Little Red Door Cancer Agency, Inc.

Financial Statements

For the Years Ended
December 31, 2012 and 2011

TABLE OF CONTENTS

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Little Red Door Cancer Agency, Inc.:

We have audited the accompanying financial statements of Little Red Door Cancer Agency, Inc. (an Indiana non-profit organization) which comprise the statements of financial position as of December 31, 2012 and 2011, and the related statements of activities, cash flows and functional expenses 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Little Red Door Cancer Agency, Inc. as of December 31, 2012 and 2011, and the results of its activities and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Sikich, LLP

Sikich LLP

Indianapolis, Indiana
April 23, 2013

LITTLE RED DOOR CANCER AGENCY, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2012 AND 2011

ASSETS

	2012	2011
CURRENT ASSETS:		
Cash	$ 252,813	$ 37,806
Investments	2,358,638	1,454,962
Bequest and accounts receivable	-	572,099
Pledges receivable, net allowance for uncollectible accounts; 2012 - $10,000 and 2011 - $8,783	65,734	58,653
Grants receivable	122,191	150,966
Prepaid expenses	2,815	2,417
Total Current Assets	2,802,191	2,276,903
FIXED ASSETS:		
Land	64,175	64,175
Land improvements	30,249	30,249
Building	1,244,460	1,244,460
Building improvements	91,908	88,221
Warehouse	122,195	122,195
Equipment	129,063	116,253
Furniture and fixtures	39,323	39,323
Vehicles	13,836	13,836
	1,735,209	1,718,712
Less: accumulated depreciation	(1,303,742)	(1,235,449)
Fixed Assets, net	431,467	483,263
OTHER ASSETS:		
Pledges receivable - long term, net	62,855	55,431
Assets in progress	-	12,810
Beneficial interest in trust assets held by others	548,927	508,241
Total Other Assets	611,782	576,482
	$ 3,845,440	$ 3,336,648

See accompanying notes to the financial statements.

LITTLE RED DOOR CANCER AGENCY, INC.
STATEMENTS OF FINANCIAL POSITION
(Continued)
DECEMBER 31, 2012 AND 2011

LIABILITIES AND NET ASSETS

	2012	2011
CURRENT LIABILITIES:		
Line of credit	$ 20	$ 87,436
Accounts payable	138,825	125,584
Accrued expenses	34,319	26,621
United Way Maintenance Reserve	6,217	8,928
Total Current Liabilities	179,381	248,569
NET ASSETS:		
Unrestricted	2,912,803	2,283,558
Temporarily restricted	162,326	255,418
Permanently restricted	590,930	549,103
Total Net Assets	3,666,059	3,088,079
	$ 3,845,440	$ 3,336,648

See accompanying notes to the financial statements.

LITTLE RED DOOR CANCER AGENCY, INC.
STATEMENTS OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2012

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
SUPPORT AND REVENUE:				
Contributions and grants	$ 706,176	$ 555,194	$ -	$ 1,261,370
Legacies and bequests	714,481	-	-	714,481
United Way of Central Indiana, Inc.	294,459	-	-	294,459
Investment income	220,196	-	1,140	221,336
Net change in beneficial interest in trust assets held by others	-	-	40,687	40,687
Other income	23,660	-	-	23,660
In-kind contributions	96,466	-	-	96,466
Net assets released from restrictions by satisfaction of temporary restrictions	648,286	(648,286)	-	-
Total Support and Revenue	2,703,724	(93,092)	41,827	2,652,459
PROGRAM AND SERVICE EXPENSES:				
Client services	379,933	-	-	379,933
Education	264,575	-	-	264,575
Screening and detection	676,235	-	-	676,235
Client navigation	97,461	-	-	97,461
Camp Little Red Door	68,413	-	-	68,413
Other programs and events	113,753	-	-	113,753
Total Program and Service Expenses	1,600,370	-	-	1,600,370
SUPPORTING SERVICES:				
Management	212,148	-	-	212,148
Fund raising	261,961	-	-	261,961
Total Supporting Services	474,109	-	-	474,109
Total Program and Supporting Service Expense	2,074,479	-	-	2,074,479
Change in Net Assets	629,245	(93,092)	41,827	577,980
NET ASSETS, beginning of year	2,283,558	255,418	549,103	3,088,079
NET ASSETS, end of year	$ 2,912,803	$ 162,326	$ 590,930	$ 3,666,059

See accompanying notes to the financial statements.

