

**CANDLELIGHTERS FOR CHILDHOOD  
CANCER OF SOUTHERN NEVADA, INC.  
DBA CANDLELIGHTERS CHILDHOOD  
CANCER FOUNDATION OF NEVADA**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2025**

**CANDLELIGHTERS FOR CHILDHOOD CANCER OF SOUTHERN NEVADA, INC.  
DBA CANDLELIGHTERS CHILDHOOD CANCER FOUNDATION OF NEVADA  
FINANCIAL STATEMENTS  
DECEMBER 31, 2025**

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*Independent Auditor's Report*

To the Board of Directors of  
Candlelighters for Childhood Cancer of Southern Nevada, Inc.  
dba Candlelighters Childhood Cancer Foundation of Nevada

Opinion

We have audited the accompanying financial statements of Candlelighters for Childhood Cancer of Southern Nevada, Inc. dba Candlelighters Childhood Cancer Foundation of Nevada (a nonprofit organization), which comprise the statement of financial position as of December 31, 2025, 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 financial statements referred to above present fairly, in all material respects, the financial position of Candlelighters for Childhood Cancer of Southern Nevada, Inc. dba Candlelighters Childhood Cancer Foundation of Nevada ("Candlelighters") as of December 31, 2025, 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. 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 Candlelighters 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 opinions.

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 the Candlelighters ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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



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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 Candlelighters 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 the Candlelighters 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.

Ellsworth & Stout, LLC

Las Vegas, Nevada  
March 24, 2026

**CANDLELIGHTERS FOR CHILDHOOD CANCER OF SOUTHERN NEVADA, INC.  
 DBA CANDLELIGHTER CHILDHOOD CANCER FOUNDATION OF NEVADA  
 STATEMENT OF FINANCIAL POSITION  
 DECEMBER 31, 2025**

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**ASSETS**

**Current Assets:**

Cash and cash equivalents	\$ 1,354,169
Grants receivable	22,871
Pledges receivable, net	361,539
Investments	1,261,629
Prepaid expenses and other assets	40,517
<b>Total current assets</b>	<u>3,040,725</u>

**Property and Equipment, net** 4,945,442

**Other Assets:**

Pledges receivable, net of current portion	821,878
<b>Total Assets</b>	<u><u>\$ 8,808,045</u></u>

**LIABILITIES AND NET ASSETS**

**Current Liabilities:**

Accounts payable	\$ 115,080
Accrued expenses	34,290
Unearned revenue	6,783
Current portion of long-term debt	29,499
<b>Total current liabilities</b>	<u>185,652</u>

**Long-Term Liabilities:**

Long-term debt, net of current maturities	3,059,257
<b>Total Liabilities</b>	<u>3,244,909</u>

**Net Assets:**

Without donor restrictions	3,847,366
With donor restrictions	1,715,770
<b>Total net assets</b>	<u>5,563,136</u>
<b>Total Liabilities and Net Assets</b>	<u><u>\$ 8,808,045</u></u>

*See accompanying notes to the financial statements.*

**CANDLELIGHTERS FOR CHILDHOOD CANCER OF SOUTHERN NEVADA, INC.  
 DBA CANDLELIGHTERS CHILDHOOD CANCER FOUNDATION OF NEVADA  
 STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED DECEMBER 31, 2025**

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**Net Assets without Donor Restrictions**

Revenue and other support:

Contributions	\$ 595,462
Grant revenue	458,799
Special events, net of direct costs of \$95,449	660,164
In-kind donations	30,610
Investment income, net	81,906
Net assets released from donor restrictions	898,868
	<u>2,725,809</u>

Expenses:

Program services	1,781,154
Supporting services:	
Management and general	293,190
Fundraising	540,773
	<u>2,615,117</u>

Other income (expense):

Loss on disposal of property and equipment	(1,991)
Gain on lease termination	2,306
Other income	12,048
Rental income, net of expenses of \$285,705	(120,458)
Net realized and unrealized gain on investments	76,763
	<u>(31,332)</u>

Increase in net assets without donor restrictions	<u>79,360</u>
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**Net Assets with Donor Restrictions**

