

**CANCER ALLIANCE OF NAPLES, INC.**

**FINANCIAL STATEMENTS TOGETHER WITH**  
**REPORT OF INDEPENDENT AUDITOR**

**Years Ended**  
**June 30, 2021 and 2020**

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**TUSCAN**  
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**Certified Public Accountants & Consultants**

Affiliations

Florida Institute of Certified Public Accountants

American Institute of Certified Public Accountants

Private Companies Practice Section

Tax Division

**INDEPENDENT AUDITOR'S REPORT**

Board of Directors  
Cancer Alliance of Naples, Inc.  
3384 Woods Edge Circle Suite #102  
Bonita Springs, Florida 34134

**Report on the Financial Statements**

We have audited the accompanying financial statements of Cancer Alliance of Naples, Inc. (a Florida not-for-profit corporation) ( the "Organization"), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses and cash flows for the years 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 audits. We conducted our audits 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

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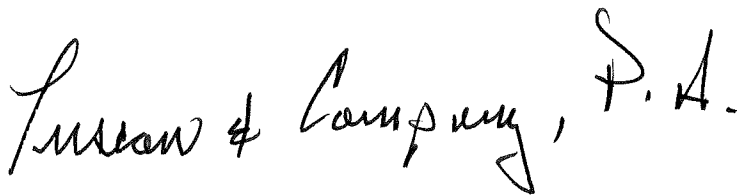
Board of Directors  
Cancer Alliance of Naples, Inc.  
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express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well 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, based on our audits, the financial statements referred to above present fairly, in all material respects, the financial position of Cancer Alliance of Naples, Inc. as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink that reads "Tuscany & Company, P.A." The signature is written in a cursive, flowing style.

TUSCAN & COMPANY, P.A.  
Fort Myers, Florida  
December 1, 2021

**CANCER ALLIANCE OF NAPLES, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**June 30, 2021 and 2020**

<b>ASSETS</b>	<u>2021</u>	<u>2020</u>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents (including restricted cash of \$37,064 and \$20,199)	\$ 484,921	\$ 441,034
Prepays and other	<u>5,499</u>	<u>4,812</u>
TOTAL CURRENT ASSETS	490,420	445,846
<b>BENEFICIAL INTEREST IN ASSETS</b>	59,803	46,072
<b>PROPERTY AND EQUIPMENT, NET</b>	<u>417,985</u>	<u>433,030</u>
TOTAL ASSETS	<u>\$ 968,208</u>	<u>\$ 924,948</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 9,917	\$ 8,869
Current portion of long term debt	<u>11,477</u>	<u>10,605</u>
TOTAL CURRENT LIABILITIES	21,394	19,474
<b>LONG TERM DEBT, net of current portion</b>	345,983	352,312
<b>COMMITMENTS AND CONTINGENCIES</b>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES	<u>367,377</u>	<u>371,786</u>
<b>NET ASSETS</b>		
Without donor restrictions	563,767	532,963
With donor restrictions	<u>37,064</u>	<u>20,199</u>
TOTAL NET ASSETS	<u>600,831</u>	<u>553,162</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 968,208</u>	<u>\$ 924,948</u>

The accompanying notes are an integral part of this statement.

