

Midwest Athletes Against Childhood Cancer, Inc.

Financial Statements

Years Ended December 31, 2021 and 2020



MACC FUND

Hope for Kids

Midwest Athletes Against Childhood Cancer, Inc.

Years Ended December 31, 2021 and 2020

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Independent Auditor's Report

Board of Directors
Midwest Athletes Against Childhood Cancer, Inc.
Milwaukee, Wisconsin

Opinion

We have audited the accompanying financial statements (the "financial statements") of Midwest Athletes Against Childhood Cancer, Inc. (the "Organization"), a nonprofit organization, which comprise the statements of financial position as of December 31, 2021 and 2020, 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 Midwest Athletes Against Childhood Cancer, Inc. as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). 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 Midwest Athletes Against Childhood Cancer, Inc. 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 GAAP, 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 Midwest Athletes Against Childhood Cancer, Inc.'s ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance 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 GAAS 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 GAAS, 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 Midwest Athletes Against Childhood Cancer, 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 Midwest Athletes Against Childhood Cancer, 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.

Wipfli LLP

Wipfli LLP
Milwaukee, Wisconsin

February 28, 2022

Midwest Athletes Against Childhood Cancer, Inc.

Statements of Financial Position

December 31, 2021 and 2020

Assets	2021	2020
Current assets:		
Cash and cash equivalents	\$ 466,502	\$ 1,034,505
Investments	7,599,741	8,190,897
Accounts receivable	58,584	50,625
Promises to give - Net of allowance for doubtful promises of \$6,500 at December 31, 2021 and 2020	497,468	369,211
Prepays and other assets	93,229	74,153
Total current assets	8,715,524	9,719,391
Furniture and office equipment - Net of accumulated depreciation of \$55,456 and \$49,196 at December 31, 2021 and 2020, respectively	4,090	6,857
TOTAL ASSETS	\$ 8,719,614	\$ 9,726,248
Liabilities and Net Assets	2021	2020
Current liabilities:		
Accounts payable	\$ 11,928	\$ 4,467
Contract liabilities	26,925	3,386
Total current liabilities	38,853	7,853
Net assets:		
Without donor restrictions	8,183,293	9,313,584
With donor restrictions	497,468	404,811
Total net assets	8,680,761	9,718,395
TOTAL LIABILITIES AND NET ASSETS	\$ 8,719,614	\$ 9,726,248

See accompanying notes to financial statements.

Midwest Athletes Against Childhood Cancer, Inc.

Statements of Activities

Years Ended December 31, 2021 and 2020

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support:						
Proceeds from fundraising activities:						
Contributions	\$ 2,270,004	\$ 292,341	\$ 2,562,345	\$ 2,883,704	\$ 352,646	\$ 3,236,350
Special event revenue	459,496	-	459,496	383,399	-	383,399
Less - Costs of direct benefits to donors	(168,181)	-	(168,181)	(101,964)	-	(101,964)
Net proceeds from fundraising activities	2,561,319	292,341	2,853,660	3,165,139	352,646	3,517,785
Contributions:						
Foundations	597,358	1,000	598,358	564,369	15,000	579,369
Memorials and bequests	344,253	150	344,403	217,542	100	217,642
General and major gifts	1,171,137	210,477	1,381,614	1,900,667	7,965	1,908,632
Total contributions	2,112,748	211,627	2,324,375	2,682,578	23,065	2,705,643
Investment income - Net	933,270	-	933,270	610,611	-	610,611
Net assets released from restrictions	411,311	(411,311)	-	664,891	(664,891)	-
Total revenue and support	6,018,648	92,657	6,111,305	7,123,219	(289,180)	6,834,039
Expenses:						
Program	502,261	-	502,261	495,262	-	495,262
Direct fundraising	448,834	-	448,834	456,330	-	456,330
Indirect fundraising	140,314	-	140,314	125,990	-	125,990
Administrative and general	182,530	-	182,530	162,675	-	162,675
Total expenses	1,273,939	-	1,273,939	1,240,257	-	1,240,257
Excess of revenue and support over expenses before						
research contributions	4,744,709	92,657	4,837,366	5,882,962	(289,180)	5,593,782
Research contributions	(5,875,000)	-	(5,875,000)	(3,670,000)	-	(3,670,000)
Change in net assets	(1,130,291)	92,657	(1,037,634)	2,212,962	(289,180)	1,923,782
Net assets at beginning	9,313,584	404,811	9,718,395	7,100,622	693,991	7,794,613
Net assets at end	\$ 8,183,293	\$ 497,468	\$ 8,680,761	\$ 9,313,584	\$ 404,811	\$ 9,718,395

See accompanying notes to financial statements.