Contributions	1,479,115
Grant revenue	257,500
Net assets released from donor restrictions	(898,868)

Increase in net assets with donor restrictions	<u>837,747</u>
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<b>Increase in Net Assets</b>	<b>917,107</b>
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<b>Net Assets, Beginning of Year</b>	<b>4,646,029</b>
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<b>Net Assets, End of Year</b>	<b>\$ 5,563,136</b>
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*See accompanying notes to the financial statements.*

**CANDLELIGHTERS FOR CHILDHOOD CANCER OF SOUTHERN NEVADA, INC.  
 DBA CANDLELIGHTERS CHILDHOOD CANCER FOUNDATION OF NEVADA  
 STATEMENT OF FUNCTIONAL EXPENSES  
 FOR THE YEAR ENDED DECEMBER 31, 2025**

	Program	Management and General	Fundraising	Total
Advertising	\$ 27,128	\$ 11,304	\$ 6,782	\$ 45,214
Bad debt	-	8,450	-	8,450
Bank and credit card fees	1,853	926	15,749	18,528
Capital campaign	-	-	300,119	300,119
Depreciation and amortization	55,513	6,531	3,265	65,309
Education and training	11,925	3,180	795	15,900
Equipment rental and maintenance	42,622	5,014	2,507	50,143
Fundraising	-	-	59,591	59,591
Insurance	18,149	2,135	1,068	21,352
Interest	111,065	13,067	6,533	130,665
Licenses, dues and subscriptions	29,286	3,445	1,723	34,454
Office expenses and other	43,477	5,115	2,557	51,149
Professional fees	-	135,846	-	135,846
Program expenses	715,582	-	-	715,582
Rent and utilities	12,704	1,495	747	14,946
Salaries, taxes and benefits	711,850	96,682	139,337	947,869
	<u>\$ 1,781,154</u>	<u>\$ 293,190</u>	<u>\$ 540,773</u>	<u>\$ 2,615,117</u>

*See accompanying notes to the financial statements.*

**CANDLELIGHTERS FOR CHILDHOOD CANCER OF SOUTHERN NEVADA, INC.  
DBA CANDLELIGHTERS CHILDHOOD CANCER FOUNDATION OF NEVADA  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2025**

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<b>Cash Flows from Operating Activities</b>	
Increase in net assets	\$ 917,107
Adjustments to reconcile increase in net assets to net cash used in operating activities:	
Net present value discount on pledges receivable	116,583
Bad debt	8,450
Depreciation and amortization	116,478
Loss on disposal of property and equipment	1,991
Gain on lease termination	(2,306)
Net realized and unrealized gain on investments	(76,763)
Amortization on debt issuance costs	2,076
Changes in operating assets and liabilities:	
(Increase) decrease in grants receivable	(22,871)
(Increase) decrease in pledges receivable	(857,750)
(Increase) decrease in inventory	25,488
(Increase) decrease in prepaid expenses and other assets	(15,450)
(Increase) decrease in deposits	4,000
Increase (decrease) in accounts payable	(19,048)
Increase (decrease) in accrued expenses	7,104
Increase (decrease) in grants received in advance	(364,705)
Increase (decrease) in unearned revenue	6,783
Net cash provided by operating activities	<u>(152,833)</u>
<b>Cash Flows from Investing Activities</b>	
Purchases of investments	1,076,456
Proceeds from sale of investments	(865,508)
Purchase of property and equipment	<u>(181,984)</u>
Net cash provided by investing activities	<u>28,964</u>
<b>Cash Flows from Financing Activities</b>	
Principal payments on long-term debt	(300,000)
Principal finance lease payments	<u>(4,968)</u>
Net cash used in financing activities	<u>(304,968)</u>
<b>Net Change in Cash and Cash Equivalents</b>	(428,837)
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>1,783,006</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 1,354,169</u>
<b>Supplemental disclosure of cash flow information:</b>	
Interest paid	<u>\$ 236,982</u>