**CANCER ALLIANCE OF NAPLES, INC.**  
**STATEMENTS OF ACTIVITIES**  
**Years Ended June 30, 2021 and 2020**

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>CHANGES IN NET ASSETS</b>						
<b>PUBLIC SUPPORT, REVENUES AND RECLASSIFICATIONS</b>						
Special events and fundraising	\$ 450,600	\$ -	\$ 450,600	\$ 448,639	\$ -	\$ 448,639
Less: direct costs	(172,730)	-	(172,730)	(164,038)	-	(164,038)
Net proceeds from special events and fundraising	277,870	-	277,870	284,601	-	284,601
Contributions and other grants	212,397	483,085	695,482	70,736	345,077	415,813
Memorial gifts and other	1,800	-	1,800	5,720	-	5,720
Investment income (losses)	13,761	-	13,761	(1,098)	-	(1,098)
PPP Loan forgiveness	48,739	-	48,739	-	-	-
<b>TOTAL PUBLIC SUPPORT AND REVENUES</b>	<b>554,567</b>	<b>483,085</b>	<b>1,037,652</b>	<b>359,959</b>	<b>345,077</b>	<b>705,036</b>
Net assets released from restrictions: Satisfaction of program restrictions	466,220	(466,220)	-	366,002	(366,002)	-
<b>TOTAL PUBLIC SUPPORT, REVENUES AND RECLASSIFICATIONS</b>	<b>1,020,787</b>	<b>16,865</b>	<b>1,037,652</b>	<b>725,961</b>	<b>(20,925)</b>	<b>705,036</b>
<b>EXPENSES</b>						
Program services	786,143	-	786,143	665,130	-	665,130
General and administrative	141,650	-	141,650	106,533	-	106,533
Fundraising	62,190	-	62,190	71,550	-	71,550
<b>TOTAL EXPENSES</b>	<b>989,983</b>	<b>-</b>	<b>989,983</b>	<b>843,213</b>	<b>-</b>	<b>843,213</b>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	<b>30,804</b>	<b>16,865</b>	<b>47,669</b>	<b>(117,252)</b>	<b>(20,925)</b>	<b>(138,177)</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>532,963</b>	<b>20,199</b>	<b>553,162</b>	<b>650,215</b>	<b>41,124</b>	<b>691,339</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 563,767</b>	<b>\$ 37,064</b>	<b>\$ 600,831</b>	<b>\$ 532,963</b>	<b>\$ 20,199</b>	<b>\$ 553,162</b>

The accompanying notes are an integral part of this statement.

**CANCER ALLIANCE OF NAPLES, INC.**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**Years Ended June 30, 2021 and 2020**

	2021					2020				
	Supporting Services			Total		Supporting Services			Total	
	Program Services	General and Administrative	Fundraising	Supporting Services	Total	Program Services	General and Administrative	Fundraising	Supporting Services	Total
Salaries	\$ 151,417	\$ 93,822	\$ 15,366	\$ 109,188	\$ 260,605	\$ 133,242	\$ 66,839	\$ 52,103	\$ 118,942	\$ 252,184
Taxes and benefits	14,840	9,205	1,507	10,712	25,552	14,107	7,077	5,516	12,593	26,700
Total salaries and related expenses	166,257	103,027	16,873	119,900	286,157	147,349	73,916	57,619	131,535	278,884
Beneficiary assistance	490,780	-	-	-	490,780	394,078	-	-	-	394,078
Beneficiary programs & events	41,834	-	-	-	41,834	37,220	-	-	-	37,220
Building maintenance & expense	22,961	4,305	1,435	5,740	28,701	17,327	3,249	1,083	4,332	21,659
Conferences and meetings	3,603	3,308	647	3,955	7,558	1,287	2,286	827	3,113	4,400
Credit card and bank fees	1,659	1,699	-	1,699	3,358	3,423	1,811	4,700	6,511	9,934
Depreciation	12,036	2,257	752	3,009	15,045	12,011	2,252	751	3,003	15,014
Insurance	5,597	1,225	366	1,591	7,188	5,707	968	760	1,728	7,435
Interest expense	8,285	1,553	518	2,071	10,356	9,838	1,845	615	2,460	12,298
Miscellaneous	-	-	-	-	-	-	517	-	517	517
Office	20,074	3,607	2,219	5,826	25,900	17,493	4,455	2,590	7,045	24,538
Payroll service fees	1,878	1,164	191	1,355	3,233	2,055	265	604	869	2,924
Professional fees	11,179	19,505	39,189	58,694	69,873	17,342	14,969	2,001	16,970	34,312
Total expenses	<u>\$ 786,143</u>	<u>\$ 141,650</u>	<u>\$ 62,190</u>	<u>\$ 203,840</u>	<u>\$ 989,983</u>	<u>\$ 665,130</u>	<u>\$ 106,533</u>	<u>\$ 71,550</u>	<u>\$ 178,083</u>	<u>\$ 843,213</u>

The accompanying notes are an integral part of this statement.

