

SWIM ACROSS AMERICA, INC.
Financial Statements
December 31, 2022 and 2021
With Independent Auditor's Report

Swim Across America, Inc.
Table of Contents
December 31, 2022 and 2021

Independent Auditor's Report	1-2
Financial Statements	
Statements of Financial Position	3
Statements of Activities	4-5
Statements of Functional Expenses	6-7
Statements of Cash Flows	8
Notes to Financial Statements	9-16

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Swim Across America, Inc.:

Opinion

We have audited the financial statements of Swim Across America, Inc. (the "Organization"), which comprise the statements of financial position as of December 31, 2022 and 2021, 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 accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2022 and 2021, 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.

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 the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for 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 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 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 judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatements of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Withum Smith & Brown, PC

September 5, 2023

Swim Across America, Inc.
Statements of Financial Position
December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Assets		
Cash	\$ 2,809,745	\$ 2,063,566
Investments, at fair value	4,074,276	4,560,553
Accounts receivable	354,324	232,000
Unconditional promises to give	150,000	750,000
Employee retention credit receivable	40,595	101,054
Prepaid expenses and other assets	85,576	19,957
Property and equipment, net	<u>42,573</u>	<u>10,190</u>
 Total assets	 <u>\$ 7,557,089</u>	 <u>\$ 7,737,320</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 28,983	\$ 10,303
Total liabilities	<u>28,983</u>	<u>10,303</u>
Net assets		
Without donor restrictions	4,678,106	4,027,017
With donor restrictions	<u>2,850,000</u>	<u>3,700,000</u>
Total net assets	<u>7,528,106</u>	<u>7,727,017</u>
 Total liabilities and net assets	 <u>\$ 7,557,089</u>	 <u>\$ 7,737,320</u>

The Notes to Financial Statements are an integral part of these statements.

Swim Across America, Inc.
Statement of Activities
Year Ended December 31, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Operating activities			
Public support			
Contributions	\$ 8,698,083	\$ 150,000	\$ 8,848,083
Sponsorship	524,547	-	524,547
Net assets released from restriction	<u>1,000,000</u>	<u>(1,000,000)</u>	<u>-</u>
Total public support	<u>10,222,630</u>	<u>(850,000)</u>	<u>9,372,630</u>
Expenses			
Program services	8,618,979	-	8,618,979
Supporting services			
Management and general	267,827	-	267,827
Fundraising	<u>305,491</u>	<u>-</u>	<u>305,491</u>
Total expenses	<u>9,192,297</u>	<u>-</u>	<u>9,192,297</u>
Change in net assets from operating activities	<u>1,030,333</u>	<u>(850,000)</u>	<u>180,333</u>
Non-operating activities			
Employee retention credit income	40,595	-	40,595
Net investment loss	(420,213)	-	(420,213)
Interest income	<u>374</u>	<u>-</u>	<u>374</u>
Total non-operating activities	<u>(379,244)</u>	<u>-</u>	<u>(379,244)</u>
Change in net assets	651,089	(850,000)	(198,911)
Net assets			
Beginning of year	<u>4,027,017</u>	<u>3,700,000</u>	<u>7,727,017</u>
End of year	<u>\$ 4,678,106</u>	<u>\$ 2,850,000</u>	<u>\$ 7,528,106</u>

The Notes to Financial Statements are an integral part of this statement.

Swim Across America, Inc.
Statement of Activities
Year Ended December 31, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Operating activities			
Public support			
Contributions	\$ 7,843,689	\$ 1,013,745	\$ 8,857,434
Grant - PPP loan forgiveness	150,000	-	150,000
Sponsorship	460,407	-	460,407
Net assets released from restriction	<u>1,500,000</u>	<u>(1,500,000)</u>	<u>-</u>
Total public support	<u>9,954,096</u>	<u>(486,255)</u>	<u>9,467,841</u>
Expenses			
Program services	7,742,843	-	7,742,843
Supporting services			
Management and general	240,581	-	240,581
Fundraising	<u>238,658</u>	<u>-</u>	<u>238,658</u>
Total expenses	<u>8,222,082</u>	<u>-</u>	<u>8,222,082</u>
Change in net assets from operating activities	<u>1,732,014</u>	<u>(486,255)</u>	<u>1,245,759</u>
Non-operating activities			
Employee retention credit income	101,054	-	101,054
Net investment income	294,072	-	294,072
Interest income	<u>400</u>	<u>-</u>	<u>400</u>
Total non-operating activities	<u>395,526</u>	<u>-</u>	<u>395,526</u>
Change in net assets	2,127,540	(486,255)	1,641,285
Net assets			
Beginning of year	<u>1,899,477</u>	<u>4,186,255</u>	<u>6,085,732</u>
End of year	<u>\$ 4,027,017</u>	<u>\$ 3,700,000</u>	<u>\$ 7,727,017</u>

