

**Jessica June Children's Cancer Foundation, Inc.
Financial Statements
and Independent Auditors' Report
(With Supplementary Information)**

For the Year Ended December 31, 2021

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CASSELLS & ASSOCIATES, C.P.A., P.A.
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Jessica June Children's Cancer Foundation, Inc.
Ft. Lauderdale, Florida

Opinion

We have audited the accompanying financial statements of Jessica June Children's Cancer Foundation, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses and cash flows for the year 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 Jessica June Children's Cancer Foundation, Inc. as of December 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Jessica June Children's Cancer Foundation, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 Jessica June Children's Cancer Foundation, Inc. 's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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Auditor's 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 auditor's 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, including omissions, 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 Jessica June Children's Cancer Foundation, Inc'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 Jessica June Children's Cancer Foundation, Inc'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.

Cassells & Associates, CPA, P.A.

Cassells & Associates, CPA, P.A.

Certified Public Accountants

Miramar, Florida

May 4, 2022

Jessica June Children's Cancer Foundation, Inc.
Statement of Financial Position
For the Year Ended December 31, 2021

ASSETS

CURRENT ASSETS

| | | |
|---|----|---------|
| Cash and Cash Equivalents (Note 1 & Note 7) | \$ | 374,391 |
| Investment (Note 1, Note 6 & Note 7) | | 503,154 |

| | | |
|-----------------------------|-----------|----------------|
| TOTAL CURRENT ASSETS | \$ | 877,545 |
|-----------------------------|-----------|----------------|

| | | |
|---------------------|-----------|----------------|
| TOTAL ASSETS | \$ | 877,545 |
|---------------------|-----------|----------------|

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

| | | |
|---------------------------------------|----|-------|
| Accounts Payable and Accrued Expenses | \$ | 1,442 |
|---------------------------------------|----|-------|

| | | |
|----------------------------------|-----------|--------------|
| TOTAL CURRENT LIABILITIES | \$ | 1,442 |
|----------------------------------|-----------|--------------|

NET ASSETS

| | | |
|----------------------------|----|---------|
| Without Donor Restrictions | \$ | 876,103 |
|----------------------------|----|---------|

| | | |
|-------------------------|-----------|----------------|
| TOTAL NET ASSETS | \$ | 876,103 |
|-------------------------|-----------|----------------|

| | | |
|---|-----------|----------------|
| TOTAL LIABILITIES AND NET ASSETS | \$ | 877,545 |
|---|-----------|----------------|

The Accompanying Notes Are an Integral Part of These Statements

Jessica June Children's Cancer Foundation, Inc.
Statement of Activities
For the Year Ended December 31, 2021

| | |
|---|-------------------|
| GRANTS, SUPPORT AND REVENUES: | |
| Grants | \$ 265,665 |
| Contributions | 103,701 |
| PPP Loan Forgiveness (Note 3) | 28,809 |
| Interest Income | 3,261 |
| | <hr/> |
| Total Grant, Support and Revenue Without Donor Restrictions | \$ 401,436 |
| EXPENSE: | |
| Program Services | \$ 286,161 |
| Support Services | 8,482 |
| | <hr/> |
| Total Expense | \$ 294,643 |
| Increase (Decrease) in Net Assets Without Donor Restrictions | \$ 106,793 |
| NET ASSETS AT BEGINNING OF YEAR WITHOUT DONOR RESTRICTIONS | 769,310 |
| | <hr/> |
| NET ASSETS AT END OF YEAR WITHOUT DONOR RESTRICTIONS | \$ 876,103 |
| | <hr/> |

The Accompanying Notes Are an Integral Part of These Statements

Jessica June Children's Cancer Foundation, Inc.
Schedule of Functional Expense
For the Year Ended December 31, 2021

| | PROGRAM SERVICES | SUPPORT SERVICES | TOTAL |
|---|-----------------------------|-----------------------------|-------------------|
| Program Expense | \$ 132,741 | \$ - | \$ 132,741 |
| Personnel Cost | 81,121 | 4,270 | 85,391 |
| Contribution to Endowment Fund (Note 5) | 50,000 | | 50,000 |
| Office and General | 13,862 | 3,465 | 17,327 |
| Legal and Professional | 5,450 | - | 5,450 |
| Auto | 2,784 | 696 | 3,480 |
| Insurance | 203 | 51 | 254 |
| TOTAL EXPENSES | \$ 286,161 | \$ 8,482 | \$ 294,643 |

