

Cancer Support Community Arizona

Audited Financial Statements

Year Ended December 31, 2021

Stevenson CPA LLC
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INDEPENDENT AUDITORS' REPORT

24 W Camelback Rd

Suite A568

Phoenix, AZ 85013

Debbie DiCarlo and the Board of Directors
Cancer Support Community Arizona
360 East Palm Lane
Phoenix, AZ 85004

Opinion

We have audited the financial statements of Cancer Support Community Arizona, which comprise the Statement of Financial Position as of December 31, 2021, and the related Statements of Activities, Functional Expenses, and Cash Flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Cancer Support Community Arizona as of December 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 Cancer Support Community Arizona 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.

Responsibilities of Management 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 Cancer Support Community Arizona's ability to continue as a going concern for one year after the date that the financial statements are 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 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, 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.

STEVENSON CPA, LLC

Nonprofit Accounting Specialists

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 Cancer Support Community Arizona'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 Cancer Support Community Arizona'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.

Stevenson CPA LLC

Phoenix, Arizona

May 26, 2022

Cancer Support Community Arizona
Statement of Financial Position
As of December 31, 2021

	2021
Assets	
Current assets	
Cash & cash equivalents	\$ 1,377,824
Investments	410,959
Total current assets	1,788,783
Other assets	
Accounts receivable	12,500
Contributions receivable	28,060
Prepaid expenses	10,436
Security deposit	5,059
Total other assets	56,055
Fixed assets	
Property & equipment, net	1,526,254
Total fixed assets	1,526,254
Total assets	3,371,092
Liabilities & net assets	
Current liabilities	
Accounts payable	49,206
Accrued payroll liabilities	45,316
Accrued expenses	-
Total current liabilities	94,522
Total liabilities	94,522
Net assets	
With donor restrictions	199,086
Without donor restrictions	
Board designated	396,959
Undesignated	2,680,525
Total without donor restrictions	3,077,484
Total net assets	3,276,570
Total liabilities & net assets	\$ 3,371,092

The accompanying notes are an integral part of these financial statements.

Cancer Support Community Arizona
Statement of Activities
For the Year Ended December 31, 2021

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Support & revenue			
Contributions & bequests	\$ 868,648	\$ 95,000	\$ 963,648
Grants	372,560	90,086	462,646
Strategic partnership contracts	179,526	-	179,526
In-kind contributions	90,702	-	90,702
Investment earnings, net	68,014	-	68,014
Other income	3,422	-	3,422
Special event revenue	227,251	-	227,251
Less: cost of direct donor benefits	(13,941)	-	(13,941)
Special event revenue, net	213,310	-	213,310
Net assets released from restrictions	88,122	(88,122)	-
Total support & revenue	1,884,304	96,964	1,981,268
Expenses			
Program	935,115	-	935,115
Administrative	185,020	-	185,020
Fundraising	445,590	-	445,590
Total expenses	1,565,725	-	1,565,725
Changes in net assets	318,579	96,964	415,543
Net assets, beginning of year	2,758,905	102,122	2,861,027
Net assets, end of year	\$ 3,077,484	\$ 199,086	\$ 3,276,570

The accompanying notes are an integral part of these financial statements.

**Cancer Support Community Arizona
Statement of Functional Expenses
For the Year Ended December 31, 2021**

	2021			
Expenses	Programs	Administration	Fundraising	Total
Salaries & wages	\$ 523,636	\$ 70,662	\$ 178,277	\$ 772,575
Payroll related expenses	27,731	11,938	28,716	68,385
Payroll taxes	41,835	5,522	14,318	61,675
Total payroll expenses	593,202	88,122	221,311	902,635
Accounting	-	59,729	-	59,729
Banking fees	-	624	12,625	13,249
Community events & relations	-	1,012	3,194	4,206
Computer & website	7,456	5,056	7,346	19,858
Depreciation	30,713	1,403	1,403	33,519
Dues & subscriptions	17,534	624	543	18,701
Event expense	-	-	59,767	59,767
Facility & vehicle maintenance	23,508	2,074	2,074	27,656
Fund development	-	-	32,426	32,426
Insurance	25,818	3,835	4,140	33,793
Marketing	27,226	-	13,789	41,015
Occupancy	54,955	4,849	4,849	64,653
Printing & postage	1,312	718	4,067	6,097
Professional fees	99,694	14,362	76,676	190,732
Supplies & materials	44,133	1,636	1,056	46,825
Travel & meeting	9,564	976	324	10,864
Total expenses	\$ 935,115	\$ 185,020	\$ 445,590	\$ 1,565,725

The accompanying notes are an integral part of these financial statements.

