

NIKKI MITCHELL FOUNDATION
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT
DECEMBER 31, 2022

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Nikki Mitchell Foundation
Nashville, Tennessee

OPINION

We have audited the financial statements of Nikki Mitchell Foundation ("NMF") (a nonprofit organization), which comprise the statement of assets, liabilities and net assets - modified cash basis as of December 31, 2022, the related statements of revenues, expenses and changes in net assets - modified cash basis and functional expenses - modified cash basis for the year 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 assets, liabilities and net assets of Nikki Mitchell Foundation as of December 31, 2022, and its revenues, expenses and change in net assets for the year then ended in accordance with the modified cash basis of accounting as described in Note 2.

BASIS FOR OPINION

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). 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 Nikki Mitchell Foundation 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.

EMPHASIS OF MATTER - BASIS OF ACCOUNTING

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

RESPONSIBILITIES OF MANAGEMENT FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting as described in Note 2, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

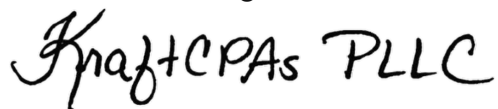
AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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 GAAS 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, internal 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 GAAS, 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 NMF'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 NMF'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.

A handwritten signature in black ink that reads "Kraft CPAs PLLC". The signature is written in a cursive, flowing style.

Nashville, Tennessee
November 13, 2023

NIKKI MITCHELL FOUNDATION

STATEMENT OF ASSETS, LIABILITIES AND NET ASSETS - MODIFIED CASH BASIS

DECEMBER 31, 2022

ASSETS

Cash	\$ 540,187
Property and equipment, net	5,686
Security deposit	<u>2,500</u>
TOTAL ASSETS	<u>\$ 548,373</u>

LIABILITIES AND NET ASSETS

LIABILITIES	
Credit card payable	\$ 11,901
Accrued payroll taxes	<u>4,830</u>
TOTAL LIABILITIES	<u>16,731</u>
NET ASSETS	
Without donor restrictions	<u>531,642</u>
TOTAL NET ASSETS	<u>531,642</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 548,373</u>

See accompanying notes to financial statements.

NIKKI MITCHELL FOUNDATION

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS - MODIFIED CASH BASIS

FOR THE YEAR ENDED DECEMBER 31, 2022

REVENUES AND SUPPORT - WITHOUT DONOR RESTRICTIONS

Contributions	\$ 360,460
Fundraising events	320,069
Interest income	2,266
Other revenues	<u>10,653</u>

TOTAL REVENUES AND SUPPORT	<u>693,448</u>
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EXPENSES

Program services	306,152
Supporting services:	
General and administrative	44,332
Fundraising	<u>210,312</u>

Total supporting services	<u>254,644</u>
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TOTAL EXPENSES	<u>560,796</u>
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CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	132,652
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NET ASSETS WITHOUT DONOR RESTRICTIONS - BEGINNING OF YEAR	<u>398,990</u>
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NET ASSETS WITHOUT DONOR RESTRICTIONS - END OF YEAR	<u><u>\$ 531,642</u></u>
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See accompanying notes to financial statements.

NIKKI MITCHELL FOUNDATION

STATEMENT OF FUNCTIONAL EXPENSES - MODIFIED CASH BASIS

FOR THE YEAR ENDED DECEMBER 31, 2022

	Program Services	General and Administrative	Fundraising	Total
Salaries and wages	\$ 78,329	\$ 17,500	\$ 62,958	\$ 158,787
Payroll taxes	6,080	1,358	4,888	12,326
Patient care expenses	114,028	-	-	114,028
Special events	-	-	106,286	106,286
Documentary	53,969	-	-	53,969
Donations	32,500	-	-	32,500
Travel expenses	2,717	340	23,133	26,190
Professional fees	7,500	6,915	-	14,415
Dues and subscriptions	1,599	5,365	862	7,826
Occupancy	3,331	2,332	999	6,662
Advertising and public relations	-	-	6,126	6,126
Office expenses	-	4,504	-	4,504
Insurance	-	3,818	-	3,818
Utilities	1,781	1,247	534	3,562
Postage and shipping	1,672	218	1,072	2,962
Printing	369	-	1,477	1,846
Other expenses	1,473	157	-	1,630
Meals	-	-	1,260	1,260
Depreciation	171	171	692	1,034
Telephone	452	25	25	502
Bank fees	-	382	-	382
Supplies	181	-	-	181
TOTAL FUNCTIONAL EXPENSES	<u>\$ 306,152</u>	<u>\$ 44,332</u>	<u>\$ 210,312</u>	<u>\$ 560,796</u>

See accompanying notes to financial statements.

