CANCER SUPPORT COMMUNITY
San Francisco Bay Area
Formerly The Wellness Community

Cancer Support Community – San Francisco Bay Area

Financial Statements

For the years ended December 31, 2021 and 2020

With Independent Auditors' Report Thereon

(A California Not-for-Profit Corporation)

Mission

The mission of Cancer Support Community San Francisco Bay Area (CSC) is to help people facing cancer to become healthier, live longer and live better.

Cancer Support Community provides comprehensive integrative care — including counseling, support groups, nutrition, exercise, financial assistance and patient education programs — for people with cancer and their families or caregivers. Our services enable cancer patients to partner with their treatment team to manage their treatment and recovery most effectively, increase their chances for survival, reduce their chances of recurrence, and provide for the highest possible quality of life.

All of our services are always provided free of charge in order to be readily accessible to people facing cancer in their time of need.

Our Walnut Creek campus opened in 1990 and our East Contra Costa County satellite office in Antioch opened in 2020 to increase our ability to support underserved populations.

All of our programs and services are delivered by professionals who are licensed or certified in their area of expertise:

- Weekly support groups for people with any type of cancer, family members and caregivers
- Specialized support groups for people with breast cancer, colorectal cancer, prostate cancer, brain cancer, gynecologic/ovarian cancer, lung cancer, carcinoid/neuroendocrine and other cancers
- Specialized groups and programs for those in survivorship
- Individual and family counseling for those in crisis
- Decisional counseling for those with complex or difficult treatment decisions
- Counseling and other programs for children whose parents have cancer
- Specialized exercise and mind-body programs, such as yoga and guided imagery
- Workshops on topics such as nutrition, treatment advances, and complementary therapies
- Symposia developed by national experts on critical topics for people with cancer and educational series for intensive training on managing treatment and recovery
- Emergency Financial Assistance for low-income cancer patients

Organization

CSC SF Bay Area is an affiliate of the international Cancer Support Community organization but remains an independent nonprofit corporation. All of the funds we raise are used to support programs and services in our local Bay Area community.

Despite the challenges of the pandemic Cancer Support Community continues to be strong financially and committed to our mission. We continued to provide all of our programs virtually while monitoring the pandemic restrictions.

Management Discussion & Analysis

Despite the ongoing pandemic in 2021, Chief Executive Officer Robert Tufel, MSW, MPH, CSC Board of Directors and staff successfully focused on program development and fundraising to fulfill our mission.

Selected accomplishments in 2021:

- Provided all programs virtually for Walnut Creek and our East Contra Costa Center
- Served 1,311 number of patients and family members representing 22,974 visits
- Hired new licensed mental health facilitator enabling us to add additional support groups
- Offered 3,707 number of programs on a wide variety of topics including nutrition, symptom management, exercise, treatment updates featuring leading health professionals from the community
- Provided 2,137 number of support groups, counseling and networking.
- Initiated counseling internship program to train mental health professionals in psychosocial oncology and provide free one-on-one counseling
- Provided emergency financial assistance grants to over 160 low-income cancer patients since the start of the pandemic
- Increased service area by providing all programs virtually throughout the Bay Area
- Secured entitlements from the Lafayette Planning Commission with major community support
- Created a Legacy Advisory Council to raise awareness about planned giving
- Provided 140 meals to local oncology nurses as a thank you for serving patients during the pandemic
- Received prestigious President’s award presented to Margaret Stauffer, Chief Mission Officer, by AstraZeneca
- Focused on Diversity, Inclusion and Belonging (DIB) including securing a Stanford grant to assess support needs of Black cancer patients, increasing outreach efforts, providing staff trainings on DIB, creating a Board DIB Committee and increasing the diversity of the Board of Directors.

General Fundraising - Our income for the year was 121% of our budget and attributable to an increase from our individual donors, successful fundraising events, corporate gifts, and forgiveness of our second PPP loan. We did, however, receive fewer foundation grants and did not receive any Legacy Gifts during the year. Our expenses were in line with our budget although we saw an increase in operating expenses due to professional services, technology upgrades and event expenses due to one in-person event. We did experience lower program expenses due to our virtual classes and workshops and a slight decrease in personnel expenses as a result of fewer instructor costs until programs fully resume.

