



CANCER SUPPORT
COMMUNITY
ARIZONA

AUDITED FINANCIAL STATEMENTS

DECEMBER 30, 2024
AND 2023

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Cancer Support Community Arizona
Phoenix, Arizona

Opinion on the Financial Statements

We have audited the financial statements of Cancer Support Community Arizona ("CSCAZ" or the "Organization"), an Arizona nonprofit corporation, which comprise the statement of financial position as of December 31, 2024, and the related statements of activities and cash flows and functional expenses 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 financial position of Cancer Support Community Arizona as of December 31, 2024 and the results of its operations and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The financial statements of the Organization as of and for the year ended December 31, 2023 were audited by another auditor who has ceased operations, whose report dated August 5, 2024 expressed an unqualified opinion on those statements.

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 the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 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 the financial statements that are free from material misstatement, whether due to fraud or error.

Responsibilities of Management for the Financial Statements (continued)

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 the Organization's ability to continue as a going concern for at least one year beyond this report date.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud, 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 an error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these 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 the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting principles used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Consider whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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 matters that we identified during the audit.

Frey Solutions P.C.

Tucson, Arizona
July 1, 2025

Cancer Support Community Arizona
Statements of Financial Position
As of December 31, 2024 and 2023

	2024	2023
Assets		
Current assets		
Cash & cash equivalents	\$ 475,466	\$ 150,744
Investments	488,589	550,906
Accounts receivable	16,473	7,705
Contributions receivable	39,120	154,173
Prepaid expenses	24,461	8,360
Total current assets	1,044,108	871,888
Other assets		
Endowment	369,127	375,617
Security deposit	2,919	2,919
Total other assets	372,046	378,536
Property & equipment		
Right-of-use asset	43,667	84,297
Property & equipment, net	1,478,110	1,524,277
Total property & equipment, net	1,521,777	1,608,574
Total assets	\$ 2,937,931	\$ 2,858,998
Liabilities & net assets		
Current liabilities		
Accounts payable	36,889	23,669
Accrued payroll liabilities	42,993	-
Deferred revenue	25,000	23,750
Short-term lease liability	40,658	40,612
Total current liabilities	145,540	88,031
Long-term liabilities		
Long term lease liability	5,666	46,342
Total long-term liabilities	5,666	46,342
Total liabilities	\$ 151,206	\$ 134,373
Net assets		
With donor restrictions	309,610	87,742
Without donor restrictions		
Board designated	355,127	361,617
Undesignated	2,121,988	2,275,266
Total without donor restrictions	2,477,115	2,636,883
Total net assets	2,786,725	2,724,625
Total liabilities & net assets	\$ 2,937,931	\$ 2,858,998

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

Cancer Support Community Arizona
Statement of Activities
For the Year Ending December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Support & revenue			
Contributions & bequests	\$ 529,029	\$ 169,369	\$ 698,398
Grants	376,703	120,601	497,304
Strategic partnership contracts	206,577	-	206,577
Investment earnings, net	113,593	-	113,593
In-kind contributions	219,872	-	219,872
Other income	1,200	-	1,200
Special event revenue	329,341	-	329,341
Less: cost of direct donor benefits	(159,379)	-	(159,379)
Special event revenue, net	169,962	-	169,962
Net assets released from restrictions	68,102	(68,102)	-
Total support & revenue	1,685,038	221,868	1,906,906
Expenses			
Program	1,343,920	-	1,343,920
Management & General	172,392	-	172,392
Fundraising	328,494	-	328,494
Total expenses	1,844,805	-	1,844,805
Changes in net assets	(159,768)	221,868	62,100
Net assets, beginning of year	2,636,883	87,742	2,724,625
Net assets, end of year	\$ 2,477,115	\$ 309,610	\$ 2,786,725

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

Cancer Support Community Arizona
Statement of Activities
For the Year Ending December 31, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support & revenue			
Contributions & bequests	\$ 657,534	\$ 2,492	\$ 660,026
Grants	405,447	60,833	466,280
Strategic partnership contracts	190,379	-	190,379
Investment earnings, net	113,233	-	113,233
In-kind contributions	100,818	-	100,818
Other income	9,405	-	9,405
Special event revenue	265,226	-	265,226
Special event in-kind revenue	7,774	-	7,774
Less: cost of direct donor benefits	(27,231)	-	(27,231)
Special event revenue, net	<u>245,769</u>	<u>-</u>	<u>245,769</u>
Net assets released from restrictions	166,444	(166,444)	-
Total support & revenue	<u>1,889,029</u>	<u>(103,119)</u>	<u>1,785,910</u>
Expenses			
Program	1,284,830	-	1,284,830
Management & General	262,631	-	262,631
Fundraising	396,615	-	396,615
Total expenses	<u>1,944,076</u>	<u>-</u>	<u>1,944,076</u>
Changes in net assets	<u>(55,047)</u>	<u>(103,119)</u>	<u>(158,166)</u>
Net assets, beginning of year	2,691,930	190,861	2,882,791
Net assets, end of year	<u>\$ 2,636,883</u>	<u>\$ 87,742</u>	<u>\$ 2,724,625</u>