The Accompanying Notes Are an Integral Part of These Statements

Jessica June Children's Cancer Foundation, Inc.
Statement of Cash Flows
For the Year Ended December 31, 2021

| | |
|--|---------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | |
| Increase (Decrease) in Net Assets | \$ 106,793 |
| Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operating Activities: | |
| Increase (Decrease) in: | |
| Accounts Payable & Accrued Expense | <u>(796)</u> |
| NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | <u>\$ 105,997</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | |
| Increase in Investments | <u>66,471</u> |
| NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES | <u>\$ 66,471</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES: | |
| Proceeds from Payroll Protection Program Loan | \$ 14,405 |
| Forgiveness of Payroll Protection Program Loan | <u>(28,809)</u> |
| NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES | <u>\$ (14,404)</u> |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | \$ 158,064 |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR | <u>216,327</u> |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | <u><u>\$ 374,391</u></u> |

The Accompanying Notes Are an Integral Part of These Statements

Jessica June Children's Cancer Foundation, Inc.
Notes to the Financial Statements
For the Year Ended December 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Business Activity:

Jessica June Children's Cancer Foundation, Inc. (the "Organization"), was organized as a non-profit organization and is exempt from federal income taxes under Internal Revenue Code Section 501(c)(3). The Organization was formed in 2004 for the purpose of providing emergency financial assistance and supportive care services to families fighting childhood cancer.

Basis of Presentation:

Financial Statement presentation follows the recommendations of the Financial Accounting Standards Board in its Accounting Standards Codification ("ACS") which establishes FASB ASC as the source of authoritative U.S. accounting and reporting standards for nongovernmental entities. The Organization's resources are classified and reported in the accompanying financial statements as separate classes of net assets based on the existence or absence of donor-imposed restrictions as follows:

Restricted and Unrestricted Revenue Support:

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. In addition, the Organization recognizes only those contributed services, which are provided by individuals possessing "specialized skills".

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted assets and reported in the Statement of Activities as net assets released from restrictions.

Cash and Cash Equivalents:

Cash and cash equivalents include bank accounts as well as certificates of deposit purchased with a maturity of three months or less. Interest income on the certificates of deposit is recorded as income when earned. At December 31, 2021, cash and cash equivalents included \$374,391 held in commercial banks and investments accounts.

Concentration of Credit Risk:

The Organization occasionally maintains deposits in excess of federally insured limits. Statement of Financial Accounting Standards No. 105 identifies these items as a concentration of credit risk requiring disclosure, regardless of the degree of risk. The risk is managed by maintaining all deposits in high quality financial institutions. At December 31, 2021, the total above the federally insured limits was \$319,602.

Income Taxes - Uncertain Tax Positions:

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, except on net income derived from unrelated business activities. The Organization believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

The Organization's federal Exempt Organization Business Income Tax Returns (Form 990) are subject to examination by the IRS, generally for three years after they were filed.

Jessica June Children's Cancer Foundation, Inc.
Notes to the Financial Statements
For the Year Ended December 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the 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.

Fair value measurements

Fair value is defined as the price that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. Fair value should be based on the assumptions market participants would use when pricing an asset. US GAAP establishes a fair value hierarchy that prioritizes investments based on those assumptions. The fair value hierarchy gives the highest priority to quoted prices in active markets (observable inputs) and the lowest priority to an entity's assumptions (unobservable inputs).

The Organization groups assets at fair value in three levels, based on the markets in which the assets and liabilities are traded, and the reliability of the assumptions used to determine fair value.

These levels are:

- | | |
|---------|---|
| Level 1 | Unadjusted quoted market prices for identical assets or liabilities in active markets as of the measurement date. |
| Level 2 | Other observable inputs, either directly or indirectly, including: <ul style="list-style-type: none">• Quoted prices for similar assets/liabilities in active markets.• Quoted prices for identical or similar assets in non-active markets.• Inputs other than quoted prices that are observable for the asset/liability; and,• Inputs that are derived principally from or corroborated by other observable market data. |
| Level 3 | Unobservable inputs that cannot be corroborated by observable market data. |

NOTE 2 - SOURCE OF REVENUE

Grants:

The Organization records funding from grants in the period that the grant was awarded. Classification of the grants as unrestricted or temporarily restricted is based upon any grantor stipulations that limit the use of the grants. Grants that are temporarily restricted by the donor are reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized.

