

CANCER SUPPORT COMMUNITY DELAWARE, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2022

CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	1-3
FINANCIAL STATEMENTS	
STATEMENTS OF FINANCIAL POSITION	4
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS	5
STATEMENTS OF FUNCTIONAL EXPENSES	6
STATEMENTS OF CASH FLOWS	7
NOTES TO FINANCIAL STATEMENTS	8-18



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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Cancer Support Community Delaware, Inc.
Wilmington, Delaware

Opinion

We have audited the accompanying financial statements of Cancer Support Community Delaware, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2022, 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 Cancer Support Community Delaware, Inc. as of December 31, 2022, and the changes in its net assets and its cash flows for the year then ended in conformity 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 Cancer Support Community Delaware, Inc. 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 opinion.

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 Cancer Support Community Delaware, Inc.'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 it 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 omission, misrepresentations, or the override of internal control. Misstatements, including omissions, 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.

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 Cancer Support Community Delaware, Inc.'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 any conditions or events, considered in the aggregate, that raise substantial doubt about Cancer Support Community Delaware, Inc.'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.

Report on Comparative Information

Other auditors have previously audited Cancer Support Community Delaware, Inc.'s 2021 financial statements, and expressed an unmodified audit opinion on those audited financial statements in their report dated June 11, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

A handwritten signature in black ink, reading "Sparano, Vincelotto & Joiner". The signature is written in a cursive, flowing style.

May 18, 2023
Wilmington, Delaware

Cancer Support Community Delaware, Inc.
 Statements of Financial Position
 For the Years Ended December 31,

ASSETS

	<u>2 0 2 2</u>	<u>2 0 2 1</u>
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 457,968	\$ 343,772
Accounts Receivable	14,120	20,362
Prepaid Expenses	<u>14,276</u>	<u>11,676</u>
TOTAL CURRENT ASSETS	<u>486,364</u>	<u>375,810</u>
PROPERTY AND EQUIPMENT		
Net of Accumulated Depreciation	<u>1,432,021</u>	<u>1,472,567</u>
OTHER ASSETS		
Donated Artwork	34,029	34,029
Investment in		
Delaware Community Foundation	157,074	182,877
Other Investments	<u>620,803</u>	<u>725,383</u>
TOTAL OTHER ASSETS	<u>811,906</u>	<u>942,289</u>
<u>TOTAL ASSETS</u>	<u>\$2,730,291</u>	<u>\$2,790,666</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts Payable	\$ 11,150	\$ 9,346
Accrued Payroll	475	800
Deferred Income	-0-	20,000
Patient Assistance Funds Payable	<u>1,537</u>	<u>242</u>
TOTAL CURRENT LIABILITIES	<u>13,162</u>	<u>30,388</u>
NET ASSETS		
Without Donor Restrictions	<u>2,717,129</u>	<u>2,760,278</u>
TOTAL NET ASSETS	<u>2,717,129</u>	<u>2,760,278</u>
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>\$2,730,291</u>	<u>\$2,790,666</u>

See accompanying notes to financial statements.

Cancer Support Community Delaware, Inc.
Statements of Activities and
Changes in Net Assets
For the Years Ended December 31,