LITTLE RED DOOR CANCER AGENCY, INC.
STATEMENTS OF ACTIVITIES
(Continued)
YEAR ENDED DECEMBER 31, 2011

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
SUPPORT AND REVENUE:				
Contributions and grants	$ 852,648	$ 261,668	$ -	$ 1,114,316
Legacies and bequests	506,641	-	-	506,641
United Way of Central Indiana, Inc.	325,050	-	-	325,050
Investment income	44,898	-	-	44,898
Net change in beneficial interest in trust assets held by others	-	-	(50,116)	(50,116)
Other Income	25,984	-	-	25,984
In-kind contributions	78,974	-	-	78,974
Net assets released from restrictions by satisfaction of temporary restrictions	630,988	(630,988)	-	-
Total Support and Revenue	2,465,183	(369,320)	(50,116)	2,045,747
PROGRAM AND SERVICE EXPENSES:				
Client services	434,496	-	-	434,496
Education	103,665	-	-	103,665
Screening and detection	693,251	-	-	693,251
Camp Little Red Door	88,037	-	-	88,037
Client navigation	126,586	-	-	126,586
Other programs and events	202,216	-	-	202,216
Total Program and Service Expenses	1,648,251	-	-	1,648,251
SUPPORTING SERVICES:				
Management	193,485	-	-	193,485
Fund raising	175,347	-	-	175,347
Total Supporting Services	368,832	-	-	368,832
Total Program and Supporting Service Expense	2,017,083	-	-	2,017,083
Change in Net Assets	448,100	(369,320)	(50,116)	28,664
NET ASSETS, beginning of year	1,835,458	624,738	599,219	3,059,415
NET ASSETS, end of year	$ 2,283,558	$ 255,418	$ 549,103	$ 3,088,079

See accompanying notes to the financial statements.

LITTLE RED DOOR CANCER AGENCY, INC.

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2012 AND 2011

	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ 577,980	$ 28,664
Adjustments to reconcile change in net assets		
to net cash provided (used) by operations:		
Depreciation	68,294	63,816
Realized and unrealized (gain) loss on investments	(177,909)	(735)
Net change in beneficial interest in assets held by others	(40,686)	50,116
(Increase) decrease in:		
Bequest and accounts receivable	572,099	(563,469)
Pledges receivable	(7,081)	(7,081)
Pledges receivable - long term, net	(7,424)	(7,725)
Grants receivable	28,775	280,831
Prepaid expenses	(398)	6,533
Increase (decrease) in:		
Accounts payable	13,241	(16,311)
Accrued expenses	7,698	3,021
United Way Maintenance Reserve	(2,711)	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	1,031,878	(162,340)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of investments	(1,123,997)	(856,850)
Proceeds from sale of investments	398,230	1,161,884
Capital expenditures	(16,498)	(47,154)
Purchases of assets in progress	-	(30,159)
Proceeds from sale of assets in progress	12,810	34,609
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(729,455)	262,330
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net borrowings under the line of credit agreement	243,616	240,234
Net repayments under the line of credit agreement	(331,032)	(351,548)
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	(87,416)	(111,314)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	215,007	(11,324)
CASH AND CASH EQUIVALENTS, beginning of year	37,806	49,130
CASH AND CASH EQUIVALENTS, end of year	$ 252,813	$ 37,806

See accompanying notes to the financial statements.