The Notes to Financial Statements are an integral part of this statement.

Swim Across America, Inc.
Statement of Functional Expenses
Year Ended December 31, 2022

	<u>Supporting Services</u>			<u>Total</u>
	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	
Personnel costs				
Salaries	\$ 700,350	\$ 100,050	\$ 200,100	\$ 1,000,500
Payroll taxes	45,046	6,435	12,871	64,352
Employee benefits	105,142	15,020	30,041	150,203
Total personnel costs	<u>850,538</u>	<u>121,505</u>	<u>243,012</u>	<u>1,215,055</u>
Non-personnel costs				
Grants - cancer research	6,232,000	-	-	6,232,000
Bank and credit card charges	297,637	-	-	297,637
Database and website	12,110	-	-	12,110
Education and promotion	182,202	20,245	-	202,447
Event specific expenses	430,353	-	-	430,353
Insurance	34,722	3,858	-	38,580
Outside services	261,036	-	-	261,036
Professional fees	-	64,781	-	64,781
Reception expenses	108,258	15,465	30,931	154,654
Registration fees	39,161	-	-	39,161
Rent	-	8,164	-	8,164
Supplies	61,617	6,846	-	68,463
Telephone	-	6,809	-	6,809
Travel and entertainment	108,540	15,506	31,011	155,057
Depreciation	805	4,648	537	5,990
Total non-personnel costs	<u>7,768,441</u>	<u>146,322</u>	<u>62,479</u>	<u>7,977,242</u>
Total expenses	<u>\$ 8,618,979</u>	<u>\$ 267,827</u>	<u>\$ 305,491</u>	<u>\$ 9,192,297</u>

The Notes to Financial Statements are an integral part of this statement.

Swim Across America, Inc.
Statement of Functional Expenses
Year Ended December 31, 2021

	<u>Supporting Services</u>			<u>Total</u>
	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	
Personnel costs				
Salaries	\$ 568,418	\$ 81,203	\$ 162,404	\$ 812,025
Payroll taxes	45,083	6,440	12,881	64,404
Employee benefits	83,855	11,979	23,959	119,793
Total personnel costs	<u>697,356</u>	<u>99,622</u>	<u>199,244</u>	<u>996,222</u>
Non-personnel costs				
Grants - cancer research	5,696,975	-	-	5,696,975
Bank and credit card charges	263,177	-	-	263,177
Database and website	8,659	-	-	8,659
Education and promotion	290,477	32,275	-	322,752
Event specific expenses	292,724	-	-	292,724
Insurance	34,216	3,802	-	38,018
Outside services	248,124	-	-	248,124
Professional fees	-	58,628	-	58,628
Reception expenses	68,583	9,798	19,594	97,975
Registration fees	28,291	-	-	28,291
Rent	-	9,646	-	9,646
Supplies	45,677	5,075	-	50,752
Telephone	-	5,716	-	5,716
Travel and entertainment	67,994	9,713	19,427	97,134
Depreciation	590	6,306	393	7,289
Total non-personnel costs	<u>7,045,487</u>	<u>140,959</u>	<u>39,414</u>	<u>7,225,860</u>
Total expenses	<u>\$ 7,742,843</u>	<u>\$ 240,581</u>	<u>\$ 238,658</u>	<u>\$ 8,222,082</u>

The Notes to Financial Statements are an integral part of this statement.

