

**CANCER ALLIANCE OF HELP AND  
HOPE, INC.**

***Financial Statements***

***For the year ended  
June 30, 2020***

**HAFER**

***Certified Public Accountants and Consultants***

251 Royal Palm Way; Suite 350

Palm Beach, Florida 33480

T: (561) 655-8700 F: (561) 655-6964

[cpa@haferco.com](mailto:cpa@haferco.com)

**CONTENTS**

**Independent Auditor’s Report**..... 1

**Financial Statements**

Statement of Financial Position..... 2

Statement of Activities ..... 3

Statement of Functional Expenses..... 4

Statement of Cash Flows..... 5

Notes to Financial Statements ..... 6

# HAFER

*Certified Public Accountants and Consultants*

251 ROYAL PALM WAY, SUITE 350

PALM BEACH, FLORIDA 33480

TELEPHONE (561) 655-8700

FACSIMILE (561) 655-6964

WWW.HAFERCPAS.COM

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Cancer Alliance of Help and Hope, Inc.

We have audited the accompanying financial statements of Cancer Alliance of Help and Hope, Inc. ("the Organization"), which comprise the statement of financial position as of June 30, 2020, and the related statement of activities and changes in net assets, 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 of 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 entity'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 entity'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.

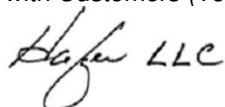
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Cancer Alliance of Help and Hope, Inc. as of June 30, 2020, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### **Change in Accounting Principle**

As discussed in Note 2 to the financial statements, the Organization changed its method of accounting related to revenue recognition as required by the provisions of FASB Accounting Standards Update No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. Our opinion is not modified with respect to that matter.



Palm Beach, Florida  
December 2, 2020

**CANCER ALLIANCE OF HELP AND HOPE, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
*June 30, 2020*

**Assets**

Cash and cash equivalents	\$ 672,097
Certificates of deposit (Notes 2 and 4)	370,733
Accounts receivable, net of allowance for uncollectible of \$10,000	500
Prepaid expenses	56,154
Property and equipment, net (Note 5)	7,683
Other assets	<u>6,900</u>

**Total assets** \$ 1,114,067

**Liabilities and net assets**

Accounts payable and accrued expenses	\$ 22,601
Deferred revenues	67,747
Paycheck protection program loan (Note 7)	<u>43,840</u>

Total liabilities 134,188

**Net assets**

Net assets without donor restrictions	930,879
Net assets with donor restrictions (Note 9)	<u>49,000</u>

Total net assets 979,879

**Total liabilities and net assets** \$ 1,114,067

The accompanying notes are an integral part of these financial statements.

**CANCER ALLIANCE OF HELP AND HOPE, INC.**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
*For the year ended June 30, 2020*

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total Funds</u>
<b>Operating revenue and other support</b>			
Contributions and support	\$ 393,752	\$ 49,000	\$ 442,752
Contributions in-kind (Note 2)	500	-	500
Special events	699,343	-	699,343
Interest income	11,291	-	11,291
Net assets released from restriction	32,297	(32,297)	-
	<u>1,137,183</u>	<u>16,703</u>	<u>1,153,886</u>
<b>Operating expenses</b>			
Program services	629,801	-	629,801
Special events	363,758	-	363,758
General and administrative	86,101	-	86,101
	<u>1,079,660</u>	<u>-</u>	<u>1,079,660</u>
	57,523	16,703	74,226
<b>Change in net assets</b>			
Net assets, beginning of year	<u>873,356</u>	<u>32,297</u>	<u>905,653</u>
<b>Net assets, end of year</b>	<u>\$ 930,879</u>	<u>\$ 49,000</u>	<u>\$ 979,879</u>

The accompanying notes are an integral part of these financial statements.

**CANCER ALLIANCE OF HELP AND HOPE, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
*For the year ended June 30, 2020*

Description	Program Services	Special Events	General and Administrative	Total Operating Expenses
Advertising	\$ 319	\$ 107	\$ 107	\$ 533
Depreciation expense	-	-	4,914	4,914
Events cost	-	289,267	-	289,267
Insurance	1,313	437	437	2,187
Occupancy	25,189	8,397	8,397	41,983
Office expense	7,914	2,130	2,130	12,174
Other costs	16,444	5,481	5,481	27,406
Outside services	23,559	-	23,559	47,118
Payroll and payroll taxes	131,778	54,908	32,945	219,631
Professional fees	5,100	-	5,100	10,200
Specific assistance	409,092	-	-	409,092
Travel	5,885	1,962	1,962	9,809
Utilities	3,208	1,069	1,069	5,346
<b>Total operating expenses</b>	<b>\$ 629,801</b>	<b>\$ 363,758</b>	<b>\$ 86,101</b>	<b>\$ 1,079,660</b>

The accompanying notes are an integral part of these financial statements.