Cancer Support Community Arizona
Statement of Cash Flows
For the Year Ended December 31, 2021

	2021
Operating activities	
Change in net assets	\$ 415,543
Adjustments to reconcile changes in net assets to net cash from operating activities:	
Depreciation	33,519
Loss on reconciliation of property & equipment	697
(Increase) in investment account, net	(68,014)
(Increase) in accounts receivable	(12,500)
Decrease in contributions receivable	30,240
(Increase) in prepaid expenses	(2,100)
(Increase) in security deposit	(2,140)
(Decrease) in accounts payable	(16,370)
Increase in accrued payroll liabilities	44,816
Increase in accrued expenses	7,571
(Decrease) in deferred revenue	(84,167)
Net cash provided by operating activities	347,095
 Net change in cash and cash equivalents	 347,095
 Cash & cash equivalents	
Beginning of year	1,030,729
End of year	\$ 1,377,824

Supplemental disclosure of cash flow information

There were no amounts paid for interest & taxes for the year ended December 31, 2021.

The accompanying notes are an integral part of these financial statements.

Cancer Support Community Arizona
Notes to the Financial Statements
For the Year Ended December 31, 2021

NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Activities

Cancer Support Community – Arizona (“CSCAZ” or the “Organization”) is a 501(c)(3) nonprofit organization founded in 1997, whose mission is to help cancer patients and their loved ones confront the illness and fight for recovery to the greatest extent possible in partnership with their health care providers and care givers. The Organization’s programs offer educational, psychological, social and emotional support services at no cost to those who attend (the Participant). The Organization is a place where lives affected by cancer can come and find people helping and supporting one another as a community of cancer patients, family, and friends working together towards recovery. The Organization supports its programs through contributions, bequests, strategic partnerships, and grants and is one of over 50 chapters affiliated through a national organization, the Cancer Support Community.

All programs are designed to help those, with cancer, fight for their recovery and, at the very least, improve the quality of their lives. The Organization provides a full range of support services for adults, teens, children, and families in a comfortable home-like setting. Serving people with all types of cancer and at any stage of the disease, the Organization provides professionally-facilitated support groups, educational workshops, exercise activities and nutritional classes, stress management sessions, lectures by experts in the field, and social activities to reduce social isolation. The programs are research based to ensure a “Gold Standard Support Program” and combines the skill of the physician with the will of the patient as follows:

Support services

The Organization facilitates participant meetings with others who are dealing with a cancer diagnosis to share similar experiences, questions, and emotions, and to provide access to onsite and online resource libraries for information about local and national resources. Participants can expect to explore new ways of dealing with the stresses of cancer and ways to become an empowered advocate for themselves. Support groups are facilitated by licensed mental health professionals.

Healthy lifestyle

These activities help the participant become more engaged in mind-body stress reduction, exercise, nutrition, and health maintenance. These groups involve active participation as the participants learn skills to manage stress, relax, tone, strengthen their body, and improve their overall health.

Education

The educational workshops and lectures help the participant understand how to manage cancer and its treatment. Experts from various disciplines provide the most updated information regarding cancer care to help the participant become more informed and active in their treatment decisions.

Social connections

These activities are to help reduce social isolation through interaction, play, and humor.

Resource and referral

These services provide support by providing personalized assistance and referral to resources within the Cancer Support Community and in the broader community as needed.

Cancer Support Community Arizona
Notes to the Financial Statements
For the Year Ended December 31, 2021

NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and Cash Equivalents

The Organization considers all cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents.

