

CANCER CAREPOINT, INC.

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

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, 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. 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.

We are required to be independent of Cancer CAREpoint, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

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 2020 financial statements and in our conclusion dated October 29, 2021, stated that based on our review, we were not aware of any material modifications that should be made to the 2020 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, 2020, for it to be consistent with the reviewed financial statements from which it has been derived.

Johanson & Yau Accountancy Corporation

Campbell, California
November 7, 2022

CANCER CAREPOINT, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2021
(With Comparative Totals as of December 31, 2020)

ASSETS

	2021	2020*
Current assets		
Cash	\$ 685,714	\$ 617,950
Investments - Note 4	1,344,771	1,457,277
Deposits	4,586	4,586
Prepaid expenses	25,760	10,124
Total current assets	2,060,831	2,089,937
Property and equipment, net - Note 5	8,516	27,079
	\$ 2,069,347	\$ 2,117,016

LIABILITIES AND NET ASSETS

Current liabilities		
Accounts payable	\$ 1,698	\$ 4,541
Accrued expenses	55,486	52,422
Total current liabilities	57,184	56,963
Net assets		
Without donor restrictions	1,918,515	2,031,676
With donor restrictions - Note 6	93,648	28,377
	2,012,163	2,060,053
	\$ 2,069,347	\$ 2,117,016

See accompanying notes to financial statements
* Derived from 2020 reviewed financial statements

CANCER CAREPOINT, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021
(With Comparative Totals for the year ended December 31, 2020)

	2021			2020*
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Operating activities				
Revenues				
Contributions				
Public	\$ 1,151,835	\$ -	\$ 1,151,835	\$ 926,031
Corporate and foundation	168,586	84,516	253,102	421,344
Government grants	85,868	9,132	95,000	15,295
In-kind donated services and materials	1,150	-	1,150	20
In-kind occupancy revenue	-	-	-	30,000
Refundable advance forgiveness - Note 11	178,060	-	178,060	194,312
	<u>1,585,499</u>	<u>93,648</u>	<u>1,679,147</u>	<u>1,587,002</u>
Net assets released from restrictions	<u>28,377</u>	<u>(28,377)</u>	<u>-</u>	<u>-</u>
Total support and revenue	<u>1,613,876</u>	<u>65,271</u>	<u>1,679,147</u>	<u>1,587,002</u>
Expenses				
Program services	<u>1,387,403</u>	<u>-</u>	<u>1,387,403</u>	<u>1,262,254</u>
Supporting services				
General and administrative	108,134	-	108,134	109,615
Fundraising costs	<u>286,631</u>	<u>-</u>	<u>286,631</u>	<u>218,431</u>
Total supporting services	<u>394,765</u>	<u>-</u>	<u>394,765</u>	<u>328,046</u>
Total supporting and program services	<u>1,782,168</u>	<u>-</u>	<u>1,782,168</u>	<u>1,590,300</u>
Non-operating activities				
Interest and dividends - Note 4	24,707	-	24,707	32,689
Net realized and unrealized investment gain - Note 4	<u>30,424</u>	<u>-</u>	<u>30,424</u>	<u>49,894</u>
	<u>55,131</u>	<u>-</u>	<u>55,131</u>	<u>82,583</u>
Change in net assets	(113,161)	65,271	(47,890)	79,285
Net assets, beginning of year	<u>2,031,676</u>	<u>28,377</u>	<u>2,060,053</u>	<u>1,980,768</u>
Net assets, end of year	<u>\$ 1,918,515</u>	<u>\$ 93,648</u>	<u>\$ 2,012,163</u>	<u>\$ 2,060,053</u>

See accompanying notes to financial statements
* Derived from 2020 reviewed financial statements

CANCER CAREPOINT, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2021
(With Comparative Totals for the year ended December 31, 2020)

	2021				2020*
	Program Services	General and Administrative	Fundraising	Total	Total
Salaries	\$ 911,598	\$ 20,221	\$ 91,213	\$ 1,023,032	\$ 988,506
Payroll taxes	75,811	1,682	7,585	85,078	68,447
Employee benefits	27,699	492	4,180	32,371	29,629
Total salaries and related expenses	1,015,108	22,395	102,978	1,140,481	1,086,582
Professional services	64,175	37,229	2,441	103,845	108,001
Food	2,322	11,674	3,573	17,569	2,471
Office maintenance and supplies	96,118	299	2,078	98,495	62,719
Telephone	7,273	-	3,351	10,624	11,766
Utilities	9,234	-	-	9,234	7,281
Postage and shipping	22,604	32	995	23,631	14,298
Building occupancy	83,724	-	-	83,724	111,281
Special event expense	3,880	1,707	147,742	153,329	95,804
Printing	14,231	-	9,429	23,660	19,039
Advertising	39,194	-	3,486	42,680	17,959
Travel, education and training	6,009	685	593	7,287	1,492
Insurance	5,200	3,509	638	9,347	15,174
Bank and credit card fees	-	11,976	99	12,075	10,724
Miscellaneous	18,331	65	9,228	27,624	14,720
Total expenses before depreciation and in-kind expenses	1,387,403	89,571	286,631	1,763,605	1,579,311
Depreciation and amortization	-	18,563	-	18,563	10,989
Total functional expenses	\$ 1,387,403	\$ 108,134	\$ 286,631	\$ 1,782,168	\$ 1,590,300

See accompanying notes to financial statements
* Derived from 2020 reviewed financial statements