	2 0 2 2			2 0 2 1		
REVENUES AND	Without Donor	With Donor		Without Donor	With Donor	
OTHER SUPPORT	<u>Restrictions</u>	<u>Restrictions</u>	<u>Total</u>	<u>Restrictions</u>	<u>Restrictions</u>	<u>Total</u>
Contributions and Grants	\$ 295,799	\$ -0-	\$ 295,799	\$ 252,818	\$ 47,525	\$ 300,343
Government Grants	172,118	-0-	172,118	138,804	-0-	138,804
Grant - PPP	-0-	-0-	-0-	72,682	-0-	72,682
Forgiveness of Debt - PPP	-0-	-0-	-0-	81,477	-0-	81,477
In-Kind Donations	21,351	-0-	21,351	13,629	-0-	13,629
Investment Income	12,167	-0-	12,167	15,690	-0-	15,690
(Losses) Gains on Investments	(142,329)	-0-	(142,329)	72,997	-0-	72,997
Program Revenue	33,290	-0-	33,290	33,430	-0-	33,430
Special Events Revenue - Net	228,262	-0-	228,262	220,176	-0-	220,176
NET ASSETS RELEASED						
FROM RESTRICTIONS	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>88,264</u>	<u>(88,264)</u>	<u>-0-</u>
TOTAL REVENUES AND						
OTHER SUPPORT	<u>620,658</u>	<u>-0-</u>	<u>620,658</u>	<u>989,967</u>	<u>(40,739)</u>	<u>949,228</u>
EXPENSES						
Programs	542,044	-0-	542,044	505,243	-0-	505,243
Management and General	40,418	-0-	40,418	38,102	-0-	38,102
Fundraising	<u>81,345</u>	<u>-0-</u>	<u>81,345</u>	<u>74,758</u>	<u>-0-</u>	<u>74,758</u>
TOTAL EXPENSES	<u>663,807</u>	<u>-0-</u>	<u>663,807</u>	<u>618,103</u>	<u>-0-</u>	<u>618,103</u>
CHANGE IN NET ASSETS	(43,149)	-0-	(43,149)	371,864	(40,739)	331,125
NET ASSETS -						
BEGINNING OF YEAR	<u>2,760,278</u>	<u>-0-</u>	<u>2,760,278</u>	<u>2,388,414</u>	<u>40,739</u>	<u>2,429,153</u>
NET ASSETS - END OF YEAR	<u>\$2,717,129</u>	<u>\$ -0-</u>	<u>\$2,717,129</u>	<u>\$2,760,278</u>	<u>\$ -0-</u>	<u>\$2,760,278</u>

See accompanying notes to financial statements.

Cancer Support Community Delaware, Inc.
Statements of Functional Expenses
For the Years Ended December 31,

	2 0 2 2				2 0 2 1			
	<u>Programs</u>	<u>Management & General</u>	<u>Fund- raising</u>	<u>Total</u>	<u>Programs</u>	<u>Management & General</u>	<u>Fund- raising</u>	<u>Total</u>
PAYROLL AND RELATED EXPENSES								
Payroll Expenses	\$ 230,143	\$ 21,197	\$ 51,479	\$ 302,819	\$ 212,209	\$ 19,546	\$ 47,468	\$ 279,223
Employee Benefits	<u>12,821</u>	<u>1,181</u>	<u>2,868</u>	<u>16,870</u>	<u>4,964</u>	<u>457</u>	<u>1,110</u>	<u>6,531</u>
Total Payroll and Related Expenses	<u>242,964</u>	<u>22,378</u>	<u>54,347</u>	<u>319,689</u>	<u>217,173</u>	<u>20,003</u>	<u>48,578</u>	<u>285,754</u>
Advertising	19,178	-0-	-0-	19,178	14,380	-0-	-0-	14,380
Bank Charges	1,430	-0-	4,290	5,720	1,441	-0-	4,326	5,767
Computer Expenses	16,813	1,549	3,761	22,123	13,357	1,230	2,988	17,575
Conference and Meetings	3,279	258	-0-	3,537	710	448	-0-	1,158
Depreciation	38,448	3,932	1,310	43,690	38,420	3,929	1,310	43,659
Dues and Subscriptions	16,112	-0-	1,790	17,902	10,563	-0-	1,173	11,736
Facilities and Grounds	65,606	5,869	1,956	73,431	65,534	5,861	1,954	73,349
Insurance	9,398	961	321	10,680	9,057	926	309	10,292
Office Supplies	7,459	319	774	8,552	3,301	304	738	4,343
Postage	1,166	107	261	1,534	1,370	126	306	1,802
Printing	4,349	386	938	5,673	6,291	579	1,407	8,277
Professional Fees	39,787	3,664	8,900	52,351	41,305	3,804	9,239	54,348
Program Supplies	59,314	-0-	-0-	59,314	67,111	-0-	-0-	67,111
Program Travel	602	-0-	-0-	602	552	-0-	-0-	552
Telephone	10,803	995	2,416	14,214	9,686	892	2,167	12,745
Website and Internet	<u>5,336</u>	<u>-0-</u>	<u>281</u>	<u>5,617</u>	<u>4,992</u>	<u>-0-</u>	<u>263</u>	<u>5,255</u>
TOTAL EXPENSES	<u>\$ 542,044</u>	<u>\$ 40,418</u>	<u>\$ 81,345</u>	<u>\$ 663,807</u>	<u>\$ 505,243</u>	<u>\$ 38,102</u>	<u>\$ 74,758</u>	<u>\$ 618,103</u>

See accompanying notes to financial statements.