Swim Across America, Inc.
Statements of Cash Flows
Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Operating activities		
Change in net assets	\$ (198,911)	\$ 1,641,285
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	5,990	7,289
Net realized and unrealized (gains) losses on investments	512,625	(234,605)
Changes in operating assets and liabilities		
Accounts receivable	(122,324)	(40,250)
Unconditional promises to give	600,000	236,255
Employee retention credit receivable	60,459	(101,054)
Prepaid expenses and other assets	(65,619)	1,458
Accounts payable and accrued expenses	<u>18,680</u>	<u>1,406</u>
Net cash provided by operating activities	<u>810,900</u>	<u>1,511,784</u>
Investing activities		
Purchase of investments	(4,994,407)	(1,079,135)
Proceeds from the sale of investments	4,968,059	220,764
Purchases of property and equipment	<u>(38,373)</u>	<u>(6,508)</u>
Net cash used in investing activities	<u>(64,721)</u>	<u>(864,879)</u>
Net change in cash	746,179	646,905
Cash		
Beginning of year	<u>2,063,566</u>	<u>1,416,661</u>
End of year	<u>\$ 2,809,745</u>	<u>\$ 2,063,566</u>

The Notes to Financial Statements are an integral part of these statements.

Swim Across America, Inc.
Notes to Financial Statements
December 31, 2022 and 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Swim Across America, Inc. (the "Organization") is a Connecticut non-profit corporation organized on May 5, 1992. The Organization's purpose is to promote, educate, and raise funds for cancer research and treatment. The Organization solicits public and private contributions to allocate among various cancer facilities.

The program services of the Organization consist of annual swim events located throughout the United States. At the events, the Organization raises awareness about cancer research and provides an outlet for various families and teams of swimmers which have been affected by cancer. The events often host speakers and highlight stories of participants, while doctors and local medical staff swim alongside, and volunteer with the local community. The funds raised at the annual swims benefit various cancer research and treatment organizations as detailed in Note 12.

Basis of Accounting

The accompanying financial statements are prepared on the accrual basis of accounting consistent with accounting principles generally accepted in the United States of America ("GAAP").

Use of Estimates

The preparation of financial statements in conformity with 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.

Cash and Cash Equivalents

The Organization considers all highly liquid investments with maturities of three months or less to be cash equivalents. The Organization had no cash equivalents as of December 31, 2022 and 2021.

Investments

The Organization carries all investments at fair value and records subsequent changes in fair values in the statements of activities as a component of investment income (loss).

Contributions and Promises to Give

Contributions are recognized when received or when the donor makes a promise to give that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Sponsorship revenue represents funds received from hospital foundations under the existing cost sharing agreements. Under the terms of these agreements, hospital foundations are required to reimburse the Organization for a portion of the cost of swim events used to raise the funds for foundation grants. The amounts of reimbursements are in the range of 10%-25% of the event cost with the maximum reimbursement subject to caps in the range of \$10,000 to \$25,000. Revenue is recognized upon the issuance of the foundation grants. At December 31, 2022 and 2021, sponsorships totaling \$354,324 and \$232,000, respectively, are included in accounts receivable.

Swim Across America, Inc.
Notes to Financial Statements
December 31, 2022 and 2021

The Organization uses the allowance method to determine uncollectible promises to give. The allowance is based on past experience and management's analysis of specific contributions made. As of December 31, 2022 and 2021, management believes that no such allowance is deemed necessary.

Property and Equipment

Property and equipment are recorded at cost, or in the case of donated property, at the estimated fair market value at the date of donation. The Organization capitalizes all costs incurred over \$1,000. Depreciation and amortization is calculated using the straight-line method over the expected useful lives of the assets ranging from three to five years.

Donations of property and equipment are reported as support without donor restrictions unless the donor has restricted the donated assets to a specific purpose. No such restrictions on property and equipment exist at December 31, 2022 and 2021.

Net Assets

Net assets, revenues, gains, and losses are classified 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 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-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 donor-imposed restrictions are perpetual in nature, where the donor stipulates those resources be maintained in perpetuity.

Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. 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.

