



FINANCIAL STATEMENTS

DECEMBER 31, 2021 AND 2020



LITTLE RED DOOR CANCER AGENCY, INC.

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Little Red Door Cancer Agency, Inc.
Indianapolis, Indiana

Opinion

We have audited the accompanying financial statements of Little Red Door Cancer Agency, Inc., which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years 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 Little Red Door Cancer Agency, Inc. as of December 31, 2021 and 2020, and its changes in net assets, functional expenses, and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards 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 Little Red Door Cancer Agency, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe 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 these 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 Little Red Door Cancer Agency, 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 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 Little Red Door Cancer Agency, Inc.'s internal controls. 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 Little Red Door Cancer Agency, 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.

Alerding CPA Group

May 18, 2022

LITTLE RED DOOR CANCER AGENCY, INC.

STATEMENTS OF FINANCIAL POSITION DECEMBER 31, 2021 AND 2020

ASSETS

	<u>2021</u>	<u>2020</u>
Assets:		
Cash	\$ 717,878	\$ 439,922
Grants receivable	117,180	115,781
Pledges receivable, net of allowance for uncollectible accounts of \$5,000	69,351	41,938
Prepaid expenses	23,801	28,256
Investments	3,192,482	2,691,560
Property and equipment, net	305,085	323,869
Beneficial interest in assets held by others	<u>754,948</u>	<u>670,331</u>
 Total assets	 <u>\$5,180,725</u>	 <u>\$4,311,657</u>

LIABILITIES AND NET ASSETS

Liabilities:		
Accounts payable	\$ 37,477	\$ 26,935
Accrued expenses	43,470	57,460
United Way Maintenance Reserve	<u>10,000</u>	<u>10,000</u>
Total liabilities	<u>90,947</u>	<u>94,395</u>
 Net Assets:		
Without donor restrictions	3,675,871	3,382,877
With donor restrictions	<u>1,413,907</u>	<u>834,385</u>
Total net assets	<u>5,089,778</u>	<u>4,217,262</u>
 Total liabilities and net assets	 <u>\$5,180,725</u>	 <u>\$4,311,657</u>

See accompanying Notes to Financial Statements.

LITTLE RED DOOR CANCER AGENCY, INC.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS YEAR ENDED DECEMBER 31, 2021 (WITH COMPARATIVE TOTALS FOR 2020)

	2021			2020
	Without Donor Restrictions	With Donor Restrictions	Total	
Support and Revenues:				
Contributions and grants	\$ 1,511,377	\$ 553,604	\$ 2,064,981	\$ 1,441,926
United Way of Central Indiana, Inc.	200,000	-0-	200,000	363,224
In-kind contributions	17,525	-0-	17,525	731
Paycheck Protection Program	248,895	-0-	248,895	247,300
Change in beneficial interest in assets held by others	-0-	110,598	110,598	68,140
	<u>1,977,797</u>	<u>664,202</u>	<u>2,641,999</u>	<u>2,121,321</u>
Other Income:				
Interest and investment income, net	293,397	-0-	293,397	328,556
Other income	9,373	-0-	9,373	11,687
	<u>302,770</u>	<u>-0-</u>	<u>302,770</u>	<u>340,243</u>
 Total support and revenues	 2,280,567	 664,202	 2,944,769	 2,461,564
Net Assets Released from Donor Restrictions	 84,680	 (84,680)	 -0-	 -0-
	<u>2,365,247</u>	<u>579,522</u>	<u>2,944,769</u>	<u>2,461,564</u>
Expenses:				
Program Services:				
Client services	217,297	-0-	217,297	185,331
Client transportation	499,141	-0-	499,141	426,845
Client navigation	215,809	-0-	215,809	275,355
Camp Little Red Door	207,587	-0-	207,587	109,836
Door to Wellness	255,027	-0-	255,027	191,479
Meals	183,230	-0-	183,230	172,911
Tobacco Prevention Coalition	120,655	-0-	120,655	119,487
Education	-0-	-0-	-0-	78,395
Total program services	<u>1,698,746</u>	<u>-0-</u>	<u>1,698,746</u>	<u>1,559,639</u>
Management and general	137,019	-0-	137,019	169,581
Fundraising	236,488	-0-	236,488	200,547
Total expenses	<u>2,072,253</u>	<u>-0-</u>	<u>2,072,253</u>	<u>1,929,767</u>
 Change in net assets	 292,994	 579,522	 872,516	 531,797
Net Assets, Beginning of Year	 <u>3,382,877</u>	 <u>834,385</u>	 <u>4,217,262</u>	 <u>3,685,465</u>
Net Assets, End of Year	 <u>\$ 3,675,871</u>	 <u>\$ 1,413,907</u>	 <u>\$ 5,089,778</u>	 <u>\$ 4,217,262</u>