Cancer Support Community Delaware, Inc.
Statements of Cash Flows
For the Years Ended December 31,

	<u>2 0 2 2</u>	<u>2 0 2 1</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (43,149)	\$ 331,125
Adjustments to Reconcile Change in Net Cash Provided by Operating Activities:		
Depreciation	43,690	43,659
Realized Gain on Sale of Investments	(3,445)	(2,464)
Unrealized Loss (Gain) on Investments	145,774	(70,533)
Forgiveness of Debt - PPP	-0-	(81,477)
Changes in Current Assets and Liabilities		
Decrease (Increase) in:		
Accounts Receivable	6,242	(7,610)
Prepaid Expenses	(2,600)	(6,340)
Increase (Decrease) in:		
Accounts Payable	1,804	(253)
Accrued Payroll	(325)	229
Deferred Income	(20,000)	(2,500)
Patient Assistance Funds	1,295	(618)
CASH PROVIDED BY OPERATING ACTIVITIES	<u>129,286</u>	<u>203,218</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of Property and Equipment	(3,144)	(41,545)
Proceeds From Sale of Investments	16,907	110,791
Purchase of Investments	<u>(28,853)</u>	<u>(127,233)</u>
CASH USED BY INVESTING ACTIVITIES	<u>(15,090)</u>	<u>(57,987)</u>
NET INCREASE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	114,196	145,231
CASH, CASH EQUIVALENTS AND RESTRICTED CASH - BEGINNING OF YEAR	<u>343,772</u>	<u>198,541</u>
CASH, CASH EQUIVALENTS AND RESTRICTED CASH - END OF YEAR	\$ <u><u>457,968</u></u>	\$ <u><u>343,772</u></u>

SUPPLEMENTAL INFORMATION-NONCASH ACTIVITY

Donated goods and services received	\$ <u><u>21,351</u></u>	\$ <u><u>13,629</u></u>
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See accompanying notes to financial statements.

Cancer Support Community Delaware, Inc.
Notes to Financial Statements
For the Years Ended December 31, 2022 and 2021

NOTE 1 NATURE OF ENTITY

Cancer Support Community Delaware, Inc. (The Organization) is a nonprofit organization leading the way in empowering people affected by cancer. Servicing all three counties of Delaware, it is dedicated to helping people with cancer and their loved ones by providing professionally led programs of emotional support, education and hope as an integral part of conventional medical treatment. All programs are offered free of charge. The Organization's major sources of revenue are grants, contributions from other organizations and individuals, and special event fundraising activities.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting. Under this basis of accounting revenues from services are recognized when the performance obligations of providing the services are met. Contributions are recognized when cash, securities, or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. Expenses are recognized in the period when incurred. Accordingly, all significant receivables, payables and other liabilities are recognized.

Financial Statement Presentation

In accordance with accounting principles generally accepted in the United States of America, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions.

Cash and Cash Equivalents

Cash and cash equivalents include checking accounts, short-term savings and petty cash. For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. Cash maintained in the brokerage account is intended for long-term investments and is included in the value of the other investments.

Cancer Support Community Delaware, Inc.
Notes to Financial Statements (Cont'd)
For the Years Ended December 31, 2022 and 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Accounts Receivables and Allowance for Doubtful Accounts

Accounts receivable consist of grants receivable at the end of the year that arise in the normal course of business. The Organization has determined that all grants receivable are fully collectible.

