

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

FINANCIAL STATEMENTS

DECEMBER 31, 2024

CANDLELIGHTERS FOR CHILDHOOD CANCER OF SOUTHERN NEVADA, INC.
DBA CANDLELIGHTERS CHILDHOOD CANCER FOUNDATION OF NEVADA
FINANCIAL STATEMENTS
DECEMBER 31, 2024

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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, 2024, 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, 2024, 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 13, 2025

**CANDLELIGHTERS FOR CHILDHOOD CANCER OF SOUTHERN NEVADA, INC.
DBA CANDLELIGHTER CHILDHOOD CANCER FOUNDATION OF NEVADA
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2024**

ASSETS

Current Assets:

Cash and cash equivalents	\$ 1,783,006
Pledges receivable, net	400,700
Investments	1,395,814
Inventory	25,488
Prepaid expenses and other assets	38,387
Total current assets	<u>3,643,395</u>

Property and Equipment, net

4,876,685

Other Assets:

Pledges receivable, net of current portion	50,000
ROU asset for finance leases, net	34,415
Deposits	4,000
Total other assets	<u>88,415</u>

Total Assets

\$ 8,608,495

LIABILITIES AND NET ASSETS

Current Liabilities:

Accounts payable	\$ 134,128
Accrued expenses	27,186
Grants received in advance	364,705
Current finance leases liability	36,447
Total current liabilities	<u>562,466</u>

Long-Term Liabilities:

Long-term debt, net of current maturities	<u>3,400,000</u>
Total Liabilities	<u>3,962,466</u>

Net Assets:

Without donor restrictions	3,768,006
With donor restrictions	878,023
Total net assets	<u>4,646,029</u>
Total Liabilities and Net Assets	<u><u>\$ 8,608,495</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, 2024**

Net Assets without Donor Restrictions

Revenue and other support:

Contribution revenue	\$ 546,433
Grant revenue	1,635,395
Special events, net of direct costs of \$186,897	708,944
In-kind donations	42,974
Investment income, net	125,794
Other income	168,763
Net assets released from donor restrictions	747,213
	<u>3,975,516</u>

Expenses:

Program services	2,098,545
Supporting services:	
Management and general	220,060
Fundraising	213,873
	<u>2,532,478</u>

Other increase (decrease):

Net realized and unrealized gain on investments	52,316
	<u>2,480,162</u>
	<u>1,495,354</u>

Increase in net assets without donor restrictions

Net Assets with Donor Restrictions

Contribution revenue	327,498
Grant revenue	947,500
Net assets released from donor restrictions	(747,213)
	<u>527,785</u>

Increase in net assets with donor restrictions

Increase in Net Assets 2,023,139

Net Assets, Beginning of Year 2,622,890

Net Assets, End of Year \$ 4,646,029

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, 2024

	Program	Management and General	Fundraising	Total
Advertising	\$ 42,984	\$ 2,866	\$ 11,462	\$ 57,312
Bad debt	-	13,334	-	13,334
Bank and credit card fees	26,228	1,543	3,086	30,857
Capital campaign	73,933	8,698	4,349	86,980
Depreciation and amortization	61,919	7,285	3,642	72,846
Direct costs of programs	731,519	-	-	731,519
Education and training	19,389	5,170	1,293	25,852
Equipment rental and maintenance	25,640	3,017	1,508	30,165
Fundraising	-	-	62,302	62,302
Insurance	29,744	3,499	1,750	34,993
Interest	102,327	13,644	20,465	136,436
Licenses, dues and subscriptions	20,593	4,119	2,746	27,458
Office supplies	17,340	2,312	3,468	23,120
Postage and delivery	2,586	172	690	3,448
Printing and publications	5,054	842	2,527	8,423
Professional fees	102,975	12,115	6,057	121,147
Program expenses	70,109	-	-	70,109
Rent and utilities	93,187	10,963	5,482	109,632
Salaries, taxes and benefits	664,050	83,006	83,006	830,062
Tenant expenses	-	47,316	-	47,316
Travel and conferences	5,188	-	-	5,188
Volunteer expenses	3,780	159	40	3,979
	<u>\$ 2,098,545</u>	<u>\$ 220,060</u>	<u>\$ 213,873</u>	<u>\$ 2,532,478</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, 2024

