

*Tap Cancer Out, Inc.*

*Financial Statements*

*Year Ended December 31, 2025*

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# ***TAP CANCER OUT, INC.***

## **Table of Contents**

**December 31, 2025**

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**Page**

Independent Auditors' Report ..... 1-2

**Audited Financial Statements:**

Statements of Financial Position ..... 3

Statements of Activities ..... 4

Statements of Functional Expenses ..... 5

Statements of Cash Flows ..... 6

Notes to Financial Statements ..... 7-11

## 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, 2025, 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, 2025, 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 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 1, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Foard & Company, P.A.*

April 17, 2026

**TAP CANCER OUT, INC.****Statements of Financial Position****December 31, 2025, with prior year comparative totals**

	December 31,	
	2025	2024
<b><u>ASSETS</u></b>		
Current Assets:		
Cash	\$ 636,795	\$ 663,375
Pledges receivable	80,000	67,000
Prepaid expenses	73,694	95,487
Inventory	174,571	123,489
<b><i>Total Current Assets</i></b>	<b><i>965,060</i></b>	<b><i>949,351</i></b>
Long-Term Assets:		
Property and equipment, net	30,324	47,960
Operating right-of-use asset	89,385	141,265
Security deposit	3,519	6,269
<b><i>Total Long-Term Assets</i></b>	<b><i>123,228</i></b>	<b><i>195,494</i></b>
<b><i>TOTAL ASSETS</i></b>	<b><i>\$ 1,088,288</i></b>	<b><i>\$ 1,144,845</i></b>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 116,223	\$ 217,921
Operating lease liability	28,977	52,845
Deferred revenue	34,055	62,019
<b><i>Total Current Liabilities</i></b>	<b><i>179,255</i></b>	<b><i>332,785</i></b>
Long-Term Liabilities:		
Operating lease liability	63,567	92,544
<b><i>Total Long-Term Liabilities</i></b>	<b><i>63,567</i></b>	<b><i>92,544</i></b>
<b><i>Total Liabilities</i></b>	<b><i>242,822</i></b>	<b><i>425,329</i></b>
Net Assets:		
Net assets without donor restrictions	845,466	719,516
<b><i>Total Net Assets</i></b>	<b><i>845,466</i></b>	<b><i>719,516</i></b>
<b><i>TOTAL LIABILITIES AND NET ASSETS</i></b>	<b><i>\$ 1,088,288</i></b>	<b><i>\$ 1,144,845</i></b>

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**TAP CANCER OUT, INC.****Statements of Activities****Year Ended December 31, 2025, with prior year comparative totals**

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	Year Ended December 31,	
	2025	2024
<b><u>REVENUES AND OTHER SUPPORT</u></b>		
Contributions	\$ 2,735,664	\$ 2,931,834
Event revenue	938,243	851,369
Special events	-	25,558
Rental income	32,639	36,245
Interest income	31,318	30,934
<i><b>Total Revenues and Other Support</b></i>	<i><b>3,737,864</b></i>	<i><b>3,875,940</b></i>
<b><u>EXPENSES</u></b>		
Program	2,680,274	2,680,574
Management and general	394,893	349,906
Fundraising	536,747	443,195
<i><b>Total Expenses</b></i>	<i><b>3,611,914</b></i>	<i><b>3,473,675</b></i>
<i><b>CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b></i>	<i><b>125,950</b></i>	<i><b>402,265</b></i>
<i><b>NET ASSETS WITHOUT DONOR RESTRICTIONS, BEGINNING</b></i>	<i><b>719,516</b></i>	<i><b>317,251</b></i>
<i><b>NET ASSETS WITHOUT DONOR RESTRICTIONS, ENDING</b></i>	<i><b>\$ 845,466</b></i>	<i><b>\$ 719,516</b></i>

**TAP CANCER OUT, INC.****Statement of Functional Expenses****Year Ended December 31, 2025, with prior year comparative totals**

