

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

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2017**

**CANDLELIGHTERS FOR CHILDHOOD CANCER OF SOUTHERN NEVADA, INC.  
DBA CANDLELIGHTERS CHILDHOOD CANCER FOUNDATION OF NEVADA  
FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

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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**

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, 2017, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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 as of December 31, 2017, 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.

*Ellsworth & Stout, LLC*

Las Vegas, Nevada  
June 12, 2018



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**CANDLELIGHTERS FOR CHILDHOOD CANCER OF SOUTHERN NEVADA, INC.  
 DBA CANDLELIGHTERS CHILDHOOD CANCER FOUNDATION OF NEVADA  
 STATEMENT OF FINANCIAL POSITION  
 DECEMBER 31, 2017**

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**ASSETS**

**Current Assets:**

Cash and cash equivalents	\$ 571,083
Investments	313,266
Investments, restricted	552,170
Prepaid expenses and other assets	48,443
<b>Total current assets</b>	<u>1,484,962</u>

<b>Property and Equipment, net</b>	37,086
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**Other Assets:**

Deposits	4,000
<b>Total Assets</b>	<u><u>\$ 1,526,048</u></u>

**LIABILITIES AND NET ASSETS**

**Current Liabilities:**

Accounts payable	\$ 42,445
Accrued expenses	19,944
Current maturities of capital lease obligations	2,566
Current maturities of deferred lease incentive	8,998
<b>Total current liabilities</b>	<u>73,953</u>

**Long-Term Liabilities:**

Capital lease obligation, net of current maturities	8,552
<b>Total Liabilities</b>	<u>82,505</u>

**Net Assets:**

Unrestricted	891,373
Temporarily restricted	552,170
<b>Total Net Assets</b>	<u>1,443,543</u>
<b>Total Liabilities and Net Assets</b>	<u><u>\$ 1,526,048</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, 2017**

**Unrestricted Net Assets**

Unrestricted revenue and other support:

Contribution and grant revenue	\$ 591,697
Special events, net of direct costs of \$119,419	329,086
In-kind contributions	176,423
Investment income	33,141
Net assets released from donor restrictions	379,626
	<u>1,509,973</u>

Expenses:

Program services	1,245,562
Supporting services:	
Management and general	77,886
Fundraising	131,269
	<u>1,454,717</u>

Other increase (decrease):

Net unrealized gain on investments	<u>68,700</u>
Increase in unrestricted net assets	<u>123,956</u>

**Temporarily Restricted Net Assets**

Contributions	410,666
Net assets released from donor restrictions	<u>(379,626)</u>
Increase in temporarily restricted net assets	<u>31,040</u>

**Increase in Net Assets**

154,996

**Net Assets, Beginning of Year**

1,288,547

**Net Assets, End of Year**

\$ 1,443,543

*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, 2017**

	Program	Management and General	Fundraising	Total
Advertising (in-kind of \$118,940)	\$ 149,226	\$ -	\$ -	\$ 149,226
Bank and credit card fees	16,805	1,787	1,994	20,586
Depreciation and amortization	10,132	1,410	1,282	12,824
Direct costs of programs	473,362	-	-	473,362
Equipment rental and maintenance	8,663	1,064	1,114	10,841
Fundraising	-	-	50,355	50,355
Insurance	12,252	1,706	1,551	15,509
Licenses, dues and subscriptions	2,413	292	661	3,366
Office supplies	22,578	1,744	3,026	27,348
Postage and delivery	3,207	371	337	3,915
Printing and publications	7,986	189	7,184	15,359
Professional fees	29,982	2,995	2,723	35,700
Rent and utilities	68,513	9,106	8,279	85,898
Salaries, taxes and benefits	433,696	57,166	51,970	542,832
Travel and conferences	5,636	28	752	6,416
Volunteer expenses	1,111	28	41	1,180
	<u>\$ 1,245,562</u>	<u>\$ 77,886</u>	<u>\$ 131,269</u>	<u>\$ 1,454,717</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, 2017**