**CANCER ALLIANCE OF HELP AND HOPE, INC.**  
**STATEMENT OF CASH FLOWS**  
*For the year ended June 30, 2020*

<b>Cash flows from operating activities</b>	
Change in net assets	\$ 74,226
<b><u>Adjustments to reconcile change in net assets to net cash provided by operating activities</u></b>	
Depreciation expense	4,914
Provision for bad debt	10,000
<b><u>Changes in assets and liabilities:</u></b>	
Accounts receivable	(10,500)
Prepaid expenses	(11,503)
Other assets	(1,550)
Accounts payable and accrued expenses	10,602
Deferred revenues	67,747
	143,936
Net cash provided by operating activities	143,936
<b>Cash flows from investing activities</b>	
Purchases of certificate of deposit	(129,173)
<b>Cash flows from financing activities</b>	
Proceeds from Paycheck Protection Program loan	43,840
	58,603
<b>Net increase in cash and cash equivalents</b>	58,603
Cash and cash equivalents, beginning	613,494
	672,097
<b>Cash and cash equivalents, ending</b>	\$ 672,097

The accompanying notes are an integral part of these financial statements.

**CANCER ALLIANCE OF HELP AND HOPE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
*June 30, 2020*

**NOTE 1: Organization**

Cancer Alliance of Help and Hope, Inc. (“the Organization”) is a not-for-profit corporation founded on June 27, 2003. The Organization was created to provide financial assistance to cancer patients in need by paying a portion of their non-medical bills, supplementing basic needs, and providing support and information resources. The Organization is located in Palm Beach, Florida.

**NOTE 2: Summary of significant accounting policies**

Basis of accounting and presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles for not-for-profit organizations whereby revenues and gains are recorded when earned and expenses and losses are recorded when incurred. Resources are classified for accounting and reporting purposes into two categories of net assets – without donor restrictions and with donor restrictions – according to externally (donor) imposed restrictions.

Net assets without donor restrictions include all resources that are not subject to donor-imposed restrictions of a more specific nature than those which only obligate the Organization to utilize funds in furtherance of its mission. Revenues received, and expenses incurred in conducting the programs and services of the Organization are presented in the financial statements as without donor restrictions operating funds that increase or decrease net assets without donor restrictions.

Net assets with donor restrictions comprise of both temporarily and permanently restricted donations. Temporarily restricted donations carry specific, donor-imposed restrictions on the expenditure or other use of contributed funds. Temporary restrictions may expire either because of the passage of time or because the Organization has fulfilled the restrictions. Permanently restricted donations are those that are subject to donor-imposed restrictions that will never lapse, thus requiring the assets to be maintained permanently as endowment funds.

Net realized and unrealized appreciation on endowment funds are classified in the financial statements as part of net assets without donor restrictions or net assets with donor restrictions based on donors’ restrictions and interpretations of Florida law.

Change in accounting principle

The Organization changed its method of accounting related to revenue recognition as required by FASB ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. This new guidance created Topic 606 in the Accounting Standards Codification (ASC).

The Organization adopted the new guidance as of July 1, 2019, using the modified retrospective method of transition, which requires that the cumulative effect of the changes related to the adoption be charged to beginning net assets. The Organization applied the new guidance using the practical expedient provided in Topic 606 that allows the guidance to be applied only to contracts that were not complete as of July 1, 2019. Adoption of the new guidance resulted in changes in accounting policies for revenue recognition and contract liabilities. As of July 1, 2019, all previously existing contracts with customers were complete; as such, the cumulative effect of the change was \$0.

Estimates

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



**CANCER ALLIANCE OF HELP AND HOPE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
*June 30, 2020*

**NOTE 2: Summary of significant accounting policies (continued)**

Cash and cash equivalents

Cash and cash equivalents include all monies in banks including money market funds. Cash equivalents include highly liquid securities, including certificates of deposit, with original maturities of 90 days or less.

Certificate of deposit

Certificate of deposit consists of a certificate with an original maturity of more than 90 days. The certificate is carried at cost plus any interest earned and reinvested. The Organization, at least annually, assesses for any other-than-temporary impairment, and as of the date of these financial statements, the Organization does not believe any impairment exists. Also see Note 4.

Short-term financial instruments

The carrying amount of the Organization's financial instruments, which include cash and cash equivalents, accounts receivable, prepaid expenses, accounts payable and accrued expenses, and other assets and liabilities, approximates their fair values due to their short-term maturities.

Property and equipment

Property and equipment are recorded at cost. Capitalized property and equipment are depreciated over the estimated useful lives of the assets using the straight-line method of depreciation.

Contributions

Contributions, including unconditional promises to give, are recognized as revenue in the period when the donor's commitment received. All contributions are considered to be available for without donor restrictions use unless specifically restricted by the donor. When applicable, amounts received that are restricted for future periods (time restrictions) or are restricted by the donor for specific purposes (purpose restriction) are reported as with donor restricted support that increases that net asset class.

When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, with donor restrictions net assets are reclassified to without donor restrictions net assets and are reported in the statement of activities as net assets released from restriction. If a restriction is fulfilled in the same time period in which the contribution is received, the contribution is reported as without donor restrictions.

From time to time, the Organization is informed of intentions to give by prospective donors. Such expressions of intent are revocable and unenforceable. The ultimate value of these expressions has not been established, and they are not recognized in the accompanying financial statements.