	Year Ended December 31, 2025				Prior Year Comparative Totals
	Program Services	Management and General	Fundraising	TOTALS	
<b><u>PERSONNEL</u></b>					
Salaries	\$ 162,587	\$ 157,805	\$ 157,805	\$ 478,197	\$ 405,032
Payroll taxes	13,174	12,786	12,786	38,746	29,540
Benefits	14,437	14,014	14,014	42,465	35,142
<b><i>Total Personnel</i></b>	<b><i>190,198</i></b>	<b><i>184,605</i></b>	<b><i>184,605</i></b>	<b><i>559,408</i></b>	<b><i>469,714</i></b>
<b><u>OTHER EXPENSES</u></b>					
Grants	1,300,000	-	-	1,300,000	1,500,000
Professional fees - accounting	-	11,929	-	11,929	11,700
Professional fees - other	-	25,147	-	25,147	25,001
Event expenses:					
Venue fees	164,150	-	-	164,150	156,718
Merchant fees	140,185	-	-	140,185	139,186
Lodging and travel	205,772	-	-	205,772	177,320
Supplies	313,610	-	-	313,610	208,499
Contract services	216,268	-	-	216,268	195,035
Meals	30,036	-	-	30,036	20,866
Insurance	40,597	-	-	40,597	32,036
Advertising	-	-	204,416	204,416	161,600
Postage and shipping	-	-	-	-	7,112
Miscellaneous	7,620	-	-	7,620	11,410
Office expense	-	31,781	-	31,781	20,600
Telephone	-	8,488	-	8,488	6,822
Occupancy	25,674	24,918	24,918	75,510	84,068
Marketing	-	-	78,000	78,000	79,415
Insurance	-	8,119	-	8,119	7,380
Contract services	40,168	38,988	38,988	118,144	112,080
Equipment and technology	-	42,638	-	42,638	43,378
Bank and processing fees	-	1,498	-	1,498	1,600
Lodging and travel	-	8,145	-	8,145	1,812
Data processing	-	1,875	-	1,875	1,632
Miscellaneous	-	942	-	942	4,429
Depreciation	5,996	5,820	5,820	17,636	17,634
<b><i>Total Other Expenses</i></b>	<b><i>2,490,076</i></b>	<b><i>210,288</i></b>	<b><i>352,142</i></b>	<b><i>3,052,506</i></b>	<b><i>3,027,333</i></b>
Less - special events costs deducted from revenue	-	-	-	-	23,372
<b><u>TOTAL EXPENSES</u></b>	<b><u>\$ 2,680,274</u></b>	<b><u>\$ 394,893</u></b>	<b><u>\$ 536,747</u></b>	<b><u>\$ 3,611,914</u></b>	<b><u>\$ 3,473,675</u></b>

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**TAP CANCER OUT, INC.****Statements of Cash Flows****Year Ended December 31, 2025, with prior year comparative totals**

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	Year Ended December 31,	
	2025	2024
<b><u>OPERATING ACTIVITIES</u></b>		
Change in net assets	\$ 125,950	\$ 402,265
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	17,636	17,634
Operating lease	(965)	822
Change in operating assets:		
Pledges receivable	(13,000)	(67,000)
Accounts receivable	-	9,145
Prepaid expenses	21,793	(32,729)
Inventory	(51,082)	(123,489)
Security deposit	2,750	-
Change in operating liabilities:		
Accounts payable and accrued expenses	(101,698)	(5,031)
Deferred revenue	(27,964)	13,581
<b><i>Cash Flows From Operating Activities</i></b>	<b><i>(26,580)</i></b>	<b><i>215,198</i></b>
<b>NET CHANGE IN CASH</b>	<b>(26,580)</b>	<b>215,198</b>
<b>CASH, BEGINNING</b>	<b>663,375</b>	<b>448,177</b>
<b>CASH, ENDING</b>	<b>\$ 636,795</b>	<b>\$ 663,375</b>

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# ***TAP CANCER OUT, INC.***

## **Notes to Financial Statements**

**December 31, 2025**

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### **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, 2025, 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, 2025, 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.

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# ***TAP CANCER OUT, INC.***

## **Notes to Financial Statements**

**December 31, 2025**

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### 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.

### Revenue contracts with customers

The Organization recognizes revenue from contracts with customers in accordance with ASU Topic 606 which provides a five-step model for recognizing revenue from contracts with customers as follows:

- Identify the contract with the customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract
- Recognize revenue when or as the performance obligations are satisfied

The Organization recognizes revenues from contracts with customers when the related performance obligation is satisfied at transaction amounts expected to be received as described below. Amounts received for future periods are deferred and recognized as income in the period to which they apply.

### Contracts with customers and performance obligations

The Organization primarily generates contract revenue from registration fees and individual ticket sales. The performance obligation under these contracts is considered to be the Brazilian Jiu-Jitsu tournaments provided to registrants and attendees.

Individual ticket sales revenue is recognized at the point in time when the Organization satisfies its performance obligation. Revenues are recognized based on the individual ticket prices.

### 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.

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# ***TAP CANCER OUT, INC.***

## **Notes to Financial Statements**

**December 31, 2025**

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### *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. The Organization did not receive any donated goods or services during the year ended December 31, 2025.

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 2025 were approximately \$282,400.

### *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).

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# ***TAP CANCER OUT, INC.***

## **Notes to Financial Statements**

**December 31, 2025**

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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, 2024, financial statements, from which the summarized information was derived.

### **NOTE 3 – PROPERTY AND EQUIPMENT**

Property and equipment consisted of vehicles and equipment with a cost of \$94,371 and accumulated depreciation of \$64,047.

Depreciation expense for the year ended December 31, 2025, was \$17,636.

### **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, 2025, the operating lease right-of-use asset balance was \$89,385, and the operating lease liability was \$92,544.

Total lease costs for the year ended December 31, 2025, was \$51,043.

The weighted-average discount rate is 6.0%, and the weighted-average remaining lease term is approximately 2.92 years.

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**TAP CANCER OUT, INC.****Notes to Financial Statements****December 31, 2025**

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

Year ended December 31,	
2026	\$ 33,744
2027	34,754
2028	<u>32,725</u>
Total lease payment	101,223
Less: imputed interest	<u>(8,679)</u>
Present value of liability	<u>\$ 92,544</u>

**NOTE 5 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The Organization has \$716,795 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 \$636,795 and pledges receivable of \$80,000. Of the financial assets available within one year, none are subject to donor or other contractual restrictions that would make the, unavailable for general expenditure. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

**NOTE 6 – 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 7 – 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.