**CANCER ALLIANCE OF NAPLES, INC.**  
**STATEMENTS OF CASH FLOWS**  
**Years Ended June 30, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from donors and other operating activities	\$ 1,082,471	\$ 798,243
Cash paid to suppliers and employees	(1,071,540)	(913,397)
Interest and investment income (loss)	30	37
Interest paid	<u>(10,356)</u>	<u>(12,298)</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>605</u>	<u>(127,415)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Contribution to beneficial interest	-	(10,000)
Purchases of property and equipment	<u>-</u>	<u>(4,600)</u>
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	<u>-</u>	<u>(14,600)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of debt - refinanced mortgage	317,000	-
Proceeds from issuance of PPP loans	48,737	48,739
Principal payments (pay off) of mortgage	(314,178)	(13,395)
Principal payments on refinanced mortgage	<u>(8,277)</u>	<u>-</u>
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	<u>43,282</u>	<u>35,344</u>
Net increase (decrease) in cash and cash equivalents	43,887	(106,671)
CASH AND CASH EQUIVALENTS - BEGINNING	<u>441,034</u>	<u>547,705</u>
CASH AND CASH EQUIVALENTS - ENDING	<u>\$ 484,921</u>	<u>\$ 441,034</u>

The accompanying notes are an integral part of this statement.



**CANCER ALLIANCE OF NAPLES, INC.**  
**STATEMENTS OF CASH FLOWS, CONTINUED**  
**Years Ended June 30, 2021 and 2020**

**RECONCILIATION OF INCREASE (DECREASE) IN NET ASSETS  
TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES**

	<u>2021</u>	<u>2020</u>
Increase (decrease) in Net Assets	\$ 47,669	\$ (138,177)
Adjustments to Reconcile Increase (Decrease) in Net Assets to Net Cash Provided By (Used In) Operating Activities		
Depreciation	15,045	15,014
Net unrealized/realized (gain) loss on beneficial interest	(13,731)	682
Forgiveness of PPP loan - 1st loan	(48,739)	-
(Increase) decrease in prepaids and other	(687)	1,296
Increase (decrease) in accounts payable and accrued liabilities	<u>1,048</u>	<u>(6,230)</u>
TOTAL ADJUSTMENTS	<u>(47,064)</u>	<u>10,762</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>\$ 605</u>	<u>\$ (127,415)</u>

**NON-CASH TRANSACTIONS**

Non-cash operating activities (in-kind) have been eliminated and include the following for the year ended June 30:

	<u>2021</u>	<u>2020</u>
<b>Support and revenues</b>		
Special events and fundraising	\$ 65,411	\$ 64,730
Contributions and other grants	<u>-</u>	<u>7,199</u>
	<u>\$ 65,411</u>	<u>\$ 71,929</u>
<b>Expenses</b>		
Special events and fundraising	\$ 65,411	\$ 64,730
Office	<u>-</u>	<u>7,199</u>
	<u>\$ 65,411</u>	<u>\$ 71,929</u>

**NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization and description of activities**

Cancer Alliance of Naples, Inc. (the "Organization"), is a Florida not-for-profit corporation established in October 2002 that operates in Southwest Florida. Both the mission and the primary program of the Organization is to improve the quality of life of local individuals and families affected by cancer by providing need-based non-medical financial assistance, resources and support to local cancer patients and their families. Cancer patients turn to Cancer Alliance of Naples when they have nowhere else to turn. Once a family member is diagnosed, they are affected physically, emotionally and financially. Cancer Alliance of Naples ensures that no one must choose between putting food on the table or filling a prescription. Financial aid is based on requirements that include, but are not limited to, household income, residency and a physician's verification of diagnosis and treatment plan. All other programs that are offered, outside of financial aid, do not require verification of any of the above and are free to anyone in the cancer community. Cancer Alliance of Naples serves children and adults and is non-cancer specific.