Cash Flows from Operating Activities

Increase in net assets	\$ 2,023,139
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Bad debt expense	13,334
Depreciation and amortization	72,846
Net realized and unrealized gain on investments	(52,316)
Operating lease accretion	(2,184)
Changes in operating assets and liabilities:	
(Increase) decrease in grants receivable	22,500
(Increase) decrease in pledges receivable	(433,034)
(Increase) decrease in inventory	4,920
(Increase) decrease in prepaid expenses and other assets	41,699
Increase (decrease) in accounts payable	100,286
Increase (decrease) in accrued expenses	(36)
Increase (decrease) in grants received in advance	(1,625,395)
Net cash provided by operating activities	<u>165,979</u>

Cash Flows from Investing Activities

Purchases of investments	(566,654)
Proceeds from sale of investments	188,010
Purchase of property and equipment	(4,916,772)
Net cash used in investing activities	<u>(5,295,416)</u>

Cash Flows from Financing Activities

Proceeds from loan	3,400,000
Principal finance lease payments	(7,933)
Net cash provided by financing activities	<u>3,392,067</u>

Net Change in Cash and Cash Equivalents (1,737,370)

Cash and Cash Equivalents, Beginning of Year 3,520,376

Cash and Cash Equivalents, End of Year \$ 1,783,006

Supplemental disclosure of cash flow information:

Interest paid	<u><u>\$ 136,436</u></u>
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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
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

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 above, other financial assistance include:

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, 2024

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.

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.

**CANDLELIGHTERS FOR CHILDHOOD CANCER OF SOUTHERN NEVADA, INC.
DBA CANDLELIGHTERS CHILDHOOD CANCER FOUNDATION OF NEVADA
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
DECEMBER 31, 2024**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 by donor restriction by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other event 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 \$24,593 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, 2024**

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, 2024, there were no new lease commencements.

None of Candlelighters leases contain provisions for variable rent payments, material residual value agreements, or ratios that must be maintained.

Grants Received in Advance

When grant money is received in advance, and not all of the requirements necessary to be eligible for the advance to be recognized as revenue, the advance is reported as a liability.

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.

**CANDLELIGHTERS FOR CHILDHOOD CANCER OF SOUTHERN NEVADA, INC.
DBA CANDLELIGHTERS CHILDHOOD CANCER FOUNDATION OF NEVADA
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
DECEMBER 31, 2024**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition (Continued)

Restricted contributions whose restrictions are met in the same reporting period are recorded as net assets without donor 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.

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, 2024, 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 is 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.

**CANDLELIGHTERS FOR CHILDHOOD CANCER OF SOUTHERN NEVADA, INC.
DBA CANDLELIGHTERS CHILDHOOD CANCER FOUNDATION OF NEVADA
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
DECEMBER 31, 2024**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributed Materials and Services (Continued)

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

Program services	\$ 33,803
Program supplies	9,171
	<u>\$ 42,974</u>

Noncash contributions were all included in the program function on the statement of functional expenses for the year ended December 31, 2024.

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, 2024, Candlelighters has \$2,386,792 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures consisting of \$936,528 cash and cash equivalents, \$54,450 of pledges receivable, and \$1,395,814 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.

CANDLELIGHTERS FOR CHILDHOOD CANCER OF SOUTHERN NEVADA, INC.
DBA CANDLELIGHTERS CHILDHOOD CANCER FOUNDATION OF NEVADA
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
DECEMBER 31, 2024

NOTE 3 – PROPERTY AND EQUIPMENT

As of December 31, 2024, property and equipment consisted of the following:

Non-depreciable assets:

Land	\$ 966,565
Construction in progress	142,289

Depreciable assets:

Building	3,817,818
Furniture and equipment	43,774
	<u>4,970,446</u>
Less: accumulated depreciation	<u>(93,761)</u>
	<u><u>\$ 4,876,685</u></u>

Depreciation expense for the year ended December 31, 2024 was \$62,405, which is included in the depreciation and amortization total on the statement of functional expenses. See Note 5 and 6 for details related to the amortization of financed lease assets and amortization of loan fees.

NOTE 4 – 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. 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.

