

**SWIM ACROSS AMERICA, INC.**  
**Financial Statements**  
**December 31, 2021 and 2020**  
**With Independent Auditor's Report**

**Swim Across America, Inc.**  
**Table of Contents**  
**December 31, 2021 and 2020**

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<b>Independent Auditor's Report</b>	1-2
<b>Financial Statements</b>	
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	9-17

## INDEPENDENT AUDITOR'S REPORT

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

### Opinion

We have audited the financial statements of Swim Across America, Inc. (the "Organization"), which comprise the statement of financial position as of December 31, 2021, the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our 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 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 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.

#### Other Matter

The financial statements of the Organization as of and for the year ended December 31, 2020, were audited by Restivo Monacelli LLP, who joined with WithumSmith+Brown, PC on November 15, 2021, and expressed an unmodified opinion on those statements dated August 4, 2021.

*WithumSmith+Brown, PC*

November 18, 2022

**Swim Across America, Inc.**  
**Statements of Financial Position**  
**December 31, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 2,063,566	\$ 1,416,661
Accounts receivable	232,000	191,750
Unconditional promises to give, net	750,000	986,255
Employee retention credit receivable	101,054	-
Prepaid expenses and other assets	<u>19,957</u>	<u>21,415</u>
Total current assets	<u>3,166,577</u>	<u>2,616,081</u>
Property and equipment, net	<u>10,190</u>	<u>10,971</u>
Other assets		
Investments, at fair value	<u>4,560,553</u>	<u>3,467,577</u>
Total other assets	<u>4,560,553</u>	<u>3,467,577</u>
Total assets	<u>\$ 7,737,320</u>	<u>\$ 6,094,629</u>
<b>Liabilities and Net Assets</b>		
Current liabilities		
Accounts payable and accrued expenses	<u>\$ 10,303</u>	<u>\$ 8,897</u>
Total current liabilities	<u>10,303</u>	<u>8,897</u>
Net assets		
Without donor restrictions	4,027,017	1,899,477
With donor restrictions	<u>3,700,000</u>	<u>4,186,255</u>
	<u>7,727,017</u>	<u>6,085,732</u>
Total liabilities and net assets	<u>\$ 7,737,320</u>	<u>\$ 6,094,629</u>

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

**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>
<b>Operating activities</b>			
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>
<b>Expenses</b>			
Program services	7,742,843	-	7,742,843
Supporting services			
Management and general	240,581	-	240,581
Fundraising	<u>238,659</u>	<u>-</u>	<u>238,659</u>
Total expenses	<u>8,222,082</u>	<u>-</u>	<u>8,222,082</u>
<b>Change in net assets from operating activities</b>	<u>1,732,014</u>	<u>(486,255)</u>	<u>1,245,759</u>
<b>Non-operating activities</b>			
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>
<b>Change in net assets</b>	2,127,540	(486,255)	1,641,285
<b>Net assets</b>			
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 Activities**  
**Year Ended December 31, 2020**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Operating activities</b>			
Public support			
Contributions	\$ 3,477,489	\$ 18,327	\$ 3,495,816
Grant - PPP loan forgiveness	156,245	-	156,245
Sponsorship	241,750	-	241,750
Net assets released from restriction	<u>200,000</u>	<u>(200,000)</u>	<u>-</u>
Total public support	<u>4,075,484</u>	<u>(181,673)</u>	<u>3,893,811</u>
<b>Expenses</b>			
Program services	3,609,710	-	3,609,710
Supporting services			
Management and general	184,454	-	184,454
Fundraising	<u>169,664</u>	<u>-</u>	<u>169,664</u>
Total expenses	<u>3,963,828</u>	<u>-</u>	<u>3,963,828</u>
<b>Change in net assets from operating activities</b>	<u>111,656</u>	<u>(181,673)</u>	<u>(70,017)</u>
<b>Non-operating activities</b>			
Net investment income	153,570	-	153,570
Interest income	<u>2,019</u>	<u>-</u>	<u>2,019</u>
Total non-operating activities	<u>155,589</u>	<u>-</u>	<u>155,589</u>
<b>Change in net assets</b>	267,245	(181,673)	85,572
<b>Net assets</b>			
Beginning of year	<u>1,632,232</u>	<u>4,367,928</u>	<u>6,000,160</u>
End of year	<u>\$ 1,899,477</u>	<u>\$ 4,186,255</u>	<u>\$ 6,085,732</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>	
<b>Personnel costs</b>				
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>
<b>Non-personnel costs</b>				
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	19,595	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>39,415</u>	<u>7,225,860</u>
Total expenses	<u>\$ 7,742,843</u>	<u>\$ 240,581</u>	<u>\$ 238,659</u>	<u>\$ 8,222,082</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, 2020**