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

Cancer Support Community Arizona
Statements of Cash Flows
For the Years Ending December 31, 2024 and December 31, 2023

	2024	2023
Operating activities		
Change in net assets	\$ 62,100	\$ (158,166)
Adjustments to reconcile changes in net assets to net cash from operating activities:		
Depreciation	46,167	33,958
Net realized and unrealized losses (gains) on investments	(96,010)	-
(Increase) contributed property & equipment capitalized	-	(20,000)
(Increase) decrease in investments, net	-	(67,589)
(Increase) decrease in accounts receivable	(8,768)	17,295
(Increase) in contributions receivable	115,053	(42,286)
(Increase) decrease in prepaid expenses	(16,101)	2,940
(Increase) decrease in endowment	6,490	(45,644)
(Increase) decrease in security deposit	-	-
Increase (decrease) in accounts payable	13,220	16,315
Increase (decrease) in accrued payroll liabilities	42,993	(56,255)
Increase (decrease) in due to others	-	(6,300)
Increase (decrease) in deferred revenue	1,250	23,750
Net cash (used for) provided by operating activities	166,394	(301,982)
Investing activities		
Purchase of property & equipment	-	(27,551)
Purchase of investments	(25,260)	-
Sales of investments	183,588	-
Net cash (used for) investing activities	158,328	(27,551)
Net change in cash & cash equivalents	324,722	(329,533)
Cash & cash equivalents		
Beginning of year	150,744	480,276
End of year	\$ 475,466	\$ 150,744

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

**Cancer Support Community Arizona
Statement of Functional Expenses
For the Year Ending December 31, 2024**

	Program	Management & General	Fundraising	Total
Salaries & wages	\$ 726,367	\$ 28,546	\$ 151,092	\$ 906,005
Payroll taxes	57,929	2,241	12,053	72,223
Payroll benefits	52,422	2,551	10,297	65,271
Total payroll expenses	836,719	33,338	173,442	1,043,499
Accounting	-	63,065	-	63,065
Advertising & marketing	9,661	1,785	8,298	19,744
Community events & relations	81,395	120	36,599	118,114
Contracted services	100,122	330	-	100,452
Depreciation & amortization	39,242	3,462	3,462	46,167
Direct public support	28,880	217	-	29,097
Fundraising events	-	-	159,379	159,379
Information technology	1,692	1,487	32	3,212
Insurance	38,356	2,818	6,360	47,533
Occupancy	46,263	4,082	4,848	55,193
Office expense	58,759	18,879	38,403	116,041
Professional fees	1,246	40,013	56,345	97,604
Supplies	96,285	102	172	96,560
Travel	5,052	2,624	507	8,183
Miscellaneous expense	247	70	25	342
Total expenses	1,343,920	172,392	487,873	2,004,184
Less expenses included with support & revenue in the Statement of Activities				
Cost of direct benefits to donors	-	-	(159,379)	(159,379)
Total expenses	\$ 1,343,920	\$ 172,392	\$ 328,494	\$ 1,844,805

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

**Cancer Support Community Arizona
Statement of Functional Expenses
For the Year Ending December 31, 2023**

	Program	Management & General	Fundraising	Total
Salaries & wages	\$ 772,754	\$ 97,853	\$ 183,609	\$ 1,054,216
Payroll taxes	62,618	7,723	14,541	84,882
Payroll benefits	56,804	5,233	12,602	74,639
Total payroll expenses	892,176	110,809	210,752	1,213,737
Accounting	-	65,872	-	65,872
Advertising & marketing	54,633	-	22,130	76,763
Assistance to others	30,443	-	-	30,443
Community events & relations	21,412	-	-	21,412
Conference & meeting	2,031	6,696	1,608	10,335
Contract	77,807	30,078	-	107,885
Depreciation & amortization	18,778	7,590	7,590	33,958
Event expense	-	-	88,620	88,620
Information technology	8,731	7,453	8,626	24,810
Insurance	12,805	9,343	8,628	30,776
Occupancy	63,638	10,114	5,182	78,934
Office expense	69,499	7,030	24,671	101,200
Other fees for service	29,665	5,496	5,840	41,001
Professional fees	-	-	38,320	38,320
Travel	3,212	2,150	1,879	7,241
Total expenses	1,284,830	262,631	423,846	1,971,307
Less expenses included with support & revenue in the Statement of Activities				
Cost of direct benefits to donors	-	-	(27,231)	(27,231)
Total expenses	\$ 1,284,830	\$ 262,631	\$ 396,615	\$ 1,944,076