See accompanying Notes to Financial Statements.

LITTLE RED DOOR CANCER AGENCY, INC.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS YEAR ENDED DECEMBER 31, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and Revenues:			
Contributions and grants	\$ 1,218,038	\$ 223,888	\$ 1,441,926
United Way of Central Indiana, Inc.	363,224	-0-	363,224
In-kind contributions	731	-0-	731
Paycheck Protection Program	247,300	-0-	247,300
Change in beneficial interest in assets held by others	-0-	68,140	68,140
	<u>1,829,293</u>	<u>292,028</u>	<u>2,121,321</u>
Other Income:			
Interest and investment income, net	328,556	-0-	328,556
Other income	11,687	-0-	11,687
	<u>340,243</u>	<u>-0-</u>	<u>340,243</u>
 Total support and revenues	 2,169,536	 292,028	 2,461,564
Net Assets Released from Restrictions	<u>186,219</u>	<u>(186,219)</u>	<u>-0-</u>
	<u>2,355,755</u>	<u>105,809</u>	<u>2,461,564</u>
Expenses:			
Program Services:			
Client services	185,331	-0-	185,331
Client transportation	426,845	-0-	426,845
Client navigation	275,355	-0-	275,355
Camp Little Red Door	109,836	-0-	109,836
Door to Wellness	191,479	-0-	191,479
Meals	172,911	-0-	172,911
Education	78,395	-0-	78,395
Tobacco Prevention Coalition	119,487	-0-	119,487
Total program services	<u>1,559,639</u>	<u>-0-</u>	<u>1,559,639</u>
Management and general	169,581	-0-	169,581
Fundraising	200,547	-0-	200,547
Total expenses	<u>1,929,767</u>	<u>-0-</u>	<u>1,929,767</u>
 Change in net assets	 425,988	 105,809	 531,797
Net Assets, Beginning of Year	<u>2,956,889</u>	<u>728,576</u>	<u>3,685,465</u>
Net Assets, End of Year	<u>\$ 3,382,877</u>	<u>\$ 834,385</u>	<u>\$ 4,217,262</u>

See accompanying Notes to Financial Statements.

LITTLE RED DOOR CANCER AGENCY, INC.

STATEMENT OF FUNCTIONAL EXPENSES YEAR ENDED DECEMBER 31, 2021 (WITH COMPARATIVE TOTALS FOR 2020)