Cancer Alliance of Naples provides services to over 1400 individuals touched by cancer annually. Services include direct financial aid, referrals, resources, free support services as well as family events and activities. Financial aid includes direct assistance with rent, utilities, car, childcare, gas, food, and other necessity items during the time of cancer treatment. Cancer Alliance of Naples serves Collier and Lee Counties. In addition to financial aid, programs include: Cancer Resource Navigators – provide support and assistance for cancer patients and match other local and national cancer resources; CANcare Bags – providing support items for cancer patients in treatment; Wig Closet – including wigs, headdresses and hats; Breast Cancer Support Bags & Mastectomy Items – fitting for prosthetics and mastectomy bras; Cancer mental health groups – in English, Spanish & Creole; Food for Life Program – cancer research based cooking and nutritional program; Cancer family events and outings – partnering with other agencies and community groups; iCAN Volunteer Program – which partners with community agencies like United Way, universities and colleges to provide service hours and internship opportunities. The Organization additionally operates a program named KidsCAN, which is comprised of high school students who 1) provide community service 2) learn leadership skills 3) raise money and award college scholarships for local high school graduating seniors who are battling cancer or who have a member of the family with cancer. CAN awards these scholarships annually.

**NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

**Basis of accounting**

The accounting and reporting policies of the Organization conform to accounting principles generally accepted in the United States of America and are in accordance with the audit guide issued by the American Institute of Certified Public Accountants, "Not-for-Profit Organizations" and the accounting standards issued by the Financial Accounting Standards Board (FASB) in the Accounting Standards Codification (ASC).

The Organization prepares its financial statements on the accrual basis of accounting. Grant revenues are recorded as support when performance occurs under the terms of the specific grant agreement. Grant revenue includes all resources received from another entity in accordance with an entitlement or grant document.

**Financial statement presentation**

The financial statement presentation follows the recommendations of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-225-45-1 (formerly Statement of Financial Accounting Standards (SFAS) No. 117), "Financial Statements of Not-for-Profit Organizations". Under FASB ASC 958-225-45-1, the Organization 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.

The Organization reports its contributions in accordance with FASB ASC 958-605-50-2. In accordance with FASB ASC 958-605-50-2, contributions received are recorded as with donor restriction or without donor restriction depending on the existence and/or nature of any donor restrictions. Under FASB ASC 958-605-50-2, such contributions are required to be reported as contributions with donor restriction and are then reclassified to net assets without donor restriction upon expiration of the time restriction or compliance with the purpose restriction.

**Cash and cash equivalents**

For the purpose of the Statement of Cash Flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

**NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES, CONTINUED**

**Investments**

Investments are generally carried at fair value. Marketable securities are carried at fair value. The Organization has the ability to and intends to hold these investments for the foreseeable future. Gains and losses are determined using the specific identification method when securities are sold or mature. Due to the type and nature of investments held, any related gain or loss is reflected as investment income. Unrealized appreciation or depreciation of the investments is considered immaterial but is separately reflected in the financial statements. Related investment fees are considered insignificant.

Investment income includes interest and dividend income as well as realized and unrealized gains and losses and may be classified as either with donor restriction or without donor restriction when earned, determined according to the donor's imposed restrictions or the Board of Directors Policy. All interest income earned is classified as without donor restriction.

**Fair value of financial instruments**

The FASB ASC Topic "Financial Instruments" clarifies the definition of fair value for financial reporting, establishes a framework for measuring fair value, and requires additional disclosure about the use of fair value measurements in an effort to make the measurement of fair value more consistent and comparable.

The Organization's short term financial instruments consist of cash and cash equivalents, receivables, payables, and accrued liabilities. The Organization estimates that the fair value of all financial instruments do not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying Statements of Financial Position.

**NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

**Property and equipment**

The Organization's policy is to capitalize assets with a cost of \$1,000 or more and a useful life greater than one (1) year. Property and equipment is recorded at cost, except for donated items (used in operations of the Organization) which are recorded at fair market value as of the date received. Assets are depreciated using the straight-line method over their respective estimated lives, as follows:

<u>Fixed Asset Category</u>	<u>Useful Lives</u>
Building and improvements	5-39 years
Office and computer equipment	3-10 years
Furniture and equipment	3-10 years

**Impairment of fixed assets**

The Organization adheres to FASB ASC 360-10-50-2 (formerly SFAS No. 144), "Accounting for the Impairment or Disposal of Long-Lived Assets." FASB ASC 360-10-50-2 requires, among other things, that entities identify events or changes in circumstances which indicate that the carrying amount of an asset may not be recoverable.