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<b>Cash Flows from Operating Activities</b>	
Increase in net assets	\$ 154,996
Adjustments to reconcile increase in net assets to net cash and cash equivalents provided by operating activities:	
Depreciation and amortization	12,824
Unrealized gain on investments	(68,700)
Lease incentive	(1,922)
Changes in operating assets and liabilities:	
(Increase) decrease in prepaid expenses and other assets	(14,302)
Increase (decrease) in accounts payable	9,869
Increase (decrease) in accrued expenses	(16,608)
Net cash provided by operating activities	<u>76,157</u>
<b>Cash Flows from Investing Activities</b>	
Purchase of investments	(25,513)
Purchase of property and equipment	(16,440)
Net cash used in investing activities	<u>(41,953)</u>
<b>Cash Flows from Financing Activities</b>	
Principal payments on capital lease obligation	<u>(2,869)</u>
<b>Net Increase in Cash and Cash Equivalents</b>	31,335
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>539,748</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 571,083</u>
<b>Non-Cash Financing Activities</b>	
Acquisition of equipment through increase in capital lease obligation	<u>\$ 12,828</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, 2017**

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**NOTE 1 – NATURE OF ORGANIZATION**

Candlelighters for Childhood Cancer of Southern Nevada, Inc., dba Candlelighters Childhood Cancer Foundation of Nevada (the Foundation) is a nonprofit organization established in 1978. The Foundation provides support, education, hope and advocacy through programs and services for children and adolescents with cancer, their families and the professionals who care for them. The Foundation is primarily supported through corporate and private contributions, grants, and in-kind contributions. The majority of the Foundation's support comes from the Southern Nevada region.

Through its many services, the Foundation provides assistance for quality-of-life issues that are a large part of the childhood cancer experience, including disease-specific education, emotional support for the diagnosed child and the entire family, and community outreach. In certain circumstances, the Foundation also offers families' much-needed financial support, such as assistance with living expenses, transportation, prescription drug and co-pay assistance, scholarships and funeral assistance. The Foundation works with the parents of diagnosed children and healthcare providers to ensure each family receives the best possible medical treatment, as well as understands all community resources available to draw upon. Some of the most vital family services that Candlelighters provide include the following:

**Emergency Assistance**

The Foundation offers assistance to families who are struggling with the financial burden that a cancer diagnoses may have on a family. Often times, one parent loses time from work, therefore the family faces loss of income. In these instances, the Foundation helps lessen medical crisis burdens by providing resources to pay for living expenses, such as rental or mortgage assistance and utilities.

The Foundation also provides a co-payment reimbursement program for families who need assistance with medical and prescription drug co-payments. The reimbursement is based on a sliding scale; reimbursements are between 10 and 80 percent, based on the family's household income and number of individuals living in the home.

**Travel for Treatment**

While children typically receive treatment in Southern Nevada, it is not unusual for families and their children to travel to other states for specialized treatments, such as a bone marrow transplant. When struggling with medical expenses, it can be extraordinarily difficult for families to afford travel. The Foundation will arrange and pay for air and ground travel transportation, lodging, and may provide reimbursement for meals. The Foundation also provides families without a means of transportation, a local taxi program so they can get to doctors, radiation, and diagnostic appointments.

**Family Counseling**

A childhood cancer diagnosis and its aftermath can be devastating for the child and his/her entire family, but medical insurance does not always cover the costs of counseling. The Foundation helps families cope with the psychological burdens by offering service and support for professional counseling services. The Foundation contracts with a marriage and family therapist and the private sessions are conducted at the Foundation's offices, free of charge to the families.



**CANDLELIGHTERS FOR CHILDHOOD CANCER OF SOUTHERN NEVADA, INC.  
DBA CANDLELIGHTERS CHILDHOOD CANCER FOUNDATION OF NEVADA  
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
DECEMBER 31, 2017**

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**NOTE 1 – NATURE OF ORGANIZATION (Continued)**

**Camp Independent Firefly**

The Foundation 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. The Camp Director is an employee of the Foundation who leads a committee of volunteers to plan and coordinate camp activities and logistics. Each year the Foundation provides 150 camp openings free of charge to the Candlelighters Families.

