liabilities - finance	(2,480)	(1,687)
Net Cash and Cash Equivalents Used in Financing Activities	(35,569)	(33,114)
Net (Decrease) Increase in Cash and Cash Equivalents	(588,469)	126,532
Cash and Cash Equivalents, beginning of year	1,202,095	1,075,563
Cash and Cash Equivalents, end of year	\$ 613,626	\$ 1,202,095
Supplemental Cash Flow Information		
Cash paid for interest	\$ 44,310	\$ 46,452
Supplemental Disclosure of Noncash Investing and Financing Activities		
Recognition of current year lease liabilities - finance	\$ -	\$ 10,300
Recognition of current year right-of-use assets - finance previously classified as property and equipment	\$ -	\$ 10,300

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, 2023 and 2022

1. DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of the Organization

The Ulman Cancer Fund for Young Adults (the 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, 2023 and 2022

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 \$0 and \$49,358 as of December 31, 2023 and 2022, respectively.

Other Receivables and Allowance for Credit Losses

The Organization utilizes the allowance method to provide for the allowance for credit losses based on management's evaluation of the collectability of other receivables. The measurement and recognition of credit losses involves the use of judgement and represents management's estimate of expected lifetime credit losses. The Organization determines other receivables to be delinquent when greater than 90 days past due and based on past, current and forecasted economic conditions. Other receivables are written off when management determines amounts to be uncollectible. The allowance for credit losses for other receivables totaled \$0 and \$46,025 as of December 31, 2023 and 2022, respectively.

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

Notes to the Financial Statements For the Years Ended December 31, 2023 and 2022

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

Other Receivables and Allowance for Credit Losses – cont’d.

The following table presents changes in the analysis of the allowance for credit losses for the year ended December 31, 2023:

Allowance for credit losses, January 1, 2023	\$ 46,025
Additions:	
Charges to credit loss expense	-
Recoveries of amounts previously written off	-
Deductions:	
Write-offs charged against allowance	(46,025)
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Allowance for credit losses, December 31, 2023	\$ -
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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

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

Notes to the Financial Statements For the Years Ended December 31, 2023 and 2022

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

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, 2023 and 2022.

Revenue Recognition

In accordance with ASC 606, *Revenue from Contracts with Customers*, 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, 2023 and 2022:

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.

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 \$112,729 and \$84,410 during the years ended December 31, 2023 and 2022, 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 once the special event takes place.

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

Notes to the Financial Statements For the Years Ended December 31, 2023 and 2022

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

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, 2023, and 2022, in-kind contributions totaled \$0 and \$3,700, respectively, and are classified as in-kind contributions within the accompanying statements of activities.

In-kind contributions consists of the following as of December 31,:

	2023	2022
Vehicles	\$ -	\$ 3,700
Total In-kind contribution	\$ -	\$ 3,700

Donated goods and services that create or enhance long-lived assets are capitalized. For the years ended December 31, 2023 and 2022, there were no donated goods and services which enhanced long-lived assets.

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

Notes to the Financial Statements For the Years Ended December 31, 2023 and 2022

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

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 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.

Preferred Securities: Valued at the most recent quoted prices in the active market in which the individual securities are traded.

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

Notes to the Financial Statements For the Years Ended December 31, 2023 and 2022

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

Fair Value Measurement – cont’d.

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, 2023 and 2022, 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, 2023:

	Level 1	Level 2	Level 3	Total
Common Stocks	\$ 224,391	\$ -	\$ -	\$ 224,391
Preferred Securities	15,255	-	-	15,255
Exchange Traded Funds and Mutual Funds	172,637	-	-	172,637
Mortgage Backed Securities	-	13,532	-	13,532
Real Estate Investment Trusts	46,602	-	-	46,602
Treasury Stripped Interest Security	-	20,269	-	20,269
Investments, at fair value	\$ 458,885	\$ 33,801	\$ -	\$ 492,686

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

Notes to the Financial Statements For the Years Ended December 31, 2023 and 2022

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, 2022:

	Level 1	Level 2	Level 3	Total
Common Stocks	\$ 191,870	\$ -	\$ -	\$ 191,870
Exchange Traded Funds and Mutual Funds	172,215	-	-	172,215
Mortgage Backed Securities	-	13,425	-	13,425
Real Estate Investment Trusts	43,124	-	-	43,124
Treasury Stripped Interest Security	-	19,259	-	19,259
Investments, at fair value	\$ 407,209	\$ 32,684	\$ -	\$ 439,893

Investments and Investment Income (Loss)

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.