There was no effect on the Organization's financial statements resulting from FASB ASC 360-10-50-2 for the years ended June 30, 2021 and 2020, respectively.

**Advertising costs**

The Organization's policy is to expense advertising costs as such costs are incurred.

**Compensated absences**

No amounts have been recorded due to employees for the accrued compensated absences as employees are not entitled to such compensation.

**NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

**Contributions**

In order to observe restrictions which donors place on grants and other gifts, as well as designations made by the Board of Directors, all assets, liabilities and activities are accounted for in the following net asset classifications:

**Net assets without donor restrictions** - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the Board of Directors. This classification included Board designated net assets.

**Net assets with donor restrictions** - Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity. Net assets with donor restrictions include:

**Temporarily Restricted Net Assets** - subject to donor-imposed stipulations that may be fulfilled by actions of the Organization to meet the stipulations or become unrestricted at the date specified by the donor.

**Permanently Restricted Net Assets** - subject to donor-imposed stipulations that they be retained and invested permanently by the Organization. The donors require the Organization use all or part of the investment return on these net assets for specified or unspecified purposes. The Organization did not have any permanently restricted net assets as of June 30, 2021 or 2020.

**Donated services**

A number of volunteers, including the Board of Directors, have donated significant amounts of their time and expertise to the Organization's programs and supporting services. No amount has been reflected in the financial statements for these donated services, inasmuch as no objective basis is available to measure the value of such services. Although, donated services from professionals have been recorded as offsetting revenues and expenses.

**NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES, CONTINUED**

**Revenue recognition**

All donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), 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. Donor restricted contributions, whose restrictions are met in the same reporting period, are reported as unrestricted (net assets without donor restrictions) support.

**Functional expenses**

The cost of providing the various programs and other activities has been detailed in the Statements of Functional Expenses and summarized on a functional basis in the Statements of Activities. Expenses that can be identified with a specific program service are charged directly to that program, according to their natural expenditure classification. Other expenses that are common to several functions are allocated by various statistical bases. The Board of Directors routinely approves the method of allocating expenses.

**Income taxes**

No provision for income tax expense has been made in the accompanying financial statements since the Organization is exempt from income taxes under Internal Revenue Code Section 501(c)(3). In addition, the Organization is not a private foundation within the meaning of Section 509(a) of the Internal Revenue Code.

The Internal Revenue Code provides for taxation of unrelated business income under certain circumstances. Management believes the Organization met the requirements to maintain its tax-exempt status and has no income subject to unrelated business income tax. The Organization's income tax returns for the past three years are open and subject to examination by tax authorities, and may change upon examination. The Organization reports no unrelated business taxable income; however, such status is subject to final determination upon examination of the related tax returns by the appropriate taxing authorities.

**NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

**Accounting for Uncertainty in Income Tax Items**

The Financial Accounting Standards Board has issued guidance on accounting for uncertainty in income taxes and the Organization has adopted this guidance. The Organization has evaluated its tax provision and any estimates utilized in its tax returns, and concluded that it has taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance. Interest and penalties associated with uncertain tax positions will be recognized in income tax expenses, if required.

**Management estimates**

The preparation of financial statements in conformity 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 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. Actual results could differ from those estimates.

**Subsequent events**

Subsequent events have been evaluated through December 1, 2021, which is the date the financial statements were available to be issued. Management of the Organization is not aware of any material subsequent events.



**NOTE B - CASH AND CASH EQUIVALENTS**

Cash and cash equivalents consist of the following at June 30:

	<u>2021</u>	<u>2020</u>
Depository accounts	<u>\$ 484,921</u>	<u>\$ 441,034</u>

At June 30, 2021 and 2020, restricted cash balance was \$37,064 and \$20,199 respectively and is reflected in net assets with donor restrictions.