*See accompanying notes to the financial statements.*

**CANDLELIGHTERS FOR CHILDHOOD CANCER OF SOUTHERN NEVADA, INC.  
DBA CANDLELIGHTERS CHILDHOOD CANCER FOUNDATION OF NEVADA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2025**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

This summary of significant accounting policies of Candlelighters Childhood Cancer Foundation of Nevada (“Candlelighters”) is presented to assist in understanding Candlelighters financial statements. The financial statements and notes are representations of Candlelighters management, which is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

**Nature of Candlelighters**

Candlelighters is the first and oldest non-profit organization in Nevada serving families coping with childhood cancer. Two families, each with a child in cancer treatment, founded Candlelighters in 1978, believing that families could find strength, knowledge, and comfort by banding together.

For forty-five years, our mission has been to provide emotional support, quality of life programs, and financial assistance for children and their families affected by childhood cancer. Our services are a critical lifeline for families facing a cancer diagnosis. On a daily basis, we help families cope with the emotional trauma and financial hardship evoked by a childhood cancer diagnosis. All too often, families fall apart from the stress of the child's diagnosis, treatment, potential relapse, and, sometimes, death, leaving parents and siblings feeling isolated, depressed, and vulnerable. Our purpose is to alleviate the isolation many families feel at the time their child is diagnosed with cancer and provide access to financial resources, mental health services, and family support to ensure their ability to focus on the most critical element of cancer treatment-their child’s survival.

All services are provided to the entire family, at no cost.

Our programs fall into three key areas:

Financial Assistance

Many people do not realize the significant financial stress and hardship a childhood cancer diagnosis creates for a family. While dealing with the emotional impact of a cancer diagnosis and the immediate need to begin treatment, parents also face the unexpected and unplanned increase in financial obligations, commonly associated with a cancer diagnosis. Out of pocket expenses due to medical co-payments, prescription costs, and other additional costs associated with cancer treatment coupled with unpaid time off to care for the diagnosed child creates financial instability within the home. Candlelighters allocates up to \$4,000 per calendar year per family for financial assistance. Qualifying expenses include rent or mortgage, utilities, gas, and local transportation needs.

Candlelighters also provides a medical and prescription co-payment reimbursement program. The reimbursement is based on a sliding scale that factors in household income and number of individuals within the household. In addition to the assistance noted above, other financial assistance includes:

*Travel for Treatment*

While children typically receive treatment in Southern Nevada, it is common for families and their children to travel to other states for specialized treatments, such as bone marrow transplants and brain tumor treatment. Should a family face the need to travel for care, Candlelighters assists with airfare, lodging, car rental, food reimbursement, and gas cards to help offset the financial burden of travel.

**CANDLELIGHTERS FOR CHILDHOOD CANCER OF SOUTHERN NEVADA, INC.  
DBA CANDLELIGHTERS CHILDHOOD CANCER FOUNDATION OF NEVADA  
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED  
DECEMBER 31, 2025**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Nature of Candlelighters (Continued)**

*Bereavement Support*

Candlelighters provides funeral assistance to families whose children lost their battle with cancer. Candlelighters assists the family with a \$5,000 payment towards the funeral costs. Funerals that fall below the allocated amount are paid in full by Candlelighters. For fiscal year 2026, Candlelighters increased this support to \$10,000.

*Survivor Scholarships*

One of the greatest joys Candlelighters parents can experience is seeing their child survive cancer and go on to pursue opportunities in higher education. Candlelighters is proud to be able to fund scholarships to surviving children for college, trade and technical schools.

Emotional Support

The emotional and psychological toll of childhood cancer is crucial for the child, the family and the siblings. We ensure the entire family is supported throughout the childhood cancer journey and both short-term and long-term impact are addressed. Emotional support services provided consist of counseling, support groups, art and play therapy. Families may access our counseling services at any time during their cancer journey: at diagnosis, during treatment, survivorship, and bereavement.

Quality of Life Programs

To help alleviate the isolation many families feel, Candlelighters provides family-focused opportunities for parents, the diagnosed child, and siblings to connect with other families who understand their journey. These programs are offered in a fun, community setting giving the families a sense of normalcy during and after treatment while creating meaningful and lasting memories. A few of these activities include movie nights, Halloween Bash, holiday parties and a holiday adopt-a-family.