CANDLELIGHTERS FOR CHILDHOOD CANCER OF SOUTHERN NEVADA, INC.
DBA CANDLELIGHTERS CHILDHOOD CANCER FOUNDATION OF NEVADA
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
DECEMBER 31, 2024

NOTE 4 – FAIR VALUE MEASUREMENTS (Continued)

Fair values of assets measured as of December 31, 2024, were as follows:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Recurring fair value measurements:				
Mutual Funds	\$ 534,955	\$ 534,955	\$ -	\$ -
Fixed Income	819,815	-	819,815	-
	1,354,770	534,955	819,815	-
Hedge Fund Investments Valued at NAV	41,044 *			
	<u>\$ 1,395,814</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 5 – PLEDGES RECEIVABLE

Certain Nevada businesses and individuals have made pledges in support of the Foundation. 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. Pledges receivable consisted of the following as of December 31:

Receivable in less than one year	\$ 400,700
Receivable in one to five years	50,000
Total unconditional promises to give	<u>450,700</u>
Less discounts to net present value	<u>-</u>
Net unconditional promises to give	<u>\$ 450,700</u>

NOTE 6 – LONG-TERM DEBT

Candlelighters has a non-revolving line of credit issued by a financial institution with an initial limit of \$3.4 million. The credit line is secured by the building purchased during 2024. As of December 31, 2024, \$3.4 million was used and outstanding. Bank advances on the credit line are payable on demand and carry an interest rate of 7.25% as of year-end. Interest only payments are due monthly for the first 24 months and the interest rate is variable. After 24 months, principal and interest payments are scheduled to be made starting on July 4, 2026, with the final payment made by June 4, 2031. The loan will convert to a fixed rate per annum equal to 2.75% over the five-year United States Treasury Rate as of the conversion date. Loan fees in the amount of \$14,531 are being amortized over the life of the loan and are included in prepaid expenses and other assets on the statement of financial position. Accumulated amortization on loans fees is \$1,211 as of December 31, 2024. All debt is considered non-current as of December 31, 2024.

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NOTE 6 – LONG-TERM DEBT – CONTINUED

As of December 31, long-term debt matures as follows:

2025	\$ -
2026	326,350
2027	666,302
2028	684,858
2029	703,931
Thereafter	1,018,559
	<u>\$ 3,400,000</u>

NOTE 7 – LEASE AGREEMENTS

As of December 31, 2024, the following summarizes the line items on the statement of financial position, which include amounts for financing leases:

Finance Leases

ROU asset for finance lease	\$ 54,958
Accumulated amortization	(20,543)
	<u>\$ 34,415</u>

Current finance lease liability	\$ 36,447
Liability for finance lease	-
	<u>\$ 36,447</u>

As of December 31, 2024, the following summarizes the weighted average remaining lease term and discount rate:

Weighted Average Remaining Lease Term

Finance leases	0.5 years
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Weighted Average Discount Rate

Finance leases	6.8 %
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As of December 31, 2024, the maturities of lease liabilities were as follows:

Year Ending December 31:	Finance
2025	<u>\$ 37,546</u>
2026	<u>-</u>
Total lease payments	37,546
Less interest	(1,099)
Present value of lease liabilities	<u>\$ 36,447</u>

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NOTE 7 – LEASE AGREEMENTS – CONTINUED

For the year ended December 31, 2024, the following summarizes the line items in the statement of activities which include the components of lease expense:

Operating lease expense included in rent and utilities	\$ 73,428
Other rent expenses	<u>23,151</u>
Total rent expense	<u><u>\$ 96,579</u></u>

Finance lease costs:

Amortization of lease assets included in depreciation and amortization expense	\$ 8,718
Interest on lease liabilities included in interest expense	<u>2,746</u>
	<u><u>\$ 11,464</u></u>

NOTE 8 – 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, 2024:

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

Time restricted	\$ 494,500
Capital campaign	162,690
Housing assistance	77,901
Programs	63,465
Travel for Treatment	31,984
Counseling	22,917
Scholarships	14,942
Toyota Tundra	8,065
Support groups	<u>1,559</u>
	<u><u>\$ 878,023</u></u>

As of December 31, 2024, net assets with donor restrictions consisted of cash and cash equivalents of \$481,773 and pledges receivable of \$396,250.

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NOTE 9 – SPECIAL EVENTS

Special events net of direct costs, for the year ended December 31, 2024, consisted of the following:

5K Run/Walk	\$ 418,510
Glamp out	220,282
Halloween bash	219,264
Everyday extraordinary breakfast	37,785
	<u>895,841</u>
Less: direct costs	<u>(186,897)</u>
	<u><u>\$ 708,944</u></u>

NOTE 10 – RETIREMENT PLAN

Candlelighters has a 401(k) Profit Sharing Plan covering all employees meeting age and length of service requirements. Contributions were \$11,162 for the year ended December 31, 2024. See plan documents for further details.

NOTE 11 – RELATED PARTY TRANSACTIONS

During the year ended December 31, 2024, Candlelighters received cash contributions and sponsorships totaling \$106,685 and non-cash donations valued at \$4,000 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 13, 2025, which is the date the financial statements were available to be issued. No events were identified that would require disclosure.