

CURE ADDICTION NOW (CAN)
FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

CURE ADDICTION NOW (CAN)
FINANCIAL STATEMENTS
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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors of
Cure Addiction Now (CAN)
Los Angeles, California

We have reviewed the accompanying financial statements of Cure Addiction Now (CAN), a California nonprofit organization, which comprise the statements of financial position as of December 31, 2023 and 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. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Accountant's Responsibility

Our responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Cure Addiction Now (CAN) and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review

Accountant's Conclusion

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Boroda Holm

Encino, California
May 22, 2024

CURE ADDICTION NOW (CAN)
 STATEMENTS OF FINANCIAL POSITION
 DECEMBER 31, 2023 AND 2022

	2023	2022
Assets		
Cash and cash equivalents	\$ 880,919	\$ 978,567
Accounts receivable	-	20,000
Prepaid expenses	-	8,200
Total assets	\$ 880,919	\$ 1,006,767
 Liabilities and net assets		
Accounts payable and accrued expenses	\$ -	\$ 5,244
Total liabilities	-	5,244
 Net assets		
Without donor restrictions	880,919	1,001,523
Total net assets	880,919	1,001,523
 Total liabilities and net assets	 \$ 880,919	 \$ 1,006,767

See independent accountant's review report and notes to financial statements

CURE ADDICTION NOW CAN
STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
Public support and revenue:		
General donations	\$ 504,496	\$ 942,236
 Total support and revenue	 <u>504,496</u>	 <u>942,236</u>
 Expenses:		
Program services - funding of research	<u>533,613</u>	<u>529,980</u>
Supporting services		
General and administrative	29,124	21,651
Fundraising	<u>62,363</u>	<u>13,126</u>
Total supporting services	<u>91,487</u>	<u>34,777</u>
 Total expenses	 <u>625,100</u>	 <u>564,757</u>
 Change in net assets	 (120,604)	 377,479
 Net assets without donor restrictions, beginning	 <u>1,001,523</u>	 <u>624,044</u>
 Net assets without donor restrictions, ending	 <u>\$ 880,919</u>	 <u>\$ 1,001,523</u>

See independent accountant's review report and notes to financial statements

CURE ADDICTION NOW (CAN)
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2023

	Program Services	Supporting Services		Total
		General & Administrative	Fundraising	
Salaries and payroll taxes	\$ 20,919	\$ 6,973	\$ 6,973	\$ 34,865
Grant awards	375,000	-	-	375,000
Insurance expense	2,153	717	717	3,587
Marketing and communications			31,271	31,271
Meetings and conference	71,034	-	21,945	92,979
Merchant, bank fees and interest	-	960	412	1,372
Office supplies	240	80	80	400
Outside services	1,940	646	646	3,232
Printing and design	957	319	319	1,595
Professional fees	-	19,286	-	19,286
Public awareness	47,373	-	-	47,373
Symposium/Honorarium	13,997	-	-	13,997
Taxes & licenses	-	143	-	143
Total expenses	<u>\$ 533,613</u>	<u>\$ 29,124</u>	<u>\$ 62,363</u>	<u>\$ 625,100</u>

See independent accountant's review 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
Total expenses	<u>\$ 529,980</u>	<u>\$ 21,651</u>	<u>\$ 13,126</u>	<u>\$ 564,757</u>

See independent accountant's review report and notes to financial statements

CURE ADDICTION NOW CAN
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
Cash flows from operating activities		
Change in net assets	\$ (120,604)	\$ 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	(20,000)
Prepaid expenses and deposits	8,200	(8,200)
Increase (decrease) in operating liabilities		
Accounts payable and accrued expenses	(5,244)	(13,671)
Net cash provided by operating activities	(97,648)	335,608
Net increase in cash and cash equivalents	(97,648)	335,608
Cash and cash equivalents at beginning of year	978,567	642,959
Cash and cash equivalents at end of year	\$ 880,919	\$ 978,567

See independent accountant's review 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, 2023 and 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, 2023. 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, 2023.

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, 2023 through May 22, 2024, 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, 2023	December 31, 2022
Cash and cash equivalents	\$ 880,919	\$ 978,567
Receivable	-	20,000
Financial assets available for general expenditures within one year	<u>\$ 880,919</u>	<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.