Midwest Athletes Against Childhood Cancer, Inc.

Statements of Cash Flows

Years Ended December 31, 2021 and 2020

	2021	2020
Increase (decrease) in cash and cash equivalents:		
Cash flows from operating activities:		
Change in net assets	\$ (1,037,634)	\$ 1,923,782
Adjustments to reconcile change in net assets to net cash and cash equivalents (used in) provided by operating activities:		
Depreciation expense	6,260	7,198
Net realized and unrealized gains on investments	(818,383)	(522,881)
Donated investments received	(1,370)	(913,509)
Changes in operating assets and liabilities:		
Accounts receivable	(7,959)	3,575
Promises to give	(128,257)	289,180
Prepays and other assets	(19,076)	(38)
Accounts payable	7,461	1,712
Contract liabilities	23,539	3,286
Accrued liabilities	-	(116,495)
Net cash and cash equivalents (used in) provided by operating activities	(1,975,419)	675,810
Cash flows from investing activities:		
Purchases of furniture and office equipment	(3,493)	-
Purchases of investments	(6,028,463)	(2,721,368)
Proceeds from sales of investments	7,439,372	2,442,178
Net cash and cash equivalents provided by (used in) investing activities	1,407,416	(279,190)
(Decrease) increase in cash and cash equivalents	(568,003)	396,620
Cash and cash equivalents at beginning	1,034,505	637,885
Cash and cash equivalents at end	\$ 466,502	\$ 1,034,505
Noncash investing activities:		
Donated investments received	\$ 1,370	\$ 913,509

See accompanying notes to financial statements.

Midwest Athletes Against Childhood Cancer, Inc.

Statements of Functional Expenses

Year Ended December 31, 2021

	Program	Cost of Direct Benefits to Donors	Direct Fundraising	Indirect Fundraising	Administrative and General	Total
Research contributions	\$ 5,875,000	\$ -	\$ -	\$ -	\$ -	\$ 5,875,000
Salaries and wages	189,981	-	147,763	42,218	42,218	422,180
Payroll taxes and employee benefits	152,889	-	118,913	33,976	33,976	339,754
Outside services	68,155	-	63,611	34,077	61,339	227,182
Continuing education and seminars	-	-	-	5,600	-	5,600
Occupancy	-	-	13,200	4,950	14,850	33,000
Telephone and internet	1,760	-	2,406	645	1,056	5,867
Supplies and printing	6,054	-	3,632	1,211	1,211	12,108
Postage and deliveries	1,770	-	2,301	177	177	4,425
Travel	11,016	-	5,949	1,102	3,966	22,033
Insurance	-	-	9,253	7,711	13,880	30,844
Participant awards, food, and entertainment	7,342	29,368	-	-	-	36,710
Auction and promotional items	41,675	58,344	-	1,042	3,126	104,187
Publicity	2,950	-	2,950	-	-	5,900
Equipment and facility rental	18,669	42,316	-	622	622	62,229
Miscellaneous, in-kind donations, and event sundries	-	38,153	-	401	1,599	40,153
Licenses and fees	-	-	49,095	5,643	1,693	56,431
Depreciation	-	-	2,504	939	2,817	6,260
Sales taxes	-	-	27,257	-	-	27,257
Total expenses by function	6,377,261	168,181	448,834	140,314	182,530	7,317,120
Less expenses reported separately on the statements of activities:						
Cost of direct benefits to donors	-	(168,181)	-	-	-	(168,181)
Research contributions	(5,875,000)	-	-	-	-	(5,875,000)
Total expenses included in the expenses section on the statement of activities	\$ 502,261	\$ -	\$ 448,834	\$ 140,314	\$ 182,530	\$ 1,273,939

Midwest Athletes Against Childhood Cancer, Inc.