	2021										2020	
	Program Services										Total	
	Client Services	Client Transportation	Client Navigation	Camp Little Red Door	Door to Wellness	Meals	Tobacco Prevention Coalition	Management and General	Fundraising	Total	Total	
Labor and benefits:												
Salaries	\$ 114,872	\$ 147,670	\$ 135,673	\$ 77,509	\$ 147,050	\$ 90,095	\$ 21,040	\$ 77,690	\$ 101,643	\$ 913,242	\$ 957,786	
Employee benefits and payroll taxes	21,317	30,306	24,857	15,188	27,919	17,053	4,318	15,944	20,860	177,772	204,890	
Total labor and benefits	136,189	177,976	160,540	92,697	174,969	107,148	25,358	93,634	122,503	1,091,014	1,162,676	
Other Expenses:												
Training and conferences	2,088	2,969	2,436	1,488	2,735	1,670	423	1,562	2,043	17,414	10,632	
Travel	2,870	-0-	-0-	-0-	-0-	-0-	-0-	5,741	5,741	14,352	9,510	
Client services	22,922	257,507	6,602	58,771	24,850	44,536	86,006	-0-	-0-	501,194	394,223	
Programming supplies	12,864	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	12,864	18,960	
Office expense	3,510	8,295	3,191	2,552	3,828	2,872	1,275	3,191	3,191	31,905	21,582	
Printed materials	1,460	3,452	1,328	1,062	1,593	1,195	530	1,328	1,328	13,276	16,020	
Business insurance	2,251	5,320	2,046	1,637	2,456	1,842	819	2,046	2,046	20,463	21,536	
Professional fees	7,637	10,856	8,908	5,441	10,001	6,109	1,547	5,711	7,473	63,683	39,557	
Advertising costs	500	710	583	356	654	400	101	374	489	4,167	6,391	
Events	3,208	-0-	5,039	28,037	5,642	-0-	-0-	6,430	70,423	118,779	38,446	
Facility costs	12,244	17,406	14,283	8,723	16,034	9,794	2,480	9,154	11,981	102,099	93,562	
Information technology	2,785	3,960	3,249	1,984	3,648	2,228	564	2,083	2,725	23,226	19,190	
Bad debt expense	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	2,497	
Other costs	1,134	2,679	1,031	824	1,237	928	411	1,031	1,031	10,306	17,768	
Interest expense	-0-	-0-	-0-	-0-	-0-	-0-	-0-	519	-0-	519	17,560	
Depreciation	5,635	8,011	6,573	4,015	7,380	4,508	1,141	4,215	5,514	46,992	39,657	
Total expenses	\$ 217,297	\$ 499,141	\$ 215,809	\$ 207,587	\$ 255,027	\$ 183,230	\$ 120,655	\$ 137,019	\$ 236,488	\$ 2,072,253	\$ 1,929,767	

See accompanying Notes to Financial Statements.

LITTLE RED DOOR CANCER AGENCY, INC.

STATEMENT OF FUNCTIONAL EXPENSES YEAR ENDED DECEMBER 31, 2020

	Program Services										2020 Total	
	Client Services	Client Transportation	Client Navigation	Camp Little Red Door	Door to Wellness	Meals	Education	Tobacco Prevention Coalition	Management and General	Fundraising		
Labor and benefits:												
Salaries	\$ 73,217	\$ 164,669	\$ 168,598	\$ 64,130	\$ 127,322	\$ 77,767	\$ 51,768	\$ 7,799	\$ 110,307	\$ 112,209	\$ 957,786	
Employee benefits and payroll taxes	50,219	35,226	36,067	13,719	8,971	5,480	11,074	1,668	17,606	24,860	204,890	
Total labor and benefits	123,436	199,895	204,665	77,849	136,293	83,247	62,842	9,467	127,913	137,069	1,162,676	
Other Expenses:												
Training and education	1,080	1,828	1,871	712	1,413	863	575	87	913	1,290	10,632	
Travel	4,308	-0-	99	-0-	-0-	-0-	1,058	-0-	1,520	2,525	9,510	
Client services	11,373	185,497	-0-	2,151	19,490	67,862	2,758	105,092	-0-	-0-	384,223	
Programming supplies	18,960	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	18,960	
Office expense	1,735	2,158	4,317	1,079	2,273	1,388	1,079	1,079	2,157	4,317	21,582	
Printed material	1,288	1,602	3,204	801	1,687	1,030	801	801	1,602	3,204	16,020	
Business insurance	1,731	2,154	4,307	1,077	2,268	1,385	1,077	1,077	2,153	4,307	21,536	
Professional fees	4,015	6,801	6,963	2,649	5,258	3,212	2,138	322	3,400	4,799	39,557	
Advertising costs	648	1,099	1,125	428	850	519	345	52	550	775	6,391	
Events	-0-	-0-	-0-	17,086	-0-	-0-	-0-	-0-	-0-	21,360	38,446	
Facility costs	7,574	10,898	31,800	-0-	9,919	6,058	705	-0-	18,532	8,076	93,562	
Information technology	1,948	3,299	3,378	1,285	2,551	1,558	1,037	156	1,650	2,328	19,190	
Bad debt expense	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	2,497	-0-	2,497	
Other costs	1,428	1,777	3,554	888	1,871	1,143	888	888	1,777	3,554	17,768	
Interest expense	1,782	3,019	3,091	1,176	2,334	1,426	949	143	1,509	2,131	17,560	
Depreciation	4,025	6,818	6,981	2,655	5,272	3,220	2,143	323	3,408	4,812	39,657	
Total expenses	\$ 185,331	\$ 426,845	\$ 275,355	\$ 109,836	\$ 191,479	\$ 172,911	\$ 78,395	\$ 119,487	\$ 169,581	\$ 200,547	\$ 1,929,767	