Other Income & Expenses - Our investment assets increased by 8.2% due to strong markets and a diversified portfolio and our cash reserves increased at year end due to the capital campaign gift, however, it is also worth noting that we did not withdraw funds for operating expenses.

(A California Not-for-Profit Corporation)

Contents

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Cancer Support Community – San Francisco Bay Area

Opinion
We have audited the accompanying financial statements of Cancer Support Community (a California nonprofit organization) which comprise of the balance sheet as of December 31, 2021 and the related statements of activities and changes in net assets, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Cancer Support Community 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 (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Cancer Support Community 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.

Key Audit Matters
Key audit matters are those matters that were communicated with those charged with governance and, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In a separate Letter to Management, we made suggestions regarding certain areas of internal control which came to our attention during the examination, none of which rose to the level of Material Weakness or Significant Deficiency.

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.

(continued)

Responsibilities of Management for the Financial Statements
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's ability to continue as a going concern for one year after the date that the financial statements are available to be issued April 11, 2022.

Auditors' 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 auditors' 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 GAAS 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.

In performing an audit in accordance with GAAS, 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'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 Cancer Support Community'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 Summarized Comparative Information
We have previously audited Cancer Support Community's financial statements for the year ended December 31, 2020, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 7, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Regalia & Associates

Danville, California
April 11, 2022

Balance Sheets
December 31, 2021 and 2020

ASSETS

	2021	2020
Current assets:		
Cash and cash equivalents	$ 678,879	$ 384,940
Grants, pledges and accounts receivable, net	174,034	132,522
Investments	6,799,905	5,365,500
Prepaid expenses and other assets	38,037	69,826
Total current assets	7,690,855	5,952,788
Noncurrent assets:		
Grants and pledges receivable (long-term)	83,500	132,000
Investments	241,668	241,668
Lafayette new center development	2,767,911	2,604,457
Property, equipment and improvements (net)	722,383	785,511
Right of use asset - premises	299,615	327,952
Total noncurrent assets	4,115,077	4,091,588
Total assets	$ 11,805,932	$ 10,044,376

LIABILITIES AND NET ASSETS

	2021	2020
Current Liabilities:		
Accounts payable and accrued liabilities	$ 26,073	$ 23,940
Accrued payroll liabilities	114,970	58,459
Deferred revenue	200	-
Lease payable - current portion	44,928	23,398
Total current liabilities	186,171	105,797
Noncurrent Liability:		
Lease payable - noncurrent portion	265,825	310,754
Total liabilities	451,996	416,551
Net assets:		
Without donor restrictions: undesignated	4,251,428	3,991,052
Without donor restrictions: board designated for investments	7,041,573	5,607,168
With donor restrictions	60,935	29,605
Total net assets	11,353,936	9,627,825
Total liabilities and net assets	$ 11,805,932	$ 10,044,376

Statements of Activities and Changes in Net Assets
For the Years Ended December 31, 2021 and 2020

Changes in net assets without donor restrictions:	2021	2020
Revenue and support:		
Contributions:		
Individuals	**$ 1,599,931**	$ 913,288
Foundations	**36,087**	109,384
Corporations	**404,255**	259,388
In-kind goods and services	**-**	14,373
Fundraising and special events	**630,801**	463,610
National program grants	**10,550**	14,250
Medical and clinical contracts and grants	**1,625**	18,000
Government grants	**230,209**	230,209
Interest and investment income, net of fees	**131,705**	213,278
Realized and unrealized investment gains	**605,174**	192,949
Other income	**12**	-
Total revenue without donor restrictions	**3,650,349**	2,428,729
Net assets released from restrictions:		
Satisfaction of program/timing restrictions	**78,670**	56,693
Total revenue and support	**3,729,019**	2,485,422
Expenses:		
Programs and activities	**1,423,491**	1,427,575
Lafayette new center development	**297,931**	432,280
Management and general	**193,398**	259,990
Fundraising	**119,418**	140,504
Total expenses	**2,034,238**	2,260,349
Increase in net assets without donor restrictions	**1,694,781**	225,073
Changes in net assets with donor restrictions:		
Grants and contributions	**110,000**	45,000
Net assets released from restrictions	**(78,670)**	(56,693)
Increase (decrease) in net assets with donor restrictions	**31,330**	(11,693)
Increase in net assets	**1,726,111**	213,380
Net assets at beginning of year	**9,627,825**	9,414,445
Net assets at end of year	**$ 11,353,936**	$ 9,627,825

