

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

FINANCIAL STATEMENTS

DECEMBER 31, 2021

**CANDLELIGHTERS FOR CHILDHOOD CANCER OF SOUTHERN NEVADA, INC.
DBA CANDLELIGHTERS CHILDHOOD CANCER FOUNDATION OF NEVADA
FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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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, 2021 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 (the "Organization") as of December 31, 2021, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our 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 Organization's 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 and *Government 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 and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting 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 Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Ellsworth & Stout, LLC

Las Vegas, Nevada
June 27, 2022

**CANDLELIGHTERS FOR CHILDHOOD CANCER OF SOUTHERN NEVADA, INC.
 DBA CANDLELIGHTER CHILDHOOD CANCER FOUNDATION OF NEVADA
 STATEMENT OF FINANCIAL POSITION
 DECEMBER 31, 2021**

ASSETS

Current Assets:

Cash and cash equivalents	\$ 1,007,439
Investments	1,113,498
Prepaid expenses and other assets	111,920
Total current assets	<u>2,232,857</u>

Property and Equipment, net	3,155
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Other Assets:

Deposits	4,220
Total Assets	<u><u>\$ 2,240,232</u></u>

LIABILITIES AND NET ASSETS

Current Liabilities:

Accounts payable	\$ 9,904
Accrued expenses	26,635
Grants received in advance	20,000
Current maturities of capital lease obligations	641
Total current liabilities	<u>57,180</u>

Net Assets:

Without donor restrictions	1,924,073
With donor restrictions	258,979
Total net assets	<u>2,183,052</u>
Total Liabilities and Net Assets	<u><u>\$ 2,240,232</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, 2021**

Net Assets without Donor Restrictions

Revenue and other support:

Contributions	\$ 664,707
Special events, net of direct costs of \$114,537	262,844
In-kind donations	57,419
Investment income, net	28,819
Net assets released from donor restrictions	354,047
	<u>1,367,836</u>

Expenses:

Program services	1,159,158
Supporting services:	
Management and general	74,778
Fundraising	72,204
	<u>1,306,140</u>

Other increase (decrease):

Gain on extinguishment of debt	219,895
Net realized and unrealized gain on investments	47,151
	<u>328,742</u>

Increase in net assets without donor restrictions

Net Assets with Donor Restrictions

Contributions	447,000
Net assets released from donor restrictions	(354,047)
	<u>92,953</u>

Increase in net assets with donor restrictions

Increase in Net Assets

421,695

Net Assets, Beginning of Year

1,761,357

Net Assets, End of Year

\$ 2,183,052

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, 2021

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Advertising	\$ 11,707	\$ 4,390	\$ 13,170	\$ 29,267
Bank and credit card fees	12,183	1,189	1,485	14,857
Depreciation and amortization	5,178	609	305	6,092
Direct costs of programs	452,598	-	-	452,598
Equipment rental and maintenance	23,409	2,754	1,377	27,540
Fundraising	-	-	13,408	13,408
Insurance	15,723	1,850	925	18,498
Licenses, dues and subscriptions	19,337	2,275	1,137	22,749
Office supplies	10,952	1,460	2,190	14,602
Postage and delivery	2,059	129	386	2,574
Printing and publications	3,864	773	3,091	7,728
Professional fees	74,933	8,816	4,408	88,157
Rent and utilities	83,674	9,844	4,922	98,440
Salaries, taxes and benefits	440,044	40,464	25,290	505,798
Travel and conferences	1,559	143	90	1,792
Volunteer expenses	1,938	82	20	2,040
	<u>\$ 1,159,158</u>	<u>\$ 74,778</u>	<u>\$ 72,204</u>	<u>\$ 1,306,140</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, 2021**