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

Cancer Support Community Arizona
Notes to the Financial Statements
For the Years Ended December 31, 2024 and December 31, 2023

NOTE 1 – ORGANIZATION

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.

Cancer Support Community Arizona
Notes to the Financial Statements
For the Years Ended December 31, 2024 and December 31, 2023

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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Organization prepares its financial statements in accordance with generally accepted accounting principles promulgated in the United States of America (GAAP) for not-for-profit entities, in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2016-14, “Not-For-Profit Entities (Topic 958): Presentation of Financial Statements of Not-For-Profit Entities”, as well ASU No. 2014-09, “Revenue from Contracts with Customers” (Topic 606). The significant accounting and reporting policies used by the Organization are described subsequently to enhance the usefulness and understandability of the financial statements.

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.

Cancer Support Community Arizona
Notes to the Financial Statements
For the Years Ended December 31, 2024 and December 31, 2023

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.

Based on management's evaluation of the receivables at December 31, 2024 and 2023, management expects the amounts to be fully collectible and therefore has not established an allowance for uncollectable receivables.

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.

Financial Instruments and Credit Risk

The Organization maintains its cash deposits with financial institutions that are insured by the Federal Deposit Insurance Corporation (FDIC) up to a limit of \$250,000 per depositor, per bank. At times, cash balances may exceed federally insured limits.

As of December 31, 2024, the Organization had deposits that exceeded the FDIC-insured limits by approximately \$188,100. 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. Management believes the credit risk related to these uninsured balances is minimal.

Additionally, the Organization utilizes investment accounts that hold assets such as equities, mutual funds, and exchange traded funds to mitigate risk and enhance liquidity. These accounts may not be insured by the FDIC but are subject to other protections, such as SIPC coverage or investment-grade securities.

Management continues to evaluate options to reduce risk exposure related to uninsured cash deposits while ensuring liquidity for operational needs.

Cancer Support Community Arizona
Notes to the Financial Statements
For the Years Ended December 31, 2024 and December 31, 2023

Property and Equipment

The Organization records property and equipment additions over \$5,000 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 & equipment	5 - 7 years
Software & website	3 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 years ended December 31, 2024 or 2023.

Leases

At the beginning of an agreement or transaction, CSCAZ evaluates the arrangement for whether it contains a lease. When a lease is present and the term of the lease is greater than 12 months, the right-of-use (ROU) asset and lease liability are included on the Statement of Financial Position. These assets and liabilities represent the present value of the future minimum lease payments over the lease term. A discount rate is determined using the risk-free rate at the commencement date of the lease and is used in all present value calculations, including leases. For leases with terms less than 12 months, the lease payments are recorded as lease expense on a straight-line basis over the life of the lease.

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:

Cancer Support Community Arizona
Notes to the Financial Statements
For the Years Ended December 31, 2024 and December 31, 2023

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.

Cancer Support Community Arizona
Notes to the Financial Statements
For the Years Ended December 31, 2024 and December 31, 2023

Advertising and Marketing

Advertising and marketing costs are expensed as incurred and were \$19,744 and \$76,763 for the years ended December 31, 2024 and 2023 respectively.

Donated Services and In-kind Contributions

Contributions of donated materials and certain services are recorded at their estimated fair market values on the date of the contribution. The organization benefits from the contributed services of a substantial number of volunteers; however, under accounting rules donated services are only recorded in the financial statements if they meet the following criteria:

1. They create or enhance nonfinancial assets or
2. They require specialized skills and are performed by persons possessing those skills, and the Organization would normally purchase the services if they were not provided by donation.

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. Expense allocations are 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.

Cancer Support Community Arizona
Notes to the Financial Statements
For the Years Ended December 31, 2024 and December 31, 2023

Income Tax Status (continued)

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.