*Camp Firefly*

Candlelighters offers a medically supervised camp each summer. A five-day four night camp is open to any Candlelighters child diagnosed with cancer and their siblings, ages 7-17. Staff lead a robust committee of dedicated volunteers to plan and coordinate camp activities and logistics. Each year, Candlelighters provides 150 camp openings free of charge to families.

*Arts/Education Program*

Candlelighters recognizes the scientifically proven impact of the arts on reducing stress levels of the child and family and promoting their healing process during treatment. Candlelighters offers art education through a Creative Expressions art program. Proven positive outcomes include: (a) lowered stress and anxiety levels; (b) procedures and treatment conducted with more ease shortening treatment time; (c) shortens hospital stays; (d) improves healing process.

**Basis of Presentation**

The financial statements of Candlelighters have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities. Candlelighters presents a classified statement of financial position with additional qualitative information about the availability of resources and liquidity in Note 2.

**CANDLELIGHTERS FOR CHILDHOOD CANCER OF SOUTHERN NEVADA, INC.  
DBA CANDLELIGHTERS CHILDHOOD CANCER FOUNDATION OF NEVADA  
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED  
DECEMBER 31, 2025**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Basis of Presentation (Continued)**

The accompanying financial statements have been presented in accordance with accounting principles generally accepted in the United States of America applicable to not-for-profit organizations, principally Accounting Standards Codification (“ASC”) 958, *Not-for-Profit Entities*. Under ASC 958 (as amended by Accounting Standards Update (“ASU”) 2016-14), Candlelighters is required to report information regarding its financial position and changes in financial position according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. The classification of net assets is based on the existence or absence of donor-imposed restrictions. Net assets are released from donor restriction by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by donors.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses. Accordingly, actual results could differ from those estimates.

**Cash and Cash Equivalents**

For the purpose of the statement of cash flows, Candlelighters considers all highly liquid investments available for current use with an original maturity of three months or less to be cash equivalents.

Candlelighters has concentrated its credit risk for cash by maintaining deposits in financial institutions, which at times may exceed amounts covered by insurance provided by the U.S. Federal Deposit Insurance Corporation (“FDIC”). Candlelighters has not experienced any losses in these accounts and believes it is not exposed to any significant credit risk to cash.

**Investments**

Investments in debt and equity securities with readily determinable fair values are carried at fair value based on quoted prices in active markets (all Level 1 measurements) in the statement of financial position. Unrealized gains and losses are included in the accompanying statement of activities. External and direct internal expenses related to investment revenues amounted to \$16,333 and have been netted against investment revenues in the accompanying statement of activities.

**Property and Equipment**

Candlelighters capitalizes significant expenditures for property and equipment at cost, generally those that exceed \$2,500 and have a useful life greater than one year. Property and equipment that are contributed to Candlelighters are recorded at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range between three to forty years.

**CANDLELIGHTERS FOR CHILDHOOD CANCER OF SOUTHERN NEVADA, INC.  
DBA CANDLELIGHTERS CHILDHOOD CANCER FOUNDATION OF NEVADA  
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED  
DECEMBER 31, 2025**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Leases**

Candlelighters has elected to apply the portfolio approach to account for Right-of-Use (“ROU”) assets and liabilities, where applicable.

Candlelighters has elected the practical expedient that does not require Candlelighters to separate lease and non-lease components for its leases.

Candlelighters has elected the short-term lease recognition exemption for all applicable classes of underlying assets. Short-term disclosures include only those leases with a term greater than one month and 12 months or less, and expense is recognized on a straight-line basis over the lease term. Leases with an initial term of 12 months or less that do not include an option to purchase the underlying asset that Candlelighters is reasonably certain to exercise, are not recorded on the statement of financial position.

Candlelighters leases personal property and real property, which ended in 2024. The determination of whether an arrangement is a lease is made at the lease’s inception. Under ASC 842, a contract is (or contains) a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined under the standard as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset. Management only reassesses its determination if the terms and conditions of the contract are changed.