Cash Flows from Operating Activities	
Increase in net assets	\$ 421,695
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation and amortization	6,092
Gain on extinguishment of debt	(219,895)
Net realized and unrealized gain on investments	(47,151)
Changes in operating assets and liabilities:	
(Increase) decrease in pledges receivable	10,000
(Increase) decrease in prepaid expenses and other assets	(63,928)
Increase (decrease) in accounts payable	(10,843)
Increase (decrease) in grants received in advance	(40,000)
Increase (decrease) in accrued expenses	13,959
Net cash provided by operating activities	<u>69,929</u>
Cash Flows from Investing Activities	
Purchases of investments	<u>(4,636)</u>
Net cash used in investing activities	<u>(4,636)</u>
Cash Flows from Financing Activities	
Principal payments on capital lease obligation	(2,576)
Proceeds from debt borrowings	<u>105,233</u>
Net cash provided by financing activities	<u>102,657</u>
Net Change in Cash and Cash Equivalents	167,950
Cash and Cash Equivalents, Beginning of Year	<u>839,489</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 1,007,439</u></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, 2021**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Candlelighters for Childhood Cancer of Southern Nevada, Inc., dba 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 Organization

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 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.

Our programs fall into four 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 \$3,000 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.

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 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.

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.

**CANDLELIGHTERS FOR CHILDHOOD CANCER OF SOUTHERN NEVADA, INC.
DBA CANDLELIGHTERS CHILDHOOD CANCER FOUNDATION OF NEVADA
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2021**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Nature of Organization (Continued)

Emotional Support

Family Counseling

A childhood cancer diagnosis and its aftermath can have emotional and psychological impacts on the entire family. To help families cope, Candlelighters makes available professional counseling services with licensed therapists. These private sessions are free of charge to the families.

Support Groups

Candlelighters also provides regularly occurring support groups for parents, diagnosed children/teens and their siblings.

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 Independent 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.

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.

**CANDLELIGHTERS FOR CHILDHOOD CANCER OF SOUTHERN NEVADA, INC.
DBA CANDLELIGHTERS CHILDHOOD CANCER FOUNDATION OF NEVADA
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2021**

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.

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

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.

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, 2021**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition

All donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, restricted net assets are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from donor restrictions.

Contributions may be considered conditional or non-conditional. A conditional contribution exists if a) one or more barrier exists and b) the right to receive or retain payment or delivery of the promised asset depends on meeting those barriers. In cases of ambiguous donor stipulations or stipulations that are not clearly unconditional are presumed to be conditional. Conditional contributions are recognized when conditions have been substantially met or waived by the donor. Non-conditional contributions are recognized when received or 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 ending December 31, 2021, all exchange grant revenue was recognized at a point in time when services were performed.

Contributed Materials and Services

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 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 Candlelighters' 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.

For the year ending December 31, 2021, the fair values of in-kind donations were all related to direct costs of programs in the amount of \$57,419.

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) 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 prior to 2018.

**CANDLELIGHTERS FOR CHILDHOOD CANCER OF SOUTHERN NEVADA, INC.
DBA CANDLELIGHTERS CHILDHOOD CANCER FOUNDATION OF NEVADA
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2021**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 direct costs of programs and fundraising that have direct expenses.

Advertising

Advertising costs are expensed as incurred. Total advertising costs for the year ended December 31, 2021 was \$29,267.

Recent Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02 (Topic 842) pertaining to Leases. Due to the pandemic, ASU 2020-05 was issued that gives an extension of implementation of ASU 2016-02 for certain entities that have not yet issued their financial statements reflecting the adoption of Leases by June 2020. Therefore, under the amendment, Leases is effective for non-public entities for fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022. Early application continues to be permitted. Management has not yet evaluated the effects of this standard on the Candlelighters' financial statements.

NOTE 2 – LIQUIDITY AND AVAILABILITY

As of December 31, 2021, Candlelighters has \$1,841,958 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures consisting of \$728,460 of cash and cash equivalents and \$1,113,498 of investments. Contractual or donor-imposed restrictions are not available for general expenditure. As part of Candlelighters' liquidity management, it structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

NOTE 3 – PROPERTY AND EQUIPMENT

As of December 31, 2021, property and equipment consisted of the following:

Furniture and equipment	\$ 46,281
Software	14,443
	<u>60,724</u>
Less: accumulated depreciation and amortization	<u>(57,569)</u>
	<u>\$ 3,155</u>

Depreciation and amortization expense for the year ended December 31, 2021 was \$6,092.

