

**CANCER CAREPOINT, INC.**

**FINANCIAL STATEMENTS**

**YEARS ENDED DECEMBER 31, 2019**

**AND**

**INDEPENDENT ACCOUNTANTS' REVIEW REPORT**



**CANCER CAREPOINT, INC.**

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## INDEPENDENT ACCOUNTANTS' REVIEW REPORT

The Board of Directors  
Cancer CAREpoint, Inc.  
San Jose, California

We have reviewed the accompanying financial statements of Cancer CAREpoint, Inc. (a California nonprofit organization), which comprise the statement of financial position as of December 31, 2019, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America. This includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Accountants' Responsibility**

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

### **Accountants' Conclusion**

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.



## **Report on Summarized Comparative Information**

We have previously reviewed the Cancer CAREpoint, Inc.'s 2018 financial statements and in our conclusion dated July 16, 2019, stated that based on our review, we were not aware of any material modifications that should be made to the 2018 financial statement in order for them to be in accordance with accounting principles generally accepted in the United States of America. We were not aware of any material modifications that should be made to the summarized comparative information presented herein as of and for the year ended December 31, 2018, for it to be consistent with the reviewed financial statements from which it has been derived.

*Johanson & Yau Accountancy Corporation*

Campbell, California  
October 29, 2020

**CANCER CAREPOINT, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2019**  
**(With Comparative Totals as of December 31, 2018)**

**ASSETS**

	<b>2019</b>	<b>2018*</b>
Current assets		
Cash	\$ 402,184	\$ 233,806
Investments - Note 4	1,593,041	1,609,137
Deposits	4,586	4,586
Prepaid expenses	19,129	13,218
Total current assets	2,018,940	1,860,747
Property and equipment, net - Note 5	27,469	39,645
	\$ 2,046,409	\$ 1,900,392

**LIABILITIES AND NET ASSETS**

Current liabilities		
Accounts payable	\$ 12,336	\$ 19,216
Accrued expenses	53,305	69,552
Total current liabilities	65,641	88,768
Net assets		
Without donor restrictions	1,906,999	1,706,361
With donor restrictions - Note 6	73,769	105,263
	1,980,768	1,811,624
	\$ 2,046,409	\$ 1,900,392

See accompanying notes to financial statements  
\* Derived from 2018 reviewed financial statements

**CANCER CAREPOINT, INC.**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2019**  
**(With Comparative Totals for the year ended December 31, 2018)**

	2019			2018*
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Operating activities				
Revenues				
Contributions				
Public	\$ 1,210,281	\$ -	\$ 1,210,281	\$ 1,130,306
Corporate and foundation	404,062	73,771	477,833	508,824
Government grants	13,000	-	13,000	46,400
In-kind donated services and materials	34,625	-	34,625	28,278
In-kind occupancy revenue	36,000	-	36,000	49,353
Service fee	-	-	-	7,700
	<u>1,697,968</u>	<u>73,771</u>	<u>1,771,739</u>	<u>1,770,861</u>
Net assets released from restrictions	<u>105,265</u>	<u>(105,265)</u>	<u>-</u>	<u>-</u>
Total support and revenue	<u>1,803,233</u>	<u>(31,494)</u>	<u>1,771,739</u>	<u>1,770,861</u>
Expenses				
Program services	<u>1,229,304</u>	<u>-</u>	<u>1,229,304</u>	<u>1,277,257</u>
Supporting services				
General and administrative	74,950	-	74,950	125,641
Fundraising costs	<u>382,788</u>	<u>-</u>	<u>382,788</u>	<u>263,353</u>
Total supporting services	<u>457,738</u>	<u>-</u>	<u>457,738</u>	<u>388,994</u>
Total supporting and program services	<u>1,687,042</u>	<u>-</u>	<u>1,687,042</u>	<u>1,666,251</u>
Non-operating activities				
Interest and dividends	39,879	-	39,879	23,723
Net realized and unrealized investment gain (loss)	<u>44,568</u>	<u>-</u>	<u>44,568</u>	<u>(27,736)</u>
Change in net assets	200,638	(31,494)	169,144	100,597
Net assets, beginning of year	<u>1,706,361</u>	<u>105,263</u>	<u>1,811,624</u>	<u>1,711,027</u>
Net assets, end of year	<u>\$ 1,906,999</u>	<u>\$ 73,769</u>	<u>\$ 1,980,768</u>	<u>\$ 1,811,624</u>

See accompanying notes to financial statements  
\* Derived from 2018 reviewed financial statements

**CANCER CAREPOINT, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2019**  
**(With Comparative Totals for the year ended December 31, 2018)**