ROU assets represent Candlelighters’ right to use an underlying asset for the lease term, and lease liabilities represent Candlelighters’ obligation to make lease payments. ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term using the applicable rate. For the year ended December 31, 2025, there were no new lease commencements.

**Revenue Recognition**

Contributions and grants 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. Support that is not restricted by the donor is reported as an increase in net assets without donor restrictions. All other donor restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires (that is when a stipulated time restriction ends or purpose restriction is accomplished), 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.

Contributions may be considered conditional or unconditional. A conditional contribution exists if both a) one or more barriers exist and b) the right of return to the contributor for assets transferred (or a right of release of the promisor from its obligation) depends on overcoming the stated barriers before a recipient is entitled to the assets transferred or promised. In cases of ambiguous donor stipulations or stipulations that are not clearly unconditional, contributions are presumed to be conditional. Conditional contributions are recognized when conditions have been substantially met or waived by the donor. Unconditional contributions are recognized when received or when the right to receive is obtained through documentation.

**CANDLELIGHTERS FOR CHILDHOOD CANCER OF SOUTHERN NEVADA, INC.  
DBA CANDLELIGHTERS CHILDHOOD CANCER FOUNDATION OF NEVADA  
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED  
DECEMBER 31, 2025**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Revenue Recognition (Continued)**

Grant revenue may be considered a contribution, entirely an exchange transaction, or a combination of the two. If a grant is considered a contribution, it is recognized as described in the above paragraph. If a grant is considered an exchange transaction, it falls under the guidance of Topic 606 and additional steps are taken to ensure correct recording of revenue. The performance obligation is satisfied when the services outlined in the grant contract are rendered. For the year ended December 31, 2025, all exchange grant revenue was recognized at a point-in-time when services were performed.

**Contributed Materials and Services**

Candlelighter’s policy related to gifts in-kind is to utilize the assets given to carry out the mission of the Agency. If an asset is provided that does not allow Candlelighters to utilize it in its normal course of business, the asset will be declined or sold at its fair market value as determined by appraisal or specialist depending on the type of asset.

Generally, donated materials, if significant in amount, are recorded at their fair market value, provided Candlelighters has a clearly measurable and objective basis for determining the value. In the case of materials where such values cannot reasonably be determined, the donation is not recorded.

Donated professional services are recognized if the services received (a) create or enhance non-financial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Donated program services mainly consist of cab rides for clients and are recorded at the fair market value of what Candlelighter’s would have paid on the date of service.

Unpaid volunteers have donated their time to Candlelighter’s programs. The value of such services has not been reflected in the accompanying financial statements since the volunteers’ time does not meet the criteria for recognition as contributed services. The amounts reflected in the accompanying financial statements as in-kind donations revenue are offset by amounts included in the professional services expense and program expense categories.

The fair values of in-kind donations are summarized as follows:

Program services	\$ 24,035
Program supplies	6,575
	<u>\$ 30,610</u>

Noncash contributions were all included in the program function on the statement of functional expenses for the year ended December 31, 2025.

**CANDLELIGHTERS FOR CHILDHOOD CANCER OF SOUTHERN NEVADA, INC.  
DBA CANDLELIGHTERS CHILDHOOD CANCER FOUNDATION OF NEVADA  
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED  
DECEMBER 31, 2025**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Income Taxes**

Candlelighters is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no income tax is reflected in the accompanying financial statements. Candlelighters qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(vi) and has been classified as a foundation that is not a private foundation within the meaning of Section 509(a)(1) of the Code.

Management has evaluated the tax positions taken within their tax returns and does not believe there are any significant uncertain positions taken on the returns.

Candlelighters is no longer subject to potential income tax examinations by tax authorities for years for which the statute of limitations has expired.

**Allocation Methodology**

The statement of functional expenses presents expenditures by both their nature and their function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. All expenses are allocated based on management's estimate of time and effort, except for those expenditures that are considered direct expenses.

**Advertising**

Advertising costs are expensed as incurred.