Statements of Functional Expenses (Continued)

Year Ended December 31, 2020

	Program	Cost of Direct Benefits to Donors	Direct Fundraising	Indirect Fundraising	Administrative and General	Total
Research contributions	\$ 3,670,000	\$ -	\$ -	\$ -	\$ -	\$ 3,670,000
Salaries and wages	215,376	-	167,515	47,861	47,861	478,613
Payroll taxes and employee benefits	159,675	-	124,192	35,484	35,484	354,835
Outside services	37,181	-	34,702	18,590	33,463	123,936
Occupancy	-	-	13,200	4,950	14,850	33,000
Telephone and internet	1,763	-	2,409	646	1,058	5,876
Supplies and printing	4,076	-	2,445	815	815	8,151
Postage and deliveries	3,262	-	4,241	326	326	8,155
Travel	15,108	-	8,158	1,511	5,439	30,216
Insurance	-	-	9,107	7,589	13,660	30,356
Repairs and maintenance	-	-	-	822	672	1,494
Participant awards, food, and entertainment	2,206	8,822	-	-	-	11,028
Auction and promotional items	48,193	64,321	20,250	1,148	3,445	137,357
Publicity	3,692	-	3,692	-	-	7,384
Equipment and facility rental	4,730	10,722	-	158	158	15,768
Miscellaneous, in-kind donations, and event sundries	-	18,099	-	190	759	19,048
Licenses and fees	-	-	41,931	4,820	1,446	48,197
Depreciation	-	-	2,879	1,080	3,239	7,198
Sales taxes	-	-	21,609	-	-	21,609
Total expenses by function	4,165,262	101,964	456,330	125,990	162,675	5,012,221
Less expenses reported separately on the statements of activities:						
Cost of direct benefits to donors	-	(101,964)	-	-	-	(101,964)
Research contributions	(3,670,000)	-	-	-	-	(3,670,000)
Total expenses included in the expenses section on the statement of activities	\$ 495,262	\$ -	\$ 456,330	\$ 125,990	\$ 162,675	\$ 1,240,257

See accompanying notes to financial statements.

Midwest Athletes Against Childhood Cancer, Inc.

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies

Nature of Activities

Midwest Athletes Against Childhood Cancer, Inc. (the “MACC Fund” or the “Organization”) is a nonprofit organization created for the sole purpose of supporting research with respect to treatments and cures for childhood cancer and other related blood disorders. To accomplish this purpose, the MACC Fund seeks public support through various fundraising projects and events, and from direct contributions. The MACC Fund supports research at the Medical College of Wisconsin in the MACC Fund Research Center, at the Carbone Cancer Center of the University of Wisconsin in the MACC Fund UW Childhood Cancer Research Wing, at the MACC Fund Center at Children’s Hospital of Wisconsin, and at the Marshfield Clinic.

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 (“GAAP”).

Use of Estimates

The preparation of the accompanying financial statements in accordance with GAAP requires management to make certain estimates and assumptions that directly affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Net Assets

Net assets and revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other explicit donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Cash and Cash Equivalents

The Organization considers all highly liquid debt instruments with an original maturity of three months or less to be cash equivalents.

Midwest Athletes Against Childhood Cancer, Inc.

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Investments and Investment Income

Investments are measured at fair value in the accompanying statements of financial position. Donated investments are recorded at fair value at the date of donation, or, if sold immediately after receipt, at the amount of sales proceeds received (which is considered a fair measure of the value at the date of the donation).

Investment income (including realized and unrealized gains and losses, interest, and dividends) is reported as revenue without donor restrictions unless the income is restricted by donor or law. Realized gains or losses are determined by specific identification. Investment expenses, including direct internal investment expenses, if any, are netted with return on the statements of activities.

Accounts Receivable

Accounts receivable are generally unconditional donations, without donor restrictions, that have been collected by a third-party online credit card processing agency but that have not yet been remitted to the MACC Fund as of December 31, 2021 and 2020. The Organization considers these receivables to be fully collectible and, therefore, no allowance for uncollectible amounts has been recorded. If an account becomes uncollectible, it will be written off at that time.

Furniture and Office Equipment

Furniture and office equipment is stated at cost if purchased or fair value at date of gift if donated and capitalized. When assets are retired or otherwise disposed of, their costs and related accumulated depreciation are removed from the accounts and resulting gains or losses are included in income. Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed using the straight-line method. Estimated lives of furniture and office equipment are three to five years. Expenditures for repairs and maintenance costs are expensed as incurred.

The MACC Fund reports gifts of property and equipment as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash and other assets that must be used to acquire long-lived assets are reported as support with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the MACC Fund reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Certain costs have been allocated among the programs and supporting services benefited. Salaries and wages, payroll taxes and employee benefits, and outside services have been allocated based on time spent. Occupancy and depreciation have been allocated based on square footage. All other expenses have been allocated based upon utilization.