	<u>Supporting Services</u>			<u>Total</u>
	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	
<b>Personnel costs</b>				
Salaries	\$ 467,250	\$ 66,750	\$ 133,500	\$ 667,500
Payroll taxes	32,685	4,669	9,339	46,693
Employee benefits	80,867	11,552	23,105	115,524
Total personnel costs	<u>580,802</u>	<u>82,971</u>	<u>165,944</u>	<u>829,717</u>
<b>Non-personnel costs</b>				
Grants - cancer research	2,435,500	-	-	2,435,500
Bank and credit card charges	111,805	-	-	111,805
Database and website	8,132	-	-	8,132
Education and promotion	82,362	9,151	-	91,513
Event specific expenses	69,495	-	-	69,495
Insurance	32,747	3,638	-	36,385
Outside services	261,041	-	-	261,041
Professional fees	-	53,288	-	53,288
Reception expenses	8,492	1,213	2,426	12,131
Registration fees	8,956	-	-	8,956
Rent	-	20,304	-	20,304
Supplies	6,619	735	-	7,354
Telephone	-	3,051	-	3,051
Travel and entertainment	3,182	455	909	4,546
Depreciation	577	9,648	385	10,610
Total non-personnel costs	<u>3,028,908</u>	<u>101,483</u>	<u>3,720</u>	<u>3,134,111</u>
Total expenses	<u>\$ 3,609,710</u>	<u>\$ 184,454</u>	<u>\$ 169,664</u>	<u>\$ 3,963,828</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, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
<b>Operating activities</b>		
Change in net assets	\$ 1,641,285	\$ 85,572
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	7,289	10,610
Net realized and unrealized gains on investments	(234,605)	(117,752)
Discount for present value of unconditional promises to give	-	18,327
Changes in operating assets and liabilities		
Accounts receivable	(40,250)	(52,750)
Unconditional promises to give	236,255	963,346
Employee retention credit receivable	(101,054)	-
Prepaid expenses and other assets	1,458	3,222
Accounts payable and accrued expenses	<u>1,406</u>	<u>2,159</u>
Net cash provided by operating activities	<u>1,511,784</u>	<u>912,734</u>
<b>Investing activities</b>		
Purchase of investments	(1,079,135)	(2,750,489)
Proceeds from the sale of investments	220,764	1,916,745
Purchases of property and equipment	<u>(6,508)</u>	<u>(1,448)</u>
Net cash used in investing activities	<u>(864,879)</u>	<u>(835,192)</u>
Net change in cash and cash equivalents	646,905	77,542
<b>Cash and cash equivalents</b>		
Beginning of year	<u>1,416,661</u>	<u>1,339,119</u>
End of year	<u>\$ 2,063,566</u>	<u>\$ 1,416,661</u>

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

**Swim Across America, Inc.**  
**Notes to Financial Statements**  
**December 31, 2021 and 2020**

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**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.

**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. At December 31, 2021 and 2020, sponsorships totaling \$232,000 and \$191,750, respectively, are included in accounts receivable.

**Swim Across America, Inc.**  
**Notes to Financial Statements**  
**December 31, 2021 and 2020**

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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, 2021 and 2020, 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, 2021 and 2020.

