

AUDITED FINANCIAL STATEMENTS

OF

CANCERLINC

**FOR THE YEAR ENDED
JUNE 30, 2022**

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

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
of CancerLINC

We have audited the accompanying financial statements of CancerLINC (a nonprofit corporation) as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of CancerLINC 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 and the standards applicable to financial audits. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of CancerLINC 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 CancerLINC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

**INDEPENDENT AUDITOR'S REPORT
(CONTINUED)**

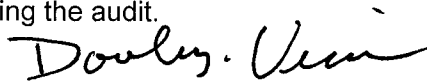
Auditor's Responsibilities for the Audit of the Financial Statements

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 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.
- 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 CancerLINC'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 CancerLINC'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.



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

Richmond, Virginia
November 14, 2022

CancerLINC
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2022

ASSETS

<u>Current Assets</u>	<u>2022</u>
Cash and Cash Equivalents	\$ 321,101
Accounts Receivable	31,923
Prepaid Expenses	<u>2,400</u>
Total Current Assets	<u>355,424</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>\$ 355,424</u></u>

CancerLINC
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2022
(CONTINUED)

LIABILITIES AND NET ASSETS

<u>Current Liabilities</u>	<u>2022</u>
Accounts Payable	\$ 3,103
Accrued Expenses	<u>10,973</u>
Total Current Liabilities	<u>14,076</u>
<u>Net Assets</u>	
Without Donor Restrictions	302,942
With Donor Restrictions	<u>38,406</u>
Total Net Assets	<u>341,348</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 355,424</u>

CancerLINC
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	2022
SUPPORT AND REVENUE			
Grants	\$ 173,250	\$ 42,000	\$ 215,250
Contributions	98,573	-	98,573
Special Events, Net Direct Costs of \$28,414	86,489	-	86,489
In-Kind Revenue	660,749	-	660,749
Revenue From Other Sources	48,362	-	48,362
Interest and Dividend Income	253	-	253
	1,067,676	42,000	1,109,676
Net Assets Released from Restriction	31,004	(31,004)	-
Total Support and Revenue	1,098,680	10,996	1,109,676
EXPENSES			
Program Services	891,561	-	891,561
Management and General	46,950	-	46,950
Fund Raising	74,000	-	74,000
	1,012,511	-	1,012,511
Total Expenses	1,012,511	-	1,012,511
Increase (Decrease) in Net Assets	86,169	10,996	97,165
NET ASSETS			
Beginning of Year	216,773	27,410	244,183
End of Year	\$ 302,942	\$ 38,406	\$ 341,348

The accompanying notes are an integral part of these financial statements

CancerLINC
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022

<u>Cash Flows from Operating Activities</u>	<u>2022</u>
Change in Net Assets	\$ 97,165
Adjustments to Reconcile Change in Net Assets	
Accounts Receivable	577
Prepaid Expenses	(200)
Increase (Decrease) in:	
Accounts Payable and Accrued Liabilities	(949)
Deferred Revenue	<u>(1,800)</u>
Net Cash Provided By (Used In) Operating Activities	<u>94,793</u>
<u>Cash Flows Provided By (Used In) Financing Activities</u>	
Net Proceeds on Long-Term Debt (PPP Loan Forgiveness)	<u>(48,000)</u>
Net Cash Provided By (Used In) Financing Activities	<u>(48,000)</u>
Net Increase (Decrease) in Cash	46,793
Cash at Beginning of Year	<u>274,308</u>
Cash at End of Year	<u><u>\$ 321,101</u></u>

The accompanying notes are an integral part of these financial statements

CancerLINC
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022

	Program Services		Supporting Services		Total
	Program	Management and General	Fundraising	Total Supporting Services	
Salaries and Benefits	\$ 183,715	\$ 37,231	\$ 30,888	\$ 68,119	\$ 251,834
Payroll taxes	17,606	3,137	2,602	5,739	23,345
Advertising expense	-	-	989	989	989
Bank and credit card fees	2,101	225	175	400	2,501
Client services in-kind	640,845	-	-	-	640,845
Donated items in-kind	-	-	19,904	19,904	19,904
Dues & subscriptions	1,397	105	82	187	1,584
Insurance expense	3,610	186	144	330	3,940
Computer & website	5,960	639	496	1,135	7,095
Meetings & travel	87	1,240	195	1,435	1,522
Office equipment & rental	1,219	130	102	232	1,451
Postage	62	48	580	628	690
Professional fees & contracted services	17,571	1,982	16,395	18,377	35,948
Rent	12,096	1,296	1,008	2,304	14,400
Supplies & materials	1,432	154	119	273	1,705
Telephone & utilities	3,860	577	321	898	4,758
Total Expenses	\$ 891,561	\$ 46,950	\$ 74,000	\$ 120,950	\$ 1,012,511

CancerLINC
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

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 help cancer patients and their families overcome legal and financial obstacles when they need it the most.

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, 2022
(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, 2022.

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, 2022. Fiscal years ending on or after June 30, 2019 remain subject to examination by federal and state tax authorities.

CancerLINC
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022
(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 November 14, 2022, 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 commencing June 1, 2019 and ending May 31, 2022. This lease has been extended through May 31, 2025. Lease payments for the year ending June 30, 2022 were \$14,400. Annual lease payments due over the next 3 fiscal years ending June 30, shall not exceed the following:

2023	\$	14,400
* 2024	\$	15,120
* 2025	\$	15,876

*Rate shall be reviewed annually but shall not increase more than 5% per annum.

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, 2022, the Organization had deposits of \$71,101 in excess of FDIC limits.

CancerLINC
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022
(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, 2022
Legal and Financial Counseling/Assistance to Clients	\$ 640,845
In-Kind Donations	19,904
Total	<u>\$ 660,749</u>

Note 6: Net Assets With Donor Restrictions

In fiscal year 2022, the Organization received purpose restricted grants totaling \$42,000 which is recognized as restricted income in fiscal 2022. 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, 2022:

Beginning Balance July 1, 2021	\$ 27,410
Restricted Grants Awarded During the Year	42,000
Requirement Met to Release Donor Restrictions	(31,004)
Ending Balance at June 30, 2022	<u>\$ 38,406</u>

Note 7: Availability and Liquidity

The following represents the Organization's financial assets at June 30, 2022:

	2022
Cash and Cash Equivalents	\$ 321,101
Accounts Receivable	31,923
Prepaid Expenses	2,400
Total Financial Assets	<u>355,424</u>
Less Amounts Not Available to be Used Within One Year:	
Net Assets with Donor Restrictions	<u>38,406</u>
Nonavailable Funds	<u>38,406</u>
Financial Assets Available to Meet General Expenditures Over the Next Twelve Months	<u>\$ 317,018</u>

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.

CancerLINC
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022
(CONTINUED)

Note 8: 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 9: 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.