NIKKI MITCHELL FOUNDATION
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

NOTE 1 - GENERAL

Nikki Mitchell Foundation (“NMF”) is a Tennessee not-for-profit organization incorporated on August 7, 2013. The Nikki Mitchell Foundation is dedicated to providing comfort and relief for those affected by pancreatic cancer, while raising awareness and supporting research that directly and indirectly affects pancreatic cancer patients.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements have been prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. That basis differs from generally accepted accounting principles in that contributions and other revenues are recognized when received instead of when promised and expenses are recognized when paid rather than when incurred. Consequently, NMF has not recognized promises to give from donors, contributed goods and services, right-of-use lease assets and lease liabilities, accounts payable to vendors, or the related effects on the change in net assets in the accompanying financial statements. Additionally, a statement of cash flows is not presented.

Resources are classified as net assets without donor restrictions and with donor restrictions based on the existence or absence of donor-imposed restrictions, as follows:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of NMF’s management and the Board of Directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of NMF or by the passage of time. Other donor restrictions may be perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. NMF did not have any net assets with donor restrictions as of December 31, 2022.

Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of revenues, expenses and changes in net assets - modified cash basis.

NIKKI MITCHELL FOUNDATION

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenues and Support

Contributions are recognized when cash is received.

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and nature of any donor restrictions. Contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted by the donor for future periods or for specific purposes are reported as donor-restricted support that increases those net asset classes. When a restriction is fulfilled (that is, when a stipulated time restriction ends or purpose restriction is accomplished), donor-restricted net assets are reclassified to net assets without donor restrictions and reported in the statement of revenues, expenses and changes in net assets as net assets released from satisfaction of donor restrictions.

NMF hosts special events throughout the year to raise funds in support of its programs. Special events revenue is generated from sponsorships, ticket sales and sales of items at the events. Revenues are recognized when the funds are received.

NMF periodically receives donated goods and services but, under the modified cash basis of accounting, has not recorded the value of those donated goods and services in the financial statements. NMF generally pays for services requiring specific expertise. Volunteers have provided their time and performed a variety of tasks to assist NMF with various program services and fundraising events. No amounts have been recorded in the accompanying financial statements for these donated services.

Cash

Cash consists principally of checking and money market accounts.

Property and Equipment

Property and equipment are reported at cost at the date of purchase. NMF's policy is to capitalize purchases and or improvements with an estimated useful life greater than one year. Depreciation is calculated by the straight-line method over the estimated useful lives of the assets, which range from 3 to 7 years.

Income Taxes

NMF qualifies as a not-for-profit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and files a U.S. federal Form 990 for organizations exempt from income tax. Accordingly, income taxes are not provided.

NIKKI MITCHELL FOUNDATION

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes (Continued)

Management performs an evaluation of all income tax positions taken or expected to be taken in the course of preparing the NMF's income tax return to determine whether the income tax positions meet a "more likely than not" standard of being sustained under examination by the applicable taxing authorities. Management has performed its evaluation of all income tax positions taken on all open income tax returns and has determined that there were no positions taken that do not meet the "more likely than not" standard. Accordingly, there were no provisions for income taxes, penalties, or interest receivable or payable relating to uncertain income tax positions in the accompanying financial statements.

Program and Supporting Services

The following program and supporting services are included in the accompanying financial statements:

Program Services - included in program services on the statement of functional expenses - modified cash basis are the following:

Bridge of Wings - named after the 1998 flight around the world taken by Nikki Mitchell and NMF's president and founder, Rhonda Miles, Bridge of Wings is a direct patient services program that provides pancreatic cancer patients in need with free transportation, house cleanings, meals and many more services tailored to their specific needs.

Nancy Lyle Ambassador Program - a team of expert clinician, care partner, and patient ambassadors who partner together to host weekly virtual group sessions aimed at supporting patients and their care partners through the pancreas surgery care.

Thrive Together - provides peer support to patients and care partners who are navigating all stages of pancreatic disease and offers ongoing peer support to individuals who have completed Prehab 101 through the Nancy Lyle Ambassador Program.