LITTLE RED DOOR CANCER AGENCY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2012

	Program Services						Support			
	Client Services	Education	Screening & Detection	Client Navigation	Other Programs	Total	Management	Fund Raising	Total	Total Expenses
Salaries	$ 136,051	$ 105,786	$ 196,404	$ 25,485	$ 50,181	$ 513,907	$ 36,133	$ 72,478	$ 108,611	$ 622,518
Employee benefits	25,062	5,238	62,289	8,442	15,268	116,299	25,352	19,957	45,309	161,608
Total Salaries and Related Expenses	161,113	111,024	258,693	33,927	65,449	630,206	61,485	92,435	153,920	784,126
Professional fees	7,114	7,548	8,702	6,304	5,934	35,602	16,170	6,872	23,042	58,644
Supplies	2,111	388	3,105	2,900	760	9,264	6,675	1,593	8,268	17,532
Facilities repair and maintenance	3,377	1,301	3,896	1,535	1,038	11,147	4,737	1,820	6,557	17,704
Occupancy and utilities	6,769	1,354	8,123	2,993	2,708	21,947	9,919	2,708	12,627	34,574
Postage and shipping	1,580	486	2,975	934	757	6,732	1,392	6,016	7,408	14,140
Printing and publications	508	5,272	1,027	351	3,138	10,296	5,339	41,317	46,656	56,952
Travel and transportation	281	1,161	402	115	12	1,971	1,950	364	2,314	4,285
Conferences, conventions, and meetings	-	1,771	498	232	-	2,501	3,340	28,001	31,341	33,842
Specific assistance	167,540	8,994	351,527	34,420	87,970	650,451	95	15,548	15,643	666,094
Other operating expenses	10,028	123,947	14,500	12,602	6,614	167,691	91,306	59,295	150,601	318,292
Total Expenses Before Depreciation	360,421	263,246	653,448	96,313	174,380	1,547,808	202,408	255,969	458,377	2,006,185
Depreciation	19,512	1,329	22,787	1,148	7,786	52,562	9,740	5,992	15,732	68,294
Total Expenses	$ 379,933	$ 264,575	$ 676,235	$ 97,461	$ 182,166	$ 1,600,370	$ 212,148	$ 261,961	$ 474,109	$ 2,074,479

See accompanying notes to the financial statements.

LITTLE RED DOOR CANCER AGENCY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
(Continued)
YEAR ENDED DECEMBER 31, 2011

	Program Services						Support			
	Client Services	Education	Screening & Detection	Client Navigation	Other Programs	Total	Management	Fund Raising	Total	Total Expenses
Salaries	$ 126,494	$ 65,961	$ 182,394	$ 29,456	$ 57,694	$ 461,999	$ 51,157	$ 81,083	$ 132,240	$ 594,239
Employee benefits	26,175	2,704	49,573	11,921	15,199	105,572	23,533	15,844	39,377	144,949
Total Salaries and Related Expenses	152,669	68,665	231,967	41,377	72,893	567,571	74,690	96,927	171,617	739,188
Professional fees	7,005	6,046	8,491	7,318	5,941	34,801	20,035	6,129	26,164	60,965
Supplies	2,131	378	3,662	3,475	775	10,421	7,858	1,121	8,979	19,400
Facilities repair and maintenance	4,349	1,680	5,016	2,330	1,335	14,710	6,329	2,347	8,676	23,386
Occupancy and utilities	7,481	1,459	8,755	2,935	2,918	23,548	11,205	2,918	14,123	37,671
Postage and shipping	1,266	234	2,248	598	552	4,898	1,158	2,882	4,040	8,938
Printing and publications	1,448	543	1,178	212	3,515	6,896	2,082	12,826	14,908	21,804
Travel and transportation	307	327	666	21	121	1,442	1,396	336	1,732	3,174
Conferences, conventions, and meetings	130	881	1,794	101	500	3,406	8,426	11,393	19,819	23,225
Specific assistance	225,358	7,168	390,144	57,811	169,882	850,363	277	4,072	4,349	854,712
Other operating expenses	12,723	15,156	17,787	10,408	24,026	80,100	51,061	29,643	80,704	160,804
Total Expenses Before Depreciation	414,867	102,537	671,708	126,586	282,458	1,598,156	184,517	170,594	355,111	1,953,267
Depreciation	19,629	1,128	21,543	-	7,795	50,095	8,968	4,753	13,721	63,816
Total Expenses	$ 434,496	$ 103,665	$ 693,251	$ 126,586	$ 290,253	$ 1,648,251	$ 193,485	$ 175,347	$ 368,832	$ 2,017,083