See accompanying Notes to Financial Statements.

LITTLE RED DOOR CANCER AGENCY, INC.

STATEMENTS OF CASH FLOWS YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
Cash Flows from Operating Activities:		
Change in net assets	\$ 872,516	\$ 531,797
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Allowance for doubtful accounts	-0-	(15,000)
Donated equipment	(17,525)	-0-
Depreciation	46,992	39,657
Net realized and unrealized gain on investments	(284,512)	(309,697)
Change in beneficial interest in assets held by others	(84,617)	(39,659)
Changes in operating assets and liabilities:		
Grants receivable	(1,399)	8,574
Pledges receivable	(27,413)	451,190
Prepaid expenses	4,455	(6,462)
Accounts payable	10,542	(57,009)
Accrued expenses	<u>(13,990)</u>	<u>14,921</u>
Net cash provided by operating activities	<u>505,049</u>	<u>618,312</u>
Cash Flows from Investing Activities:		
Purchase of investments	(836,816)	(178,509)
Proceeds received from sale of investments	620,406	279,950
Capital expenditures	<u>(10,683)</u>	<u>(53,682)</u>
Net cash provided by (used in) investing activities	<u>(227,093)</u>	<u>47,759</u>
Cash Flows from Financing Activities:		
Borrowings (repayments) under line of credit, net	<u>-0-</u>	<u>(289,514)</u>
Net increase in cash	277,956	376,557
Cash, Beginning of Year	<u>439,922</u>	<u>63,365</u>
Cash, End of Year	<u>\$ 717,878</u>	<u>\$ 439,922</u>
Supplemental Disclosure of Cash Flow Information:		
Cash paid for interest	<u>\$ 519</u>	<u>\$ 17,560</u>

See accompanying Notes to Financial Statements.

LITTLE RED DOOR CANCER AGENCY, INC.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

1. SIGNIFICANT ACCOUNTING POLICIES

Little Red Door Cancer Agency, Inc. ("LRD"), was founded in 1945 and works to reduce the physical, emotional and financial burdens of cancer for medically underserved Hoosiers by providing free client services, survivor programming and education.

LRD's primary programs include the following:

Client Services – Provide medical supplies, wigs and turbans, breast prosthesis, support groups, and client referrals;

Client Transportation - Facilitate transportation to and from treatment;

Client Navigation - Provide information about and guidance to resources and services for clients with cancer;

Camp Little Red Door - Provide a week-long camp for Indiana children ages 8 to 18 surviving cancer;

Door to Wellness - Provide survivorship programming to assist with the common side effects of cancer and its treatment through therapeutic massage and yoga, cooking classes, and other offerings;

Meals - Provide nutritional supplements (meal replacements);

Tobacco Prevention Coalition - Tobacco Free, Coalition of Delaware County aims to prevent youth from becoming future users, help current users quit, and limit those exposed to secondhand smoke and aerosol. The coalition also works toward keeping tobacco issues public, educating policy makers, and advocating for policy change that will benefit the community;

Education - Provide educational programs and materials on cancer, cancer risks and the importance of a healthy lifestyle.

