

CURE ADDICTION NOW (CAN)

FINANCIAL STATEMENTS

DECEMBER 31, 2022

CURE ADDICTION NOW (CAN)  
FINANCIAL STATEMENTS  
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To the Board of Directors of  
Cure Addiction Now (CAN)  
Los Angeles, California

**ACCOUNTANT'S COMPILATION REPORT**

Management is responsible for the accompanying financial statements of Cure Addiction Now (CAN) (a nonprofit organization), which comprise the statements of financial position as of December 31, 2022, 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 accordance with accounting principles generally accepted in the United States of America. We have performed the compilation engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any assurance on these financial statements.

*Boroda Holm*

Encino, California  
May 23, 2023

CURE ADDICTION NOW (CAN)  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2022

**Assets**

Cash and cash equivalents	\$ 978,567
Accounts receivable	20,000
Prepaid expenses	8,200
Total assets	<u>\$ 1,006,767</u>

**Liabilities and net assets**

Accounts payable and accrued expenses	<u>\$ 5,244</u>
Total liabilities	<u>5,244</u>

**Net assets**

Without donor restrictions	<u>1,001,523</u>
Total net assets	<u>1,001,523</u>

Total liabilities and net assets	<u>\$ 1,006,767</u>
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*See accountant's compilation report and notes to financial statements*

CURE ADDICTION NOW CAN  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2022

Public support and revenue:	
General donations	<u>\$ 942,236</u>
Total support and revenue	<u>942,236</u>
Expenses:	
Program services - funding of research	<u>529,980</u>
Supporting services	
General and administrative	21,651
Fundraising	<u>13,126</u>
Total supporting services	<u>34,777</u>
Total expenses	<u>564,757</u>
Change in net assets	377,479
Net assets without donor restrictions, beginning	<u>624,044</u>
Net assets without donor restrictions, ending	<u><u>\$ 1,001,523</u></u>

*See accountant's compilation report and notes to financial statements*

CURE ADDICTION NOW (CAN)  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED DECEMBER 31, 2022

	Program Services	Supporting Services		Total
		General & Administrative	Fundraising	
Salaries and payroll taxes	\$ 17,531	\$ 5,843	\$ 5,843	\$ 29,217
Grant awards	450,000	-	-	450,000
Marketing and communications			6,025	6,025
Meetings and conference	29,365	-	-	29,365
Merchant, bank fees and interest	-	758	325	1,083
Outside services	808	269	269	1,346
Printing and design	\$ 1,991	\$ 664	\$ 664	3,319
Professional fees	-	14,017	-	14,017
Public awareness	18,425	-	-	18,425
Symposium/Honorarium	11,860	-	-	11,860
Taxes & licenses	-	100	-	100
<b>Total expenses</b>	<b>\$ 529,980</b>	<b>\$ 21,651</b>	<b>\$ 13,126</b>	<b>\$ 564,757</b>

*See accountant's compilation report and notes to financial statements*

CURE ADDICTION NOW CAN  
STATEMENT OF CASH FLOWS  
YEAR ENDED DECEMBER 31, 2022

Cash flows from operating activities	
Change in net assets	\$ 377,479
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:	
(Increase) decrease in operating assets	
Accounts receivable	(20,000)
Prepaid expenses and deposits	(8,200)
Increase (decrease) in operating liabilities	
Accounts payable and accrued expenses	(13,671)
Net cash provided by operating activities	<u>335,608</u>
Net increase in cash and cash equivalents	335,608
Cash and cash equivalents at beginning of year	<u>642,959</u>
Cash and cash equivalents at end of year	<u><u>\$ 978,567</u></u>

*See accountant's compilation report and notes to financial statements*

CURE ADDICTION NOW (CAN)  
NOTES TO FINANCIAL STATEMENTS

**NOTE 1. NATURE OF ACTIVITIES**

Cure Addiction Now (CAN) (the Organization) is dedicated to the understanding, treatment and ultimate cure of "drug addiction", scientifically known as substance use disorder (SUD) while simultaneously addressing the importance of mental health as an integral part of the solution.

Funding cutting edge research and its clinical translation through a collaborative program is the core focus of the foundation. In addition to creating new therapies to help stop the deadly cycle of SUD, we hope to eliminate the negative stigma of this disease and ultimately find a cure for the brain's "addiction" to drugs.