See accompanying notes to the financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business - Little Red Door Cancer Agency, Inc. (the "Agency"), formerly known as the Marion County Cancer Society, Inc., was founded in 1945 to facilitate support services, screening, detection and education to the medically indigent, underserved, and uninsured population of greater Indianapolis. The mission of the Agency is to reduce the physical, emotional and financial burdens of cancer. The Agency has a 23 member Board of Directors, 13 member staff, and a large number of volunteers who support these goals.

The Agency served 17,289 and 12,987 clients in 2012 and 2011, respectively. Of the 17,289 served in 2012, 4,269 received direct services and 13,020 benefited from outreach and educational services. Of the 12,987 served in 2011, 3,681 received direct services and 9,306 benefited from outreach and educational services.

Basis of Accounting - The financial statements of the Agency have been prepared on the accrual basis of accounting. Revenue is recognized when earned and expenses when the obligation is incurred.

Basis of Presentation - As required by Financial Statement Presentation Disclosure Topic of Financial Accounting Standards Board Accounting Standards Codification (FASB ASC), the Agency is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Agency is required to present a statement of cash flows.

Net Assets - The financial statements report amounts separately by class of net assets:

> ***Unrestricted net assets*** - Unrestricted amounts are those currently available for use in the Agency's activities.
>
> ***Temporarily restricted net assets -*** Temporarily restricted expendable amounts are those which are restricted by donors for specific purposes. As of December 31, 2012, the Agency had temporary restrictions on a portion of its net assets.
>
> ***Permanently restricted net assets -*** Permanently restricted amounts are those, which are subject to donor-imposed stipulations that require that they be maintained permanently by the Agency. Generally, the donors of these assets permit the use of all or part of the income earned on the related investments for general or specific purposes. The Agency has permanently restricted net assets as of December 31, 2012.

Cash and Cash Equivalents - For purposes of the statement of cash flows, the Agency considers all investments purchased with a maturity date of three months or less to be cash equivalents, except for cash held in long-term investment brokerage accounts awaiting reinvestment.

In the normal course of business, the Agency may maintain cash held at financial institutions in excess of Federal Deposit Insurance Corporation (FDIC) limits, but it is management's intention to maintain a cash balance under the FDIC limit.

Contributions - Contributions are recognized when the donor makes a promise to give to the Agency that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. Restrictions on gifts of fixed assets or cash for the purchase of fixed assets expire when the asset is placed in service.

Bequests, Accounts, and Grants Receivable - Accounts receivable represent the uncollected portion of bequests and contributions which the Agency was notified they would receive. Grants receivable represent the uncollected portion of funds from grants awarded to the Agency.

Management has elected to record bad debts using the direct write-off method. Generally accepted accounting principles require the allowance method to be used to reflect bad debts. However, the effect of the use of the direct write-off method is not materially different from the results that would have been obtained had the allowance method been followed.

Pledges Receivable - Pledges and bequests receivable represent promises to give which have been made by donors but have not yet been received by the Agency. Pledges and bequests which will not be received in the subsequent year are discounted using an estimated rate of return, which could be earned if such contributions have been made in the current year. Pledges and bequests receivable are considered impaired if full payments are not received in accordance with the contractual terms.

Pledges receivable are reported net of an allowance for doubtful accounts. The allowance of $10,000 and $8,783 as of December 31, 2012 and 2011, respectively, is based on management's estimate of the amount of receivables that will actually be collected. Pledges receivable are charged to bad debt expense as they are deemed uncollectible based upon a periodic review of the accounts.