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.

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

Notes to the Financial Statements For the Years Ended December 31, 2023 and 2022

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

Debt Issuance Costs – cont'd.

As of December 31, 2023, and 2022, 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 expense totaled \$4,082 for each of the years ended December 31, 2023 and 2022. Accumulated amortization as of December 31, 2023 and 2022 totaled \$26,192 and \$22,110, respectively. The note payable on the accompanying statements of financial position has been reduced by the net debt issuance costs totaling \$2,382 and \$6,464 as of December 31, 2023 and 2022, 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 \$18,669 and \$16,908 for the years ended December 31, 2023 and 2022, respectively.

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, 2023 and 2022. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits in progress.

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Notes to the Financial Statements For the Years Ended December 31, 2023 and 2022

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

Recently Adopted Accounting Pronouncements

In June 2016, the FASB issued Accounting Standards Update (ASU) 2016-13, *Financial Instruments – Credit Losses (Topic 326)*. The objective of the amendments in this update is to provide financial statement users with more decision-useful information about the expected credit losses on financial instruments and other commitments to extend credit held by a reporting entity at each reporting date. The new expected credit loss methodology, which is based on historical experience, current conditions and reasonable and supportable forecasts, replaced the incurred loss model for measuring and recognizing expected credit losses. Pledges receivables are excluded from the scope of ASU 2016-13. The Organization used the modified retrospective approach to implement ASU 2016-13 during the year ended December 31, 2023. Based on historical trends, the financial condition of the Organization's customers and management's expectations of economic and industry factors affecting the Organization's customers, the adoption of ASU 2016-13 did not have a material impact on the accompanying financial statements.

Effective January 1, 2022, the Organization adopted the FASB ASU 2016-02, *Leases (Topic 842)*, which modifies the guidance for lease accounting. Under this ASU, a lessee is required to recognize a lease liability and a right-of-use asset, except for leases with an original term of 12 months or less, thereby enhancing the relevance and consistency of information about the Organization's leasing activities. The lease liability is measured at the present value of payments expected to be made during the lease term (less any lease incentives). The lease asset is measured at the amount of the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs.

The Organization implemented ASU 2016-02 during fiscal year 2022 using a modified retrospective approach, which allowed a cumulative effect adjustment to apply the new lease standard at the adoption date and did not require adjustments to comparative periods or modified disclosures in those comparative periods.

In addition, the Organization made the following elections:

- The Organization elected the package of practical expedients to not reassess prior conclusions related to contracts containing leases, lease classification and initial direct costs for all leases upon transition.
- The Organization did not elect the hindsight practical expedient upon transition for all leases.
- The Organization elected the short-term lease measurement and recognition exemption, resulting in lease payments being recorded as an expense on a straight-line basis over the lease term.

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Notes to the Financial Statements For the Years Ended December 31, 2023 and 2022

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

Recently Adopted Accounting Pronouncements – cont’d.

- The Organization elected to include both lease and non-lease components as a single component for all leases.

The adoption of this guidance did not have a material impact on the Organization’s results of operations or cash flows and lease expense did not change materially as a result of the adoption of the new guidance.

Subsequent Events

The Organization evaluated, for disclosure, any subsequent events through November 13, 2024, the date the financial statements were available to be issued, and determined there were no material events that warrant disclosure, except as disclosed in Notes 5 and 9.

2. PLEDGES RECEIVABLE

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

	2023	2022
Gross pledges receivable	\$ 206,982	\$ 191,832
Less: allowance for uncollectible pledges	-	(49,358)
Less: present value discount	(1,294)	(346)
Pledges receivable, net	\$ 205,688	\$ 142,128

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

	2023	2022
Less than one year	\$ 176,982	\$ 130,332
One to five years	30,000	61,500
Gross pledges receivable	\$ 206,982	\$ 191,832

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 4.23% to 4.79% for the year ended December 31, 2023 and 0.10% to 0.36% for the year ended December 31, 2022. Pledges receivable are payable at the discretion of the donors. As of December 31, 2023, two donors accounted for approximately 60% of gross pledges receivable. As of December 31, 2022, two donors accounted for approximately 52% of gross pledges receivable.