LITTLE RED DOOR CANCER AGENCY, INC.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

The significant accounting policies followed by LRD in the preparation of its financial statements are summarized below:

Basis of Presentation

Net assets, support and revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions

Net assets available for use in general operations and not subject to donor restrictions.

Net Assets With Donor Restrictions

Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. LRD reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions are met in the same reporting period in which the revenue is recognized.

Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") requires Management to make estimates and assumptions that affect the reported amounts in the financial statements and notes to the financial statements. Actual results could differ from those estimates. Significant estimates made in preparation of LRD's financial statements include collectability of grants and pledges receivable, useful lives of property and equipment, and the classification of functional expenses.

Support and Revenue Recognition

Support and revenues are reported as increases in net assets with or without donor restrictions based upon whether the donor has imposed any restrictions. Pledges and contributions are recognized when the donor makes an unconditional promise to give to LRD either in writing or verbally or expenses are incurred for grants under a conditional cost reimbursement basis. Government grants under a cost reimbursement arrangement are considered contributions and not a contract with a customer as there is not a direct reciprocation of benefit to the grantor in exchange for the contributions.

LITTLE RED DOOR CANCER AGENCY, INC.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

Paycheck Protection Program

During the years ended December 31, 2021 and 2020, LRD borrowed \$248,895 and \$247,300, respectively, from a bank under the U.S. Small Business Administration's ("SBA") Paycheck Protection Program ("PPP"). Under the terms of the program, the loans were forgivable if LRD met the forgiveness conditions. During 2021, LRD received notification from the SBA the loans were fully forgiven. Accordingly, LRD recognized the loan forgiveness as a contribution as reported in the Statements of Activities and Changes in Net Assets for the years ended December 31, 2021 and 2020 as all conditions were met in the respective years.

Grants and Pledges Receivable

Grants receivable represent the uncollected portion of funds from grants awarded to LRD.

Pledges receivable represent promises to give which have been made by donors but have not yet been received by LRD. On a periodic basis, LRD evaluates its pledges receivable and establishes an allowance for doubtful accounts based on past write-offs, collections and current credit conditions.

Details of the 2021 and 2020 allowance for doubtful accounts and bad debt expense are as follows:

	<u>2021</u>	<u>2020</u>
Allowance for doubtful accounts, beginning of the year	\$ 5,000	\$ 20,000
Provisions for bad debts	-0-	2,497
Write-offs	<u>-0-</u>	<u>(17,497)</u>
Allowance for doubtful accounts, end of the year	<u>\$ 5,000</u>	<u>\$ 5,000</u>

Property and Equipment and Depreciation

Purchased property and equipment are recorded at cost. Items donated are recorded at fair market value on the date of donation. Costs of improvements are capitalized and costs of repairs and maintenance are expensed as incurred. Depreciation is recorded over the estimated useful lives of the assets utilizing the straight-line method. The lives of these assets range from three (3) to fifty (50) years.

Donated Services and Supplies

Companies and volunteers donated significant supplies for program activities at an estimated fair value of \$17,525 and \$731 for the years ended December 31, 2021 and 2020, respectively, as reflected in the accompanying financial statements as in-kind contributions. Additionally, volunteers donate a significant amount of time to LRD's programs at an undetermined fair value. These services are not reflected in the financial statements in accordance with U.S. GAAP.

LITTLE RED DOOR CANCER AGENCY, INC.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

Functional Expenses

Expenses are functionally classified as Program Services, Management and General, and Fundraising. Classifications are based on actual direct expenditures and cost allocations determined by estimates of time spent by LRD personnel.

Income Taxes

LRD is exempt from Federal and state income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code and corresponding state law. Accordingly, no provision has been made for Federal or state income taxes.