CANCER CAREPOINT, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2021
(With Comparative Totals as of December 31, 2020)

	2021	2020*
Cash flows from operating activities		
Change in net assets	\$ (47,890)	\$ 79,285
Adjustments to reconcile change in net assets to net cash used for operating activities		
Depreciation	18,563	10,989
Forgiveness of refundable advance	(178,060)	(194,312)
Realized and unrealized gain on investments	(30,424)	(52,652)
(Increase) decrease in assets		
Prepays and deposits	(15,636)	9,005
Increase (decrease) in liabilities		
Accounts payable	(2,843)	(7,795)
Accrued expenses	3,064	(883)
	(253,226)	(156,363)
Cash flows from investing activities		
Purchase of property and equipment	-	(10,599)
Purchase of investments	(716,345)	(382,564)
Proceeds from refundable advance	178,060	194,312
Sale of investments	859,275	570,980
	320,990	372,129
Net increase in cash	67,764	215,766
Cash, beginning of year	617,950	402,184
Cash, end of year	\$ 685,714	\$ 617,950

See accompanying notes to financial statements
* Derived from 2020 reviewed financial statements

CANCER CAREPOINT, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

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 on the accrual basis of accounting. Public support is recordable on a net realizable value basis. Program service revenue is recognized in the period as earned.

CANCER CAREPOINT, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

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, 2021

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.

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.

Prior year information - The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2020, from which the summarized information was derived.

Concentration of credit risk - Financial instruments that potentially subject the Organization to concentration of credit risk consist principally of cash 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.

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
Employee benefits	Time and effort
Professional services	Full Time Equivalent
Building occupancy	Square Footage
Office maintenance and supplies	Time and effort
Special event expense	Time and effort
Printing	Time and effort
Advertising	Time and effort

CANCER CAREPOINT, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

New accounting pronouncements not yet adopted - In February 2016, the FASB issued new accounting guidance for leases. The new guidance requires lessees to recognize 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, 2021 with early adoption permitted. The Organization is currently evaluating the impact of adopting this standard on its financial statements.

Subsequent events - Subsequent events were evaluated through November 7, 2022 the date the financial statements were available to be issued.

NOTE 3 - AVAILABILITY AND LIQUIDITY

The following represents the Organization's financial assets at December 31, 2021:

Financial assets at year end:

Cash	\$ 685,714
Investments	<u>1,344,771</u>
Total financial assets	2,030,485

Less amounts not available to be used within one year:

Net assets with donor restrictions	<u>93,648</u>
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Financial assets available to meet general expenditures
over the next twelve months

\$ 1,936,837

The Organization's goal is generally to maintain financial assets to meet operating expenses. As part of its liquidity plan, excess cash is invested in short-term investments, including money market accounts and certificates of deposit.

CANCER CAREPOINT, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

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, 2021:

	Cost	Fair Market Value	Unrealized Gain
Publicly traded equity securities:			
ETFs & CEFs	\$ 318,874	\$ 381,877	\$ 63,003
Certificates of deposit	956,000	962,894	6,894
Total investments	\$ 1,274,874	\$ 1,344,771	\$ 69,897

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

Net investment gain included in the statement of activities for the year ended December 31, 2021 consisted of the following:

Interest and dividend income	\$ 24,707
Net realized gain	45,739
Net unrealized loss	(11,408)
Net realized and unrealized gain on investments	34,331
Less investment fees	(3,907)
Total investment gain	\$ 55,131

CANCER CAREPOINT, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

NOTE 5 - PROPERTY AND EQUIPMENT

The components of property and equipment are as follows for the year ended December 31, 2021:

Property and equipment		
Equipment	\$	63,831
Software		10,599
Leasehold improvements		<u>198,624</u>
		273,054
Less accumulated depreciation and amortization		<u>(264,538)</u>
	\$	<u><u>8,516</u></u>

Depreciation and amortization expense was \$18,563 for the year ended December 31, 2021.

NOTE 6 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following at December 31, 2021:

El Camino Hospital - counseling services	\$	15,000
MOCA Foundation - art programs & weekend exercise		19,516
MOCA Foundation - support communications associate staff position		50,000
County of Santa Clara Outreach		<u>9,132</u>
Total	\$	<u><u>93,648</u></u>

Total release of restrictions was \$28,377 for the year ended December 31, 2021.

NOTE 7 - RELATED PARTY TRANSACTIONS

Donations from board members totaled \$144,135 for the year ended December 31, 2021.

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.

CANCER CAREPOINT, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

NOTE 9 - LEASE

The Company leases office space under a long-term non-cancellable lease agreement, classified as an operating lease, which expires in 2022. Future minimum lease payments for 2022 are expected to be \$84,318.

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. The Organization did not make matching contributions for the year ended December 31, 2021.

NOTE 11 - REFUNDABLE ADVANCE

In February 2021, the Organization received \$178,060 under the United States Small Business Administration's Paycheck Protection Program (PPP) through Heritage Bank of Commerce, as a result of the public health emergency brought on by the novel Corona virus (COVID-19). Principal and accrued interest at 1% were due in two years. In August 2021, the loan was fully forgiven and was reported as other revenue during the year.

NOTE 12 - UNCERTAINTIES

The COVID-19 outbreak is disrupting operations and affecting 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 and the impact on its members, employees and vendors, all 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. No adjustments relating to the effects of the pandemic have been recorded in the accompanying financial statements.