**Concentration of credit risk**

The Organization maintains its cash and cash equivalent balances at a financial institution which at times may exceed federally insured limits. The cash and cash equivalents are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The uninsured bank balance as of June 30, 2021 and 2020 was \$244,859 and \$185,340, respectively. The Organization has not experienced any economic losses on such account. The Organization believes it is not exposed to any significant credit risk regarding its cash balances.

**NOTE C - FAIR VALUE MEASUREMENTS**

The following table presents the Organization's fair value hierarchy for the assets measured at fair value in the accompanying Statements of Financial Position as of June 30, 2021 and 2020, as well as changes in Level 3 input during the years ended June 30, 2021 and 2020.

In accordance with FASB ASC 820, the Organization uses fair value measurements to record adjustments to certain assets. FASB ASC 820 defines fair value as "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date." The Codification also sets out a fair value hierarchy ranking the levels of the inputs used as assumptions in the valuation techniques used to value an asset or liability. The fair value hierarchy gives the highest priority to quoted prices in an active market for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of hierarchy are described as follows:

**NOTE C - FAIR VALUE MEASUREMENTS, CONTINUED**

Level 1 - inputs are quoted market prices in active markets for identical assets or liabilities that are accessible at the measurement date. An active market is a market in which transactions of the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 - inputs are from other than quoted market prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These inputs include quoted market prices of similar assets or liabilities in active markets, quoted market prices for identical or similar assets or liabilities in markets that are not active, and pricing models developed principally from inputs from or corroborated by observable market data by correlation or other means.

Level 3 - inputs are unobservable and allowed in situations where there is little, if any, market activity for the asset or liability at measurement date. These inputs reflect the reporting entity's own assumptions about factors that would be used by market participants. (See Note E for Level 3 activity.)

The Organization uses appropriate valuation techniques based on the available inputs to measure fair value of investments.

The following table presents the fair value hierarchy for the Organization's assets measured at fair value as of June 30:

	2021			
	<u>Fair Value Measurements Using:</u>			
	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Beneficial interest in assets				
held at community foundation	\$ 59,803	\$ -	\$ -	\$ 59,803
Total	<u>\$ 59,803</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 59,803</u>

	2020			
	<u>Fair Value Measurements Using:</u>			
	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Beneficial interest in assets				
held at community foundation	\$ 46,072	\$ -	\$ -	\$ 46,072
Total	<u>\$ 46,072</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 46,072</u>

**NOTE C - FAIR VALUE MEASUREMENTS, CONTINUED**

Level 1: Classifications consist of individually owned stocks where detailed holdings were available and fair value could be determined based on quoted prices in active markets. The Organization held no such inputs at June 30, 2021 or 2020.

Level 2: The Organization held no such inputs at June 30, 2021 or 2020.

Level 3: Classifications consist of other or alternative investments where detailed holdings were not available and market value could not be determined.

Other assets and liabilities such as cash, receivables, prepaids as well as accounts payable and accrued expenses are recorded at cost which approximates fair value due to the short term nature of these assets and liabilities.

**NOTE D - PROPERTY AND EQUIPMENT, NET**

Property and equipment consists of the following at June 30:

	<u>2021</u>	<u>2020</u>
Building and improvements	\$ 489,778	\$ 489,778
Office and computer equipment	12,641	14,777
Furniture and fixtures	<u>5,676</u>	<u>5,676</u>
Property and equipment	508,095	510,231
Less: accumulated depreciation	<u>(90,110)</u>	<u>(77,201)</u>
Property and equipment, net	<u>\$ 417,985</u>	<u>\$ 433,030</u>

Depreciation expense for the year ended June 30, 2021 and 2020 was \$15,045 and \$15,014 respectively.

**NOTE E - BENEFICIAL INTEREST IN ASSETS**

On October 11, 2013, the Organization entered into an agreement with a local community foundation (an unrelated organization) to create an agency fund for the benefit of the Organization. The agreement was initially funded with \$5,000 from Cancer Alliance of Naples, Inc. and a matching contribution for \$5,000 from the local community foundation. In April 2014, an additional \$25,000 contribution was made to the fund.