Management of LRD evaluates all significant tax positions to ensure compliance with exempt purpose of the organization as required by U.S. GAAP, including consideration of any unrelated business income tax. As of December 31, 2021, Management does not believe LRD has taken any tax positions that are not in compliance with the exempt purpose of the organization. LRD's Federal and state tax returns remain open and subject to examination beginning with the calendar tax year ended December 31, 2018.

Reclassification

Certain amounts have been reclassified in the 2020 financial statements presented herein to conform to the 2021 presentation.

Subsequent Events

Subsequent events have been evaluated through May 18, 2022, which is the date the financial statements were available for issuance.

LITTLE RED DOOR CANCER AGENCY, INC.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

2. LIQUIDITY AND AVAILABILITY

At December 31, 2021 and 2020, financial assets available for future general expenditures within one year from the Statements of Financial Position comprise the following:

	<u>2021</u>	<u>2020</u>
Financial assets:		
Cash	\$ 717,878	\$ 439,922
Grants receivable	117,180	115,781
Pledges receivable	69,351	41,938
Investments	3,192,482	2,691,560
Beneficial interest in assets held by others	<u>754,948</u>	<u>670,331</u>
	4,851,839	3,959,532
Less amounts not available to be used for general expenditures within one year:		
Donor restricted funds	(658,959)	(164,054)
Beneficial interest in assets held by others	(754,948)	(670,331)
Cash held for fiscal agent	<u>(4,345)</u>	<u>(4,345)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$3,433,587</u>	<u>\$3,120,802</u>

LRD is primarily supported by contributions and grants. As such, LRD must maintain sufficient resources to meet those responsibilities to its donors. Donor restrictions require resources to be used in a particular manner or in a future period. Financial assets may not be available for general expenditure within one year. As part of LRD's liquidity management, it has a practice to structure its financial assets to be available for its general expenditures, liabilities, and other obligations as they come due.

LRD's investment portfolio consists of highly liquid investments.

In the event of an unanticipated liquidity need, LRD has available borrowings of \$1,000,000 on a line of credit (Note 8).

LITTLE RED DOOR CANCER AGENCY, INC.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

3. PLEDGES RECEIVABLE

LRD raises funds through individual contributions to fund a host of educational and program expenses. Pledges receivable as of December 31, 2021 and 2020 were \$69,351 and \$41,938, respectively, net of an allowance for doubtful accounts of \$5,000 for the years then ended. Pledges receivable are due from various donors within one year.

4. GRANTS RECEIVABLE

LRD recognizes all material unconditional promises to give and conditional promises under a cost reimbursement basis as support and revenues. Promises to give that are expected to be collected in future years are recorded at their net present value.

Grants receivables of \$117,180 and \$115,781 at December 31, 2021 and 2020, respectively, represent receivables from grants and costs reimbursement contracts and are due from various grantors within one year.

5. FAIR VALUE MEASUREMENTS AND INVESTMENTS

U.S. GAAP 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. U.S. GAAP also establishes a fair value hierarchy, which requires LRD to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The following three levels are defined by U.S. GAAP as a means of measuring fair value:

Level 1

Quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level 2

Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3

Unobservable inputs reflecting the entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

LITTLE RED DOOR CANCER AGENCY, INC.

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The asset's and liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodology used for LRD's investments measured at fair value as of December 31, 2021 and 2020. There has been no change in methodology used at December 31, 2021.

Fixed Income Funds: Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing the value on yields currently available on comparable securities of issuers with similar credit ratings or similar municipalities.

Common Stocks: Valued at the daily closing price as reported by the fund. Common stocks held by LRD are open-ended funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value ("NAV") and to transact at that price. The funds held by LRD are deemed to be actively traded. A money market fund is an open-ended mutual fund that invests in short-term debt securities and commercial paper.

Alternative Investments, Real Estate Investment Trusts and Other: Valued at the NAV of units of the fund. The NAV, as provided by the investment manager, is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the fund less its liabilities.