Advertising

The Organization expenses the cost of advertising as incurred. Advertising expense was \$533 for the year ended June 30, 2020.

Donated services

For the year ended June 30, 2020, the Organization received contributed goods and services for office space, which totaled \$500. This amount is reflected as in-kind contributions and expenses in the accompanying financial statements based upon estimated fair values assigned to them.

Allocation of functional expenses

The cost of providing the Organization programs services and other activities have been summarized on a function basis in the statement of functional activities. Accordingly, certain costs have been allocated among the programs and supporting activities benefited.

**CANCER ALLIANCE OF HELP AND HOPE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
*June 30, 2020*

**NOTE 2: Summary of significant accounting policies (continued)**

Compensated absences

Employees of the Organization are entitled to paid vacations, sick days, and other time off depending on job classification, length of service, and other factors. It is impractical to estimate the amount of compensation for future absences and, accordingly, no liability has been recorded in the accompanying financial statements. The Organization's policy is to recognize the costs of compensated absences when paid to employees.

Income taxes

The Organization is generally exempt from income taxes under Internal Revenue Code Section 501(c)(3). Therefore, the Organization has made no provision for federal or state income taxes in the accompanying financial statements. Generally, the Organization's federal income tax returns for 2017 - 2019 remain subject to possible examination by the Internal Revenue Service.

Recently issued accounting pronouncements, not yet adopted

In February 2016, the FASB issued ASU No. 2016-02, *Leases*. The standard will affect all entities that lease assets and will require lessees to recognize a lease liability and a right-of-use asset for all leases (except short-term leases that have a duration of less than one year) as of the date on which the lessor makes the underlying asset available to the lessee. Upon the issuance of ASU No. 2020-05, for non-public entities, such as the Organization, the new standard is effective for annual periods beginning after December 15, 2021. While the Organization expects the adoption of this standard to result in an increase to its reported assets and liabilities, the Organization has not yet determined the full impact that the adoption of this standard will have on its financial statements and related disclosures.

**NOTE 3: Liquidity and availability of financial assets**

The Organization financial assets available to meet cash needs for general expenditure within one year at June 30, 2020 amounted to \$965,296. As of June 30, 2020, \$90,348 was not available for general use because of contractual or donor-imposed restrictions within one year.

**NOTE 4: Certificates of deposit**

Certificates of deposit at June 30, 2020 consist of the following:

Certificate of deposit, interest rate: 0.99%; original issuance date: April 10, 2020; maturity date: September 10, 2020	\$ 245,613
Certificate of deposit, interest rate: 1.15%; original issuance date: June 2, 2020; maturity date: June 2, 2021	<u>125,120</u>
	<u>\$ 370,733</u>

**NOTE 5: Property and equipment**

A schedule of property, equipment, and accumulated depreciation was as follows at June 30, 2020:

Office equipment	\$ 7,111
Software	2,199
Automobile	<u>22,640</u>
	31,950
Less: accumulated depreciation	<u>(24,267)</u>
	<u>\$ 7,683</u>

For the year ended June 30, 2020, depreciation expense was \$4,914.

**CANCER ALLIANCE OF HELP AND HOPE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
*June 30, 2020*

**NOTE 6: Concentration of credit risk**

The Organization maintains its cash in bank at various financial institutions whereby deposits are insured up to \$250,000 by the Federal Deposit Insurance Corporation; balances may exceed this federally insured limit.

During the year ended June 30, 2020, the Organization received approximately 24% of its total support and revenue from two special events. Adverse conditions in its relationship with these special events could potentially affect the Organization's operations.

**NOTE 7: Paycheck protection program loan**

During 2020, the Organization entered into a loan agreement in the amount of \$43,840 under the Paycheck Protection Program authorized by the Coronavirus Aid, Relief, and Economic Security Act ("the Program"). The note bears a fixed interest rate of 1.00% per annum. No interest or principal is due during the first six months of the loan. After the six-month deferral period and after taking into account any loan forgiveness applicable to the loan pursuant to the Program, any remaining principal and interest will be payable in equal monthly installments over the remaining period of the loan. The loan matures two years from the date of the loan agreement. At June 30, 2020, the outstanding balance on the note payable was \$43,840.

**NOTE 8: Leases**

Effective, August 31, 2020, the Organization entered into a two-year lease, ending August 31, 2022 with 350 Realty Corp. for administrative office space. For the year ended June 30, 2020, office lease expense was \$39,000. The future lease payments are as follows:

The following is a schedule of the future minimum lease payment requirements:

For the year ending June 30:

2021	\$ 32,500
2022	39,000
2023	6,500
Total minimum lease payments	<u>\$ 78,000</u>

**NOTE 9: Net assets with donor restrictions**

Net assets with donor restrictions at June 30, 2020 consists of a grant from The Mary Alice Fortin Foundation and are available to support the Christmas in July program. Net assets with donor restrictions totaled \$49,000 at June 30, 2020.

**NOTE 10: Subsequent events**

Management has evaluated subsequent events through December 2, 2020, the date the financial statements were available to be issued.