**CANDLELIGHTERS FOR CHILDHOOD CANCER OF SOUTHERN NEVADA, INC.
 DBA CANDLELIGHTERS CHILDHOOD CANCER FOUNDATION OF NEVADA
 NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
 DECEMBER 31, 2021**

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.

Fair values of assets measured as of December 31, 2021 were as follows:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Recurring fair value measurements:				
Mutual funds, ETPs and closed-end funds	<u>\$ 1,113,498</u>	<u>\$ 1,113,498</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE 5 – PAYCHECK PROTECTION PROGRAM (PPP)

PPP1: On April 7, 2020, Candlelighters was granted a loan from a financial institution in the aggregate amount of \$80,809, pursuant to the Paycheck Protection Program (the “PPP”) under Division A, Title I of the CARES Act, which was enacted March 27, 2020. Under the terms of the PPP, certain amounts of the loan may be forgiven if they are used for qualifying expenses. Candlelighters applied for and was granted full forgiveness for the loan in July 2021.

PPP2: In January 2021, Candlelighters secured a Second Draw PPP loan from the Small Business Administration. The loan amount was \$105,233, with a term of 5 years at 1% interest. These funds can be used to help fund payroll costs, including benefits. Funds can also be used to pay for mortgage interest, rent, utilities, worker protection costs related to COVID-19 and other costs specified by the Small Business Administration. Candlelighters applied for and was granted full forgiveness for the loan in June 2021.

**CANDLELIGHTERS FOR CHILDHOOD CANCER OF SOUTHERN NEVADA, INC.
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 NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
 DECEMBER 31, 2021**

NOTE 6 – LEASE AGREEMENTS

Operating Lease

Candlelighters entered into a non-cancelable operating lease for office space. The lease commenced on January 1, 2014. Candlelighters extended the above operating lease, by way of an amendment, for an additional three years from January 1, 2020 to December 31, 2023. The office lease requires monthly payments ranging from \$5,600 to \$6,119, due to annual rent escalators.

Future minimum lease payments are due as follows for the years ending December 31:

2022	\$ 71,292
2023	73,428
	<u>\$ 144,720</u>

Rent expense recognized for the year ended December 31, 2021 was \$69,216 and is included under the caption rent and utilities in the accompanying statement of functional expenses.

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, Candlelighters has accounted for the lease as a capital lease.

Future minimum lease payments are due as follows for the years ending December 31:

2022	\$ 641
	641
Less: imputed interest	-
Present value of minimum lease payments	<u>\$ 641</u>
Current maturities	\$ 641
Noncurrent maturities	-
	<u>\$ 641</u>

**CANDLELIGHTERS FOR CHILDHOOD CANCER OF SOUTHERN NEVADA, INC.
 DBA CANDLELIGHTERS CHILDHOOD CANCER FOUNDATION OF NEVADA
 NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
 DECEMBER 31, 2021**

NOTE 7 – 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, 2021:

Subject to expenditure for specified purpose and/or passage of time:	
Travel for Treatment	\$ 50,997
Financial Assistance	47,763
Camp	45,000
Medical	32,910
Healing Arts and Counseling	25,230
Housing Assistance	24,465
Funeral	17,758
Other	14,856
	<u>\$ 258,979</u>

As of December 31, 2021, net assets with donor restrictions consisted of cash and cash equivalents of \$258,979.

NOTE 8 – SPECIAL EVENTS

Special events net of direct costs, for the year ended December 31, 2021, consisted of the following:

5K Run/Walk	\$ 243,427
50/50 Raffle	89,527
Other special events	44,427
	<u>377,381</u>
Less: direct costs	<u>(114,537)</u>
	<u>\$ 262,844</u>

NOTE 9 – RISKS AND UNCERTAINTIES

Management is currently responding to the existing effects of the global pandemic and planning for the potential future effects that the pandemic may have on the Candlelighters' operations, including the overall health of the economy and consumer spending. At the current time, management is unable to quantify the potential effects of this pandemic on Candlelighters' future financial statements.

NOTE 10 – SUBSEQUENT EVENTS

Management of Candlelighters has evaluated subsequent events through June 27, 2022, which is the date the financial statements were available to be issued.