**Child Life**

The Foundation provides child life interventions in out-patient clinics which include procedural education, support, distraction; medical play; disease, treatment education; therapeutic play; developmental assessments; coping techniques; therapeutic conversation; parenting education, support; and sibling education, support.

**Bereavement Support**

The Foundation provides funeral assistance to families whose children lost their battle with cancer. The Foundation assists the family with a \$5,000 payment towards the funeral costs. Funerals that fall below the allocated amount are paid in full by the Foundation.

**Arts/Education Program**

The Foundation recognizes the scientifically proven impact of the arts on reducing stress levels of the child and family and promoting their healing process during treatment. The Foundation delivers the art education program through art sessions at the partnering oncology clinics and delivered at a child's hospital bed while receiving treatment. Professional artists deliver the services. 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.

**Support Groups**

The Foundation provides support groups for parents, diagnosed children/teens and their siblings. Depending on the group, they meet at the Foundation's office monthly or every other month.

**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. The Foundation is proud to be able to fund scholarships to surviving children for college, trade and technical schools.

**CANDLELIGHTERS FOR CHILDHOOD CANCER OF SOUTHERN NEVADA, INC.  
DBA CANDLELIGHTERS CHILDHOOD CANCER FOUNDATION OF NEVADA  
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
DECEMBER 31, 2017**

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**NOTE 1 – NATURE OF ORGANIZATION (Continued)**

**Other Services**

The Foundation provides other services that improve the quality of life for both the diagnosed child and his or her family members. These services include:

- Social activities such as, holiday parties and special events hosted by the Foundation, focusing on a safe environment for children and families to gather with and socialize with other families addressing childhood cancer.
- The Candlelighters Adopt-A-Family program matches families that have a child in active treatment with donors, who then provide holiday gifts to the family. Families and donors are matched accordingly and some donors choose to remain anonymous, while others meet with their adopted family.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

This summary of significant accounting policies of the Foundation is presented to assist in understanding the Foundation's financial statements. The financial statements and notes are representations of the Foundation's 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.

**Basis of Accounting**

The financial statements of the Foundation have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

**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.

**Financial Statement Presentation**

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, the Foundation is required to report information regarding its financial position and changes in financial position according to three classes of net assets; unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

**CANDLELIGHTERS FOR CHILDHOOD CANCER OF SOUTHERN NEVADA, INC.  
DBA CANDLELIGHTERS CHILDHOOD CANCER FOUNDATION OF NEVADA  
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
DECEMBER 31, 2017**

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Cash and Cash Equivalents**

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

At various times throughout the year, the Foundation maintained deposits in financial institutions which exceeded federally insured amounts. The Foundation has not experienced any losses in these accounts.

**Property and Equipment**

The Foundation capitalizes significant expenditures for property and equipment at cost, generally those that exceed \$500 and have a useful life greater than one year. Property and equipment that are contributed to the Foundation 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 ten years.

**Revenue Recognition**

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires by a stipulated time restriction lapsing or by the purpose of the restriction having been accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Donor restricted contributions whose restrictions are met in the same period received are reported as unrestricted support.

**Income Taxes**

The Foundation 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. The Foundation qualifies for the charitable contribution deduction under Section 170(b)(1)(A) 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.

The Foundation is no longer subject to potential income tax examinations by tax authorities for years prior to 2014.

**Functional Expenses**

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities and functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited, based on management's estimates.

