Tap Cancer Out, Inc.

Financial Statements

Year Ended December 31, 2024

FOARD
EST. 1964

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Tap Cancer Out, Inc.
Indian Land, South Carolina

Opinion
We have audited the accompanying financial statements of Tap Cancer Out, Inc. (the "Organization" - a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tap Cancer Out, Inc. as of December 31, 2024, 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 of 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 Tap Cancer Out, 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 Tap Cancer Out, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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 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, 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.

Tap Cancer Out, Inc.
Indian Land, South Carolina

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 purposes of expressing an opinion on the effectiveness of Tap Cancer Out, 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 Tap Cancer Out, 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.

Report on Summarized Comparative Information
We have previously audited the Organization's 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 3, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Foard & Company, P.A.
May 1, 2025

TAP CANCER OUT, INC.

Statements of Financial Position

December 31, 2024, with prior year comparative totals

	December 31, 2024	December 31, 2023
ASSETS		
Current Assets:		
Cash	$ 663,375	$ 448,177
Pledges receivable	67,000	-
Accounts receivable	-	9,145
Prepaid expenses	95,487	62,758
Inventory	123,489	-
Total Current Assets	***949,351***	***520,080***
Long-Term Assets:		
Property and equipment, net	47,960	65,594
Operating right-of-use asset	141,265	192,308
Security deposit	6,269	6,269
Total Long-Term Assets	***195,494***	***264,171***
TOTAL ASSETS	***$ 1,144,845***	***$ 784,251***
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable and accrued expenses	$ 217,921	$ 222,952
Operating lease liability	52,845	50,220
Deferred revenue	62,019	48,438
Total Current Liabilities	***332,785***	***321,610***
Long-Term Liabilities:		
Operating lease liability	92,544	145,390
Total Long-Term Liabilities	***92,544***	***145,390***
Total Liabilities	***425,329***	***467,000***
Net Assets:		
Net assets without donor restrictions	719,516	317,251
Total Net Assets	***719,516***	***317,251***
TOTAL LIABILITIES AND NET ASSETS	***$ 1,144,845***	***$ 784,251***

TAP CANCER OUT, INC.

Statements of Activities

Year Ended December 31, 2024, with prior year comparative totals

	Year Ended December 31,	
	2024	2023
REVENUES, GAINS AND OTHER SUPPORT		
Contributions	$ 2,931,834	$ 2,592,279
Event revenue	851,369	730,581
Special events, net of direct benefit expenses of $23,372	25,558	62,953
Gain on disposal of assets	-	3,329
Rental income	36,245	2,496
Interest income	30,934	26,694
Total Revenues, Gains and Other Supports	***3,875,940***	***3,418,332***
EXPENSES		
Program	2,680,574	2,733,835
Management and general	349,906	287,790
Fundraising	443,195	371,076
Total Expenses	***3,473,675***	***3,392,701***
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	***402,265***	***25,631***
NET ASSETS WITHOUT DONOR RESTRICTIONS, BEGINNING	***317,251***	***291,620***
NET ASSETS WITHOUT DONOR RESTRICTIONS, ENDING	***$ 719,516***	***$ 317,251***

TAP CANCER OUT, INC.