Midwest Athletes Against Childhood Cancer, Inc.

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Revenue Recognition

Special Event Revenue from Contracts with Customers

The exchange portion of proceeds from certain fundraising activities represent the Organization's only source of revenues from contracts with customers. Fundraising events include bike rides, golf outings, and other sporting and recreational events. The Organization's contracts related to fundraising activities include a performance obligation for event hosting. The Organization's fundraising activities are single-day events and proceeds are recognized on the date the fundraising event obligation is satisfied by delivery or performance of services. The Organization determines the base transaction price based on similar events and may provide discounts for early registration to certain events.

Generally, payment is due from customers upon registration for an event or by the date of the event. Refunds of registration fees are subject to Organization approval. Registration for events is generally limited to less than one-year in advance of the event.

Because the Organization's performance obligations relate to contracts with a duration of less than one year, the Organization has elected to apply the optional exemption provided in FASB ASC 606-10-50-14(a) and, therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period. The Organization rarely has material unsatisfied or partially unsatisfied performance obligations at fiscal year-end. Advance registrations are recorded as contract liabilities and the proceeds are not recognized in revenue until the performance obligation is satisfied as described above.

The Organization records sales taxes on a gross basis (included in expenses). Total sales taxes for 2021 and 2020 were \$27,257 and \$21,610, respectively.

Contributions and Promises to Give

Contributions and promises to give are evaluated to determine if they contain conditions prior to recognizing revenue. Unconditional contributions are recognized as revenue when cash or other assets are received. Unconditional promises to give are recognized as revenue and a receivable when the promise is received from the donor. Conditional contributions, promises to give, and indications of intentions to give are reported at fair value at the date the gift is deemed unconditional. Assets received for which the condition has not been satisfied are recorded as grant advance liability. At December 31, 2021 and 2020, the Organization has no grant advance liabilities.

Donor contributions are received through fundraising events and activities sponsored by the MACC Fund as well as events and activities sponsored by other organizations. The gifts are reported as donor-restricted if they are received with donor stipulations that limit the time or use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the accompanying statements of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met within the same year as received are reported as without donor restrictions in the accompanying financial statements.

Midwest Athletes Against Childhood Cancer, Inc.

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Revenue Recognition (Continued)

Promises to give whose eventual uses are restricted by the donors are recorded as increases in net assets with donor restrictions. Promises to give without a purpose restriction to be collected in future periods are also recorded as an increase to net assets with donor restrictions and reclassified to net assets without donor restrictions when received.

Management periodically reviews all past due promises to give and estimates the portion, if any, of the balance that will not be collected. The carrying amounts of promises to give are reduced by allowances that reflect management's estimate of uncollectible amounts. Promises to give are anticipated to be collected within the next year.

Donations In-Kind and Contributed Goods

Material gifts in-kind used to operate the Organization's programs and donated goods distributed, including auction items and raffle prizes, are recorded as income and expense at the donor's estimated fair value at the time the items are placed into service or distributed.

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills and would otherwise be purchased by the Organization.

The Organization maintains an agreement with the Medical College of Wisconsin to occupy, at no charge, 1,500 square feet of office space. The fair value of the donated space was estimated at \$33,000 in 2021 and 2020 and has been recorded as contribution revenue and occupancy expense in the accompanying statements of activities.

Promotional Costs

Promotional costs are expensed as incurred. Promotional costs charged to expense in 2021 and 2020 were \$70,927 and \$65,792, respectively, and are included in auction and promotional items and in publicity on the accompanying statements of functional expenses.

Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A three-tier hierarchy prioritizes the inputs used in measuring fair value. These tiers include Level 1, defined as observable inputs such as quoted market prices in active markets; Level 2, defined as inputs other than quoted market prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs for which little or no market data exists, therefore requiring an entity to develop its own assumptions. The asset's or liability's fair value measurement within the hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Midwest Athletes Against Childhood Cancer, Inc.

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Income Taxes

The Organization is a nonprofit corporation as described in Section 501(c)(3) of the Internal Revenue Code (the "Code") and is exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. The Organization is also exempt from state taxes on related income.

The Organization recognizes the benefit of a tax position only after determining whether it is more likely than not that the taxing authority would sustain the tax position upon examination of the technical merits of the tax position assuming the taxing authority has full knowledge of all information. The Organization has recorded no assets or liabilities related to uncertain tax positions.