**CANDLELIGHTERS FOR CHILDHOOD CANCER OF SOUTHERN NEVADA, INC.**  
**DBA CANDLELIGHTERS CHILDHOOD CANCER FOUNDATION OF NEVADA**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2017**

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Contributed Materials and Services**

Generally, donated materials, if significant in amount, are recorded at their fair market value, provided the Foundation 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 long-lived 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. Unpaid volunteers have donated their time to the Foundation'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 fair values of in-kind contributions are summarized as follows:

Professional fees	\$ 122,080
Emergency assistance travel for treatment	47,195
Other donations	7,148
	<u>\$ 176,423</u>

**Advertising**

Advertising costs are expensed as incurred. Total advertising costs for the year ended December 31, 2017 were \$149,226 of which \$118,940 were in-kind contributions.

**New Pronouncements**

In May 2014, the FASB issued ASU 2014-09, Revenue from Contracts with Customers (Topic 606). The ASU introduced a comprehensive, principles-based framework for recognizing revenue, and, when effective, will supersede the requirements in FASB ASC 605, Revenue Recognition, and virtually all industry-specific revenue recognition guidance in the FASB ASC. However, the standards for the recognition of revenue from contributions by nonprofit organizations will be retained in FASB ASC 958-605, which will be retitled Not-for-Profit Entities—Revenue Recognition—Contributions when ASU 2014-09 is effective. Subsequent to the issuance of ASU 2014-09, the FASB issued a number of ASUs clarifying certain matters in ASU 2014-09. Those subsequent ASUs have the same effective dates as ASU 2014-09 (see discussion in the following paragraph).

In August 2015, the original effective dates of ASU 2014-09 were deferred by one year through the issuance of ASU 2015-14, Revenue from Contracts with Customers (Topic 606): Deferral of the Effective Date. For most nonprofit organizations, ASU 2014-09 (as revised) is effective for annual reporting periods beginning after December 15, 2018, and interim reporting periods within annual reporting periods beginning after December 15, 2019. Early application is allowed, but no earlier than annual reporting periods beginning after December 15, 2016, including interim reporting periods within that period. Alternatively, the ASU can be applied to annual reporting periods beginning after December 15, 2016, and interim reporting periods within annual reporting periods beginning one year after the year of initial adoption. Management has not yet evaluated the effects of this standard on the Foundation's financial statements.

**CANDLELIGHTERS FOR CHILDHOOD CANCER OF SOUTHERN NEVADA, INC.  
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NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
DECEMBER 31, 2017**

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**New Pronouncements (Continued)**

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842), which, among other things, requires the recognition of lease assets and lease liabilities by lessees, including for those leases classified as operating leases under previous GAAP, along with the disclosure of key information about leasing arrangements. When effective, the ASU will supersede FASB ASC 840, Leases, and add Topic 842, Leases, to the FASB ASC. The ASU is effective for most nonprofit organizations for fiscal years beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020. Early adoption is permitted. In addition to replacing FASB ASC 840 with FASB ASC 842, the ASU amends and supersedes a number of other Topics throughout the FASB ASC. Management has not yet evaluated the effects of this standard on the Foundation's financial statements.

In August 2016, the FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities, which affects all nonprofit organizations. The ASU significantly amends the standards for the presentation and accompanying disclosures of the financial statements of nonprofit organizations. The ASU is effective for fiscal years beginning after December 15, 2017, and interim periods within fiscal years beginning after December 15, 2018. Early adoption is permitted. However, nonprofit organizations may only adopt the ASU for an annual fiscal period or in the first interim period within the first fiscal year of adoption. Management has not yet evaluated the effects of this standard on the Foundation's financial statements.

**NOTE 3 – PROPERTY AND EQUIPMENT**

As of December 31, 2017, property and equipment consisted of the following:

Furniture and equipment	\$ 113,718
Leasehold improvements	23,550
Software	18,909
	<u>156,177</u>
Less: accumulated depreciation and amortization	<u>(119,091)</u>
	<u>\$ 37,086</u>

Depreciation and amortization expense for the year ended December 31, 2017 was \$12,824.

**NOTE 4 – FAIR VALUE MEASUREMENTS**

The Foundation 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. Fair value disclosures are reflected in a three-level hierarchy, maximizing the use of observable inputs and minimizing the use of unobservable inputs.