Accounts and Contributions Receivable

Accounts receivable consists of amounts earned through Strategic Partnership contracts that have not yet been received. Contributions receivable consists of grants promised to the organization but not yet received.

The Organization records unconditional contributions receivable that are expected to be collected within one year at net realizable value. Unconditional contributions receivable expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statements of activities.

An allowance for uncollectible contributions receivable based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Based on management's evaluation of the receivables at December 31, 2021, management expects the amounts to be fully collectible and therefore has not established an allowance for uncollectible receivables.

Property and Equipment

The Organization records property and equipment additions over \$2,500 at cost, or if donated, at fair value on the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from five to thirty-nine years. When assets are sold or otherwise disposed of, the cost and related depreciation is removed from the accounts, and any resulting gain or loss is included in the Statement of Activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

Buildings	39 years
Building improvements	5 - 10 years
Furnishings and equipment	5 - 7 years

Carrying values of property and equipment are reviewed 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 indications of asset impairments during the year ended December 31, 2021.

Investments

The Organization records investment purchases at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the Statement of Financial Position. Net investment income is reported in the Statement of Activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external investment advisory fees.

Cancer Support Community Arizona
Notes to the Financial Statements
For the Year Ended December 31, 2021

NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

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 may designate, from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment.

Net Assets With Donor 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 may be perpetual in nature, where the donor stipulates those 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. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions

Revenue and Revenue Recognition

Contributed Revenue – Contributions and grants are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. All contributions, pledges and grants are considered to be available without donor restrictions unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for a specific purpose are reported as with donor restriction thereby increasing that net asset class. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

Earned Revenue – Program service fees and payments under contracts received in advance are deferred to the applicable period in which the related services are performed, or expenditures are incurred, respectively and are reported as Strategic partnership contracts in the Statement of Activities.

Special Event – The Organization holds multiple special events each year. The largest of these being the Annual Porch Party. A portion of the gross proceeds paid by the participant represents payment for the direct cost of the benefits received by the participant at the event. The fair value of meals and beverages provided at the special event is measured at the actual cost to the Organization. The proceeds and direct costs of the special events which ultimately benefit the donor rather than the Organization are recorded as special events revenues and costs of direct donor benefits. All proceeds received in excess of the direct costs are recorded as gross profit on special events in the accompanying statement of activities.

Donated Services and In-kind Contributions

Contributions of materials and professional services are recorded at their estimated values on the date of the contribution if they enhance the Organization’s nonfinancial assets or require specialized skills that the Organization would normally purchase, if not provided by a contribution.

Cancer Support Community Arizona
Notes to the Financial Statements
For the Year Ended December 31, 2021

NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Marketing Costs

Marketing costs are expensed as incurred and were \$41,015 for the year ended December 31, 2021.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. When appropriate, expenses are charged directly to one of the major classes. Indirect expenses have been allocated according to the activity and functionality related to their utilization based upon management's estimate of use.

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 payroll and related, insurance, facility, and occupancy, all of which are allocated based on estimates of time and effort or estimated square footage utilized by the program or function, where appropriate.

Income Tax Status

The Organization is organized as an Arizona nonprofit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Section 501(a) of the Internal Revenue Code and as an Organization described, in Section 501(c)(3), qualifies for the charitable contribution deduction under Sections 170(b)(1)(A)(vi) and (viii), and has been determined not to be a private foundation under Sections 509(a)(1) and (3), respectively. The Organization is annually required to file a Return of Organization Exempt from Income Tax, Form 990, with the IRS. In addition, the Organization is subject to income tax on net income that is derived from business activities that are unrelated to their exempt purposes. Management has determined that the Organization is not subject to unrelated business income tax, and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management 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. Accordingly, actual results could differ from those estimates and those differences could be material.

Financial Instruments and Credit Risk

The Organization maintains its cash balances at institutions insured by the Federal Deposit Insurance Corporation (FDIC). At times, cash balances may exceed federally insured limits. The Organization has not experienced any losses on such balances.

The Organization's investments are not insured by the FDIC and are subject to various risks such as interest rate, credit and overall market volatility. Adverse economic conditions may result in a reduction of the investment's carrying amount. It is at least reasonably possible that changes in the near-term could materially affect the amounts reported in the Statement of Financial Position.

