

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

FINANCIAL STATEMENTS

DECEMBER 31, 2023

**CANDLELIGHTERS FOR CHILDHOOD CANCER OF SOUTHERN NEVADA, INC.
DBA CANDLELIGHTERS CHILDHOOD CANCER FOUNDATION OF NEVADA
FINANCIAL STATEMENTS
DECEMBER 31, 2023**

Table of Contents

Independent Auditor’s Report	1-2
Financial Statements:	
Statement of Financial Position.....	3
Statement of Activities	4
Statement of Functional Expenses.....	5
Statement of Cash Flows	6
Notes to the Financial Statements	7-17

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, 2023, 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, 2023, 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
June 26, 2024

**CANDLELIGHTERS FOR CHILDHOOD CANCER OF SOUTHERN NEVADA, INC.
 DBA CANDLELIGHTER CHILDHOOD CANCER FOUNDATION OF NEVADA
 STATEMENT OF FINANCIAL POSITION
 DECEMBER 31, 2023**

ASSETS

Current Assets:

Cash and cash equivalents	\$ 3,520,376
Grants receivable	22,500
Pledges receivable, net	31,000
Investments	964,854
Inventory	30,408
Prepaid expenses and other assets	81,316
Total current assets	<u>4,650,454</u>

Property and Equipment, net

22,811

Other Assets:

ROU asset for operating leases, net	73,023
ROU asset for finance leases, net	43,152
Deposits	4,220
Total other assets	<u>120,395</u>

Total Assets

\$ 4,793,660

LIABILITIES AND NET ASSETS

Current Liabilities:

Accounts payable	\$ 33,842
Accrued expenses	27,222
Grants received in advance	1,990,100
Current operating leases liability	75,207
Current finance leases liability	8,078
Total current liabilities	<u>2,134,449</u>

Long-Term Liabilities:

Liability for finance leases, net	<u>36,321</u>
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Total Liabilities

2,170,770

Net Assets:

Without donor restrictions	2,272,652
With donor restrictions	350,238
Total net assets	<u>2,622,890</u>

Total Liabilities and Net Assets

\$ 4,793,660

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, 2023**

Net Assets without Donor Restrictions

Revenue and other support:

Contribution revenue	\$ 669,848
Grant revenue	52,500
Special events, net of direct costs of \$171,723	654,413
In-kind donations	94,453
Investment income, net	88,538
Net assets released from donor restrictions	<u>725,766</u>
	<u>2,285,518</u>

Expenses:

Program services	1,792,371
Supporting services:	
Management and general	121,433
Fundraising	<u>193,582</u>
	<u>2,107,386</u>

Other increase (decrease):

Employee retention credit	145,796
Net realized and unrealized gain on investments	86,651
Loss on disposal of fixed asset	<u>(469)</u>
Increase in net assets without donor restrictions	<u>410,110</u>

Net Assets with Donor Restrictions

Contribution revenue	192,590
Grant revenue	549,200
Net assets released from donor restrictions	<u>(725,766)</u>
Increase in net assets with donor restrictions	<u>16,024</u>

Increase in Net Assets

426,134

Net Assets, Beginning of Year

2,196,756

Net Assets, End of Year

\$ 2,622,890

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, 2023

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Advertising	\$ 37,603	\$ 2,893	\$ 17,355	\$ 57,851
Bank and credit card fees	21,440	1,191	1,191	23,822
Depreciation and amortization	12,669	1,491	745	14,905
Direct costs of programs	704,642	-	-	704,642
Education and training	34,037	9,076	2,269	45,382
Equipment rental and maintenance	25,395	2,988	1,494	29,877
Fundraising	-	-	65,956	65,956
Insurance	28,249	3,323	1,662	33,234
Interest	2,644	353	528	3,525
Licenses, dues and subscriptions	31,713	6,343	4,228	42,284
Office supplies	20,612	2,748	4,122	27,482
Postage and delivery	1,193	80	318	1,591
Printing and publications	7,536	1,507	6,029	15,072
Professional fees	179,831	21,157	10,578	211,566
Rent and utilities	91,138	10,722	5,361	107,221
Salaries, taxes and benefits	586,279	57,198	71,497	714,974
Travel and conferences	3,789	211	211	4,211
Volunteer expenses	3,601	152	38	3,791
	<u>\$ 1,792,371</u>	<u>\$ 121,433</u>	<u>\$ 193,582</u>	<u>\$ 2,107,386</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, 2023**