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

Notes to the Financial Statements For the Years Ended December 31, 2023 and 2022

3. INVESTMENTS

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

	2023		2022	
	Cost	Fair Value	Cost	Fair Value
Common Stocks	\$ 153,308	\$ 224,391	\$ 149,713	\$ 191,870
Preferred Securities	15,504	15,255	-	-
Exchange Traded Funds and Mutual Funds	181,042	172,637	186,540	172,215
Mortgage Backed Securities	12,263	13,532	12,263	13,425
Real Estate Investment Trusts	42,364	46,602	39,730	43,124
Treasury Stripped Interest Security	20,450	20,269	20,450	19,259
Total Investments	\$ 424,931	\$ 492,686	\$ 408,696	\$ 439,893

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

	2023	2022
Interest and dividends	\$ 14,340	\$ 16,669
Realized gain on investments	5,717	2,088
Unrealized gain (loss) on investments	43,467	(82,936)
Investment management fees	(5,062)	(5,179)
Investment income (loss), net	\$ 58,462	\$ (69,358)

4. PROPERTY AND EQUIPMENT

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

	2023	2022
Buildings	\$ 2,552,103	\$ 2,552,103
Computer Equipment	120,869	145,386
Furniture and Fixtures	49,494	60,793
Vehicles	23,246	26,852
Race Equipment	-	10,631
	2,745,712	2,795,765
Less: Accumulated Depreciation	(457,623)	(371,013)
Property and equipment, net	\$ 2,288,089	\$ 2,424,752

Depreciation expense totaled \$139,070 and \$88,984 for the years ended December 31, 2023 and 2022, respectively.

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

Notes to the Financial Statements For the Years Ended December 31, 2023 and 2022

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 were due through July 31, 2025. The permanent loan bore interest at the seven-year treasury bill yield plus 2.50% per annum. Interest expense on the permanent loan totaled \$42,771 and \$44,431 during the years ended December 31, 2023 and 2022, respectively.

Effective August 31, 2024, the permanent loan was amended to extend and modify the terms of the loan with the remaining principal amount of \$787,928. Commencing on September 30, 2024, monthly installments of principal and interest totaling \$8,033 are due through August 31, 2036 (maturity date). The loan bears interest at 6.74% per annum.

As of December 31, 2023 and 2022, the amount outstanding on the note payable totaled \$810,875 and \$843,964, respectively.

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

2024	\$ 37,254
2025	44,922
2026	48,090
2027	51,481
2028	55,111
Thereafter	574,017
Total	810,875
Less: unamortized debt issuance costs	(2,382)
Note payable, net of debt issuance costs	\$ 808,493

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 was in compliance with all covenants as of December 31, 2023 and 2022.

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

Notes to the Financial Statements For the Years Ended December 31, 2023 and 2022

6. NET ASSETS WITH DONOR RESTRICTIONS

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

	2023	2022
Capital Campaign	\$ 150,206	\$ 89,636
Other	89,278	89,278
General Program	79,386	79,386
Shearer Fund	69,751	68,651
Patient Navigation	68,105	56,026
Scholarships	28,103	20,603
Total	\$ 484,829	\$ 403,580

During the years ended December 31, 2023 and 2022, net assets totaling \$244,916 and \$588,117, 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, 2023 and 2022, employer matching contributions totaled \$29,626 and \$26,188, respectively.

8. FINANCING LEASES

The Organization assesses its contracts to determine if they contain a lease. This assessment is based on (i) the right to control the use of an identified asset; (ii) the right to obtain substantially all of the economic benefits from the use of the identified asset; and (iii) the right to use the identified asset.

The Organization has entered into several furniture and equipment agreements that contain varying terms and renewal options, which are at the sole discretion of the Organization. Renewal options that the Organization is reasonably certain to accept are recognized as part of the lease liability – finance and right-of-use asset – finance.

Right-of-use assets represent the Organization’s right to use any underlying asset for the lease term and lease liabilities represent the Organization’s obligation to make lease payments per the lease. As the rate implicit in the Organization was readily determinable, the Organization used the implicit rate to determine the present value of lease payments on all of the Organization’s financing leases.