Jessica June Children's Cancer Foundation, Inc.
Notes to the Financial Statements
For the Year Ended December 31, 2021

NOTE 3 - PAYCHECK PROTECTION PROGRAM

First Draw Payroll Protection Program Loan:

On May 5, 2020, The Company (the "Borrower"), was granted a loan (the "Loan") from a bank in the aggregate amount of \$14,404, pursuant to the Paycheck Protection Program (the "PPP") under Division A, Title I of the CARES Act, which was enacted March 27, 2020.

The Loan, which was in the form of a note dated May 5, 2020, issued by the Borrower, matures on May 5, 2022, and bears interest at a rate of 1.00% per annum, The Note may be prepaid by the Borrower at any time prior to maturity with no prepayment penalties. Funds from the Loan may only be used for payroll costs, costs used to continue group health care benefits, mortgage interest, rent, utilities, and interest on other debt obligations incurred before February 15, 2020. Under the terms of the PPP, certain amounts of the Loan may be forgiven if they are used for qualifying expenses as described in the CARES Act. The Company intends to use the entire loan amount for qualifying expenses and request full forgiveness of the note. On March 9, 2021, the full amount of the Payroll Protection Program Loan (Note 7) was forgiven by the SBA and paid back to the lender of record.

Second Draw Payroll Protection Program Loan:

On March 1, 2021, The Company (the "Borrower"), was granted a loan (the "Loan") from a bank in the aggregate amount of \$14,405, pursuant to the Paycheck Protection Program (the "PPP"). The Loan, which was in the form of a note dated March 1, 2021, matures on March 1, 2023, and bears interest at a rate of 1.00% per annum. Funds from the Loan may only be used for payroll costs, costs used to continue group health care benefits, mortgage interest, rent, utilities, and interest on other debt obligations. Under the terms of the PPP, certain amounts of the Loan may be forgiven if they are used for qualifying expenses as described in the CARES Act. On August 25, 2021, the full amount of the Second Draw Payroll Protection Program Loan was forgiven by the SBA and paid back to the lender of record.

NOTE 4 - FUNCTIONAL ALLOCATION OF EXPENSE

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

NOTE 5 - ENDOWMENT FUND

The Organization has transferred assets to the Community Foundation of Broward (the "Foundation") which is holding them as an endowed component fund ("Fund") for the benefit of the Organization. The purpose of the Fund is to further or carry out the charitable purpose of the Organization in perpetuity. In the event the Jessica June Children's Cancer Foundation, Inc. should cease to exist, the Fund shall convert to a Field of Interest Fund that will provide financial assistance (not in cash) for low-income families with children ages 0-17 fighting cancer to ensure access to basic human necessities.

The Organization has granted the Community Foundation of Broward (the "Foundation") variance power which gives the Foundation's Board of Trustees the power to use the Fund for other purposes in certain circumstances. The Fund is subject to the Foundation's investment and spending policies which currently result in a distribution to the Organization of 5 percent of the 12-quarter weighted average of the fair market value of the Fund. For the year ended December 31, 2021, an additional contribution of fifty thousand (\$50,000) was contributed to the endowment fund by the Organization. The total contributed as of December 31, 2021, was \$150,000.

Jessica June Children's Cancer Foundation, Inc.
Notes to the Financial Statements
For the Year Ended December 31, 2021

NOTE 6 - FAIR VALUE MEASUREMENT

The following is a summary of assets held at fair value at December 31, 2021:

| Fair Value Measurement Using: | | | | |
|--|---------|--|---|---|
| Description | Total | Quoted Prices in Active Market for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
| Investment in Marketable Securities | 503,154 | 503,154 | | |

NOTE 7 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization's financial assets as of the balance sheet date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date.

| | |
|--|-------------------|
| Financial assets at year-end | \$ 877,545 |
| Less those unavailable for general expenditures within one year, due to restrictions: | _____ |
| Financial assets available to meet cash needs for general expenditures. within one year | <u>\$ 877,545</u> |

NOTE 8 - SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through May 4, 2022, the date which the financial statements were available to be issued.