Investments

Investments are managed by an independent advisor and consist of marketable securities which are valued at their fair market value in the statements of financial position. Unrealized gains and losses are included in the statements of activities and changes in net assets. The Organization's investment in the Delaware Community Foundation (DCF) is recognized in accordance with accounting principles generally accepted in the United States of America. Earnings, fees, and unrealized gains and losses are included in the statements of activities and changes in net assets.

Property and Equipment

Property and equipment with an estimated useful life in excess of one year and a value in excess of \$1,000 are recorded at cost, if purchased, and at fair market value, if donated. Maintenance, repairs and minor renewals are charged directly to expense as incurred. Additions and betterments to property and equipment are capitalized. When assets are disposed of, the related cost and accumulated depreciation thereon are removed from the accounts, and any resulting gain or loss is included in the statements of activities and changes in net assets.

Depreciation is computed using the straight-line method based upon the estimated useful lives of the related assets. The useful lives for purposes of computing depreciation are as follows:

Buildings and Improvements	3-40 years
Land and Improvements	5-15 years
Equipment and Furniture	5-10 years
Computer Equipment and Software	3-5 years

Works of Art

The Organization has elected to carry donated works of art at their historical fair market value and not to depreciate these assets. Each of the items are catalogued, preserved and cared for, and activities verifying their existence and assessing their condition are performed continually.

Cancer Support Community Delaware, Inc.
Notes to Financial Statements (Cont'd)
For the Years Ended December 31, 2022 and 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Contributions, Grants, Restricted and Unrestricted Support and Revenue

Contributions and Grants:

Contributions are transfers of cash or other assets to the Organization which support its cause and fund its operating activities. Upon adoption of ASU 2018-18, the Organization re-evaluated the existing agreements and evaluated new agreements and contributions received, to properly account for conditional and unconditional contributions.

1. Unconditional Contributions:

Unconditional contributions are recognized immediately and classified as either net assets with donor restrictions or net assets without donor restrictions. Support that is restricted by the donor is reported as an increase in net assets with donor restrictions, depending on the existence and/or nature of the restriction. When a restriction expires, that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statement of activities and changes in net assets as net assets released from restrictions.

2. Conditional Contributions:

Conditional contributions received are either accounted for as a liability or unrecognized initially, until the conditions to entitlement are overcome, at which point the transaction is recognized as unconditional and classified as either net assets with restrictions or net assets without restrictions. The Organization has no conditional contributions as of December 31, 2022.

3. Contributed Services:

Contributed services are not recognized as revenue unless services received create or enhance value of non-financial assets or require specialized skills which are provided by individuals possessing those skills and would typically need to be purchased if not contributed. The Organization received discounted services in the amount of \$13,129 and \$5,407 for the years ended December 31, 2022 and 2021, respectively.

4. In-Kind Donations:

Donated goods and space are recognized at the fair market value at the time of the donation. The Organization receives various supplies and free use of office spaces in Middletown. The value of these donations are recorded as unrestricted in-kind donations. For the years ended December 31, 2022 and 2021, the amounts recognized were \$8,222 and \$8,222, respectively.

Cancer Support Community Delaware, Inc.
Notes to Financial Statements (Cont'd)
For the Years Ended December 31, 2022 and 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Exchange Transactions:

The Organization recognizes revenues in accordance with ASC Topic 606, *Revenue from Contracts with Customers*. In accordance with this guidance the Organization must identify the customer; identify the performance obligations; determine the transaction price; allocate the transaction price to the performance obligations; and recognize revenue when the performance obligations are satisfied. The Organization has identified the following revenue streams that are accounted for as exchange transactions:

1. Special Events Revenue:

The amount raised through special events provides significant resources to the Organization, which allows them to continue to fulfill their mission. The Organization's major source of fundraising is their annual golf tournament held every year in New Castle County.

The amounts raised at the special events are accounted for as both contribution and exchange transactions. The Organization engages in exchange contracts with supporters when it sells tickets for special events. For these types of transactions, the Organization records revenue at a point in time which is when the event has concluded. The transaction price is allocated to the exchange transactions based on the consideration paid by the Organization for each of the resource provider's attendance at the event, and residual is accounted for as contribution. The performance obligation is satisfied upon the conclusion of the event (See Note 11).