**NOTE E - BENEFICIAL INTEREST IN ASSETS, CONTINUED**

The agency fund is recorded in the financial statements of Cancer Alliance of Naples, Inc. as a beneficial interest. The assets of the agreement are the property of the local community foundation, in accordance with the terms of the agreement and are generally, not available for distribution to the Organization. The assets of this fund are held for the benefit of the Organization and the income from the fund is available to be distributed to the Organization annually subject to the approval of the foundation. Annual income from this agreement may be reinvested by the respective foundation at the direction of the Organization or distributed to the Organization at the direction of the Organization's Board of Directors. The agreement also incurs investment management costs. The agreement permits additional donor gifts to be contributed. The agreement also permits corpus distribution back to the Organization for capital acquisition or renovation or in the case of a financial emergency of the Organization. Any such distribution requires approval by 65% of the Organization's Board of Directors. The assets held by the foundation are considered unrestricted.

Activity related to the beneficial interest consists of the following at June 30:

	<u>2021</u>	<u>2020</u>
Beginning Balance	\$ 46,072	\$ 36,754
Contributions	-	10,000
Investment Performance	14,263	(279)
Foundation Fees	(363)	(273)
Investment Manager's Fees	<u>(169)</u>	<u>(130)</u>
Ending Balance	<u>\$ 59,803</u>	<u>\$ 46,072</u>

In accordance with the agreement, \$59,803 and \$46,072 is recorded as net assets without donor restriction at June 30, 2021 and 2020, respectively.

**CANCER ALLIANCE OF NAPLES, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2021 and 2020**

**NOTE F - LONG TERM DEBT**

Long-term debt consists of the following at June 30:

	<u>2021</u>	<u>2020</u>
<p>\$48,739 loan payable to financial institution dated April 24, 2020 for the Small Business Administration's (SBA) Payroll Protection Program (PPP). The loan was financed at 1% interest. Payments were deferred until July 2021, including principal and interest. Final payment was due April 24, 2022. The Organization did apply for full forgiveness of the loan in accordance with the requirements of the Payroll Protection Plan (PPP) and provisions of Section 1106 of the Coronavirus Aid, Relief and Economic Security Act (CARES Act). The Organization received full forgiveness on May 28, 2021. As such, the proceeds are recorded as revenue for the year ended June 30, 2021.</p>	\$ -	\$ 48,739
<p>\$48,737 loan payable to financial institution dated March 13, 2021 for the Small Business Administration's (SBA) Payroll Protection Program (PPP). The loan was financed at 1% interest. Payments were deferred including principal and interest. Final payment was due March 13, 2026. The Organization did apply for full forgiveness of the loan in accordance with the requirements of the Payroll Protection Plan (PPP) and provisions of Section 1106 of the Coronavirus Aid, Relief and Economic Security Act (CARES Act). The PPP was officially forgiven on September 20, 2021.</p>	48,737	-
<p>Mortgage payable to a financial institution in the original amount of \$380,000 dated September 4, 2015 and collateralized by the respective building. The mortgage required fifty-nine (59) monthly payments \$2,262 including fixed interest at 3.74% with all remaining outstanding principal and interest due on September 4, 2020. The mortgage was refinanced for \$317,000 on September 3, 2020. The new mortgage requires eighty-three (83) monthly payments of \$1,857 including fixed interest at 3.56% with all remaining principal of \$232,721 and interest due on September 3, 2027. The mortgage is collateralized by the respective building.</p>	<u>308,723</u> <u>357,460</u> <u>(11,477)</u>	<u>314,178</u> <u>362,917</u> <u>(10,605)</u>
Less: current portion		
	<u>\$ 345,983</u>	<u>\$ 352,312</u>

**NOTE F - LONG TERM DEBT, CONTINUED**

Principal maturities of long-term obligations are as follows at:

Years Ending <u>June 30</u>	<u>Amount</u>
2022	\$ 11,477
2023	11,892
2024	12,323
2025	12,768
2026	61,968
Thereafter	<u>247,032</u>
	<u>\$ 357,460</u>

Interest expense for the years ended June 30, 2021 and 2020 related to the note was \$10,356 and \$12,298 respectively.