Statements of Cash Flows
For the Years Ended December 31, 2021 and 2020

		2021		2020
Operating activities:				
Increase in net assets	**$**	**1,726,111**	$	213,380
Adjustments to reconcile to cash provided by operating activities:				
Depreciation		**64,993**		67,686
Unrealized investment losses (gains)		**(605,174)**		(192,949)
Changes in:				
Grants, pledges and accounts receivable, net		**6,988**		114,472
Prepaid expenses and other assets		**31,789**		(29,235)
Right of use asset - premises		**28,804**		28,804
Accounts payable and accrued liabilities		**2,133**		(6,521)
Accrued payroll liabilities		**56,511**		16,136
Deferred revenue		**200**		(3,000)
Cash provided by operating activities		**1,312,355**		208,773
Investing activities:				
Disposition (acquisition) of investments, net		**(829,231)**		220,865
Lafayette property development, net of in-kind contributed property		**(163,454)**		(165,341)
Acquisition of property and equipment		**(1,865)**		(30,009)
Cash provided by (used for) investing activities		**(994,550)**		25,515
Financing activities:				
Principal payments applied to lease liability		**(23,866)**		(22,604)
Cash used for financing activities		**(23,866)**		(22,604)
Increase in cash and cash equivalents		**293,939**		211,684
Cash and cash equivalents at beginning of year		**384,940**		173,256
Cash and cash equivalents at end of year	**$**	**678,879**	$	384,940
Additional cash flow information:				
State registration taxes paid	**$**	**150**	$	150
Interest paid	**$**	**-**	$	-

Statement of Functional Expenses
For the Year Ended December 31, 2021
(with Summarized Financial Information for the Year Ended December 31, 2020)

	Programs and Activities	Lafayette New Center Devel- opment	Manage- ment and General	Fund- raising and Dev- elopment	Totals Year Ended Dec 31 2021	Totals Year Ended Dec 31 2020
Bank fees, service charges and merchant fees	$ 477	$ -	$ 64	$ 95	**$ 636**	$ 9,048
Property development	-	57,640	-	-	**57,640**	118,345
Bad debt expense	-	-	-	-	**-**	31,028
Depreciation	48,745	-	6,499	9,749	**64,993**	67,686
In-kind goods and services	-	-	-	-	**-**	14,373
Insurance	24,769	-	3,303	4,953	**33,025**	29,678
National affiliation payment	17,490	-	1,947	1,040	**20,477**	21,972
Occupancy	51,334	-	6,845	10,267	**68,446**	89,923
Other	-	-	2,682	-	**2,682**	1,203
Outreach and marketing	43,845	-	-	-	**43,845**	53,681
Outside and professional services	-	-	90,877	-	**90,877**	106,243
Postage and printing	18,063	-	2,408	3,613	**24,084**	26,539
Program supplies	68,419	-	-	-	**68,419**	64,251
Salaries, benefits and professional staff	983,782	240,291	56,564	56,387	**1,337,024**	1,483,921
Special events	83,478	-	11,130	16,696	**111,304**	70,260
Telephone, internet and web page	69,260	-	9,235	13,852	**92,347**	58,487
Travel and staff development	13,829	-	1,844	2,766	**18,439**	13,711
Totals	$ 1,423,491	$ 297,931	$ 193,398	$ 119,418	**$ 2,034,238**	$ 2,260,349

Notes to Financial Statements
December 31, 2021

1. Organization

The mission of Cancer Support Community San Francisco Bay Area is to support people facing cancer in our community to become healthier, live longer, and live better. Cancer Support Community provides free comprehensive integrative care including counseling, support groups, nutrition, exercise, financial assistance and patient education programs for people with cancer and their families. Our programs enable cancer patients to partner with their treatment team to manage their treatment and recovery most effectively, increase their chances for reducing recurrence, and provide for the highest possible quality of life. All programs are provided free of charge.

All of our programs and services are evidence-based to positively impact cancer treatment outcomes and/or immune system functioning, and they are all delivered by professionals who are licensed or certified in their area of expertise. Our main center is in Walnut Creek with an additional satellite center in Antioch. Programs are offered both in-person and virtually.

Cancer Support Community San Francisco Bay Area is an independent affiliate of Cancer Support Community, a global non-profit network of 175 locations, including CSC and Gilda's Club centers, hospital and clinic partnerships, and satellite locations.