2. Service Agreements:

The Organization has service agreements with the following two hospitals: Beebe Healthcare (Beebe) and Christiana Care Health Services (Christiana). In both service agreements, Beebe and Christiana, agree to pay the Organization a specified amount to cover the costs of programs being held at their facilities to help support cancer patients in their hospitals. The revenue is recognized at a point in time, which is the date the services are performed and based on the agreed upon transaction price, without any right to return or refunds.

Advertising Expense

The Organization expenses the production costs of advertising when incurred. Advertising totaled \$19,178 and \$14,380 for the years ended December 31, 2022 and 2021, respectively.

Employee Benefit Plan

The Organization established a 403(b) plan to which eligible employees can voluntarily contribute. Contributions to the Plan by the Organization can be made at the discretion of the Board of Directors. The Organization has not made any contributions to the Plan since it was established.

Cancer Support Community Delaware, Inc.
Notes to Financial Statements (Cont'd)
For the Years Ended December 31, 2022 and 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Allocation of Functional Expenses

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Accordingly, certain costs have been allocated among the programs and supporting services benefitted on a reasonable basis that is consistently applied. The Organization allocates the following expenses: payroll expenses and employee benefits, office supplies, professional fees and telephone based on the time and effort each employee spends on a particular program or supporting function. Additional expenses, such as depreciation, facility and grounds expense are allocated based on square footage of the buildings.

Income Taxes

The Organization has elected to be classified as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. Accordingly, it is not subject to state or federal income taxes. Therefore, no provision or liability for income tax is presented in these financial statements. The Organization accounts for the effect of any uncertain tax positions based on a "more likely than not" threshold to the recognition of the tax positions being sustained based on the technical merits of the position under scrutiny by the applicable taxing authority. The Organization recognizes accrued interest and penalties associated with uncertain tax positions, if any, as a component of functional expenses. The Organization did not have any income tax uncertainties that were considered greater than remote.

Fair Value Measurements

The Organization adopted the Fair Value Measurements standard for assets and liabilities measured at fair value on a recurring basis. The standard defines fair value and establishes a hierarchy for reporting the reliability of input measurements used to assess fair value for all assets and liabilities. The hierarchy consists of three broad levels:

- | | |
|---------|---|
| Level 1 | Observable inputs such as quoted market price in active markets for identical assets or liabilities. |
| Level 2 | Observable market-based inputs or unobservable inputs that are corroborated by market data. |
| Level 3 | Unobservable inputs for which there is little or no market data, which require the use of the reporting entity's own assumptions. |

Cancer Support Community Delaware, Inc.
Notes to Financial Statements (Cont'd)
For the Years Ended December 31, 2022 and 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Management 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 assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of public support, revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 3 CASH, CASH EQUIVALENTS AND RESTRICTED CASH

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the statements of financial position that agree to the amounts shown in the statements of cash flows:

	<u>2022</u>	<u>2021</u>
Cash and Cash Equivalents	\$456,431	\$343,530
Cash Equivalent		
Restricted for Purpose	<u>1,537</u>	<u>242</u>
Total Cash, Cash Equivalents and Restricted Cash	<u>\$457,968</u>	<u>\$343,772</u>

NOTE 4 PROPERTY AND EQUIPMENT

Property and equipment consist of the following as of December 31:

	<u>2022</u>	<u>2021</u>
Buildings and Improvements	\$1,582,514	\$1,580,414
Land and Improvements	567,432	567,432
Equipment and Furniture	124,108	123,064
Computer Equipment and Software	<u>64,878</u>	<u>64,878</u>
Total	2,338,932	2,335,788
Less: Accumulated Depreciation	<u>906,911</u>	<u>863,221</u>
Property and Equipment - Net	<u>\$1,432,021</u>	<u>\$1,472,567</u>

Depreciation expense was \$43,690 and \$43,659 for the years ended December 31, 2022 and 2021, respectively.