Beneficial Interest in Assets Held by Others: Valued using the fair value of the assets in the trust, as provided by the trustee, unless there are facts and circumstances that indicate the fair value of the beneficial interest differs from the fair value of the assets held by the trust, in which case the present value of the estimated future cash flows would be used.

LITTLE RED DOOR CANCER AGENCY, INC.

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LRD has no liabilities measured at fair value. Assets measured at fair value on a recurring basis at December 31, 2021 include the following:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash and cash equivalents	\$ 172,914	\$ -0-	\$ -0-	\$ 172,914
Fixed income funds	580,603	-0-	-0-	580,603
Common stocks:				
Domestic	1,295,760	-0-	-0-	1,295,760
International	863,029	-0-	-0-	863,029
Alternative investments	245,786	-0-	-0-	245,786
Real estate investment trusts	29,771	-0-	-0-	29,771
Other	4,619	-0-	-0-	4,619
Total investments	<u>3,192,482</u>	<u>-0-</u>	<u>-0-</u>	<u>3,192,482</u>
Beneficial interest in assets held by others	<u>-0-</u>	<u>754,948</u>	<u>-0-</u>	<u>754,948</u>
Total	<u>\$ 3,192,482</u>	<u>\$ 754,948</u>	<u>\$ -0-</u>	<u>\$ 3,947,430</u>

LRD has no liabilities measured at fair value. Assets measured at fair value on a recurring basis at December 31, 2020 include the following:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash and cash equivalents	\$ 122,627	\$ -0-	\$ -0-	\$ 122,627
Fixed income funds	439,550	-0-	-0-	439,550
Common stocks:				
Domestic	1,184,568	-0-	-0-	1,184,568
International	699,208	-0-	-0-	699,208
Alternative investments	212,513	-0-	-0-	212,513
Real estate investment trusts	30,855	-0-	-0-	30,855
Other	2,239	-0-	-0-	2,239
Total investments	<u>2,691,560</u>	<u>-0-</u>	<u>-0-</u>	<u>2,691,560</u>
Beneficial interest in assets held by others	<u>-0-</u>	<u>670,331</u>	<u>-0-</u>	<u>670,331</u>
Total	<u>\$ 2,691,560</u>	<u>\$ 670,331</u>	<u>\$ -0-</u>	<u>\$ 3,361,891</u>

LITTLE RED DOOR CANCER AGENCY, INC.

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Interest and investment income include the following for the years ended December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Interest and dividend income	\$ 45,141	\$ 47,478
Net realized gain	294,846	109,866
Net unrealized gain (loss)	(10,334)	199,831
Administrative expenses	<u>(36,256)</u>	<u>(28,619)</u>
	<u>\$ 293,397</u>	<u>\$ 328,556</u>

6. PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2021 and 2020 include the following:

	<u>2021</u>	<u>2020</u>
Land	\$ 64,175	\$ 64,175
Land improvements	60,828	60,828
Building and improvements	366,692	360,167
Equipment	128,234	121,338
Furniture and fixtures	124,568	120,781
Vehicles	<u>24,836</u>	<u>13,836</u>
	769,333	741,125
Less accumulated depreciation	<u>(464,248)</u>	<u>(417,256)</u>
	<u>\$ 305,085</u>	<u>\$ 323,869</u>

7. BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS

LRD is the beneficiary of various perpetual trusts, the corpus of which are not controlled by the Management of LRD. Beneficial interests in assets held by others are measured using the fair value of the assets held in the trust, which are readily available based on quoted market prices, reported by the trustee as of December 31, 2021 and 2020. Under these arrangements, LRD has the irrevocable right to receive income earned on all or a portion of the underlying assets held in perpetuity. Accordingly, contribution revenue and the related assets are recognized at fair value. Subsequent changes in the underlying assets have been recorded in the accompanying Statements of Activities and Changes in Net Assets. Beneficial interest in perpetual trust totaled \$754,948 and \$670,331 as of December 31, 2021 and 2020, respectively. There were draws in the amount of \$43,994 and \$28,481 during the years ended December 31, 2021 and 2020, respectively.

