

COMPASS TO CARE
(An Illinois Not-For Profit Corporation)

FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

COMPASS TO CARE
(An Illinois Not-For-Profit Corporation)
Table of Contents
December 31, 2020 and 2019

	Page #
Independent Auditor’s Report	1-2
Financial Statements:	
Statement of Assets, Liabilities and Net Assets - Modified Cash Basis.....	3
Statement of Support, Revenue, Expenses and Changes in Net Assets – Modified Cash Basis Current Year.....	4
Statement of Support, Revenue, Expenses and Changes in Net Assets – Modified Cash Basis Current Year.....	5
Statement of Functional Expenses – Modified Cash Basis.....	6
Statement of Cash Flows.....	7
Notes to the Financial Statements	8-12

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Compass to Care

Opinion

We have audited the accompanying financial statements of Compass to Care (An Illinois Not-For-Profit Corporation) which comprise the Statement of Assets, Liabilities and Net Assets - Modified Cash Basis as of December 31, 2020 and 2019, and the related statements of Support, Revenue, Expenses and Changes in Net Assets - Modified Cash Basis, functional expenses- Modified Cash Basis, 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 positions of Compass to Care as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with the Modified Cash Basis of accounting.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Compass to Care and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Compass to Care's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial

likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- 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 Compass to Care's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Compass to Care'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.

Broutman & Co., P.C.

Chicago, Illinois
February 8, 2021

Compass to Care
(An Illinois Not-For-Profit Corporation)
Statement of Assets, Liabilities and Net Assets - Modified Cash Basis
December 31, 2020 and 2019

	2020	2019
ASSETS		
CURRENT ASSETS:		
Cash and Equivalents	\$ 429,412	\$ 322,517
Inventory	<u>1,935</u>	<u>4,829</u>
Total Current Assets	<u>\$ 431,347</u>	<u>\$ 327,346</u>
OTHER ASSETS:		
Endowment Fund	39,820	37,815
Deposit	<u>1,489</u>	<u>-</u>
Total Other Assets	<u>\$ 41,309</u>	<u>\$ 37,815</u>
TOTAL ASSETS	<u><u>\$ 472,656</u></u>	<u><u>\$ 365,161</u></u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Capital One Credit Card	\$ 368	\$ 66
US Bank Credit Card	<u>-</u>	<u>2,649</u>
Total Current Liabilities	<u>\$ 368</u>	<u>\$ 2,715</u>
NET ASSETS:		
Without Donor Restrictions	\$ 472,288	\$ 362,446
With Donor Restrictions	<u>-</u>	<u>-</u>
Total Net Assets	<u>\$ 472,288</u>	<u>\$ 362,446</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 472,656</u></u>	<u><u>\$ 365,161</u></u>

Compass to Care
(An Illinois Not-For-Profit Corporation)
Statement of Support, Revenue, Expenses and Changes In Net Assets - Modified Cash Basis
For the Year Ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND PUBLIC SUPPORT:			
REVENUE:			
Endowment Income	\$ 234	\$ -	\$ 234
Investment Income (Loss)	3,856	-	3,856
Unrealized Gain (Loss)	(707)	-	(707)
Sales Income	8,996	-	8,996
Payroll Protection Plan Forgiveness	26,200	-	26,200
Interest Income	371	-	371
TOTAL REVENUE	\$ 38,950	\$ -	\$ 38,950
PUBLIC SUPPORT:			
Fundraising Income	\$ 196,395	\$ -	\$ 196,395
Businesses and Foundations	144,772	-	144,772
Individuals and Others	80,609	-	80,609
Donations in Kind	4,177	-	4,177
TOTAL PUBLIC SUPPORT	\$ 425,953	\$ -	\$ 425,953
TOTAL REVENUE AND PUBLIC SUPPORT	\$ 464,903	\$ -	\$ 464,903
EXPENSES:			
Program	\$ 305,053	\$ -	\$ 305,053
Management and General	27,021	-	27,021
Fund Raising	22,987	-	22,987
TOTAL EXPENSES	\$ 355,061	\$ -	\$ 355,061
CHANGE IN NET ASSETS	\$ 109,842	\$ -	\$ 109,842
NET ASSETS -			
January 1, 2020	362,446	-	362,446
December 31, 2020	\$ 472,288	\$ -	\$ 472,288