Cancer Support Community Delaware, Inc.
Notes to Financial Statements (Cont'd)
For the Years Ended December 31, 2022 and 2021

NOTE 5 BENEFICIAL INTEREST IN ASSETS HELD AT DELAWARE COMMUNITY FOUNDATION

The Organization recognizes its interest in the net assets of the Delaware Community Foundation (DCF) as a Level 3 investment, as defined above, in accordance with accounting principles generally accepted in the United States of America. The Organization's funds are a component fund of the DCF which are held and invested on a comingled, unitized basis; there are no securities independently held in the name of the Organization. The income earned and change in value are recorded with investment income on a quarterly basis. The fair value of the investment in DCF is based on a percentage interest of those assets' fair value as represented by the DCF's management. The combined fair market value of the two funds held at DCF as of December 31, 2022 and 2021 was \$157,074 and \$182,877, respectively.

NOTE 6 INVESTMENTS

Investments in marketable securities are measured at fair market value on a recurring basis. Investments are managed by an independent advisor in accordance with the Organization's investment policy. The following Level 1 investments were held as of December 31:

	<u>2022</u>	<u>2021</u>
Money Market Funds	\$ 43,219	\$ 40,739
Exchange Traded Funds	294,734	373,165
Fixed Income	109,663	121,629
Mutual Funds	<u>173,187</u>	<u>189,850</u>
Total	<u>\$620,803</u>	<u>\$725,383</u>

Investment income and its classification in the statements of activities and changes in net assets are as follows for the years ended December 31:

	<u>2022</u>	<u>2021</u>
Investment Income		
Interest Income - Banks	\$ 220	\$ 258
Dividends and Income Earned	19,200	23,047
Investment Advisory Fees	<u>(7,253)</u>	<u>(7,615)</u>
Total Investment Income	<u>\$ 12,167</u>	<u>\$ 15,690</u>
Gain on Investments		
Realized Gains (Losses)	\$ 3,445	\$ 2,464
Unrealized (Losses) Gains	<u>(145,774)</u>	<u>70,533</u>
Total (Loss) Gain on Investments	<u>\$ (142,329)</u>	<u>\$ 72,997</u>

Investment income reflects the activity of both the brokerage account, classified as Level 1 and the funds held by the Delaware Community Foundation, classified as Level 3.

Cancer Support Community Delaware, Inc.
Notes to Financial Statements (Cont'd)
For the Years Ended December 31, 2022 and 2021

NOTE 7 LIQUIDITY AND AVAILABILITY

The following reflects the Organization's financial assets as of the date of the statements of financial position, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the date of the statements of financial position. The amounts are as follows at December 31:

	<u>2022</u>	<u>2021</u>
Financial Assets at Year End:		
Cash, Cash Equivalents and Restricted Cash	\$ 457,968	\$ 343,772
Donations Receivable	14,120	20,362
Investments and Other Investments	<u>777,877</u>	<u>908,260</u>
Total Financial Assets	<u>1,249,965</u>	<u>1,272,394</u>
Less Amounts Not Available To Be used Within One Year:		
Cash Restricted for Patience Assistance Program	<u>1,537</u>	<u>242</u>
	<u>1,537</u>	<u>242</u>
Financial Assets Available to Meet General Expenditures Over the next Twelve Months	<u>\$1,248,428</u>	<u>\$1,272,152</u>

NOTE 8 PAYCHECK PROTECTION PROGRAM LOAN

In April 2020, the Organization obtained a Paycheck Protection Program (PPP) loan, under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), for \$81,477. The loan is administered by the Small Business Administration, guaranteed by the Federal government, and funded by WSFS Bank. Under the terms of the loan, the Organization applied for forgiveness of the loan and any accrued interest based on the amount of proceeds used for qualified expenses during the covered period. The loan was forgiven by the lender in 2021. Since the advance was considered a loan in the previous year, the amount has been included as forgiveness of debt on the statements of activities and changes in net assets.

In February 2021, the Organization obtained a second loan from the Paycheck Protection Program (PPP2) loan in the amount of \$72,682.

As of December 31, 2021, the Organization used all the proceeds from the advances for qualifying expenses and met the qualifications for PPP2 loan forgiveness. Under new guidance, the Organization recorded the advance in accordance with their policy for recording conditional grants. The Organization has included \$72,682 as grant income in the statements of activities and changes in net assets.