LITTLE RED DOOR CANCER AGENCY, INC.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

8. LINE OF CREDIT

LRD has \$1,000,000 of available borrowings under a line of credit with a financial institution. Available borrowings are limited to the lesser of \$1,000,000 or a percentage of LRD's investment portfolio value. The credit agreement requires monthly payments of interest on outstanding borrowings at 0.5% below the financial institution's prime rate (2.75% at December 31, 2021). There were no outstanding borrowings as of December 31, 2021 and 2020, respectively.

9. RETIREMENT PLAN

LRD sponsors a 401(k) salary reduction plan. The plan covers all employees of LRD who meet the age and hour requirement. An employee's contribution may not exceed the maximum amount allowed as determined by the Internal Revenue Code. LRD matches 100% of each participant's contribution up to 4.5% of gross salary. LRD contributed \$30,494 and \$26,608 for the years ended December 31, 2021 and 2020, respectively.

10. UNITED WAY

LRD received public support from the United Way as follows:

	<u>2021</u>	<u>2020</u>
Grants:		
Basic Needs Impact Funds	\$ 200,000	\$ 165,000
COVID-19	-0-	146,101
General Fund Allocation	<u>-0-</u>	<u>52,123</u>
	200,000	363,224
Individuals:		
Donor option	<u>86,505</u>	<u>58,957</u>
	<u>\$ 286,505</u>	<u>\$ 422,181</u>

Program expenditures for 2021 and 2020 exceeded public support funds received from the United Way.

At December 31, 2021 and 2020, \$10,000 was accrued for the United Way Capital Improvements Facilities Maintenance Fund, which is included in the United Way Maintenance Reserve liability.

LITTLE RED DOOR CANCER AGENCY, INC.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

11. FISCAL AGENT

Survivor's Voices

During 2021 and 2020, LRD is the fiscal agent for Survivor's Voices ("SV"). SV is a nonprofit organization formed to bring together those who have or have had cancer to celebrate their survivorship, strength and hope through vocal music and other expression, while offering encouragement and attention to early detection. LRD is responsible for collecting funds and paying expenses on behalf of SV. As of December 31, 2021 and 2020, cash held on behalf of SV was \$4,345 and is included in accrued expenses on the Statements of Financial Position.

12. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes at December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Subject to expenditure for specified purpose:		
Client navigators	\$ 500,000	\$ -0-
Camp Little Red Door	<u>158,959</u>	<u>164,054</u>
	658,959	164,054
Beneficial interest in assets held by others:		
Held in perpetuity	<u>754,948</u>	<u>670,331</u>
Total net assets with donor restrictions	<u>\$ 1,413,907</u>	<u>\$ 834,385</u>

Net assets released from restrictions, due to the satisfaction of donor-imposed restrictions, totaled \$84,680 and \$186,219 for the years ended December 31, 2021 and 2020, respectively. The assets were used for program expenses and operations as stipulated by the donors.

13. RELATED PARTY TRANSACTIONS

For the years ended December 31, 2021 and 2020, total contributions of \$160,753 and \$165,174, respectively, were received from members of LRD's Board of Directors and employees.

LITTLE RED DOOR CANCER AGENCY, INC.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

14. CONCENTRATION OF CREDIT RISK

Cash

LRD maintains its cash in bank deposit accounts which, at times, may exceed Federally insured limits. LRD has not experienced any losses in such accounts and does not believe it is exposed to any significant credit risk on cash.

Grants and Pledges Receivable and Support and Revenue

As of and for the year ended December 31, 2021, one (1) donor represented 56% of grants and pledges receivable and one (1) donor represented 20% of support and revenue.

For the year ended December 31, 2020, one (1) donor represented 67% of grants and pledges receivable.