Cash Flows from Operating Activities

Increase in net assets	\$ 426,134
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation and amortization	14,905
Net realized and unrealized gain on investments	(86,651)
Loss on sale of asset	469
Operating lease accretion	25
Changes in operating assets and liabilities:	
(Increase) decrease in grants receivable	(22,500)
(Increase) decrease in pledges receivable	(27,875)
(Increase) decrease in inventory	(30,408)
(Increase) decrease in prepaid expenses and other assets	(60,240)
Increase (decrease) in accounts payable	11,861
Increase (decrease) in accrued expenses	10,171
Increase (decrease) in grants received in advance	1,990,100
Net cash provided by operating activities	<u>2,225,991</u>

Cash Flows from Investing Activities

Purchases of investments	(530,935)
Proceeds from sale of investments	35,129
Purchase of property and equipment	(19,450)
Net cash used in investing activities	<u>(515,256)</u>

Cash Flows from Financing Activities

Principal finance lease payments	(3,974)
Net cash used in financing activities	<u>(3,974)</u>

Net Change in Cash and Cash Equivalents

1,706,761

Cash and Cash Equivalents, Beginning of Year

1,813,615

Cash and Cash Equivalents, End of Year

\$ 3,520,376

Supplemental disclosure of cash flow information:

Interest paid	<u><u>\$ 3,825</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, 2023**

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, 2023**

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, 2023**

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 \$18,902 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 \$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 ten years.

**CANDLELIGHTERS FOR CHILDHOOD CANCER OF SOUTHERN NEVADA, INC.
DBA CANDLELIGHTERS CHILDHOOD CANCER FOUNDATION OF NEVADA
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
DECEMBER 31, 2023**

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 real and personal property. 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, 2023, 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, 2023**

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, 2023, 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 nonfinancial 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 professional services consist of recordable monthly accounting services and discounts on IT support all of which are allocated to the management and general class. 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 professional services expense and program expense.

**CANDLELIGHTERS FOR CHILDHOOD CANCER OF SOUTHERN NEVADA, INC.
DBA CANDLELIGHTERS CHILDHOOD CANCER FOUNDATION OF NEVADA
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
DECEMBER 31, 2023**

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	\$ 33,295
Wine	33,000
Program supplies	20,570
Operational services	4,788
Equipment	2,800
	<u>\$ 94,453</u>

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, 2023, Candlelighters has \$2,198,392 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures consisting of \$1,180,038 of cash and cash equivalents, \$22,500 of grants receivable, \$31,000 of pledges receivable, and \$964,854 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, 2023**

NOTE 3 – PROPERTY AND EQUIPMENT

As of December 31, 2023, property and equipment consisted of the following:

Non-depreciable assets:

Construction in progress	\$ 9,900
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Depreciable assets:

Furniture and equipment	<u>43,775</u>
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	53,675
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Less: accumulated depreciation	<u>(30,864)</u>
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	<u>\$ 22,811</u>
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Depreciation expense for the year ended December 31, 2023 was \$5,674, which is included in the depreciation and amortization total on the statement of functional expenses. See Note 5 for details related to the amortization of financed lease assets.

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, 2023**

NOTE 4 – FAIR VALUE MEASUREMENTS (Continued)

Fair values of assets measured as of December 31, 2023, were as follows:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Recurring fair value measurements:				
Mutual Funds	\$ 453,841	\$ 453,841	\$ -	\$ -
Fixed Income	470,765	-	470,765	-
	<u>924,606</u>	<u>453,841</u>	<u>470,765</u>	<u>-</u>
Hedge Fund Investments Valued at NAV	40,248 *			
	<u>\$ 964,854</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 the investments, Candlelighters has determined that it is appropriate to present them as a single class.