Cancer Support Community Arizona
Notes to the Financial Statements
For the Year Ended December 31, 2021

NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Recent Accounting Guidance

In June 2021, the FASB issued ASU No. 2020-07, Presentation and Disclosures by Not-for-Profit Entities for Contributed Non-financial Assets, requires not-for-profits to present contributed non-financial assets as a separate line item in the Statement of Activities and provide additional disclosures about contributions of non-financial assets. Contributed non-financial assets, commonly referred to as gifts-in-kind, include fixed assets (such as land, buildings, and equipment), use of fixed assets or utilities, materials and supplies, intangible assets, services, and unconditional promises of those assets. The ASU is effective for the Organization for the year ending December 31, 2022.

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842), which requires lessees to recognize leases on the balance sheet and disclose key information about leasing arrangements. The new standard establishes a right-of-use (ROU) model that requires a lessee to recognize a ROU asset and lease liability on the Statement of Financial Position for most leases with a term longer than 12 months. Leases will be classified as finance or operating, with classification affecting the pattern and classification of the expense recognition in the consolidated Statement of Activities. The standard is effective for the Organization for the year ending December 31, 2022.

Subsequent Events

The Organization has evaluated subsequent events and transactions for potential recognition or disclosure through May 26, 2022, the date on which the financial statements were available to be issued. No significant events that would be expected to materially impact the financial statements were identified.

NOTE 2 – COVID-19 PANDEMIC IMPACT

Cancer Support Community Arizona was greatly impacted by the Covid-19 Pandemic in a variety of ways, but the impact was largely positive from a business and community standpoint. CSCAZ closed its doors March of 2020 and did not offer an onsite in person program again until October 2021 at the grand opening of its new Flagstaff satellite location. However, Covid 19 did not stop us from offering over 100 programs a month. CSCAZ was one of the first affiliates to offer virtual programming almost instantaneously in March 2020, reaching participants in not only the state of Arizona but across the United States and other countries. We have since started phasing in person programming back and will continue to offer both virtual classes and hybrid classes.

CSCAZ had a financially strong year post covid with two successful PPP forgiven loans, employee retention credits, and other covid grant funding. We did not have to layoff any staff or reach into reserves during the pandemic due to our ability to successfully switch the virtual and the help of our community partners.

Cancer Support Community Arizona
Notes to the Financial Statements
For the Year Ended December 31, 2021

NOTE 3 – LIQUIDITY AND AVAILABILITY

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

Financial assets:

Cash and cash equivalents	\$ 1,377,824
Investments	410,959
Accounts and contributions receivable	40,560
Total financial assets	1,829,343
Less financial assets held to meet donor imposed purpose restrictions (note 7):	(199,086)
Total amount available for general expenditures within one year	\$ 1,630,257

NOTE 4 – INVESTMENTS

The Organization reports certain assets at fair value in the consolidated financial statements. Fair value is the price that would be received to sell an asset in an orderly transaction in the principal, or most advantageous market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. A three-tier hierarchy categorizes the inputs as follows:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets that we can access at the measurement date.

- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

- Level 3 – Unobservable inputs for the asset or liability. In these situations, we develop inputs using the best information available in the circumstances.

The organization classifies its investments as level 3 as they are held in a pool by Arizona Community Foundation and which the organization uses at least one significant unobservable input to determine their value.

Investments consist of the following at December 31:

	2021		
	Level 1	Level 2	Level 3
Assets held by community foundation	\$ -	\$ -	\$ 410,959
Total	\$ -	\$ -	\$ 410,959

Cancer Support Community Arizona
Notes to the Financial Statements
For the Year Ended December 31, 2021

NOTE 4 – INVESTMENTS (continued)

The following is a summary of the investment fund activity during the year ending December 31:

Fair Value Measurements at Report Date Using
Significant Unobservable Inputs (Level 3)

	Endowment	Board Designated Fund	Total
Balance at December 31, 2020	\$ 14,000	\$ 328,945	\$ 342,945
Purchases/contributions	-	-	-
Investment Return, net	-	68,014	68,014
Deposits/Additions (withdrawals)	-	-	-
Ending Balance at December 31, 2021	\$ 14,000	\$ 396,959	\$ 410,959

NOTE 5 - ENDOWMENT AND BOARD DESIGNATED FUNDS

Cancer Support Community Arizona’s endowment consists of two components to provide annual funding for specific activities and general operations, the Endowment fund and the Board Designated Fund. The Board Designated funds are classified as without donor restrictions. Any gains or earnings from the commingled investment account are considered without donor restrictions unless otherwise designated by the Board.