Recent Accounting Guidance

In June 2016, FASB issued ASU No. 2016-13, Financial Instruments – Credit Losses (Topic 326), which requires entities to recognize credit losses on an expected loss model, which is referred to as the current expected credit loss (CECL) model. The CECL model is applicable to the measurement of credit losses on financial assets measured at amortized cost, including loan receivables, held-to-maturity debt securities, and reinsurance receivables. It also applies to off-balance sheet credit exposures not accounted for as insurance (loan commitments, standby letters of credit, financial guarantees, and other similar instruments) and net investments in leases recognized by a lessor. The standard was effective for the Organization for the year ended December, 31, 2023. The Organization does not own any assets which are impacted by the new standard for the year ended December 31, 2024.

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:

Cancer Support Community Arizona
Notes to the Financial Statements
For the Years Ended December 31, 2024 and December 31, 2023

NOTE 3 – LIQUIDITY AND AVAILABILITY (continued)

	2024	2023
Financial assets:		
Cash & cash equivalents	\$ 475,466	\$ 150,744
Investments	488,589	550,906
Accounts & contributions receivable	55,593	161,878
Total financial assets	1,019,648	863,528
Less financial assets held to meet donor-imposed restrictions (note 11):	309,610	87,742
Total amount available for general expenditures within one year	\$ 710,038	\$ 775,786

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 endowment 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.

Cancer Support Community Arizona
Notes to the Financial Statements
For the Years Ended December 31, 2024 and December 31, 2023

NOTE 4 – INVESTMENTS (continued)

Investments consist of the following at December 31, 2024:

	Level 1 Investments	Level 2	Level 3 Endowment	Total
Assets held at Community Foundation			\$ 369,127	\$ 369,127
Mutual funds	44,218			44,218
Exchange traded funds	282,237			282,237
Equities	144,071			144,071
Other assets	18,063			18,063
Total	\$ 488,589		\$ 369,127	\$ 857,716

Investments consist of the following at December 31, 2023:

	Level 1 Investments	Level 2	Level 3 Endowment	Total
Assets held at Community Foundation			\$ 375,617	\$ 375,617
Exchange traded funds	300,571			300,571
Equities	146,741			146,741
Bonds	45,566			45,566
Cash	40,286			40,286
Other assets	17,742			17,742
Total	\$ 550,906		\$ 375,617	\$ 926,523

The following is a reconciliation of the beginning and ending balance of assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the years ended December 31:

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

	Endowment	Board Quasi Endowment	Total
Balance at December 31, 2022	\$ 14,000	\$ 315,973	\$ 329,973
Purchases/contributions			
Investment return (loss), net		45,644	45,644
Deposits/additions (withdrawals)			
Balance at December 31, 2023	14,000	361,617	375,617
Purchases/contributions			
Investment return (loss), net		43,510	43,510
Deposits/additions (withdrawals)		(50,000)	(50,000)
Ending Balance at December 31, 2024	\$ 14,000	\$354,767	\$ 369,127

Cancer Support Community Arizona
Notes to the Financial Statements
For the Years Ended December 31, 2024 and December 31, 2023

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, 2024 and 2023 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, the Organization retains in perpetuity and classifies 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. The Organization considers 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

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NOTE 5 - ENDOWMENT AND BOARD DESIGNATED FUNDS
(Continued)

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

	With Donor Restrictions	Without Donor Restrictions	Total
December 31, 2024			
Board-designated endowment funds	\$	\$ 355,127	\$ 355,127
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		4,000
	\$ 14,000	\$ 355,127	\$ 369,127
December 31, 2023			
Board-designated endowment funds	\$	\$ 361,617	\$ 361,617
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		4,000
	\$ 14,000	\$ 361,617	\$ 375,617

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). The Organization 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 years or at the years ended December 31, 2024 or 2023.

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).

Cancer Support Community Arizona
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NOTE 6 – ACCOUNTS AND CONTRIBUTIONS RECEIVABLE

Accounts and contributions receivable are estimated to be collected within one year. The organization does not expect any accounts to be uncollectable, and therefore has not recorded an allowance for doubtful accounts. One donor accounted for 28% of the total receivable balance, at December 31, 2023.

NOTE 7 – PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31:

	<u>2024</u>	<u>2023</u>
Land	\$ 963,853	\$ 963,853
Building & improvements	886,016	886,583
Furniture & equipment	32,849	69,956
Vehicles	32,574	32,574
Software	47,550	47,550
Total property & equipment	<u>1,962,842</u>	<u>2,000,516</u>
Less accumulated depreciation & amortization	<u>(484,732)</u>	<u>(476,239)</u>
Property & equipment, net	\$1,478,110	\$ 1,524,277

NOTE 8 – LINE OF CREDIT

The Organization has open and active credit card accounts issued by Alliance Bank and Cross River Bank with an aggregate credit limit of \$35,000. Outstanding balances not paid in full on or before the due date bear interest at various rates. Unpaid balances are reported as accounts payable.