**NOTE 2 – LIQUIDITY AND AVAILABILITY**

As of December 31, 2025, Candlelighters has \$2,106,316 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures consisting of \$1,354,169 cash and cash equivalents, \$22,871 of grants receivable, \$75,000 of pledges receivable, and \$654,276 of investments. Contractual or donor-imposed restrictions are not available for general expenditure.

As part of Candlelighters liquidity management, it structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

**NOTE 3 – PLEDGES RECEIVABLE**

Certain Nevada businesses and individuals have made pledges in support of the Candlelighters. In accordance with ASC 958, *Not-for-Profit Entities*, the promises to give are recorded at their present value when present value versus cash received is significantly different.

**CANDLELIGHTERS FOR CHILDHOOD CANCER OF SOUTHERN NEVADA, INC.  
 DBA CANDLELIGHTERS CHILDHOOD CANCER FOUNDATION OF NEVADA  
 NOTES TO THE FINANCIAL STATEMENTS – CONTINUED  
 DECEMBER 31, 2025**

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**NOTE 3 – PLEDGES RECEIVABLE (Continued)**

As of December 31, 2025, pledges receivable consisted of the following:

Receivable in less than one year	\$ 375,000
Receivable in one to five years	925,000
Total unconditional promises to give	<u>1,300,000</u>
Less discounts to net present value	<u>(116,583)</u>
Net unconditional promises to give	<u><u>\$ 1,183,417</u></u>

As of December 31, 2025, the following table presents pledges receivable as shown on the statement of financial position:

Current unconditional promises to give	\$ 361,539
Present value of noncurrent unconditional promises to give	<u>821,878</u>
Total unconditional promises to give, net of present value	<u><u>\$ 1,183,417</u></u>

**NOTE 4 – PROPERTY AND EQUIPMENT**

As of December 31, 2025, property and equipment consisted of the following:

Non-depreciable assets:	
Land	\$ 966,565
Construction in progress	300,726
Depreciable assets:	
Building	3,817,818
Furniture and equipment	<u>63,871</u>
	5,148,980
Less: accumulated depreciation	<u>(203,538)</u>
	<u><u>\$ 4,945,442</u></u>

Depreciation expense for the year ended December 31, 2025 was \$116,478, which \$65,309 is included in the depreciation and amortization total on the statement of functional expenses and \$51,169 is netted against rental income on the statement of activities.

**NOTE 5 – FAIR VALUE MEASUREMENTS**

Candlelighters measures certain financial assets and liabilities at fair value on a recurring basis, and certain non-financial assets and liabilities on a nonrecurring basis. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in the principal or most advantageous market in an orderly transaction between market participants on the measurement date.

**CANDLELIGHTERS FOR CHILDHOOD CANCER OF SOUTHERN NEVADA, INC.  
 DBA CANDLELIGHTERS CHILDHOOD CANCER FOUNDATION OF NEVADA  
 NOTES TO THE FINANCIAL STATEMENTS – CONTINUED  
 DECEMBER 31, 2025**

**NOTE 5 – FAIR VALUE MEASUREMENTS (Continued)**

Fair value disclosures are reflected in a three-level hierarchy, maximizing the use of observable inputs and minimizing the use of unobservable inputs. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability on the measurement date. The three levels are defined as follows:

Level 1 – inputs to the valuation methodology are quoted prices (unadjusted) for an identical asset or liability in an active market.

Level 2 – inputs to the valuation methodology include quoted prices for a similar asset or liability in an active market or model-derived valuations in which all significant inputs are observable for substantially the full term of the asset or liability.

Level 3 – inputs to the valuation methodology are unobservable and significant to the fair value measurement of the asset or liability.

As of December 31, 2025, fair values of assets measured were as follows:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Recurring fair value measurements:				
Equities	\$ 599,302	\$ 599,302	\$ -	\$ -
Fixed income	618,755	-	618,755	-
	<u>1,218,057</u>	<u>599,302</u>	<u>618,755</u>	<u>-</u>
Hedge Fund Investments Valued at NAV	43,572 *			
	<u>\$1,261,629</u>			

\* Certain investments that are measured at fair value using the net asset value per share practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the balance sheet. On the basis of its analysis of the nature, characteristics, and risks of investments, Candlelighters has determined that it is appropriate to present them as a single class.