The Board of Directors of Cancer Support Community Arizona follows Arizona’s Management of Charitable Funds Act (the Act), which is patterned after and is in accordance with the Uniform Prudent Management of Institutional Funds Act (UPMIFA) which requires the preservation of the fair value of the original Endowment fund gift, as of the gift date of the donor-restricted endowment funds unless there are explicit donor stipulations to the contrary. At December 31, 2021 there were no such donor stipulations.

When a donor’s intent is not expressed, the Act directs the Organization to spend an amount that is prudent, consistent with the purposes of the fund, relevant economic factors and the donor’s intent that the fund continue in perpetuity. In accordance with the Act, we retain in perpetuity and classify as net assets with donor restriction (a) the original value of initial and subsequent gift amounts donated to the Endowment fund and (b) any accumulations to the Endowment fund made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are classified as net assets with donor restrictions until those amounts are appropriated for expenditure by Cancer Support Community Arizona in a manner consistent with the standard of prudence prescribed by the Act. We consider the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of Cancer Support Community Arizona and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of Cancer Support Community Arizona
- The investment policies of Cancer Support Community Arizona

Cancer Support Community Arizona
Notes to the Financial Statements
For the Year Ended December 31, 2021

NOTE 5 - ENDOWMENT AND BOARD DESIGNATED FUNDS

The Organization had the following endowment net asset composition by type of fund:

	With Donor Restrictions	Without Donor Restrictions	Total
December 31, 2021			
Board-designated endowment funds	\$ -	\$ 328,945	\$ 328,945
Donor-restricted endowment funds			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	10,000	-	10,000
Accumulated investment gains	4,000	68,014	72,014
	\$ 14,000	\$ 396,959	\$ 410,959

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). We have interpreted the Act and UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. There were no deficiencies in the fund during the year or at the year ended December 31, 2021.

Investment and Spending Policies

The Organization has adopted investment and spending policies for the Endowment that attempt to provide a predictable stream of funding for operations while seeking to maintain the purchasing power of the endowment assets. Over time, long-term rates of return should be equal to an amount sufficient to maintain the purchasing power of the Endowment. Actual returns in any given year may vary from this amount. To satisfy this long-term rate-of-return objective, the investment portfolio is structured on a total-return approach through which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends).

Changes in endowment net assets are as follows:

	With Donor Restrictions	Without Donor Restrictions	Total
Year ended December 31, 2021			
Endowment net assets, beginning of year	\$ 14,000	\$ 328,945	\$ 342,945
Investment return, net	-	68,014	68,014
Contributions	-	-	-
Appropriation of endowment assets pursuant to spending-rate policy	-	-	-
Other change:			
Distribution from board-designated spendable endowment pursuant to distribution policy	-	-	-
Endowment net assets, end of year	\$ 14,000	\$ 396,959	\$ 410,959

Cancer Support Community Arizona
Notes to the Financial Statements
For the Year Ended December 31, 2021

NOTE 6 – ACCOUNTS AND CONTRIBUTIONS RECEIVABLE

Accounts and contributions receivable are estimated to be collected as follows at December 31:

	2021
Within one year	\$ 40,560
In one to two years	-
Total	\$ 40,560

Three grantors accounted for 70% and one customer accounted for 30% of the receivables balance at December 31, 2021.