**CANDLELIGHTERS FOR CHILDHOOD CANCER OF SOUTHERN NEVADA, INC.  
 DBA CANDLELIGHTERS CHILDHOOD CANCER FOUNDATION OF NEVADA  
 NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
 DECEMBER 31, 2017**

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**NOTE 4 – FAIR VALUE MEASUREMENTS (Continued)**

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.

Fair values of assets measured at December 31, 2017 are as follows:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Mutual funds, ETFs and closed-end funds	\$ 837,296	\$ 837,296	\$ -	\$ -
Equities	28,140	28,140	-	-
	<u>\$ 865,436</u>	<u>\$ 865,436</u>	<u>\$ -</u>	<u>\$ -</u>

**NOTE 5 – LEASE AGREEMENTS**

Operating Lease

The Foundation entered into a non-cancelable operating lease for office space. The lease commenced on January 1, 2014. The office lease requires monthly payments ranging from \$4,455 to \$5,015, due to annual rent escalators, and a lease incentive liability is being recognized for two months of free rent totaling \$8,516. The lease expires in December of 2019.

Future minimum rental payments are as follows:

2018	\$ 58,428
2019	<u>60,181</u>
	<u>\$ 118,609</u>

Rent expense recognized for the year ended December 31, 2017 was \$56,726.

**CANDLELIGHTERS FOR CHILDHOOD CANCER OF SOUTHERN NEVADA, INC.  
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 NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
 DECEMBER 31, 2017**

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**NOTE 5 – LEASE AGREEMENTS (Continued)**

*Capital Lease*

Assets recorded as leased property under capital leases and classified as property and equipment on the statement of financial position include a copy machine in the amount of \$12,828. This lease, which commenced in April 2017, is for 60 months with a lease payment of \$214 per month. Because the aggregate amount of the payments required exceeds 90% of the fair value of the copier, the Foundation has accounted for the lease as a capital lease.

Future minimum lease payments at December 31, 2017 are as follows:

2018	\$ 2,566
2019	2,566
2020	2,566
2021	2,566
Thereafter	<u>854</u>
	11,118
Less: imputed interest	<u>-</u>
Present value of minimum lease payments	<u><u>\$ 11,118</u></u>
Current maturities	\$ 2,566
Noncurrent maturities	<u>8,552</u>
	<u><u>\$ 11,118</u></u>

**NOTE 6 – SPECIAL EVENTS**

Special events, net of direct costs, for the year ended December 31, 2017 consisted of the following:

5K Run/Walk	\$ 240,646
Evening of Hope	179,073
PBR Golf	26,659
Other	<u>2,127</u>
	448,505
Less: direct costs	<u>(119,419)</u>
	<u><u>\$ 329,086</u></u>

**CANDLELIGHTERS FOR CHILDHOOD CANCER OF SOUTHERN NEVADA, INC.  
DBA CANDLELIGHTERS CHILDHOOD CANCER FOUNDATION OF NEVADA  
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
DECEMBER 31, 2017**

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**NOTE 7 – FUNDRAISING**

As of December 31, 2017, the fundraising expenses that are presented on the statement of functional expenses consisted of the following:

Black Tie Event	\$ 40,000
Other	<u>10,355</u>
	<u>\$ 50,355</u>

**NOTE 8 – TEMPORARILY RESTRICTED NET ASSETS**

The Foundation has received restricted funds in support of various functions of the Foundation. As of December 31, 2017, temporarily restricted net assets are available for the following purposes:

Camp	\$ 201,851
Funerals	92,170
Travel for Treatment	57,999
Operating Expenses	48,285
Medical	47,526
Housing Assistance	27,918
Healing Arts	23,514
Counseling	20,427
Scholarships	10,000
Teen Scene	8,256
Healing Arts and Counseling	6,199
Child Life	3,859
Technology	2,232
Other	<u>1,934</u>
	<u>\$ 552,170</u>

**NOTE 9 – SUBSEQUENT EVENTS**

Subsequent events have been evaluated through June 12, 2018, which is the date the financial statements were available to be issued.