**NOTE 6 – LONG-TERM DEBT**

Candlelighters has a non-revolving line of credit (the “loan”) issued by a financial institution with a principal amount of \$3.4 million. Upon the loan execution, total amount was drawn and utilized to purchase a building. The loan is collateralized by the building. The loan agreement provides for a non-revolving line of credit through June 4, 2026 (the “Draw Period”), during which advances may be requested up to the stated principal amount and monthly payments of accrued interest only are required, beginning July 4, 2024. During the Draw Period, interest accrues at a variable rate equal to 2.750% over the applicable Index as published by the Federal Reserve in Statistical Release H.15, subject to a minimum rate of 4.250% per annum and a maximum rate permitted by law. For the year ended December 31, 2025, a total of \$235,638 was paid in interest related to this loan. As of December 31, 2025, the principal amount due on the loan is \$3.1 million.

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**NOTE 6 – LONG-TERM DEBT (Continued)**

Upon expiration of the Draw Period, the outstanding principal balance converts to a term loan on June 4, 2026, at a fixed rate equal to 2.750% over the Five-Year United States Treasury Rate as of the conversion date, as published by the Federal Reserve. Beginning July 4, 2026, the Company is required to make fifty-nine equal monthly payments of principal and interest calculated using a 300-month amortization schedule, with the remaining outstanding principal balance, together with accrued interest and other amounts due, payable in a final balloon payment at maturity on June 4, 2031.

Loan fees in the amount of \$14,531 are being amortized over the life of the loan and are recorded net of the related debt on the statement of financial position. Accumulated amortization on loans fees is \$3,287 as of December 31, 2025.

As of December 31, long-term debt matures as follows based on a 6.49% interest rate:

2026	\$ 29,499
2027	53,234
2028	56,794
2029	60,591
2030	64,643
Thereafter	<u>2,835,239</u>
	<u>\$ 3,100,000</u>

**NOTE 7 – NET ASSETS WITH DONOR RESTRICTIONS**

Net assets are released from donor restrictions by incurring expenses satisfying the restricted purposes or by the occurrence of the passage of time or other events specified by donors. Net assets with donor restrictions are restricted for the following purposes as of December 31, 2025:

Subject to expenditure for specified purpose  
and/or passage of time:

Pledges receivable - time and/or restriction	\$ 1,108,417
Programs and other	345,617
Capital Campaign	127,373
Housing assistance	77,254
Counseling	45,992
Medical assistance	11,117
	<u>\$ 1,715,770</u>

As of December 31, 2025, net assets with donor restrictions consisted of pledges receivable of \$1,108,417 and investments of \$607,353.

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**NOTE 8 – CONCENTRATION**

For the year ended December 31, 2025, Candlelighters received approximately 42% of contributions and grant funding from two local foundations. The current level of Candlelighters operations and program services could be impacted, or segments discontinued, if funding for these programs was not renewed.

**NOTE 9 – SPECIAL EVENTS**

Special events net of direct costs, for the year ended December 31, 2025, consisted of the following:

5K Run/Walk	\$ 415,824
Halloween Bash	330,789
Other	2,000
Spring Fling	7,000
	<u>755,613</u>
Less: direct costs	(95,449)
	<u>\$ 660,164</u>

**NOTE 10 – RETIREMENT PLAN**

Candlelighters has a 401(k) Profit Sharing Plan covering all employees meeting age and length of service requirements. See plan documents for further details. For the year ended December 31, 2025, employer contributions were \$12,515.

**NOTE 11 – RELATED PARTY TRANSACTIONS**

During the year ended December 31, 2025, Candlelighters received cash contributions and sponsorships totaling \$33,786 and non-cash donations valued at \$7,108 from board members or companies in which board members held management positions.

**NOTE 12 – SUBSEQUENT EVENTS**

Management of Candlelighters has evaluated subsequent events through March 24, 2026, which is the date the financial statements were available to be issued. No events were identified that would require disclosure.