New Accounting Pronouncement

In 2020, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) No. 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* (Topic 958), which is intended to improve transparency in reporting contributed nonfinancial assets for not-for-profit entities through enhancements to presentation and disclosure. ASU No. 2020-07 will require not-for-profit entities to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash and other financial assets, and disclose:

1. A disaggregation of the amount of contributed nonfinancial assets recognized within the statement of activities by category that depicts the type of contributed nonfinancial assets.
2. For each category of contributed nonfinancial assets recognized:
 - a. Qualitative information about whether the contributed nonfinancial assets were either monetized or utilized during the reporting period. If utilized, a not-for-profit entity will disclose a description of the programs or other activities in which those nonfinancial assets were used.
 - b. The not-for-profit entity's policy (if any) about monetizing rather than utilizing contributed nonfinancial assets.
 - c. A description of any donor-imposed restrictions associated with the contributed nonfinancial assets.
 - d. A description of the valuation techniques and inputs used to arrive at a fair value measure, in accordance with the requirements in Topic 820, *Fair Value Measurement*, at initial recognition.
 - e. The principal market (or most advantageous market) used to arrive at a fair value measure if it is a market in which the recipient not-for-profit entity is prohibited by a donor-imposed restriction from selling or using the contributed nonfinancial assets.

ASU No. 2020-07 is effective for fiscal years beginning after June 15, 2021, with early adoption permitted. ASU No. 2020-07 must be applied retrospectively. The Organization is evaluating the impact of the provisions of ASU No. 2020-07.

Midwest Athletes Against Childhood Cancer, Inc.

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Reclassifications

Certain amounts as previously reported in the 2020 financial statements have been reclassified to conform to the 2021 presentation. Specifically, amounts reported as proceeds from fundraising activities totaling \$265,525 and previously included in contributions have been reclassified to special event revenue on the statements of activities. Such reclassifications had no effect on reported amounts of net assets or the change in net assets.

Subsequent Events

Subsequent events have been evaluated through February 28, 2022, which is the date the financial statements were available to be issued.

Note 2: Investments

Investments recorded in the accompanying statements of financial position consisted of the following:

<i>As of December 31,</i>	2021	2020
Equities	\$ 3,376,091	\$ 4,104,944
Fixed income mutual funds	2,658,334	3,187,291
Equity mutual funds	1,565,316	898,662
Total investments	\$ 7,599,741	\$ 8,190,897

Investments, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with various investments, it is reasonably possible that changes in the values of certain investments will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

Net investment income (loss) was as follows:

<i>Years Ended December 31,</i>	2021	2020
Interest and dividends	\$ 182,084	\$ 142,888
Net realized gains	1,074,548	75,276
Net unrealized (losses) gains	(256,165)	447,605
Investment expenses	(67,197)	(55,158)
Total net investment income	\$ 933,270	\$ 610,611

Midwest Athletes Against Childhood Cancer, Inc.

Notes to Financial Statements

Note 3: Fair Value Measurements

Information regarding assets measured at fair value on a recurring basis is as follows:

<i>As of December 31, 2021</i>	Total Assets at Fair Value	<u>Recurring Fair Value Measurements Using</u>		
		<u>Quoted Prices</u> in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Equities:				
U.S. equities	\$ 1,100,549	\$ 1,100,549	\$ -	\$ -
Developed foreign equities	651,632	651,632	-	-
Exchange-traded funds	1,623,910	1,623,910	-	-
Mutual funds:				
Fixed income funds	2,658,334	2,658,334	-	-
Equity funds	992,037	992,037	-	-
Emerging foreign funds	209,510	209,510	-	-
Real estate funds	363,769	363,769	-	-
Totals	\$ 7,599,741	\$ 7,599,741	\$ -	\$ -

<i>As of December 31, 2020</i>	Total Assets at Fair Value	<u>Recurring Fair Value Measurements Using</u>		
		<u>Quoted Prices</u> in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Equities:				
U.S. equities	\$ 2,053,775	\$ 2,053,775	\$ -	\$ -
Developed foreign equities	520,200	520,200	-	-
Exchange-traded funds	1,530,969	1,530,969	-	-
Mutual funds:				
Fixed income funds	3,187,291	3,187,291	-	-
Equity funds	311,942	311,942	-	-
Emerging foreign funds	231,476	231,476	-	-
Real estate funds	283,669	283,669	-	-
Commodities	71,575	71,575	-	-
Totals	\$ 8,190,897	\$ 8,190,897	\$ -	\$ -

Midwest Athletes Against Childhood Cancer, Inc.