Compass to Care
(An Illinois Not-For-Profit Corporation)
Statement of Support, Revenue, Expenses and Changes In Net Assets - Modified Cash Basis
For the Year Ended December 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND PUBLIC SUPPORT:			
REVENUE:			
Endowment Income	\$ 182	\$ -	\$ 182
Investment Income (Loss)	6,543	-	6,543
Sales Income	2,161	-	2,161
Miscellaneous Income	221	-	221
Interest Income	43	-	43
TOTAL REVENUE	<u>\$ 9,150</u>	<u>\$ -</u>	<u>\$ 9,150</u>
PUBLIC SUPPORT:			
Fundraising Income	\$ 299,432	\$ -	\$ 299,432
Businesses and Foundations	84,600	-	84,600
Individuals and Others	83,199	-	83,199
TOTAL PUBLIC SUPPORT	<u>\$ 467,231</u>	<u>\$ -</u>	<u>\$ 467,231</u>
TOTAL REVENUE AND PUBLIC SUPPORT	<u>\$ 476,381</u>	<u>\$ -</u>	<u>\$ 476,381</u>
EXPENSES:			
Program	\$ 377,130	\$ -	\$ 377,130
Management and General	21,515	-	21,515
Fund Raising	20,941	-	20,941
TOTAL EXPENSES	<u>\$ 419,586</u>	<u>\$ -</u>	<u>\$ 419,586</u>
CHANGE IN NET ASSETS	\$ 56,795	\$ -	\$ 56,795
NET ASSETS -			
January 1, 2019	<u>305,651</u>	<u>-</u>	<u>305,651</u>
December 31, 2019	<u>\$ 362,446</u>	<u>\$ -</u>	<u>\$ 362,446</u>

Compass to Care
(An Illinois Not-For-Profit Corporation)
Statement of Functional Expenses - Modified Cash Basis
For the Year Ended December 31, 2020

	Program Services	----- Support Expense -----		Total
		Administrative	Fund Raising	
Expenses:				
Salary and Fringe	\$ 138,767	\$ 20,842	\$ 15,632	\$ 175,241
Child Travel Fund	106,611	-	-	106,611
Marketing and Promotion	13,711	44	2,381	16,137
Events	3,277	-	-	3,277
Telephone and Internet	2,846	356	356	3,557
Postage and Shipping	1,762	220	220	2,203
Office Supplies and Equipment	11,221	1,403	1,403	14,026
Cost of Goods Sold	2,893	-	-	2,893
Rent	9,733	1,217	1,217	12,167
Consultants	6,024	753	753	7,530
Professional Fees	2,400	300	300	3,000
Printing and Publicity	1,225	153	153	1,531
Bank Charges	2,559	320	320	3,199
Investment Expense	-	607	-	607
Insurance	1,996	250	250	2,496
Licenses and Fees	27	3	3	33
Interest Expense	-	11	-	11
Miscellaneous Expense	-	543	-	543
Total Expenses	<u>\$ 305,053</u>	<u>\$ 27,021</u>	<u>\$ 22,987</u>	<u>\$ 355,061</u>

For the Year Ended December 31, 2019

Expenses:				
Salary and Fringe	\$ 109,048	\$ 16,579	\$ 13,079	\$ 138,705
Child Travel Fund	137,983	-	-	137,983
Marketing and Promotion	57,737	18	3,765	61,519
Events	20,759	-	-	20,759
Telephone and Internet	4,216	527	527	5,270
Postage and Shipping	1,632	201	201	2,033
Office Supplies and Equipment	7,221	903	903	9,026
Cost of Goods Sold	3,470	-	-	3,470
Rent	11,135	1,392	1,392	13,919
Consultants	15,329	-	-	15,329
Professional Fees	2,400	300	300	3,000
Printing and Publicity	3,138	392	392	3,922
Bank Charges	1,888	236	236	2,360
Investment Expense	-	621	-	621
Insurance	1,150	144	144	1,438
Licenses and Fees	25	3	3	31
Miscellaneous Expense	-	200	-	200
Total Expenses	<u>\$ 377,130</u>	<u>\$ 21,515</u>	<u>\$ 20,941</u>	<u>\$ 419,586</u>