Leases

The Organization determines whether an arrangement is or contains a lease at contract inception. The Organization categorizes leases with contractual terms longer than twelve months as either operating or finance. Finance leases are generally those leases that allow the Organization to substantially utilize or pay for the entire asset over its estimated life. All other leases are categorized as operating leases. Leases with contractual terms of twelve months or less are not recorded on the balance sheet. The Organization had no finance leases during 2022 or 2021. There were no operating leases with terms of twelve months or greater.

Functional Expenses

Direct expenses are charged to program, management and general, or fundraising categories based on specific identification. Indirect expenses have been allocated based on time and effort and estimated usage of expenses.

Advertising Costs

The Organization expenses advertising costs as they are incurred. Advertising costs for the years ended December 31, 2022 and 2021 were \$202,447 and \$322,752, respectively.

Swim Across America, Inc.
Notes to Financial Statements
December 31, 2022 and 2021

Income Taxes

The Organization is exempt from federal income tax under Section 501(a) of the Internal Revenue Code of 1986 ("IRC"), as an organization described in Section 501(c)(3), except for income taxes pertaining to unrelated business income.

The Financial Accounting Standards Board ("FASB") guidance requires tax effects from uncertain tax positions to be recognized in the financial statements only if the position is more likely than not to be sustained if the position were to be challenged by a taxing authority. Management has analyzed the tax positions taken by the Organization and has concluded that there are no material uncertain positions that require recognition in the financial statements. Additionally, no provision for income taxes is reflected in these financial statements. Interest and penalties would be recognized as tax expense, however, there is no interest or penalties recognized in the statements of activities.

Recent Accounting Pronouncement Adopted

Leases

In February 2016, the FASB issued Accounting Standards Update ("ASU") 2016-02, an update to Accounting Standards Codification ("ASC") Topic 842, *Leases*. Together with subsequent amendments, this created ASC 842 and became effective for fiscal years beginning after December 15, 2021. The Organization adopted ASC 842 on January 1, 2022 using the modified retrospective method. Comparative prior periods were not adjusted upon adoption as the Organization utilized the practical expedient available under the guidance.

In-Kind Donations

In September 2020, the FASB issued ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* (Topic 958). The Organization adopted the new standard effective January 1, 2022, using the modified retrospective approach. The standard intends to improve transparency in the reporting of contributed nonfinancial assets, also known as gifts in-kind, for not-for-profit organizations. The ASU requires a not-for-profit organization to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets, along with expanded disclosure requirements.

Recent Accounting Pronouncement Not Yet Effective

Fair Value Measurement

In August 2018, the FASB issued ASU 2018-13, *Measurement of Credit Losses on Financial Instruments*, which is effective for fiscal years beginning after December 2022, and requires an organization to measure all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. Financial institutions will now use forward-looking information to better inform their credit loss estimates.

The Organization is currently evaluating the effect of the adoption of this new standard on its results of operations, financial position, and cash flows.

Subsequent Events

Management has evaluated subsequent events of the Organization through September 5, 2023, the date the financial statements were available to be issued. Based on this evaluation, management has determined that no subsequent event has occurred which requires disclosure in the financial statements.

Swim Across America, Inc.
Notes to Financial Statements
December 31, 2022 and 2021

2. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following as of the year ended December 31:

	<u>2022</u>	<u>2021</u>
Cash	\$ 2,809,745	\$ 2,063,566
Investments, at fair value	4,074,276	4,560,553
Accounts receivable	354,324	232,000
Unconditional promises to give	150,000	750,000
Employee retention credit receivable	<u>40,595</u>	<u>101,054</u>
	7,428,940	7,707,173
Less: Amounts subject to donor restrictions	<u>(150,000)</u>	<u>(750,000)</u>
	<u>\$ 7,278,940</u>	<u>\$ 6,957,173</u>

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. To help manage unanticipated liquidity needs the Organization generally keeps a reserve of uninvested, or short-term invested cash and cash equivalents which it could draw upon.

3. INVESTMENTS AND FAIR VALUE MEASUREMENTS

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 fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach, as specified by authoritative guidance, are used to measure fair value.