	<b>2019</b>			<b>2018*</b>	
	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>	<u>Total</u>
Salaries	\$ 656,412	\$ 25,887	\$ 101,351	\$ 783,650	\$ 844,991
Payroll taxes	53,029	2,091	8,188	63,308	66,697
Employee benefits	8,159	322	1,260	9,741	61,009
Total salaries and related expenses	717,600	28,300	110,799	856,699	972,697
Professional services	116,994	26,399	136,395	279,788	169,101
Food	12,072	720	48,940	61,732	28,185
Office maintenance and supplies	30,088	958	1,048	32,094	22,181
Telephone	7,435	-	1,577	9,012	10,792
Utilities	8,081	-	-	8,081	8,351
Postage and shipping	11,650	24	7,383	19,057	21,823
Building occupancy	109,872	-	-	109,872	119,812
Special event expense	-	-	20,218	20,218	-
Printing	38,482	-	6,532	45,014	43,264
Advertising	13,830	-	-	13,830	38,746
Travel, education and training	1,782	52	306	2,140	7,722
Insurance	4,270	2,733	1,022	8,025	7,900
Patient programs	41,139	-	-	41,139	46,429
Patient providers	76,857	-	-	76,857	58,466
Bank and credit card fees	-	669	19,661	20,330	20,378
Miscellaneous	4,527	2,919	28,907	36,353	20,157
Total expenses before depreciation and in-kind expenses	1,194,679	62,774	382,788	1,640,241	1,596,004
Depreciation	-	12,176	-	12,176	41,969
In-kind services and materials	34,625	-	-	34,625	28,278
Total functional expenses	<u>\$ 1,229,304</u>	<u>\$ 74,950</u>	<u>\$ 382,788</u>	<u>\$ 1,687,042</u>	<u>\$ 1,666,251</u>

See accompanying notes to financial statements  
\* Derived from 2018 reviewed financial statements

**CANCER CAREPOINT, INC.**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED DECEMBER 31, 2019**  
**(With Comparative Totals as of December 31, 2018)**

	<u>2019</u>	<u>2018*</u>
Cash flows from operating activities		
Change in net assets	\$ 169,144	\$ 100,597
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	12,176	41,969
In-kind contributions of property	-	(9,430)
Realized and unrealized (gain) loss on investments	(48,391)	27,736
(Increase) decrease in assets		
Pledges receivable	-	6,165
Prepays and deposits	(5,911)	6,776
Increase (decrease) in liabilities		
Accounts payable	(6,880)	14,042
Accrued expenses	(16,247)	648
	<u>103,891</u>	<u>188,503</u>
Cash flows from investing activities		
Purchase of property and equipment	-	(8,200)
Purchase of investments	(1,022,701)	(1,189,655)
Sale of investments	1,087,188	732,700
	<u>64,487</u>	<u>(465,155)</u>
Net cash provided by (used for) investing activities		
	168,378	(276,652)
Cash, beginning of year	<u>233,806</u>	<u>510,458</u>
Cash, end of year	<u>\$ 402,184</u>	<u>\$ 233,806</u>

See accompanying notes to financial statements  
\* Derived from 2018 reviewed financial statements



**CANCER CAREPOINT, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2019**

**NOTE 1 - SUMMARY OF ACTIVITIES**

Cancer CAREpoint (the Organization) was established in 2010 and is a not-for-profit organization dedicated to transforming support for cancer patients, families and caregivers in Silicon Valley through personalized, one-on-one Counseling, Assistance, Resources and Education. The Organization is the only community-based cancer care non-profit in the Bay Area offering non-medical support services to patients, survivors, caregivers and family members for any type of cancer diagnosis at no cost.

In October 2013 the Organization opened its current location in San Jose to provide a convenient, welcoming place for individuals and their families and caregivers to come for help through their cancer journey. The Organization offers wide variety of services, at no cost to patients, including exercise, nutrition, and mind-body skills, counseling and support groups, therapeutic massage and energy work, a Family CARE program, survivorship programs, special presentations, and a wig bank. Starting in 2016, the Organization also began offering programs at other locations, such as Santa Clara Valley Medical Center, other medical centers, and community centers.

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

The Organization follows standards of accounting and financial reporting for not-for-profit organizations as prescribed by the American Institute of Certified Public Accountants and the Financial Accounting Standards Board. The Organization reports its financial position and operational activities according to the following net asset classifications:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

Net assets with donor restrictions - Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Measure of operations - The statements of activities reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to the Organization's programs. Nonoperating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

Revenue recognition - The Organization recognizes public support, as well as program service revenue on the accrual basis of accounting. Public support is recordable on a net realizable value basis. Program service revenue is recognized in the period in which services are provided.