**NOTE G - NET ASSETS, WITH DONOR RESTRICTION**

Net assets with donor restrictions at June 30, 2021 and 2020 are available for the following purposes or periods:

Temporarily restricted:	<u>2021</u>	<u>2020</u>
Community outreach	\$ -	\$ 232
KidsCan scholarships	-	55
KidsCan general	3,084	428
COVID relief	19,828	-
Training	-	5,000
Other	1,734	-
Beneficiary assistance	<u>12,418</u>	<u>14,484</u>
Total temporarily restricted net assets	<u>37,064</u>	<u>20,199</u>
Total net assets with donor restriction	<u>\$ 37,064</u>	<u>\$ 20,199</u>

The Organization held no permanently restricted net assets at June 30, 2021 or 2020.

**NOTE H - ECONOMIC DEPENDENCE CONCENTRATIONS OF RISK**

The operations of the Cancer Alliance of Naples, Inc. is dependent on the receipt of support and revenue from grantor agencies and significant donors. Loss of these funds and/or large decreases in these types of funding would have a material effect on the Organization and a negative impact on overall operations. For the years ended June 30, 2021 and 2020, the Organization received approximately 63% and 59% of its support from grantor agencies and significant donors, respectively.

**NOTE I - COMMITMENTS AND CONTINGENCIES**

The Organization is currently receiving and previously has received grants, contracts, and other third party funds which may be subject to special compliance audits by the grantor and other third party agencies that provided these funds. These audits may result in disallowed expense amounts.

Disallowed amounts, if any, constitute a contingent liability of the Organization. Such liabilities are not reflected within the financial statements of the Organization, as management does not believe any material contingent liabilities exist.

**NOTE J - UNITED WAY CONTRIBUTIONS**

Cancer Alliance of Naples, Inc. received the following contributions from United Way for the years ended June 30:

<u>United Way</u>	<u>2021</u>	<u>2020</u>
Collier County	\$ 60,938	\$ 55,850
Lee County (CARES)	5,000	10,000
Lee County	<u>11,000</u>	<u>10,000</u>
	<u>\$ 76,938</u>	<u>\$ 75,850</u>

**NOTE K - LIQUIDITY**

Financial assets available within one year of June 30, 2021 consisted of the following:

	<u>Amount</u>
Cash and cash equivalents	<u>\$ 484,921</u>
	<u>484,921</u>
Less amounts due within one year:	
Current liabilities	(21,394)
Restricted cash	<u>(37,064)</u>
Financial assets available to meet general expenditures over the next twelve months	<u><u>\$ 426,463</u></u>

The Organization's goal is generally to maintain financial assets to meet 90 days of operating expenses (approximately \$247,000 for the year ended June 30, 2021 and \$211,000 for the year ended June 30, 2020).

**NOTE L - COVID 19**

In early March 2020, the World Health Organization classified the coronavirus outbreak "COVID-19" as a global pandemic, and it unfortunately continues to spread. Business continuity, including supply chains and consumer demand across a broad range of industries and countries, have been severely impacted, as governments and their citizens take significant and unprecedented measures to mitigate the consequences of the pandemic. On April 1, 2020, Governor, Ron DeSantis ordered all Floridians to stay home, to lock down the State against the Coronavirus. Fundraising events were halted throughout the community.

The Organization has adapted fundraising and development efforts to accommodate the current environment. However, the full impact of the COVID-19 outbreak continues to evolve as of the date of this report. This pandemic has adversely affected global economic activity and greatly contributed to instability in financial markets. Management is actively monitoring the local situation on its financial condition, liquidity, operations, donors, industry, and workforce. Given the daily evolution of COVID-19 and the global and local responses to curb its spread, the Organization is not able to estimate the effects of COVID-19 on its results of operation, financial condition, or liquidity for fiscal year 2021-22.