Accounting standards establish a framework for measuring fair value that utilizes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets and liabilities in active markets that the Organization has the ability to access.

Level 2 - Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, inputs other than quoted market prices that are observable for the asset or liability, and inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability. The Organization had no assets or liabilities valued using Level 2 inputs as of December 31, 2022.

Swim Across America, Inc.
Notes to Financial Statements
December 31, 2022 and 2021

Level 3 - Inputs to the valuation methodology are unobservable supported by little or no market activity and significant to the fair value measurement. Level 3 inputs include management's own assumptions about the assumptions that market participants would use in pricing the asset or liability. The Organization had no assets or liabilities valued using Level 3 inputs as of December 31, 2022 and 2021.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodology used for assets measured at fair value.

Mutual funds: Valued at the daily closing prices as reported by the fund. Mutual funds held by the Organization are open-ended and closed-ended mutual funds that are registered with the 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. All of the Organization's mutual funds held at December 31, 2022 and 2021 were valued using Level 1 inputs.

Corporate Bonds: Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings. All of the Organization's corporate bonds held at December 31, 2022 and 2021 were valued using Level 2 inputs.

This valuation methodology may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, 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.

Investments measured at fair value at December 31, 2022 and 2021 are summarized below:

	<u>2022</u>	<u>2021</u>
Cash (Level 1)	\$ 2,773,273	\$ 484,787
Corporate bonds (Level 2)		
Short-term	-	382,100
Intermediate-term	-	1,687,003
Mutual funds (Level 1)		
Foreign large growth	47,217	135,614
Foreign large blend	147,997	223,326
Large blend	779,408	1,075,695
Mid-cap blend	219,911	389,039
Small blend	106,470	182,989
	<u>\$ 4,074,276</u>	<u>\$ 4,560,553</u>

Swim Across America, Inc.
Notes to Financial Statements
December 31, 2022 and 2021

The components of net investment income are as follows for the years ended December 31:

	<u>2022</u>	<u>2021</u>
Interest and dividends	\$ 123,820	\$ 87,462
Net realized and unrealized gain (loss) on investments	(513,103)	234,605
Investment fees	<u>(30,930)</u>	<u>(27,995)</u>
	<u>\$ (420,213)</u>	<u>\$ 294,072</u>

4. UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give with donor restrictions for the years ended December 31, 2022 and 2021 totaled \$150,000 and \$750,000, respectively. The unconditional promises to give as of December 31, 2022 are expected to be received in 2023.

5. PROPERTY AND EQUIPMENT

As of December 31, 2022 and 2021, property and equipment consisted of the following:

	<u>2022</u>	<u>2021</u>
Office equipment	\$ 13,434	\$ 14,400
Promotional equipment	157,173	122,273
Mobile application software	<u>35,425</u>	<u>35,425</u>
	206,032	172,098
Less: Accumulated depreciation	<u>163,459</u>	<u>161,908</u>
	<u>\$ 42,573</u>	<u>\$ 10,190</u>

6. PAYCHECK PROTECTION PROGRAM LOAN

In January 2021, the Organization obtained a Paycheck Protection Program loan from a bank in the amount of \$150,000, with an interest rate of 1.00% per annum. The paycheck protection program loan was able to be spent on specific business purposes as further described in the loan agreement. If the loan proceeds were spent in accordance with the loan agreement, the Organization could apply for loan forgiveness. Management received forgiveness totaling \$150,000 during 2021. As the Organization met all requirements for forgiveness, the entire amount of the loan was recorded as a grant in the accompanying statement of activities for the year ended December 31, 2021.

7. AGENCY DONATIONS

In connection with the Organization's annual swim events, donations totaling \$300,000 and \$7,600 for 2022 and 2021, respectively, were made directly to the beneficiaries on behalf of the Organization. Such amounts are not reflected in the Organization's financial statements as they are considered agency transactions and not contributions to the Organization.

Swim Across America, Inc.
Notes to Financial Statements
December 31, 2022 and 2021

8. NET ASSETS WITH DONOR RESTRICTIONS

The Organization has net assets with donor restrictions related to contributions received from certain donors with the stipulation that the monies received be used to further the Organization's mission but not directly fund cancer research through grants.