The Center for Patient and Care Partner Engagement - launched in 2022 to supplement critical gaps in health care delivery by providing accessible and compassionate peer support to all patients with pancreatic disease and their care partners. The Center encompasses NMF's long-standing patient financial aid program, Bridge of Wings, and the peer support groups, Nancy Lyle Ambassador Program and Thrive Together.

In addition to the programs listed above, during the year ended December 31, 2022, NMF completed the production of a documentary film, *Bridge of Wings*, for which the patient care program above is named. The film premiered at a private showing to an invited audience at the Belcourt Theatre in Nashville, Tennessee in March 2023 and will be used to raise awareness and funds for NMF through showings at film festivals and special events and on streaming services.

NIKKI MITCHELL FOUNDATION

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Program and Supporting Services (Continued)

Supporting Services -

General and Administrative - includes the functions necessary to ensure an adequate working environment and costs not identifiable with a single program. Includes costs associated with providing coordination and articulation of the NMF's program strategy, business management, general record keeping, budgeting and related purposes.

Fundraising - includes costs of special events and activities directed toward appeals for financial support. Other activities include the cost of solicitations and creation and distribution of fundraising materials.

Allocation of Functional Expenses

Expenses that can be directly attributed to a particular function are charged to that function. Certain costs have been allocated among more than one program, supporting service, or activity based on objectively evaluated financial and nonfinancial data or reasonable, subjective methods determined by management.

The expenses that are allocated include salaries and wages, payroll taxes, professional fees, occupancy, utilities, postage and shipping and depreciation, which are allocated on the basis of estimates of time and effort. Accordingly, expenses have been allocated among the program activities consisting of NMF's program and related supervisory and advisory services and supporting services consisting of NMF's administration and management functions.

Use of Estimates

The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Events Occurring After Reporting Date

NMF has evaluated events and transactions that occurred between December 31, 2022 and November 13, 2023, the date the financial statements were available to be issued, for possible recognition or disclosure in the financial statements.

NIKKI MITCHELL FOUNDATION

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2022

NOTE 3 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects NMF's financial assets, reduced by amounts not available for general use within one year of the statement of assets, liabilities and net assets - modified cash basis date because funds are held as fiscal sponsor on behalf of other organizations as of December 31:

Financial assets at year end:	
Cash	<u>\$ 540,187</u>
Less cash balances held as fiscal sponsor:	
Witches of St. Andrews	7,866
Hope Suite Hope	<u>30,394</u>
	<u>38,260</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$ 501,927</u></u>

As part of NMF's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. Cash in excess of daily requirements are invested in money market funds.

NOTE 4 - CONCENTRATIONS OF CREDIT RISK

NMF maintains cash balances at financial institutions whose accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") up to statutory limits. NMF's cash balances may at times exceed statutory limits. NMF has not experienced any losses in such accounts and management considers this to be a normal business risk.

Support from two donors comprises 22% of NMF's revenue and support for the year ended December 31, 2022. A reduction in this level of funding, if this were to occur, could have significant impact on NMF's activities.

NOTE 5 - PROPERTY AND EQUIPMENT

A summary of property and equipment as of December 31, 2022, is as follows:

Equipment	\$ 8,611
Less: accumulated depreciation	<u>(2,925)</u>
Net property and equipment	<u><u>\$ 5,686</u></u>

NIKKI MITCHELL FOUNDATION

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2022

NOTE 6 - FISCAL SPONSORSHIPS

Witches of St. Andrews

NMF serves as fiscal sponsor for Witches of St. Andrews (“Witches”), a project established by an individual for the purpose of benefiting pancreatic patients and supporting research associated with early detection and cure of pancreatic cancer.

NMF provides fundraising and administrative support for Witches and segregates Witches activity on NMF’s books to facilitate the receipt of contributions and grants and disbursement of funds as directed by Witches.

As of December 31, 2022, the NMF’s designated bank account balance available for Witches was \$7,866 and is included in cash.

Hope Suite Hope

NMF serves as fiscal sponsor for Hope Suite Hope (“HSH”), a project established by an individual to provide funds for lodging and travel-related expenses to pancreatic cancer patients, so they can receive long-term, world-class treatment, anywhere in the country.

NMF provides fundraising and administrative support for HSH and segregates HSH activity on NMF’s books to facilitate the receipt of contributions and grants and disbursement of funds as directed by HSH.

As of December 31, 2022, the NMF’s designated bank account balance available for HSH was \$30,394 and is included in cash.