Statement of Functional Expenses

Year Ended December 31, 2024, with prior year comparative totals

	Year Ended December 31, 2024				Prior Year
	Program Services	Management and General	Fundraising	TOTALS	Comparative Totals
PERSONNEL					
Salaries	$ 137,712	$ 133,660	$ 133,660	$ 405,032	$ 380,294
Payroll taxes	10,044	9,748	9,748	29,540	26,033
Benefits	11,948	11,597	11,597	35,142	30,563
Total Personnel	***159,704***	***155,005***	***155,005***	***469,714***	***436,890***
OTHER EXPENSES					
Grants	1,500,000	-	-	1,500,000	1,500,000
Professional fees - accounting	-	11,700	-	11,700	11,000
Professional fees - other	-	25,001	-	25,001	14,453
Event expenses:					
Venue fees	156,718	-	-	156,718	135,796
Merchant fees	139,186	-	-	139,186	122,126
Lodging and travel	177,320	-	-	177,320	188,715
Supplies	208,499	-	-	208,499	375,661
Contract services	195,035	-	-	195,035	179,510
Meals	20,866	-	-	20,866	21,956
Insurance	32,036	-	-	32,036	6,510
Advertising	-	-	161,600	161,600	156,801
Postage and shipping	7,112	-	-	7,112	9,123
Miscellaneous	11,410	-	-	11,410	5,450
Office expense	-	20,600	-	20,600	27,197
Telephone	-	6,822	-	6,822	7,925
Occupancy	28,584	27,742	27,742	84,068	47,773
Marketing	-	-	79,415	79,415	75,556
Insurance	-	7,380	-	7,380	7,265
Contract services	38,108	36,986	36,986	112,080	40,000
Equipment and technology	-	43,378	-	43,378	33,543
Bank and processing fees	-	1,600	-	1,600	2,371
Lodging and travel	-	1,812	-	1,812	1,301
Data processing	-	1,632	-	1,632	-
Miscellaneous	-	4,429	-	4,429	11,378
Depreciation	5,996	5,819	5,819	17,634	14,234
Total Other Expenses	***2,520,870***	***194,901***	***311,562***	***3,027,333***	***2,995,644***
Less - special events costs deducted from revenue	-	-	23,372	23,372	39,833
TOTAL EXPENSES	***$ 2,680,574***	***$ 349,906***	***$ 443,195***	***$ 3,473,675***	***$ 3,392,701***

TAP CANCER OUT, INC.

Statements of Cash Flows
Year Ended December 31, 2024, with prior year comparative totals

	Year Ended December 31,	
	2024	2023
OPERATING ACTIVITIES		
Change in net assets	$ 402,265	$ 25,631
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	17,634	14,234
Gain on sale of property and equipment	-	(3,329)
Operating lease	822	207
Change in operating assets:		
Pledges receivable	(67,000)	-
Accounts receivable	9,145	(9,087)
Prepaid expenses	(32,729)	(20,312)
Inventory	(123,489)	-
Security deposit	-	(3,519)
Change in operating liabilities:		
Accounts payable and accrued expenses	(5,031)	96,410
Deferred revenue	13,581	48,438
Cash Flows From Operating Activities	***215,198***	***148,673***
INVESTING ACTIVITIES		
Proceeds from sale of property	-	15,624
Purchases of property and equipment	-	(35,556)
Cash Flows From Investing Activities	***-***	***(19,932)***
NET CHANGE IN CASH	***215,198***	***128,741***
CASH, BEGINNING	***448,177***	***319,436***
CASH, ENDING	***$ 663,375***	***$ 448,177***

NOTE 1 – NATURE OF ACTIVITIES

Tap Cancer Out, Inc. (the "Organization") was organized in Fairfield, Connecticut as a not-for-profit organization for the purpose of motivating and empowering the Brazilian Jiu-Jitsu community to raise awareness and funds for cancer fighting organizations. The Organization hosts philanthropic fund-raising tournaments throughout the United States, as well as raising donations and selling merchandise.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation
The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). Net assets and revenues, expenses, gains, and losses are classified into two net asset categories based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

> *Net Assets without Donor Restrictions*: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and its Board of Directors.
>
> *Net Assets with Donor Restrictions*: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. As of December 31, 2024, the Organization did not have any net assets with donor restrictions.

Pledges receivable
Pledges receivable are recognized at fair value as revenues in the period in which there is sufficient evidence that an unconditional promise was received. Pledges receivable at December 31, 2024, were collected in full within one year of the statement of financial position date, as such no present value discount is necessary. Management's determination of the need for an allowance for doubtful accounts is based on an evaluation of the pledges receivable, past experience, current economic conditions, and other inherent risks. Management has determined that no allowance for doubtful accounts is necessary.

Inventory
Inventories, consisting primarily of clothing, are recorded at the lower of cost or net realizable value. Cost is determined on the first-in, first-out method.

Property and Equipment
Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. The Organization's capitalization threshold is $5,000. Depreciation is computed using the straight-line method over the estimated lives of the assets. When fixed assets are retired, the cost and related accumulated depreciation are removed from the accounts with any gain or loss recognized in the statement of activities.

Contributions
The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires (that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. All contributions are considered available for the general programs of the Organization unless specifically restricted by the donor.

Deferred Revenue
Deferred revenue consists primarily of donations and registration fees received in advance for future events occurring after year-end. The Organization has a performance obligation related to the events. Once the event takes place, the funds are then recognized to income as the performance obligation has been met.