**CANCER CAREPOINT, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2019**

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

Revenue recognition (Continued) - Contributions are recognized when the donor makes an unconditional promise to give. Contributions are recorded as net assets without donor restrictions or with donor restrictions depending on the nature of donor restrictions and depending on whether the restrictions are met in the current period. Restricted contributions are reported as increases in net assets without donor restrictions if the restrictions have been met in the current fiscal period. If the restriction has not been met by fiscal year end, the amount is reported as an increase in net assets with donor restrictions. When the restriction is met on a contribution received in a prior fiscal period, the amount is reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Conditional promises to give are not included as support until the conditions are substantially met.

Contributions-in-kind - Donated equipment and other donated goods are recorded at their estimated value at the date of donation. Contributed services, which require a specialized skill and which the Organization would have paid for if not donated, are recorded at the estimated fair value at the time services are rendered. The Organization also receives other donated services that do not require specific expertise but which are nonetheless central to the Organization's operations. These contributed services are not reflected in the financial statements.

Cash - Cash consists of deposits with a bank which often exceed federally insured limits.

Investments - Investments in marketable securities with readily determinable fair value are stated at market value. Dividends and interest are accrued as earned and recorded as revenue without donor restrictions unless income is restricted by the donor.

Generally accepted accounting principles establish a hierarchy to prioritize the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest ranking to fair values determined using unadjusted quoted prices in active markets for identical assets (Level 1) and the lowest ranking to fair values determined using methodologies and models with unobservable inputs (Level 3). Observable inputs are those that market participants would use in pricing the assets based on market data obtained from sources independent of the Organization. Unobservable inputs reflect the Organization's assumption about the inputs market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1 - Values are unadjusted quoted prices for identical assets or liabilities in active markets accessible at the measurement date.

Level 2 - Inputs include quoted prices for similar assets or liabilities in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the instrument. Such inputs include market interest rates and volatilities, spreads and yield curves.

Level 3 - Certain inputs are unobservable (supported by little or no market activity) and significant to the fair value measurement. Unobservable inputs reflect the Organization's best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date.

**CANCER CAREPOINT, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2019**

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

Property and equipment - Property and equipment are recorded at cost, or if contributed, at the estimated fair value when donated. Depreciation is computed using the straight-line method over estimated useful life of five years. Depreciation is recorded as a decrease in net assets without donor restrictions and the expense is charged to the activity benefiting from the use of the facilities or equipment.

Long-lived assets - The Organization reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. No such impairments have been identified to date.

Indirect expense allocations - Indirect expense allocations are based on actual salaries allocated to an applicable program and supporting activity.

Income taxes - The Organization is exempt from federal and state income taxes under provisions of Section 501(c)(3) of the Internal Revenue Code and similar state provisions and has been determined to be an organization which is not a private foundation.

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 at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Concentration of credit risk - Financial instruments that potentially subject the Organization to concentration of credit risk consist principally of cash, pledges receivable, grants receivable and investments. Cash is deposited in local reputable banks and marketable securities are in the custody of a large financial institution. The credit risk in the pledges and grants receivable is mitigated by the fact that pledges are made by predominately local, repeat donors and are evaluated by the Organization based on personal contact and knowledge of the donors. The credit risk in investments described in Note 4 is mitigated by the fact that the Organization regularly reviews the investments and uses an outside investment manager.

**CANCER CAREPOINT, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2019**

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

Functional expenses - The costs of providing program and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among program services and supporting services. Such allocations are determined by management on an equitable basis.

Significant categories of expenses that are allocated include the following:

Expense	Method of Allocation
Salaries	Time and effort
Payroll taxes	Time and effort
Professional services	Full time equivalent
Food	Time and effort
Office maintenance and supplies	Time and effort
Building occupancy	Square Footage
Printing	Time and effort
Patient programs	Time and effort
Patient providers	Full time equivalent

New accounting pronouncement - In June 2018, FASB issued ASU 2018-08, Not-for-Profit Entities (Topic 958), *Clarifying the Scope of the Accounting Guidance for Contributions Received and Contributions Made*. The ASU was issued to clarify and improve current guidance about whether a transfer of assets is a contribution or an exchange transaction. This new guidance is effective for annual reporting periods beginning after December 15, 2018. The Organization adopted this ASU on July 1, 2019. The adoption did not have an impact on the Organization's change in net assets

New accounting pronouncements not yet adopted - In February 2016, the FASB issued new accounting guidance for leases. The new guidance requires lessees to recognized lease assets and lease liabilities for all leases with terms more than 12 months in the statement of financial position and disclose key information about leasing agreements. This new guidance is effective for annual reporting periods beginning after December 15, 2020 with early adoption permitted. The Organization is currently evaluating the impact of adopting this standard on its financial statements.