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

Notes to the Financial Statements For the Years Ended December 31, 2023 and 2022

8. FINANCING LEASES – cont’d.

The Organization has elected the short-term lease recognition exemption for all applicable classes of underlying assets. Leases with an initial term of 12 months or less, that do not include an option to purchase the underlying asset that the Organization is reasonably certain to exercise, are not recorded on the accompanying statements of financial position.

Lease costs and other applicable disclosures for finance leases are as follows for the years ended December 31,:

	2023	2022
Lease cost		
Finance lease cost		
Amortization of right-of-use assets	\$ 2,479	\$ 1,687
Interest on lease liabilities	1,539	2,021
Total lease costs	\$ 4,018	\$ 3,708
 Other information		
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from finance leases	\$ 2,480	\$ 1,872
Financing cash flows from finance leases	1,539	1,836
 Right-of-use asset obtained in exchange for finance lease liabilities	\$ 10,300	\$ 10,300
less: right-of-use assets - finance accumulated amortization	(4,166)	(1,687)
Right-of-use assets - finance, net	\$ 6,134	\$ 8,613
 Weighted average remaining lease term - finance leases	2.08 years	3.08 years
Weighted average discount rate - finance leases	19.05%	19.05%

The following table presents the future annual minimum lease payments required under finance leases as of December 31, 2023:

Year ending December 31,:	Total	Principal	Interest
2024	\$ 3,710	\$ 2,733	\$ 977
2025	3,710	3,301	409
2026	104	99	5
Total future minimum lease payments	\$ 7,524	\$ 6,133	\$ 1,391

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Notes to the Financial Statements For the Years Ended December 31, 2023 and 2022

9. EMPLOYEE RETENTION CREDIT

The employee retention credit (ERC) is a refundable credit against certain payroll taxes allowed to an eligible employer for qualifying wages, that was established by the CARES Act and further amended by the Consolidated Appropriations Act and the American Rescue Plan. The Organization filed applicable Forms 941-X, Adjusted Employer's Quarterly Federal Tax Return or Clair for Refund, to receive amounts to which the Organization believes it is entitled to under the ERC. Balances receivable under the ERC totaled \$292,235 as of December 31, 2023 and are included in other receivables, net on the accompanying statements of financial position. As of November 13, 2024, the Organization received \$80,969 of the outstanding ERC.

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,:

	2023	2022
Cash and cash equivalents	\$ 613,626	\$ 1,202,095
Pledges receivable, net	205,688	142,128
Other receivables, net	444,551	238,582
Investments	492,686	439,893
Total Financial Assets	1,756,551	2,022,698
Less: Pledges receivables, net,:		
To be collected in more than one year	(30,000)	(61,500)
Less: Donor-imposed restrictions:		
Restricted by purpose	(334,623)	(313,944)
Less: Board designated net assets	(1,650,445)	(1,642,445)
Financial assets able to meet cash needs for general expenditures within one year	\$ (258,517)	\$ 4,809

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. Additionally, the Organization has \$1,650,445 and \$1,642,445 of board designated funds as of December 31, 2023 and 2022, respectively, that the Organization could use for operations upon approval of the Board. To help manage unanticipated liquidity constraints, the Organization has a spending policy for its investment portfolio. The Organization's spending policy is to draw a fixed percentage, typically between 0% to 4.5%, of the investment portfolio's market value. During the years ended December 31, 2023 and 2022, the Organization did not make any withdrawals from its investment portfolio.

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

Notes to the Financial Statements For the Years Ended December 31, 2023 and 2022

10. LIQUIDITY AND AVAILABILITY OF FUNDS – cont'd.

During the year ended December 31, 2023, the Organization reported a decrease in net assets of \$412,822 and cash used in operations of \$555,218. The decrease in net assets and cash used in operations is a result of lower contribution revenue in the current year coupled with an increase in operating costs. The Organization remains committed to fulfilling its mission and initiated a capital campaign in 2024 to support long-term sustainability and programmatic growth.

Management believes that the funds committed from this capital campaign, along with the board designated assets, if needed, and expected future contributions, will provide sufficient cash flow to meet operational needs. Additionally, the Organization is actively monitoring its cash flows and implementing strategies to enhance revenue generation through fundraising events as well as grant applications.