

AUDITED FINANCIAL STATEMENTS

OF

CANCERLINC

**FOR THE YEAR ENDED
JUNE 30, 2021**

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report	1
Financial Statements:	
Statement of Financial Position	2
Statement of Activities	4
Statement of Cash Flows	5
Statement of Functional Expenses	6
Notes to Financial Statements	7



Dooley & Vicars
Certified Public Accountants, L.L.P.

Daniel J. Dooley, C.P.A.

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1

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
of CancerLINC

We have audited the accompanying statement of financial position of CancerLINC (a non-profit organization) as of June 30, 2021 and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CancerLINC as of June 30, 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.

Dooley & Vicars
Certified Public Accountants

Richmond, Virginia
October 18, 2021

CancerLINC
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2021

ASSETS

<u>Current Assets</u>	<u>2021</u>
Cash and Cash Equivalents	\$ 274,308
Accounts Receivable	32,500
Prepaid Expenses	<u>2,200</u>
Total Current Assets	<u>309,008</u>
<u>Fixed Assets</u>	
Furniture and Equipment	42,793
Accumulated Depreciation	<u>(42,793)</u>
Total Fixed Assets	<u>-</u>
TOTAL ASSETS	<u><u>\$ 309,008</u></u>

CancerLINC
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2021
(CONTINUED)

LIABILITIES AND NET ASSETS

<u>Current Liabilities</u>	<u>2021</u>
Accounts Payable	\$ 6,377
Accrued Expenses	8,648
Deferred Revenue	<u>1,800</u>
Total Current Liabilities	<u>16,825</u>
<u>Long term Liabilities</u>	
Loan Payable (PPP)	<u>48,000</u>
Total Long-Term Liabilities	<u>48,000</u>
<u>Net Assets</u>	
Without Donor Restrictions	216,773
With Donor Restrictions	<u>27,410</u>
Total Net Assets	<u>244,183</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 309,008</u></u>

CancerLINC
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	2021
SUPPORT AND REVENUE			
Grants	\$ 77,250	\$ 35,000	\$ 112,250
Contributions	113,595	-	113,595
Special Events, Net Direct Costs of \$16,331	59,377	-	59,377
In-Kind Revenue	962,930	-	962,930
Revenue From Other Sources	46,810	-	46,810
Interest and Dividend Income	498	-	498
	<u>1,260,460</u>	<u>35,000</u>	<u>1,295,460</u>
Net Assets Released from Restriction	27,085	(27,085)	-
Total Support and Revenue	<u>1,287,545</u>	<u>7,915</u>	<u>1,295,460</u>
EXPENSES			
Program Services	1,192,437	-	1,192,437
Management and General	42,408	-	42,408
Fund Raising	46,255	-	46,255
	<u>1,281,100</u>	<u>-</u>	<u>1,281,100</u>
Total Expenses	<u>1,281,100</u>	<u>-</u>	<u>1,281,100</u>
Increase (Decrease) in Net Assets	6,445	7,915	14,360
NET ASSETS			
Beginning of Year	<u>210,328</u>	<u>19,495</u>	<u>229,823</u>
End of Year	<u>\$ 216,773</u>	<u>\$ 27,410</u>	<u>\$ 244,183</u>

CancerLINC
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021

<u>Cash Flows from Operating Activities</u>	<u>2021</u>
Change in Net Assets	\$ 14,360
Adjustments to Reconcile Change in Net Assets	
(Increase) Decrease in:	
Accounts Receivable	(22,500)
Prepaid Expenses	3,028
Increase (Decrease) in:	
Accounts Payable and Accrued Liabilities	5,213
Deferred Revenue	<u>(5,360)</u>
Net Cash Provided By (Used In) Operating Activities	<u>(5,259)</u>
 <u>Cash Flows Provided By (Used In) Financing Activities</u>	
Net Proceeds on Long-Term Debt	<u>1,300</u>
Net Cash Provided By (Used In) Financing Activities	<u>1,300</u>
Net Increase (Decrease) in Cash	(3,959)
Cash at Beginning of Year	<u>278,267</u>
Cash at End of Year	<u><u>\$ 274,308</u></u>