Beneficial Interest in Trusts - The Agency is named income beneficiary on various perpetual trusts, the corpus of which are not controlled by the management of the Agency. Beneficial interests in a trust 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, 2012 and 2011. Under these arrangements, the Agency 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 statement of activities as a component of realized and unrealized gains and losses on investments. Beneficial interest in perpetual trusts totaled $548,927 and $508,241 as of December 31, 2012 and 2011, respectively.

Investments - Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values based on quoted prices in active markets in the statements of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

Fixed Assets - Land, building and equipment are recorded at cost or, if contributed, at the estimated fair value at the date of the gift. The Agency capitalizes additions of fixed assets in excess of $1,000 cost or fair value, if contributed. Depreciation of property and equipment is computed using the straight-line method and based upon the estimated useful lives of the assets ranging from 5 to 50 years. Expenditures for fixed assets and for renewals or improvements which extend the originally estimated economic life of the assets are capitalized. Expenditures for maintenance and repairs are charged to expense when incurred. When an asset is retired or otherwise disposed of, the cost and accumulated depreciation are removed from the accounts and any gain or loss is included in the statement of activities.

Depreciation expense was $68,294 and $63,816 for the years ended December 31, 2012 and 2011, respectively.

Impairment of Long-Lived Assets - The Agency evaluates long-lived assets for impairment when circumstances indicate the carrying amount of an asset may not be recoverable based on the undiscounted cash flows of the asset. If the carrying amount of an asset may not be recoverable, a write-down to fair value is recorded. Fair values are determined based on the discounted cash flows, quoted market values, or external appraisals, as applicable. Long-lived assets are reviewed for impairment at the individual asset or the asset group level for which the lowest level of independent cash flows can be identified. Management has determined that no impairment existed for the year ended December 31, 2012 and 2011.

Contributed Materials and Services - Contributed services are recognized as contributions in accordance with Contributions Disclosure Topic of FASB ASC, if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Agency. Contributions of tangible assets are recognized at fair value when received. The amounts reflected in the accompanying financial statements as in-kind contributions are offset by like amounts included in expenses or additions to fixed assets.

Non-cash, in-kind contributions are recorded at fair market value and recognized as revenue in the accounting period when they are received. The Agency had $96,466 and $78,974 recorded as in-kind contribution revenue in the statement of activities at December 31, 2012 and 2011, respectively.

Volunteers provide program and fund-raising services throughout the year that are not recognized as contributions in the financial statements since they do not meet the recognition criteria under Contributions Disclosure Topic of FASB ASC. These services include volunteering at events, picking up donations, and various clerical services.

Functional Allocation of Expenses - The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Some expenses relate directly to specific programs or supportive services while others do not. Expenses that relate to more than one program or supporting service are allocated among the applicable functions.

Costs are allocated to the programs, supporting services and fundraising costs. Management periodically evaluates its allocation method and revises it when necessary. General and supporting expenses include those expenses that are indirectly identifiable with other specific functions, but provide for the overall support and direction of the Agency.

Estimates - Management uses estimates and assumptions in preparing these financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities,

the disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of revenues, expenses, gains, losses, and other changes in net assets during the reporting period. Actual results could vary from the estimates that were used.

Concentration of Credit Risk - Financial instruments that potentially subject the Agency to concentrations of credit risk consist principally of temporary cash investments and accounts and grants receivable.

The Agency places its temporary cash investments with financial institutions and limits the amount of credit exposure to any one financial institution. There were no amounts in excess of FDIC insured limits of $250,000 at December 31, 2012 and 2011.

Concentrations of credit risk with respect to accounts receivable are limited due to the small number of receivables with minimal balances and grants receivable due to the Agency's ability to accomplish the terms of the grants. Credit losses, if any, have been provided in the financial statements and have been within management's expectations.

Income Taxes - The Agency is a not-for-profit organization exempt from income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code. Accordingly, no provision for income taxes has been reflected in the Agency's financial statements.