NOTE 5 – LEASE AGREEMENTS

As of December 31, 2023, the following summarizes the line items on the statement of financial position, which include amounts for operating and financing leases:

Operating Leases

ROU asset for operating lease	<u>\$ 73,023</u>
Current operating lease liability	<u>\$ 75,207</u>

Finance Leases

ROU asset for finance lease	\$ 55,095
Accumulated amortization	(11,943)
	<u>\$ 43,152</u>
Current finance lease liability	\$ 8,078
Liability for finance lease	36,321
	<u>\$ 44,399</u>

**CANDLELIGHTERS FOR CHILDHOOD CANCER OF SOUTHERN NEVADA, INC.
 DBA CANDLELIGHTERS CHILDHOOD CANCER FOUNDATION OF NEVADA
 NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
 DECEMBER 31, 2023**

NOTE 5 – LEASE AGREEMENTS (Continued)

As of December 31, 2023, the following summarizes the weighted average remaining lease term and discount rate:

Weighted Average Remaining Lease Term

Operating leases	1 years
Finance leases	1.5 years

Weighted Average Discount Rate

Operating leases	1.25 %
Finance leases	7.18 %

As of December 31, 2023, the maturities of lease liabilities were as follows:

Year Ending December 31:	<u>Operating</u>	<u>Finance</u>
2023	\$ 75,636	\$ 10,824
2024	-	36,891
Total lease payments	<u>75,636</u>	<u>47,715</u>
Less interest	<u>(429)</u>	<u>(3,316)</u>
Present value of lease liabilities	<u>\$ 75,207</u>	<u>\$ 44,399</u>

For the year ended December 31, 2023, 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	<u>\$ 73,428</u>
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Finance lease costs:

Amortization of lease assets included in depreciation and amortization expense	\$ 8,718
Interest on lease liabilities included in interest expense	7,412
	<u>\$ 16,130</u>

**CANDLELIGHTERS FOR CHILDHOOD CANCER OF SOUTHERN NEVADA, INC.
 DBA CANDLELIGHTERS CHILDHOOD CANCER FOUNDATION OF NEVADA
 NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
 DECEMBER 31, 2023**

NOTE 6 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets are released from donor restrictions by incurring expenses satisfying the restricted purposes or by 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, 2023:

Subject to expenditure for specified purpose and/or passage of time:	
Program	\$ 100,919
Scholarships	65,000
Camp	35,700
Financial assistance	33,230
Funerals	23,349
Capacity building	16,698
Healing arts and counseling	16,521
Toyota Tundra	14,494
Travel for Treatment	11,470
Administration	10,000
Housing assistance	7,967
Transportation	5,385
Support groups	3,987
Medical	3,650
Family services	1,868
	<u>\$ 350,238</u>

As of December 31, 2023, net assets with donor restrictions consisted of cash and cash equivalents of \$350,238.

NOTE 7 – SPECIAL EVENTS

Special events net of direct costs, for the year ended December 31, 2023, consisted of the following:

5K Run/Walk	\$ 367,591
Halloween bash	210,029
Glamp out	121,042
Auction sales	88,415
Everyday extraordinary breakfast	39,059
	<u>826,136</u>
Less: direct costs	<u>(171,723)</u>
	<u>\$ 654,413</u>

**CANDLELIGHTERS FOR CHILDHOOD CANCER OF SOUTHERN NEVADA, INC.
DBA CANDLELIGHTERS CHILDHOOD CANCER FOUNDATION OF NEVADA
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
DECEMBER 31, 2023**

NOTE 8 – 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, 2023. See plan documents for further details.

NOTE 9 – RELATED PARTY TRANSACTIONS

During the year ended December 31, 2023, Candlelighters received contributions, in aggregate, a total of \$112,495 from board members or companies in which board members held management positions.

NOTE 10 – SUBSEQUENT EVENTS

Management of Candlelighters has evaluated subsequent events through June 26, 2024, which is the date the financial statements were available to be issued. No events were identified that would require disclosure.