CancerLINC
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021

	Program Services		Supporting Services		Total
	Program Total	Management and General	Fundraising	Total Supporting Services	
Salaries and Benefits	\$ 171,860	\$ 34,828	\$ 28,895	\$ 63,723	\$ 235,583
Payroll taxes	14,674	2,615	2,169	4,784	19,458
Advertising expense	-	-	149	149	149
Bank and credit card fees	1,432	153	119	272	1,704
Client services	961,975	-	-	-	961,975
Dues & subscriptions	1,281	96	75	171	1,452
Insurance expense	3,042	157	122	279	3,321
Computer & website	5,902	633	492	1,125	7,027
Meetings & travel	846	333	-	333	1,179
Office equipment & rental	652	70	54	124	776
Postage	448	48	37	85	533
Professional fees & contracted services	13,671	1,542	12,756	14,298	27,969
Rent	12,096	1,296	1,008	2,304	14,400
Supplies & materials	1,071	116	89	205	1,276
Telephone & utilities	3,487	521	290	811	4,298
Total Expenses	\$ 1,192,437	\$ 42,408	\$ 46,255	\$ 88,663	\$ 1,281,100

The accompanying notes are an integral part of these financial statements

CancerLINC
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Note 1: Nature of Business and Significant Accounting Policies

Nature of Business - CancerLINC (the Organization), is a Virginia non-profit, organization. Founded in 1996, the Organization's stated mission is to ease the burden of cancer for patients and their families by providing assistance and referral to legal, financial and community resources.

The Organization accomplishes its mission through two major programs: client services and education/outreach. Through its client services program, CancerLINC provides legal and financial advocacy services for cancer patients related to: insurance coverage for medical care costs, employment issues, securing disability benefits, managing medical debt, end-of-life planning, and connection to community resources. CancerLINC referral attorneys and financial planners provide pro bono legal and financial services to eligible individuals.

Through its community awareness program, CancerLINC helps educate the community about the non-medical issues associated with cancer and other major illnesses. This is accomplished by: providing speakers and participating in seminars, distributing literature, informational social media posts, and providing information at health fairs. CancerLINC does not provide financial assistance to clients, but will help clients locate sources of funding in the community. The Organization receives its funding through grants, contributions, and special events.

Basis of Presentation - The financial statements have been prepared in accordance with the Financial Accounting Standards Board's (FASB) Accounting Standards Codification (ASC) 958, Financial Statements of Not-for-Profit Organizations. In accordance with ASC 958, the Corporation is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Method of Accounting - The financial statements of CancerLINC have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Net Assets Without Donor Restrictions - are those currently available at the discretion of the Board of Directors for use in operations and those resources invested in property and equipment.

Net Assets With Donor Restrictions - are those which are stipulated by donors or grantors for specific program purposes. When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Donor restricted revenue whose restrictions are met in the same year is reflected as net assets without donor restrictions.

CancerLINC
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021
(CONTINUED)

Note 1: Nature of Business and Significant Accounting Policies (Cont.)

Contributions - Contributions and special events revenue are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and nature of any donor restrictions.

Pledges and Grants Receivable - Pledges and grants receivable are stated at the amount management expects to collect from outstanding balances based on an analysis of each receivable. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual receivables. Management determined that there were no uncollectible receivables at June 30, 2021.

Donated Materials and Services - The value of donated materials and services that either (a) created or enhanced a nonfinancial asset or (b) required specialized skills, was provided by individuals possessing those skills, and would typically have been purchased if not donated, are recognized in the financial statements.

Functional Allocation of Expenses - Functional expenses have been allocated between Program Services and Supporting Services based on an analysis of personnel time for the related activities.

Cash and Cash Equivalents - For purposes of reporting cash flows, CancerLINC considers cash equivalents to include certificates of deposit and other highly liquid debt instruments purchased with an original maturity of three months or less.

Estimates - The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses and disclosure of contingent assets and liabilities for the reported periods. Actual results could differ from those estimates.

Income Taxes - CancerLINC is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization has determined that it does not have any material unrecognized tax benefits or obligations as of June 30, 2021. Fiscal years ending on or after June 30, 2018 remain subject to examination by federal and state tax authorities.

CancerLINC
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021
(CONTINUED)

Note 1: Nature of Business and Significant Accounting Policies (Cont.)