The Agency has evaluated its tax positions for all open tax years. Currently, the tax years open and subject to examination by the Internal Revenue Service are the 2009, 2010 and 2011 tax years. However, the Agency is not currently under audit nor has the Agency been contacted by any jurisdiction. Based on the evaluation of the Agency's tax positions, management believes all tax positions taken would be upheld under an examination. Therefore, no provision for the effects of uncertain tax positions has been recorded for the years ended December 31, 2012 or 2011.

Reclassifications – Certain amounts in the prior-year financial statements have been reclassified in order to be comparable with the current year presentation.

NOTE 2 - DESCRIPTION OF PROGRAM AND SUPPORTING SERVICES

Client Services - Facilitate transportation to and from treatment, medical supplies, nutritional supplements, wigs and turbans, breast prosthesis, support groups, and client referrals.

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

Screening and Detection - Facilitate screenings and follow up assistance for the detection of cervical, prostate, and breast cancer.

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

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

NOTE 3 - "FACES OF HOPE" CAMPAIGN

In 2008, the Agency embarked on a campaign to raise funds through individual contributions which would fund a host of educational and program expenses. Pledges to be received in more than one year are required to be discounted to reflect fair value.

Pledges due in more than one year are reflected at the present value of estimated future cash flows using a discount rate of and for the years ending December 31, 2012 and 2011, respectively.

	2012	2011
Pledge receivables consist of the following:		
Less than one year	$ 75,734	$ 67,437
One to five years	$ 66,763	$ 59,448
Less: unamortized discount	(3,908)	(4,018)
	138,589	122,867
Less: allowance for doubtful accounts	(10,000)	(8,783)
Net unconditional promises to give	$ 128,589	$ 114,084

NOTE 4 - FAIR VALUE MEASUREMENTS

Fair Value Measurement Disclosure Topic of FASB ASC establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1 - Inputs are quoted market prices in active markets for identical assets or liabilities. Assets in this category generally include stock investments held by the underlying mutual funds.

Level 2 - Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices 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. Assets in this category generally include bond investments held by the underlying mutual funds.

Level 3 - Unobservable inputs that are supported by little or no market activity that are significant to the fair value of the assets or liabilities.

The following table presents the fair value measurements of assets and liabilities measured at fair value on a recurring basis and the level within the fair value hierarchy as of December 31, 2012 and 2011:

		Fair Value Measurements Using		
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
December 31, 2012				
Cash and cash equivalents	$ 765,818	$ 765,818	$ -	$ -
Mutual funds	347,699	347,699	-	-
Common stocks	1,226,177	1,226,177	-	-
Real estate investment trusts	18,944	18,944	-	-
Total investments	2,358,638	2,358,638	-	-
Beneficial interest in trusts	548,927	-	-	548,927
Total	$ 2,907,565	$ 2,358,638	$ -	$ 548,927
December 31, 2011				
Cash and cash equivalents	$ 86,523	$ 86,523	$ -	$ -
Mutual funds	349,847	349,847	-	-
Common stocks	1,008,479	1,008,479	-	-
Real estate investment trusts	10,113	10,113	-	-
Total investments	1,454,962	1,454,962	-	-
Beneficial interest in trusts	508,241	-	-	508,241
Total	$ 1,963,203	$ 1,454,962	$ -	$ 508,241

The following is a reconciliation of activity for the year ended December 31, 2012 for assets measured at fair value based on significant unobservable (non-market) information:

	Beneficial Interest in Trust
Beginning Balance at December 31, 2011	$ 508,241
Total gains or losses (realized or unrealized)	53,924
Income	6,780
Contributions	471
Administrative Fees	(6,186)
Disbursements to organization	(14,303)
Beginning Balance at December 31, 2012	$ 548,927
Total gains realized (or losses) for 2012 included in income	$ (25,264)

NOTE 5 - INVESTMENTS

Investments are stated at fair value and consist of certificate of deposit and marketable securities. Fair market value of investments at December 31, 2012 and 2011 are as follows:

	2012	2011
Cash and cash equivalents	$ 765,818	$ 86,523
Mutual funds	347,699	349,847
Common stocks	1,226,177	1,008,479
Real estate investment trusts	18,944	10,113
	$ 2,358,638	$ 1,454,962

The following schedule summarizes the investment return and its classification in the statement of activities for the years ended December 31, 2012 and 2011:

	2012	2011
Interest and dividends	$ 43,427	$ 44,163
Realized gain (loss)	35,650	103,816
Unrealized gain (loss)	142,259	(103,081)
Total investment income	$ 221,336	$ 44,898

Investment management fees totaled $21,860 and $19,516 for 2012 and 2011, respectively.

NOTE 6 - LINE OF CREDIT

In June 2009, the Agency opened a Line of Credit with a financial institution. The line of credit is secured by the Agency's investment portfolios and requires a loan to value maintenance of 30% of total account value with the ability to borrow up to the lower of 50% of the account value or $300,000. Draws on the line of credit bear interest at 0.50% below the prime rate. The outstanding balances as of December 31, 2012 and 2011 were $20 and $87,436, respectively.

NOTE 7 - OPERATING LEASE

The Agency leases office equipment under operating leases with monthly payments of $629 maturing October 2014. During the years ended December 31, 2012 and 2011, $13,068 and $8,665 were expensed, respectively.

The future minimum rental payments required under the operating leases for the years subsequent to December 31, 2012 are as follows:

Year	Amount
2013	$ 7,548
2014	6,290
	$ 13,838

NOTE 8 - RETIREMENT PLAN

The Agency sponsors a Section 401(k) salary reduction plan that covers all full-time employees who are at least 21 years old and have completed one year of service. Employees may contribute the maximum amount allowed. The Agency matches 100% of each participant's contribution up to 3% of gross salary and 50% of each participant's contribution for the next 3% of gross salary. The Agency contributed to $12,290 and $11,287 for the years ended December 31, 2012 and 2011, respectively.

NOTE 9 - UNITED WAY

The Agency received public support from the United Way for use in the following programs:

	2012	2011
United Way allocation:		
Client services	$ 107,601	$ 111,089
Screening and detection	107,601	111,089
United Way donor option	79,257	102,872
	$ 294,459	$ 325,050

Program expenditures for 2012 and 2011 exceeded public support funds received from the United Way.

At December 31, 2012 and 2011, $6,217 and $8,928 respectively, were accrued for the United Way Capital Improvements Facilities Maintenance Fund, which is included in the United Way Maintenance Reserve liability.

NOTE 10 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets at December 31, 2012 and 2011 are available for the following purposes:

	2012	2011
Komen Mammography Assistance	$ 27,365	$ 91,878
Camp Little Red Door	103,881	98,696
Rev. Charles Williams Memorial	30,889	63,545
Other Grants	191	1,299
	$ 162,326	$ 255,418

During 2012 and 2011, temporarily restricted assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors.

	2012	2011
Komen Mammography Assistance	$ 460,902	$ 408,349
Camp Little Red Door	148,620	165,605
Rev. Charles Williams Memorial	32,656	34,586
Other Grants	6,108	22,448
Net assets released from restrictions by satisfaction of program restrictions	$ 648,286	$ 630,988

NOTE 11 - PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted net assets consist of perpetual trusts. The income from such investments is unrestricted and the income from the investments has been used to facilitate cancer research and services performed only in Marion County, Indiana as stipulated by the donors.

NOTE 12 - UNINSURED CASH

The Agency maintains its cash accounts at an Indiana commercial bank. Accounts at this bank are guaranteed by the FDIC limits. There were no amounts in excess of insured limits at December 31, 2012 and 2011, respectively.

NOTE 13 - SUBSEQUENT EVENTS

In preparing these financial statements, the Agency has evaluated subsequent events and transactions for potential recognition or disclosure through April 23, 2013, the date the financial statements were available to be issued.