Compass to Care
(An Illinois Not-for-Profit Corporation)
Statement of Cash Flows
For The Years Ended December 31, 2020 and 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Received from Sales	\$ 8,996	\$ 2,161
Cash Received from Public Support	426,187	473,956
Cash Paid to Suppliers for Goods and Services	(354,503)	(413,956)
Miscellaneous Income	26,200	220
Interest Received	371	43
Interest Paid	(11)	0
Dividend and Interest Income Received	3,856	0
Net Increase (Decrease) in Cash and Equivalents	\$ 111,096	\$ 62,424
 CASH FLOWS FROM INVESTING ACTIVITIES:		
Change in Restricted Funds	\$ (2,005)	\$ (4,663)
Unrealized Gain (Loss) on Investments	(707)	0
Cash Paid for Security Deposit	(1,489)	0
	\$ (4,201)	\$ (4,663)
Net In(De)crease in Cash and Equivalents	\$ 106,895	\$ 57,761
Cash and Equivalents at January 1	322,517	264,756
Cash and Equivalents at December 31	\$ 429,412	\$ 322,517

SUPPLEMENTAL DISCLOSURES

Interest Paid	-	-
Income taxes paid	-	-

COMPASS TO CARE
(An Illinois Not-For-Profit Corporation)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

1. Principal Activity and Significant Accounting Policies:

Compass to Care (CTC) is a private, Not-For-Profit Charitable Corporation founded in 2010 and incorporated in 2010 under the Illinois “General Not-for-Profit Act. Compass to Care, a 501(c)(3) charitable organization, ensures all families can access life-saving cancer treatment for their children. We carry out this mission by scheduling and paying for travel arrangements to the hospital where a child is being treated for cancer. Ultimately, we give children the best access to life-saving cancer treatment, regardless of their family’s financial situation.

CTC Programs:

Compass to Care had only one program during the years as follows:

To plan the travel, and cover the costs that come with it, for families during their child’s cancer treatment. By taking the travel burdens off a family, they can focus on what’s most important, their child

Accounting Method - The modified cash basis method of accounting is used for both financial and tax reporting purposes and accordingly does not reflect receivables, payables and other liabilities.

Income Taxes - CTC is a not-for-profit entity, as described in Section 501(c)(3) of the Internal Revenue Code, and is exempt from income taxes, except to the extent of any unrelated business income. There was no unrelated business income for the years ended December 31, 2020 and 2019.

CTC believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

Net Assets - Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-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 (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) 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. We report contributions restricted by donors as increases in net assets without donor restrictions if the

COMPASS TO CARE
(An Illinois Not-For-Profit Corporation)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

restrictions expire (that is, when a stipulated time restriction ends, or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, 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.

Revenue Recognition - Revenue is recognized when earned. Program service fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed, or expenditures are incurred, respectively. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

Donated Services and In-Kind Contributions - Volunteers contribute significant amounts of time to our program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation. No contributions of such goods or services were received during the years ended December 31, 2020 and 2019, respectively. In-Kind contributions are recognized 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 CTC.

Donated Assets other than Property and Equipment - Donated investments and other noncash donations are recorded as contributions at their fair values at the date of donation.

Donated Merchandise - CTC holds periodic fundraisers to raise donations. Individuals and Organizations donate various items which are subsequently sold.

Cash and Cash Equivalents — For purposes of financial statement presentation, CTC considers bank deposits and certificates of deposit with an original maturity of three months or less at the date of purchase to be cash equivalents.

Investments — Investments consist of a money market account and is valued at cost, which approximates their fair value in the statement of financial position.

Property and Equipment - We record property and equipment additions over \$1,500 at cost, or if donated, at fair value on the date of donation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets ranging from 3 to 30 years, or in the case of capitalized leased assets or leasehold improvements, the lesser of the useful life of the asset or the lease term. When assets are sold or otherwise disposed of, the cost and related depreciation or

COMPASS TO CARE
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NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

amortization are removed from the accounts, and any resulting gain or loss is included in the statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

We review the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the years ended December 31, 2020 and 2019.

Functional Allocation of Expenses - The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy, depreciation, and amortization, which are allocated on a square footage basis, as well as salaries and wages, benefits, payroll taxes, professional services, office expenses, information technology, interest, insurance, and other, which are allocated on the basis of estimates of time and effort.

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires us to make estimates and assumptions that affect the reported amounts of 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, and those differences could be material.

Subsequent Events - Management has evaluated subsequent events through February 15, 2021, the date the financial statements were available to be issued.