**CANCER CAREPOINT, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2019**

**NOTE 3 - AVAILABILITY AND LIQUIDITY**

The following represents the Organization's financial assets at December 31, 2019:

Financial assets at year end:

Cash	\$	402,184
Investments		<u>1,593,041</u>
 Total financial assets		 1,995,225

Less amounts not available to be used within one year:

Net assets with donor restrictions		<u>73,769</u>
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Financial assets available to meet general expenditures  
over the next twelve months

\$	<u><u>1,921,456</u></u>
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The Organization's goal is generally to maintain financial assets to operating expenses. As part of its liquidity plan, excess cash is invested in short-term investments, including money market accounts and certificates of deposit.

**NOTE 4 - INVESTMENTS IN MARKETABLE SECURITIES**

The cost and fair market value of the Organization's investments in marketable securities consisted of the following at December 31, 2019:

	<u>Cost</u>	<u>Fair Market Value</u>	<u>Unrealized Gain</u>
Publicly traded equity securities:			
ETFs & CEFs	\$ 264,488	\$ 298,155	\$ 33,667
Certificates of deposit	<u>1,287,000</u>	<u>1,294,886</u>	<u>7,886</u>
 Total investments	 <u><u>\$ 1,551,488</u></u>	 <u><u>\$ 1,593,041</u></u>	 <u><u>\$ 41,553</u></u>

The fair market value of marketable securities is based upon quoted market prices for identical assets (Level 1 input).

**CANCER CAREPOINT, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2019**

**NOTE 4 - INVESTMENTS IN MARKETABLE SECURITIES (Continued)**

Net investment gain included in the statement of activities for the year ended December 31, 2019 consisted of the following:

Dividends and interest income	<u>\$ 39,879</u>
Net realized gain	6,838
Net unrealized gain	<u>41,553</u>
Net realized and unrealized gain on investments	<u>48,391</u>
Less investment fees	<u>(3,823)</u>
Total investment gain	<u><u>\$ 84,447</u></u>

**NOTE 5 - PROPERTY AND EQUIPMENT**

The components of property and equipment are as follows for the year ended December 31, 2019:

Property and equipment	
Equipment	\$ 63,831
Leasehold improvements	<u>198,624</u>
	262,455
Less accumulated depreciation	<u>(234,986)</u>
	<u><u>\$ 27,469</u></u>

Depreciation expense was \$12,176 for the year ended December 31, 2019.

**CANCER CAREPOINT, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2019**

**NOTE 6 - NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions consisted of the following at December 31, 2019:

Resonance Philanthropies	27,485
MOCA Foundation	14,533
Kaiser Permanente Wellness	8,339
El Camino Hospital Counseling	11,328
County of Santa Clara Outreach	<u>12,084</u>
 Total	 <u><u>\$ 73,769</u></u>

Total release of restrictions was \$105,265 for the year ended December 31, 2019.

**NOTE 7 - RELATED PARTY TRANSACTIONS**

Donations from board members totaled \$216,290 for the year ended December 31, 2019.

The Organization received favorable lease terms from the landlord due to the positive relationship with this Organization and commonality of the board members of these two organizations. In kind occupancy revenue and expense has been recorded by the Organization for \$36,000 for the year ended December 31, 2019 to effectively record the lease at estimated fair value. Estimated fair value was determined by comparable leasing rates at December 31, 2019 in close proximity to the Organization's location.

**NOTE 8 - COMMITMENTS AND CONTINGENCIES**

The Organization has elected to be self-insured for California unemployment insurance. Amounts contingently payable under this arrangement are deemed immaterial.

**NOTE 9 - LEASE**

The Company leases office space under a long-term non-cancellable lease agreement, classified as an operating lease, which expires in 2021. Future minimum lease payments for 2020 and 2021 are expected to be \$78,300 and \$81,864, respectively.

**NOTE 10 - RETIREMENT PLANS**

The Organization maintains a 401(k) plan covering all employees meeting minimum age and service requirements. The plan allows for discretionary employer matching contributions. Participants are fully vested in the matching contributions after three years of service as long as the participant has reached a minimum of 1,000 hours of service each year. Matching contributions were \$30,250 for the year ended December 31, 2019.

**CANCER CAREPOINT, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2019**

**NOTE 11 - SUBSEQUENT EVENTS**

Subsequent events were evaluated through October 29, 2020 the date the financial statements were available to be issued.

Subsequent to yearend, the COVID-19 outbreak is disrupting a range of industries. The extent of the impact of COVID-19 on the Organization's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, of which are uncertain and cannot be predicted. As of the date of this report, the extent to which COVID-19 may impact the Organization's financial condition or results of operations is uncertain.