Notes to Financial Statements

Note 3: Fair Value Measurements (Continued)

Following is a description of the valuation methodology used for each asset measured at fair value on a recurring basis:

- Equities are valued at the closing price reported on the active market on which the individual securities are traded.
- Mutual funds are valued at the daily closing price as reported by the fund. Mutual funds held by the Organization are open-end mutual funds that are registered with the U.S. Securities and Exchange Commission. These funds are required to publish their daily net asset value and to transact at that price. The mutual funds held by the Organization are deemed to be actively traded.

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 financial instruments could result in a different fair value measurement at the reporting date.

Note 4: Contract Balances

Opening and closing balances for contract assets, contract liabilities, and accounts receivable arising from contracts with customers include:

<i>As of</i>	December 31, 2021	December 31, 2020	January 1, 2020
Contract liabilities	\$ 26,925	\$ 3,386	\$ 100

Contract assets arise when the Organization transfers goods or services to a customer in advance of receiving consideration and the right to consideration is conditioned on something other than the passage of time, such as work in process or unbilled receivables. Contract assets are transferred to receivables when the right to receive consideration becomes unconditional and the Organization is able to invoice the customer. As of December 31, 2021 and 2020, and as of January 1, 2020, the Organization did not have any contract assets or receivables. Contract liabilities represent the Organization's obligation to transfer goods or services to a customer when consideration has already been received from the customer, such as deferred revenue. When transfer of control of the related good or service occurs, contract liabilities are reclassified, and revenue is recognized.

Note 5: Disaggregation of Revenues from Contracts with Customers

The Organization's revenues from contracts with customers are accounted for at the point in time when control of the goods or services transfers to the customer and the Organization's performance obligation is satisfied. Revenue from contracts with customers recognized at a point in time consist of the exchange-portion of special event proceeds and totaled \$459,496 and \$383,399 for the years ended December 31, 2021 and 2020, respectively.

Midwest Athletes Against Childhood Cancer, Inc.

Notes to Financial Statements

Note 6: Net Assets With Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes or periods:

<i>As of December 31,</i>	2021	2020
Subject to the passage of time - Unconditional promises to give	\$ 497,468	\$ 369,211
Subject to expenditure for specific purpose - Childhood cancer and other related blood disorders research fellowships	-	35,600
Total net assets with donor restrictions	\$ 497,468	\$ 404,811

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of the passage of time or other events specified by donors.

Note 7: Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions or designations limiting their use, within twelve months of the statement of financial position date comprise the following:

<i>As of December 31,</i>	2021	2020
Cash and cash equivalents	\$ 466,502	\$ 1,034,505
Investments	7,599,741	8,190,897
Accounts receivable	58,584	50,625
Unconditional promises to give	497,468	369,211
Total financial assets	8,622,295	9,645,238
Less - Restricted program contributions included in cash and cash equivalents	-	(35,600)
Total financial assets available for general expenditure	\$ 8,622,295	\$ 9,609,638

The Organization does not have a formal liquidity policy but generally maintains financial assets in liquid form such as cash and cash equivalents and investments for approximately two years of expected contributions for research.

Note 8: Retirement Plan

The MACC Fund has a salary reduction 403(b) plan covering substantially all employees which provides for employer supplemental contributions equal to a percentage of each participant's compensation at the discretion of the MACC Fund. The MACC Fund is also required to match 50% of a participant's salary reduction contributions, not to exceed \$5,000 annually. Expense related to the plan was \$18,327 and \$12,280 in 2021 and 2020, respectively.

Midwest Athletes Against Childhood Cancer, Inc.

Notes to Financial Statements

Note 9: Concentrations

Concentrations of promises to give are as follows:

<i>As of December 31,</i>	2021	2020
Donor/Event A	20 %	32 %
Donor/Event B	40 %	0 %
Donor/Event C	31 %	53 %

Concentrations of gross proceeds from fundraising events in relation to total revenue and support are as follows:

<i>Years Ended December 31,</i>	2021	2020
Event A	15 %	17 %
Event B	*	15 %

* Event does not represent a significant concentration for the year ended December 31.

The Organization maintains depository relationships with a local financial institution. Balances on deposit are insured by the Federal Deposit Insurance Corporation (FDIC) up to specified limits. Balances in excess of FDIC limits are uninsured. The Organization has not experienced any losses in such accounts and management believes the Organization is not exposed to any significant credit risk on cash.