2. Liquidity and Availability

Financial assets available for general expenditure, that is, without donor restrictions limiting their use, within one year of the balance sheet date, comprise of the following:

Cash and cash equivalents	2020 - <u>\$429,412</u> ,	2019 - <u>\$322,517</u>
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3. Leases:

CTC leased its Illinois office during the current fiscal year from an unrelated third party, R. Properties, Inc. The lease term is paid on a month-to-month basis at \$725 per month from January through September totaling \$6,525. CTC moved and rented the new office from Highland

COMPASS TO CARE
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NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

Avondale Properties, LLC from October through December at a rate of \$1,349.00 per month totaling \$4,047.00. There was also a security deposit of \$1,489.00. The lease goes for 61 months with the following lease schedule.

9/1/2020	To 9/30/2020	\$ 0.00	Per/year	\$ 0.00	Per/month
10/1/2020	To 9/30/2021	\$ 16,188.00	Per/year	\$ 1,349.00	Per/month
10/1/2021	To 9/30/2022	\$ 16,596.00	Per/year	\$ 1,383.00	Per/month
10/1/2022	To 9/30/2023	\$ 17,004.00	Per/year	\$ 1,417.00	Per/month
10/1/2023	To 9/30/2024	\$ 17,436.00	Per/year	\$ 1,483.00	Per/month
10/1/2024	To 9/30/2025	\$ 17,868.00	Per/year	\$ 1,489.00	Per/month

The lease includes no real estate taxes or common area maintenance payments. In 2020 rent payments totaled \$10,572 to the two landlords for the year and 11 payments in 2019 totaling \$7,975 for the year. Lease obligations for the next year amount to \$16,188.

CTC leased its Iowa office during the current fiscal year from an unrelated third party, Caradco Commercial Subtenant, LLC., who send them an annual letter regarding the rent which is paid on a month-to-month basis. CTC only pays “MIT” (Maintenance, Insurance and Taxes). The amount paid for 2020 \$60.75 per month with and additional totaling \$739.28 for the year. The amount paid for 2019 is \$62.26 per month totaling \$747.12 for the year.

There were also rental fees for storage. Total rent for year 2020 totaled \$12,165.73 and \$8,918.51 for 2019.

The total sum of future lease obligations for the next fiscal year is \$17,589.52.

4. Endowment Fund:

CTC has an Endow Iowa Agency Permanent Endowment Fund Agreement (GFGD) with the Community Foundation of Greater Dubuque. This agreement was entered into on April 15, 2013. CTC’s fund is a component part of the GFGD and is known as the Compass for Care Endowment Fund (CTC Fund).

CTC Fund will receive distributions up to five percent of the previous twelve quarters rolling average on December 31 of each year. The distributions will be from the CTC Fund’s net income after GFGD’s administrative fee which is based on the fee schedule prevailing for Agency Endowment Funds.

COMPASS TO CARE
(An Illinois Not-For-Profit Corporation)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

If CTC Fund terminates its agreement with GFGD, the balance left in the fund will be distributed to other qualifying Iowa charities operating in the Dubuque geographical area and who provide similar services.

There were contributions to the fund of \$233.63 for 2020 and \$181.80 for 2019. After income and expenses, the balance at year end was \$39,820.00 for 2020 and \$37,815.16 for 2019.

5. Concentration of Credit Risk:

CTC maintains cash and deposit accounts at Park Ridge Community Bank with located in Park Ridge, Illinois. There are also funds in Fidelity Investments. Balances in excess of \$250,000 per institution are not insured by the Federal Deposit Insurance Corporation and neither are investments accounts. There was \$152,758 of uninsured bank balances at December 31, 2020 and none in 2019.

6. Payroll Protection Plan:

CTC received a loan from the Park Ridge Community Bank in the amount of \$26,200 under the Paycheck Protection Program established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The loan is subject to a note dated April 4, 2020 and may be forgiven to the extent proceeds of the loan are used for eligible expenditures such as payroll and other expenses described in the CARES Act. The loan was forgiven on December 9, 2020.

7. Economic Disaster Loan:

CTC also received a loan from Small Business Administration in the amount of \$2,000 under the Economic Injury Disaster Loan Program established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act. \$2,000 is a Economic Injury Disaster Relief loan that was received on April 4, 2020 and will be forgiven. The money is to be used for fixed debts such as rent, payroll, accounts payable and bills that could have been paid had the disaster not occurred. The loan was paid back with interest of \$10.51 on December 9, 2020.