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of presentation**

The financial statements of the Organization have been prepared using accrual basis accounting, in accordance with accounting principles generally accepted in the United States of America for not-for-profit organizations. Under these provisions, net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Expenses are classified as without donor restrictions.

Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

- *Net assets without donor restrictions*— Net assets that are not subject to donor-imposed stipulations and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be designated for specific purposes by action of the Board of Directors.
- *Net assets with donor restrictions* – Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or passage of time. When a restriction is satisfied or expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Contributions received with donor-imposed restrictions that are met in the same year as contributions are received, are reported as revenue of the net asset without donor restrictions class. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

The Organization did not have net assets with donor restrictions at December 31, 2022.

**Revenue Recognition**

Contributed goods and services

The Organization records the value of donated goods and services at estimated fair value on the date of donation when an objective basis is available. The contribution of services is recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills that are



CURE ADDICTION NOW (CAN)  
NOTES TO FINANCIAL STATEMENTS

provided by individuals possessing these skills that would typically need to be purchased if not provided by donation. In addition, the Organization receives services from a large number of volunteers who give significant amounts of their time in the Organization's program and fundraising events, which is considered valuable. No amount has been reflected for these types of donated services, as they do not meet the criteria outlined above.

**Contributions**

Contributions, including unconditional promises to give, are recorded when received or pledged. All contributions are available for unrestricted use unless specifically restricted by the donor. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value. Contributions to be received after one year are discounted at an appropriate discount rate.

**Cash and cash equivalents**

For purposes of the statements of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

**Investments and investment income**

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statements of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in net assets without donor restrictions if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized. Short-term investments consist of debt securities with original maturities of twelve months or less. Long-term investments consist of debt securities with original maturities greater than twelve months.

**Accounts Receivable**

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management believes all amounts are collectible.

**Property and equipment**

Purchased property and equipment are carried at cost. Donated property and equipment are recorded at market value at date of donation. The Organization capitalizes all expenditures for property and equipment in excess of approximately \$1,000, which includes computers, software, office equipment, furniture, fixtures, and leasehold improvements and depreciates them over estimated useful lives of the assets ranging from five to seven years.

**Market and credit risk concentrations**

The Organization's investments do not have a significant concentration of credit or market risk within any industry or group of investments, and management believes its investment policy is prudent for the long-term welfare of the Organization. The Organization places its cash and cash equivalents with credit worthy, high quality financial institutions. At times, such investments may be in excess of the Federal Deposit Insurance Corporation (FDIC) insurance limit of \$250,000.

CURE ADDICTION NOW (CAN)  
NOTES TO FINANCIAL STATEMENTS

**Functional allocation of expenses**

The costs of providing program and supporting services have been summarized on a functional basis in the accompanying statements of functional expenses. The Organization incurs expenses that directly relate to, and can be assigned to, a specific program or supporting activity. The Organization also conducts a number of activities which benefit both its program objectives as well as supporting services (i.e. fundraising and general and administrative activities). These costs, which are not specifically attributable to a specific program or supporting activity, are allocated by management on a consistent basis among program and supporting services benefited, based on either financial or nonfinancial data, such as headcount, square-footage, or estimates of time and effort incurred by personnel.

**Income taxes**

The Organization is generally exempt from income taxes as a publicly supported organization under Section 501(c)(3) of the Internal Revenue Code and corresponding California Code sections. However, income generated from activities unrelated to the Organization’s exempt purpose is subject to tax. The Organization did not have any unrelated business income for the years ended December 31, 2022. Accordingly, the accompanying financial statements contain no provision for income taxes.

The Organization is subject to a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. There was no uncertain tax position recorded in the financial statements at December 31, 2022

**Use of estimates**

The preparation of financial statements in conformity with generally accepted accounting principles includes the use of estimates that affect the financial statements. Accordingly, actual results could differ from those estimates

**Subsequent events**

Management has evaluated the effects of events that have occurred subsequent to December 31, 2022 through May 23, 2023, the date on which the financial statements were available to be issued.

**NOTE 3. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The Organization’s financial assets available within one year of the statement of financial position date for general expenditures are as follows:

	December 31, 2022
Cash and cash equivalents	\$ 978,567
Receivable	20,000
Financial assets available for general expenditures within one year	<u>\$ 998,567</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.