

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

Financial Statements

***For the year ended
June 30, 2022***

HAFER

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
CANCER ALLIANCE OF HELP AND HOPE, Inc.

Opinion

We have audited the accompanying financial statements of CANCER ALLIANCE OF HELP AND HOPE, Inc. ("the Organization"), which comprise the balance sheet as of June 30, 2022, 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.

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, 2022, 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 audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of this report. We are required to be independent of CANCER ALLIANCE OF HELP AND HOPE, Inc. 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 CANCER ALLIANCE OF HELP AND HOPE, Inc.'s ability to continue as a going concern within 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 generally accepted auditing standards 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, including omissions, 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 generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement 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.

CANCER ALLIANCE OF HELP AND HOPE, Inc.
Independent Auditor's Report (Continued)

- 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 CANCER ALLIANCE OF HELP AND HOPE, Inc.'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 judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about CANCER ALLIANCE OF HELP AND HOPE, Inc.'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.



Palm Beach, Florida
September 23, 2022

CANCER ALLIANCE OF HELP AND HOPE, INC.
STATEMENT OF FINANCIAL POSITION
June 30, 2022

Assets

Cash and cash equivalents	\$ 1,435,501
Certificates of deposit (Notes 2 and 4)	359,791
Prepaid expenses	79,915
Property and equipment, net (Note 5)	1,649
Other assets	7,325

Total assets \$ 1,884,181

Liabilities and net assets

Accounts payable and accrued expenses	<u>\$ 12,277</u>
Total liabilities	<u>12,277</u>

Net assets

Net assets without donor restrictions:	
Board designated (Note 8)	67,868
Undesignated	<u>1,804,036</u>

Total net assets without donor restrictions	1,871,904
Net assets with donor restrictions	<u>-</u>
Total net assets	<u>1,871,904</u>

Total liabilities and net assets \$ 1,884,181

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, 2022

	Without Donor Restrictions	With Donor Restrictions	Total Funds
Operating revenue and other support			
Contributions and support	\$ 843,976	\$ -	\$ 843,976
Contributions in-kind (Note 2)	150	-	150
Special events	1,386,159	-	1,386,159
Interest income	3,107	-	3,107
	<u>2,233,392</u>	<u>-</u>	<u>2,233,392</u>
Operating expenses			
Program services	974,022	-	974,022
Special events	631,934	-	631,934
General and administrative	107,588	-	107,588
	<u>1,713,544</u>	<u>-</u>	<u>1,713,544</u>
Change in net assets	519,848	-	519,848
Net assets, beginning of year	1,352,056	-	1,352,056
Net assets, end of year	<u>\$ 1,871,904</u>	<u>\$ -</u>	<u>\$ 1,871,904</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, 2022

Description	Program Services	Special Events	General and Administrative	Total Operating Expenses
Advertising	\$ 19,002	\$ 6,334	\$ 6,334	\$ 31,670
Depreciation expense	-	-	2,930	2,930
Fundraising	-	523,434	-	523,434
Insurance	1,693	564	564	2,821
Legal and accounting	8,228	-	8,228	16,456
Office expense	15,202	4,093	4,093	23,388
Other expenses	23,669	7,890	7,890	39,449
Outside contractors	19,568	-	19,568	39,136
Payroll	189,828	79,095	47,457	316,380
Rent	28,963	9,654	9,654	48,271
Specific assistance	665,261	-	-	665,261
Travel	398	133	133	664
Utilities	2,210	737	737	3,684
	<u>\$ 974,022</u>	<u>\$ 631,934</u>	<u>\$ 107,588</u>	<u>\$ 1,713,544</u>

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, 2022

Cash flows from operating activities	
Change in net assets	\$ 519,848
<u>Adjustments to reconcile change in net assets to net cash provided by operating activities</u>	
Depreciation expense	2,930
<u>Changes in assets and liabilities:</u>	
Prepaid expenses	(11,058)
Other assets	1,250
Accounts payable and accrued expenses	(14,195)
Deferred revenues	<u>(125,000)</u>
Net cash provided by operating activities	373,775
Cash flows from investing activities	
Maturities of certificate of deposit	<u>42,216</u>
Net increase in cash and cash equivalents	415,991
Cash and cash equivalents, beginning	<u>1,019,510</u>
Cash and cash equivalents, ending	<u><u>\$ 1,435,501</u></u>

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

CANCER ALLIANCE OF HELP AND HOPE, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

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.

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.

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.

CANCER ALLIANCE OF HELP AND HOPE, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE 2: Summary of significant accounting policies (continued)

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 \$31,670 for the year ended June 30, 2022.

Donated services

For the year ended June 30, 2022, the Organization received contributed goods and services for office space which totaled \$150. 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.

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

CANCER ALLIANCE OF HELP AND HOPE, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE 2: Summary of significant accounting policies (continued)

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 2019 - 2021 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. 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, 2022 amounted to \$1,862,930. As of June 30, 2022, \$12,277 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, 2022 consist of the following:

Certificate of deposit, interest rate: 0.7%; original issuance date: December 10, 2020; maturity date: December 10, 2022	\$ 126,066
Certificate of deposit, interest rate: 0.2%; original issuance date: January 7, 2021; maturity date: September 7, 2022	<u>233,725</u>
	<u><u>\$ 359,791</u></u>

NOTE 5: Property and equipment

A schedule of property, equipment, and accumulated depreciation was as follows at June 30, 2022:

Office equipment	\$ 7,111
Software	2,199
Automobile	<u>22,640</u>
	31,950
Less: accumulated depreciation	<u>(30,301)</u>
	<u><u>\$ 1,649</u></u>

For the year ended June 30, 2022, depreciation expense was \$2,930.

CANCER ALLIANCE OF HELP AND HOPE, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

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, 2022, the Organization received approximately 20% 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: 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, 2022, office lease expense was \$48,271. The future lease payments are as follows:

Future minimum lease payment requirements for the year ending June 30, 2023 totals \$6,500.

NOTE 8: Net assets without donor restrictions – board designated

On July 20, 2020, the Organization's Board of Directors approved the establishment of a Board designated endowment to support local cancer patients in need. The funds are invested and 4% of the balance will be given out each year. At June 30, 2022, the balance of the Board designated endowment was \$67,868.

NOTE 9: Subsequent events

Management has evaluated subsequent events through September 23, 2022, the date the financial statements were available to be issued.