Cancer Support Community Delaware, Inc.
Notes to Financial Statements (Cont'd)
For the Years Ended December 31, 2022 and 2021

NOTE 9 PATIENT ASSISTANT FUNDS PAYABLE

The Organization partnered with the Incyte Foundation to provide residents in active cancer treatment in Delaware, and with demonstrated need, access to emergency funds to assist with medical expenses and basic living expenses, such as rent, mortgage, utilities or transportation. Incyte contributes the funds to a custodial bank account which the Organization maintains. They have designated a committee to review and approve all applications. They have determined a maximum assistance of \$3,000 per patient.

Incyte Foundation has committed to fund the bank account with \$200,000 a year for five years. The Organization has assisted Incyte with providing \$100,067 and \$172,205 in assistance to patients in need during the years ended December 31, 2022 and 2021, respectively.

NOTE 10 BOARD DESIGNATED FUNDS

Board designated funds are included in the net assets without donor restrictions on the statements of financial position. The Organization received a bequest from the estate of an active volunteer in Sussex County and at that time the Board designated the funds to be used for Sussex County programs, with earnings available to be used annually. The funds are being held as a separate fund at the DCF. The value of the fund was \$128,079 and \$149,119 as of December 31, 2022 and 2021, respectively.

NOTE 11 SPECIAL EVENTS

The contributions raised through special events provides significant Resources to the Organization which allows it to continue to fulfill its mission. Special events revenue is reported net of the direct expenses incurred on the statements of activities and changes in net assets while other fundraising expenses are allocated to the fundraising expenses on the statements of functional expenses.

Fundraising income and expenses are as follows for the years ended December 31:

	<u>2022</u>	<u>2021</u>
Fundraising Income	\$296,810	\$ 281,797
Fundraising Expense	(68,548)	(61,621)
Special Events Revenue - Net	<u>\$228,262</u>	<u>\$ 220,176</u>
Direct Funding Expense	23.09%	21.87%

Cancer Support Community Delaware, Inc.
Notes to Financial Statements (Cont'd)
For the Years Ended December 31, 2022 and 2021

NOTE 12 NATIONAL AFFILIATION

The Organization is a licensed affiliate of and accredited by Cancer Support Community, Inc. The national organization defines the roles and expectations for each affiliate. As a member, the Organization follows the guidelines and adheres to the policies of the national organization. They also pay annual dues to the national organization which were \$11,615 and \$5,301 for the years ended December 31, 2022 and 2021, respectively.

NOTE 13 COMMITMENTS AND CONTINGENCIES

In the normal course of business, there are outstanding various commitments and contingencies in addition to the normal purchases of goods and services. The Organization does not anticipate losses as a result of these commitments and contingencies.

NOTE 14 CREDIT RISK

Financial instruments that potentially subject the Organization to significant concentrations of credit risk are principally cash balances and marketable securities.

1. Cash Balances:

The Organization, in the ordinary course of business, maintains cash balances in various financial institutions. For the years ended December 31, 2022 and 2021, the balances of both interest and non-interest-bearing accounts were insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The balances on all accounts held at the financial institutions are added together, and any amounts over the limit is considered uninsured. At times, balances may exceed insured limits; however, management does not feel it is exposed to any significant credit risk with respect to uninsured balances maintained at financial institutions.

2. Marketable Securities:

The Organization maintains marketable securities with a brokerage firm located in the United States which is insured by the Securities Investor Protection Corporation (SIPC) up to \$500,000, which includes a \$250,000 limit for cash. At times, balances may exceed insured limits; however, management does not feel it is exposed to any significant credit risk with respect to uninsured balances maintained at the brokerage firm.

Cancer Support Community Delaware, Inc.
Notes to Financial Statements (Cont'd)
For the Years Ended December 31, 2022 and 2021

NOTE 15 RECLASSIFICATION

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements.

NOTE 16 SUBSEQUENT EVENTS

The Organization has evaluated events and transactions for potential recognition or disclosure through May 18, 2023, which is the date the financial statements were available to be issued.