Net assets are released from donor restrictions by incurring expenses satisfying the restricted purpose, by the occurrence of events specified by the donors, or by a change in the restrictions specified by the donor. For the years ended December 31, 2022 and 2021, all amounts released from restriction were related to general operations.

9. DEFINED CONTRIBUTION PLAN

The Organization maintains an employee retirement plan (the "Plan") to which the participants may contribute up to the Internal Revenue Code limits. The Plan covers all employees who have met certain service requirements. The Organization contributed \$71,420 and \$52,426 to the Plan for the years ended December 31, 2022 and 2021, respectively.

10. EMPLOYEE RETENTION CREDIT

The Organization has applied for the employee retention credit in the total amount of \$141,649, including interest. The credit will be claimed against the Organization's payroll tax obligations for each calendar quarter based on qualified wages, subject to certain limitations. For the years ended December 31, 2022 and 2021, the Organization recorded revenue totaling \$40,595 and \$101,054, respectively, which is included in employee retention credit income in the accompanying statements of activities.

11. CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents, investments and unconditional promises to give.

The Organization has significant cash balances at financial institutions located in various states which throughout the year regularly exceed the federally insured limit of \$250,000. Any loss incurred or a lack of access to such funds could have a significant adverse impact on the Organization's financial condition, results of operations, and cash flows.

Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is possible that changes in values of investment securities could occur in the near term and that such change could materially affect investment balances and activity included in the financial statements. The Organization has a diversified portfolio of investments and retains an investment advisor to attain a prudent level of diversification in an attempt to minimize risk associated with investment securities to the extent possible.

The Organization's unconditional promises to give represent amounts due from one donor.

Swim Across America, Inc.
Notes to Financial Statements
December 31, 2022 and 2021

12. GRANTS - CANCER RESEARCH

During the years ended December 31, 2022 and 2021, the Organization made grants to the following beneficiaries:

Beneficiary	2022	2021
Alliance for Cancer Gene Therapy	\$ 315,000	\$ 385,000
Amazing Grace Tour	50,000	-
American Association of Cancer Research	100,000	55,000
Baylor Cancer Center	160,000	170,000
Block Cancer	57,500	-
Cancer Support Team of Westchester	550,000	500,000
Children's Healthcare of Atlanta	285,000	360,000
Children's Hospital of Colorado	170,000	175,000
Cold Spring Harbor Laboratory	120,000	50,000
Columbia Presbyterian	227,000	155,000
Conquer Cancer Foundation	-	25,000
Dana Farber Cancer Institute	142,500	120,000
Feinstein Institute for Medical Research	75,000	50,000
Florida Cancer Specialists	-	26,975
Fred Hutch Cancer Center	320,000	-
Glen Cove Cares	3,000	2,000
Hollings Cancer Center	37,500	45,000
Johns Hopkins - The Sidney Kimmel	400,000	390,000
Johns Hopkins All Children's Foundation	95,000	55,000
Levine Cancer Institute	170,000	170,000
Linberger Comprehensive Cancer Center	72,000	-
Massachusetts General Hospital	142,500	120,000
Massey Cancer Center	75,000	50,000
MD Anderson Cancer Center	265,000	278,000
Memorial Sloan-Kettering Cancer Center	340,000	520,000
Miami Cancer Institute	110,000	-
Moffitt Cancer Center	-	55,000
Nantucket Cottage Hospital	340,000	280,000
Palliative & Supportive Care of Nantucket	110,000	90,000
Rogel Cancer Center	65,000	50,000
Rush University Cancer Center	210,000	250,000
Seattle Cancer Care Alliance	-	340,000
Share Cancer Support	25,000	20,000
Siteman Cancer Center	250,000	200,000
UCLA Johnson Cancer Center	10,000	-
University of California San Francisco	420,000	540,000
Vanderbilt-Ingram Cancer Center	45,000	-
Weill Cornell Medicine Meyer Cancer Center	340,000	-
Women & Infants Hospital	135,000	170,000
	\$ 6,232,000	\$ 5,696,975