Donated Services and Goods
Donated services are reported as contributions when the services (a) create or enhance nonfinancial assets or (b) would be purchased if they had not been provided by contribution, require specialized skills, and are provided by individuals possessing those skills. Donated goods, if significant, are included in support at fair value.

In addition, many individuals volunteer their time and perform a variety of tasks that assist the Organization with program services, management and general, and fundraising efforts. The Organization does not record the value of other donated services in its financial statements since the value of the services does not meet the requirements for recognition in the financial statements.

Advertising
The Organization expenses all advertising and promotion costs in the period the expense is incurred. The amounts incurred for 2024 were approximately $241,015.

Expense Allocation
The Organization's activities are focused in three functional areas. Program services represent the primary focus of the Organization's activities. Supporting services are fundraising activities and general and administrative activities. The expenses that are allocated include personnel-related expenses and occupancy expenses, which are allocated based on management's estimates of time and effort. All other expenses are allocated based on an analysis of management of the various expenses that comprise those costs.

Leases
The Organization determines if an arrangement is or contains a lease at inception. Leases are included in the right-of-use (ROU) assets and lease liabilities on the statement of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term. Operating lease expense is recognized on a straight-line basis over the lease term. The Organization does not report ROU assets and lease liabilities with a term of 12 months or less; rather they are reported as a lease expense on a straight-line basis over the lease term.

Estimates
The preparation of financial statements in conformity with U.S. GAAP 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.

Income Taxes
The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Additionally, the Organization is not a private foundation pursuant to Internal Revenue Code Section 509(a)(1).

The Organization claimed and received the Employee Retention Tax Credit for the second and third quarters of 2020 and the first quarter of 2021 due to being impacted by the government mandated shutdown. The claims are subject to review and examination by the Internal Revenue Service for three years from the date of the claim.

Prior-year Comparative Totals
The financial statements include certain prior-year summarized information in total, but not yet by net asset class or functional expense category. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Organization's December 31, 2023, financial statements, from which the summarized information was derived. Certain prior-year amounts may have been reclassified to conform to the presentation in the current-year financial statements.

NOTE 3 – PROPERTY AND EQUIPMENT

Property and equipment consisted of vehicles and equipment with a cost of $94,371 and accumulated depreciation of $46,411.

Depreciation expense for the year ended December 31, 2024, was $17,634.

NOTE 4 – LEASES

The Organization leases office space under non-cancellable operating leases. The leases contain no significant restrictions. In addition, the Organization did not identify any contracts entered during the year meeting the lease criteria nor did it have any finance leases during the year. The operating ROU asset represents the Organization's right to use underlying the asset for the lease term, and the operating lease liability represents the Organization's obligation to make lease payments arising from the lease. The ROU asset and lease liability were calculated based on the present value of future lease payments over the lease terms. The Organization used the incremental borrowing rate of 6.0% to discount future lease payments.

At December 31, 2024, the operating lease right-of-use asset balance was $141,265, and the operating lease liability was $145,389.

Total lease costs for the year ended December 31, 2024, was $52,845.

The weighted-average discount rate is 6.0%, and the weighted-average remaining lease term is approximately 3.41 years.

Future minimum lease payments required under the operating lease are as follows:

Year ended December 31,	
2025	$ 60,066
2026	33,744
2027	34,754
2028	32,724
Total lease payment	161,288
Less: imputed interest	(15,899)
Present value of liability	$ 145,389

NOTE 5 – RENTAL INCOME

The Organization entered into a sublease agreement as the sublessor effective December 2023 for the purpose of renting office space to the sublessee. The sublease commenced in December 2023 with a lease term of 24 months and monthly payments of $2,398 and $2,482 due for the calendar years of 2024 and 2025, respectively. Future minimum rental receipts of $26,140 are expected to be collected during the year ending December 31, 2025.

NOTE 6 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization has $730,375 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures consisting of cash of $663,375 and pledges receivable of $67,000. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

NOTE 7 – CONCENTRATIONS OF CREDIT RISK

Cash held in bank accounts is insured up to $250,000 by the Federal Deposit Insurance Corporation (FDIC). From time to time the Organization holds cash in excess of the insured limits covered by the FDIC; however, the Organization believes it is not exposed to any significant credit risk related to these accounts.

NOTE 8 – SUBSEQUENT EVENTS

The Organization has evaluated subsequent events from the date of the statement of financial position through the date of the independent auditors' report, which is the date the financial statements were available to be issued. During this period, no material recognizable subsequent events were identified.