Property and Equipment - The Organization recognizes as capital assets those purchases over \$1,500 that have an estimated useful life in excess of one year. Property and equipment are recorded at cost, and donated property and equipment are recorded at fair market value. All capital assets are depreciated over their estimated useful lives. Annual depreciation is computed on the straight-line method.

Subsequent Events - Management has evaluated subsequent events through October 18, 2021, the date on which the financial statements were available to be issued.

Note 2: Program Support and Revenue

Contributions, including unconditional pledges, are recognized as revenues in the period received. Conditional pledges are not recognized until the conditions on which they depend are substantially met. Other pledges are restricted by time constraints and revenue is recognized after the noted amount of time has passed. Gifts of securities are recorded at their fair market value when received. Deferred revenue represents inactive revenue for certain programs.

Note 3: Lease Commitments

CancerLINC entered into a lease on April 1, 2019 that is in effect for three years, commencing June 1, 2019 and ending May 31, 2022. Total lease payments for fiscal years ending June 30, 2021 and 2022 are approximately \$14,400 and \$13,200, respectively.

Note 4: Concentration of Credit Risk

Financial instruments that potentially subject CancerLINC to a concentration of credit risk consist principally of cash. CancerLINC maintains banking accounts with TowneBank. Checking and money market account balances are insured by the FDIC and at times balances may exceed FDIC limits. At June 30, 2021, the Organization had deposits of \$24,308 in excess of FDIC limits.

CancerLINC
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021
(CONTINUED)

Note 5: In-Kind Contributions

During the years presented, the Organization received the following in-kind contributions of materials and services:

Description	June 30, 2021
Legal and Financial Counseling/Assistance to Clients	\$ 961,975
In-Kind Donations	955
Total	<u>\$ 962,930</u>

Note 6: Net Assets With Donor Restrictions

In fiscal year 2021, the Organization received two grants totaling \$35,000 which is recognized as restricted income in fiscal 2021. Most of the grants CancerLINC receives are reclassified as unrestricted in the year received. Net assets with donor restrictions consisted of the following for the year ended June 30, 2021:

Beginning Balance July 1, 2020	\$ 19,495
Restricted Grants Awarded During the Year	35,000
Requirement Met to Release Donor Restrictions	(27,085)
Ending Balance at June 30, 2021	<u>\$ 27,410</u>

Note 7: Loan Payable (PPP)

On April 17, 2020, the Organization entered into a loan agreement with TowneBank for the amount of \$46,700. The loan has an interest rate of 1% per annum. On April 6, 2021 this loan was forgiven in full and the proceeds are included in revenue on the Statement of Activities as of June 30, 2021.

On February 9, 2021, the Organization entered into a loan agreement with TowneBank for the amount of \$48,000. The loan has an interest rate of 1% per annum. This loan was received through the Payment Protection Program that was passed by Congress as part of the CARES Act in response to the pandemic caused by COVID-19. The loan has been fully forgiven as of the date of these financial statements and no payments are due on the loan as of June 30, 2021.

CancerLINC
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021
(CONTINUED)

Note 8: Availability and Liquidity

The following represents the Organization's financial assets at June 30, 2021:

	2021
Cash and Cash Equivalents	\$ 274,308
Accounts Receivable	32,500
Prepaid Expenses	2,200
 Total Financial Assets	 309,008
 Less Amounts Not Available to be Used Within One Year:	
Net Assets with Donor Restrictions	27,410
Nonavailable Funds	27,410
 Financial Assets Available to Meet General Expenditures Over the Next Twelve Months	 \$ 281,598

The Organization manages its liquidity by completing annual operating budgets that provide sufficient funds for general expenditures in meeting liabilities and other obligations as they become due.

Note 9: Board Designated Cash

The Board has chosen to designate \$150,000 of the organization's cash balance as a reserve fund. There is no legal obligation related to the board designated cash.

Note 10: Contingencies

Prior to the balance sheet date, the World Health Organization declared the outbreak of COVID-19, a novel strain of Coronavirus, a pandemic. The coronavirus outbreak is disrupting supply chains and affecting production and sales across a range of industries. The extent of the impact of the outbreak on operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact to the operations of the Organization, and governmental, regulatory and private sector responses. The financial statements do not reflect any adjustments as a result of the subsequent increase in economic uncertainty.