NOTE 7 – PROPERTY & EQUIPMENT

Property and equipment consists of the following at December 31:

	2021
Land	\$ 963,853
Building and improvements	886,583
Furniture and equipment	52,398
Vehicles	32,574
Software	5,850
Total property and equipment	1,941,258
Less accumulated depreciation	(415,004)
Property and equipment, net	\$ 1,526,254

NOTE 8 – LINE OF CREDIT

The Organization has open and active credit card accounts issued by two financial institutions with an aggregate credit limit of \$49,000. Unpaid balances are reported as accounts payable.

NOTE 9 – NOTES PAYABLE

During the fiscal year ending December 31, 2021, the Organization received forgiveness from the Small Business Administration of the 2nd note obtained through the Paycheck Protection Program of \$200,000 funded through Itria Ventures LLC. The amount was recognized as revenue and reported in grants on the Statement of Activities.

Cancer Support Community Arizona
Notes to the Financial Statements
For the Year Ended December 31, 2021

NOTES 10 - LEASES

The Organization leases office space under an operating lease, and office equipment under a capital lease expiring in 2023 and 2025, respectively. Future minimum lease payments are as follows:

Year ending December 31,	<u>Office Space</u>	<u>Office Equipment</u>	<u>Total</u>
2022	\$ 35,829	\$ 5,520	\$ 41,349
2023	2,992	5,520	8,512
2024	-	5,520	5,520
2025	-	5,520	5,520
2026	-	-	-
Thereafter	-	-	-
Total	\$ 38,821	\$ 22,080	\$ 60,901

Rent expense for the year ended December 31, 2021 totaled \$29,967.

NOTE 11 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following at December 31:

	2021
Subject to expenditure for specified purpose:	
Communications	\$ 6,000
Bilingual navigators program	157,086
NAZ Teen Cancer Program and administration	15,000
Patient access to medications and affordability	5,000
Veterans support groups	2,000
	<u>185,086</u>
Endowments:	
Subject to NFP endowment spending policy and appropriation:	
General Use	4,000
Not subject to spending policy or appropriation	
Endowment Corpus - held in perpetuity	10,000
	<u>14,000</u>
Total net assets with donor restrictions	\$ <u>199,086</u>

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NOTE 11 – NET ASSETS WITH DONOR RESTRICTIONS (continued)

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time as follows for the year ended December 31:

	2021
Expiration of time restrictions	\$ 58,300
Satisfaction of purpose restrictions	
Survivorship on the Go	24,822
Virtual Groups	5,000
Total net assets with donor restrictions released	\$ 88,122

Amounts received and released by satisfying donor conditions or purpose restrictions in the current year are reported in without donor restrictions and totaled \$137,550 during the year ended December 31, 2021.

NOTE 12 - CONCENTRATION OF REVENUE

The Organization receives its revenue primarily from contributions and earned revenue. The concentrations of revenue for the Organization are as follows for the year ended December 31:

	2021
Contributions & bequests	48%
Grants	23%
Strategic partnership contracts	10%
Special event revenue, net	11%
In-kind contributions	4%
Investment earnings, net	3%
Other income	1%
Total	100%

NOTE 13 – REVENUE FROM CONTRACTS WITH CUSTOMERS

The following table provides information about changes in deferred revenue for the year ended December 31:

	2021
Deferred revenue, beginning of year	\$ 84,167
Revenue recognized that was included in deferred revenue at the beginning of year	(84,167)
Increases in deferred revenue due to cash received during the year	-
Deferred revenue, end of year	\$ -

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NOTE 14 – DONATED PROFESSIONAL SERVICES AND MATERIALS

The Organization received the following donated professional services and in-kind contributions:

	<u>Program</u>	<u>Admin</u>	<u>Fundraising</u>	<u>Total</u>
December 31, 2021				
Event expense	\$ -	\$ -	\$ 10,397	\$ 10,397
Facility & vehicle maintenance	2,984	263	263	3,510
Professional fees	35,754	14,362	425	50,540
Supplies & materials	26,255	-	-	26,255
Total	\$ 64,992	\$ 14,625	\$ 11,085	\$ 90,702

NOTE 15 – EMPLOYEE BENEFITS

The Organization sponsors a 401(k) employee only retirement plan. CSCAZ does not make matching contributions or profit-sharing contributions. The Organization contracts with a third-party PEO that owns and administers the 401(k).