NOTE 9 – LEASES

The Organization leases office space, which expires in 2026, and office equipment, which expires in 2025. Both leases are classified as operating leases under ASC 842.

The Organization has elected the short-term lease exemption for all leases with a term of 12 months or less for both existing and ongoing operating leases to not recognize the asset and liability for these leases. Lease payments for short-term leases are recognized on straight-line basis.

The weighted-average discount rate is based on the discount rate implicit in the lease. The Organization has elected the option to use the risk-free rate determined using a period comparable to the lease terms as the discount rate for leases where the implicit rate is not readily determinable and has applied the risk-free rate option to the office space and equipment classes of assets.

Cancer Support Community Arizona
Notes to the Financial Statements
For the Years Ended December 31, 2024 and December 31, 2023

NOTE 9 – LEASES (Continued)

Upon adoption of ASC842, the Organization elected the package of practical expedients that permits no reassessment at adoption of (i) expired or existing contracts to determine whether they are or contain a lease, (ii) the lease classification of any existing leases, or (iii) initial direct costs for existing leases.

The right-of-use (ROU) assets and corresponding liability associated with future lease payments as of the years ended December 31, 2024 and 2023:

	Operating 2024	2023
Weighted average:		
Discount rate	1.20%	1.20%
Remaining lease term (in years)	1.08	2.06

For the year ended December 31, 2024, total operating lease expense was \$40,630 and cash paid for rent was \$42,170 while for the year ended December 31, 2023, total operating lease expense was \$42,662 and cash paid for rent was \$41,394.

Future maturities of lease liabilities as of the year ended December 31, 2024:

	Office Space	Office Equipment	Total
2025	\$ 37,613	\$ 5,060	\$ 42,673
2026	3,141	-	3,141
Total lease payments	40,754	5,060	45,814
Less interest	(283)	(10)	(293)
Total Lease obligations	\$ 40,658	\$ 5,666	\$ 46,324

In the normal course of business, operating leases are generally renewed or replaced by other leases.

NOTE 10 – REVENUE FROM CONTRACTS WITH CUSTOMERS

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

	2024	2023
Deferred revenue, beginning of year	\$23,750	\$-
Revenue recognized that was included in deferred revenue at the beginning of year	(23,750)	-
Increases in deferred revenue due to cash received during the year	25,000	23,750
Deferred revenue, end of year	\$25,000	\$23,750

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NOTE 11 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted entirely of amounts designated by donors for specific purposes, and will be released when those restrictions are satisfied. The exception is the \$14,000 of permanently restricted endowment funds, which are designated by the donor to be held in perpetuity.

Amounts received and released by satisfying donor conditions or purpose restrictions in the current year are reported in without donor restrictions and totaled \$377,840 and \$372,487 during the years ended December 31, 2024 and 2023, respectively.

NOTE 12 - CONCENTRATION OF REVENUE

The Organization receives its revenue primarily from contributions and earned revenue. Three hospital partners make up substantially all of the organization’s strategic partnership contracts.

NOTE 13 – DONATED PROFESSIONAL SERVICES AND MATERIALS

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

	Program	Management & General	Fundraising	Total
December 31, 2024				
Contract	\$ 42,794	\$ 16,234		\$ 59,028
Office expense	85,388			85,388
Subtotal	128,182	16,234	-	144,415
Event expense			75,457	75,457
Total	\$ 128,182	\$ 16,234	\$75,457	\$ 219,872
December 31, 2023				
Contract	\$ 36,777	\$ 8,983		\$ 45,760
Occupancy	5,364	947		6,311
Office expense	13,112			13,112
Other expense	13,135			13,135
Subtotal	68,388	9,930	-	78,318
Event expense	-		10,274	10,274
Total	\$ 68,388	\$ 9,930	\$ 10,274	\$ 88,592

During the year ended December 31, 2023, professional website services, with a fair market value of \$20,000 as determined by the donor, were donated and capitalized.

Cancer Support Community Arizona
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NOTE 14 – 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). Enrollment in the 401(k) plan is available for full time employees after six months of continuous employment with the Organization. Other employees may be eligible as well, at the discretion of the Organization.

NOTE 15 – SUBSEQUENT EVENTS

Subsequent events have been evaluated by management through July 1, 2025, the date the report was made available for issuance. Events occurring after that date have not been evaluated to determine whether a change to the financial statements would be required.

These notes are an integral part of the accompanying financial statements.