**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 that 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.

**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.

**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.

**Swim Across America, Inc.**  
**Notes to Financial Statements**  
**December 31, 2021 and 2020**

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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 Not Yet Effective**

*Lease Transactions*

In February 2016, the FASB issued Accounting Standards Update “ASU” 2016-02, *Leases*. ASU 2016-02 requires that a lessee recognize a right-of-use asset and a corresponding liability with limited exceptions, for its obligation under an operating lease, as well as expands disclosure requirements for both lessors and lessees. ASU 2016-02 is effective for annual reporting periods beginning after December 15, 2021. Early adoption is permitted.

*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.

*Gifts In-Kind*

In September 2020 the FASB issued ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* (Topic 958) which is effective for fiscal years beginning after June 15, 2021, with early adoption permitted, and is intended 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.

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

**Subsequent Events**

Management has evaluated subsequent events of the Organization through November 18, 2022, 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, 2021 and 2020**

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**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:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 2,063,566	\$ 1,416,661
Investments, at fair value	4,560,553	3,467,577
Accounts receivable	232,000	191,750
Unconditional promises to give	750,000	986,255
Employee retention credit receivable	<u>101,054</u>	<u>-</u>
	7,707,173	6,062,243
Less: Amounts subject to donor restrictions	<u>(750,000)</u>	<u>(986,255)</u>
	<u>\$ 6,957,173</u>	<u>\$ 5,075,988</u>

As part of 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, 2021 and 2020.

**Swim Across America, Inc.**  
**Notes to Financial Statements**  
**December 31, 2021 and 2020**

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*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, 2021 and 2020.

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, 2021 and 2020 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, 2021 and 2020 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, 2021 and 2020 are summarized below:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents (Level 1)	\$ 484,787	\$ 120,869
Corporate bonds (Level 2)		
Short-term	382,100	339,478
Intermediate-term	1,687,003	1,559,592
Long-term	-	59,488
Mutual funds (Level 1)		
Corporate stock	-	556
Foreign large growth	135,614	-
Foreign large blend	223,326	142,602
Large blend	1,075,695	782,398
Mid-cap blend	389,039	315,738
Small blend	182,989	146,856
	<u>\$ 4,560,553</u>	<u>\$ 3,467,577</u>

**Swim Across America, Inc.**  
**Notes to Financial Statements**  
**December 31, 2021 and 2020**

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

	<u>2021</u>	<u>2020</u>
Interest and dividends	\$ 87,462	\$ 55,134
Net realized and unrealized gains on investments	234,605	117,752
Investment fees	<u>(27,995)</u>	<u>(19,316)</u>
	<u>\$ 294,072</u>	<u>\$ 153,570</u>

**4. UNCONDITIONAL PROMISES TO GIVE**

Unconditional promises to give consist of the following as of December 31:

	<u>2021</u>	<u>2020</u>
With donor restrictions	\$ 750,000	\$ 1,000,000
Less: Unamortized discount	<u>-</u>	<u>13,745</u>
Unconditional promises to give, net	<u>\$ 750,000</u>	<u>\$ 986,255</u>

The unconditional promises to give as of December 31, 2021 are expected to be received in 2022.

**5. PROPERTY AND EQUIPMENT**

As of December 31, 2021 and 2020, property and equipment consisted of the following:

	<u>2021</u>	<u>2020</u>
Office equipment	\$ 14,400	\$ 7,893
Promotional equipment	122,273	122,273
Mobile application software	<u>35,425</u>	<u>35,425</u>
	172,098	165,591
Less: Accumulated depreciation	<u>161,908</u>	<u>154,620</u>
	<u>\$ 10,190</u>	<u>\$ 10,971</u>

**6. PAYCHECK PROTECTION PROGRAM LOANS**

In April 2020, the Organization obtained a paycheck protection program loan from a bank in the amount of \$156,245, with an interest rate of 1.00% per annum. The paycheck protection program loan was eligible 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 \$136,264 during 2020 and the remaining balance of \$19,981 has been forgiven in 2021.



**Swim Across America, Inc.**  
**Notes to Financial Statements**  
**December 31, 2021 and 2020**

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In January 2021, the Organization obtained a second 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 eligible 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 agreements, 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 amounts of the loans have been recorded as grants in the accompanying statements of activities for the years ended December 31, 2021 and 2020.

**7. AGENCY DONATIONS**

In connection with the Organization's annual swim events, donations totaling \$7,600 and \$260,000 for 2021 and 2020, 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.

**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, 2021 and 2020, 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 \$52,426 and \$51,391 to the Plan for the years ended December 31, 2021 and 2020, respectively.

**10. EMPLOYEE RETENTION CREDIT**

During the year-ended December 31, 2021, the Organization filed for the Employee Retention Credit ("ERC"), which is a refundable tax credit akin to a government grant for eligible entities. The Organization is following the guidance in ASC 958-605, Not for Profit Entities - Revenue Recognition, thus, the ERC is recognized over time as qualifying expenses that give rise to the credit are incurred. The full amount of the ERC of \$101,054 is recognized in employee retention credit income in the accompanying statement of activities for the year ended December 31, 2021. As of December 31, 2021, the Organization has not yet received the payment for the refundable portion of the ERC, and thus, a receivable in the amount of \$101,054 has been recorded in the statement of financial position.

**11. CONCENTRATIONS OF CREDIT RISK**

The Organization maintains cash balances in financial institutions located in various states. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. Occasionally, the Organization has cash balances in excess of Federally insured limits. The Organization has not experienced any losses in these accounts and, as such believes it is not exposed to any significant credit risk on cash and cash equivalents.

**Swim Across America, Inc.**  
**Notes to Financial Statements**  
**December 31, 2021 and 2020**

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

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.

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. Management believes minimal credit risk exists with respect to these balances.

**12. GRANTS - CANCER RESEARCH**

During the years ended December 31, 2021 and 2020, the Organization made grants to the following beneficiaries:

<b>Beneficiary</b>	<b>2021</b>	<b>2020</b>
Feinstein Institute for Medical Research	\$ 50,000	\$ 30,000
American Association of Cancer Research	55,000	66,000
UCLA Johnson Cancer Center	-	25,000
Women and Infants	170,000	35,000
Baylor Cancer Center	170,000	65,000
Seattle Cancer Care Alliance	340,000	250,000
Johns Hopkins - The Sidney Kimmel	390,000	-
Comprehensive Care Center	-	160,000
Cold Spring Harbor Laboratory	50,000	30,000
Alliance for Cancer Gene Therapy	385,000	165,000
University of California San Francisco	540,000	170,000
MD Anderson Cancer Center	278,000	175,000
Share Cancer Support	20,000	10,000
Cancer Support Team of Westchester	500,000	150,000
Dana Farber Cancer Institute	120,000	60,000
Memorial Sloan-Kettering Cancer Center	520,000	270,000
Glen Cove Cares	2,000	2,000
Hollings Cancer Center	45,000	15,000
Palliative & Supportive Care of Nantucket	90,000	70,000
Nantucket Cottage Hospital	280,000	215,000
Rush University Cancer Center	250,000	65,000
Moffitt Cancer Center	55,000	10,000
Rogel Cancer Center	50,000	20,000
Massachusetts General Hospital	120,000	100,000
Children's Healthcare of Atlanta	360,000	60,000

**Swim Across America, Inc.**  
**Notes to Financial Statements**  
**December 31, 2021 and 2020**

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<b>Beneficiary (Continued)</b>	<b>2021</b>	<b>2020</b>
Siteman Cancer Center	\$ 200,000	\$ 50,000
Children's Hospital of Colorado	175,000	35,000
Johns Hopkins All Children's Foundation	55,000	10,000
Levine Cancer Institute	170,000	55,000
Columbia Presbyterian	155,000	-
Florida Cancer Specialists	26,975	-
Conquer Cancer Foundation	25,000	57,500
Massey Cancer Center	50,000	10,000
	<u>\$ 5,696,975</u>	<u>\$ 2,435,500</u>