All donations to Cancer Support Community San Francisco Bay Area stay local and support programs for cancer patients and their families in our local Bay Area community. For more information visit www.cancersupport.net

2. Summary of Significant Accounting Policies

Basis of Presentation – The financial statements of CSC have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles ("US GAAP").

Measure of Operations – The statement 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 CSC's ongoing operations which include a variety of programmatic activities. Nonoperating activities are limited to resources that generate return from interest-bearing deposits and other activities considered to be of a more unusual or nonrecurring nature.

Cash and Cash Equivalents – Cash and cash equivalents include all monies in FDIC-insured bank accounts and highly liquid investments with maturity dates of less than three months. Cash equivalents include short-term interest-bearing investments in money market and liquid asset accounts. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments.

Concentrations of Credit Risk – Financial instruments that potentially subject CSC to concentrations of credit risk consist principally of cash and cash equivalents and deposits. CSC maintains its cash and cash equivalents in various bank accounts that, at times, may exceed federally insured limits. CSC manages deposit concentration risk by placing cash and money market accounts with financial institutions believed to be creditworthy.

2. Summary of Significant Accounting Policies *(continued)*

Concentrations of Credit Risk *(continued)*
To date, CSC has not experienced losses in any of these accounts. Credit risk associated with grants, pledges and accounts receivable is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from reputable organizations and foundations supportive of CSC's mission.

Grants, Pledges and Accounts Receivable – Grants, pledges and accounts receivable consist primarily of amounts due from reputable organizations, foundations and individuals supportive of CSC's mission. CSC uses an allowance for doubtful accounts to estimate receivables deemed potentially uncollectible. The estimated allowance for doubtful accounts is based on historical experience, an assessment of economic conditions, and a review of subsequent collections. It is the policy of the organization to periodically assess receivables to determine proper carrying value.

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts, when applicable, are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Discount amortization, if applicable, is included in contribution revenue. Conditional promises to give are not included as support until the conditions are met.

Comparative Financial Information – The accompanying financial statements include certain prior-year summarized comparative information in total but not by functional category. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America (GAAP). Accordingly, such information should be read in conjunction with the audited financial statements for the year ended December 31, 2020, from which the summarized information was derived.

In-Kind Contributions – In-kind contributions are reflected at the fair value of the contribution received in accordance with *ASC 958.605.30-11*. The contributions of services, equipment, and other materials are recognized if they (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. CSC received in-kind contributions of and $14,373 for the year ended December 31, 2020. There were no in-kind contributions for the year ended December 31, 2021.

Contributed Services – Volunteers donate a substantial amount of time to CSC. While significant in value, these services are not recorded in the financial statements since they are not susceptible to objective measurement or valuation.

Reclassifications – Certain prior year amounts have been reclassified to conform to fiscal year 2021 presentation. These changes had no impact on previously reported changes in net assets.

2. Summary of Significant Accounting Policies *(continued)*

Functional Allocation of Expenses – The costs of providing program and other activities have been summarized on a functional basis in the statement of activities in accordance with the requirements of *ASU 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities,* which requires CSC to report expenses by their natural classification. Every natural expense must be broken out into individual functional categories on an analysis of expenses by their nature and function. Accordingly, certain costs have been allocated among services and supporting services benefited. Specifically, expenses have been allocated among the program and supporting services benefited using time spent or square feet occupied, as appropriate.

Fair Value Measurements – Fair value is defined as the price that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. Fair value should be based on the assumptions market participants would use when pricing an asset. US GAAP establishes a fair value hierarchy that prioritizes investments based on those assumptions.

The fair value hierarchy gives the highest priority to quoted prices in active markets (observable inputs) and the lowest priority to an entity's assumptions (unobservable inputs). CSC groups assets at fair value in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value. These levels are:

Level 1
Unadjusted quoted market prices for identical assets or liabilities in active markets as of the measurement date.

Level 2
Other observable inputs, either directly or indirectly, including:
- Quoted prices for similar assets/liabilities in active markets;
- Quoted prices for identical or similar assets in non-active markets;
- Inputs other than quoted prices that are observable for the asset/liability; and,
- Inputs that are derived principally from or corroborated by other observable market data.

Level 3
Unobservable inputs that cannot be corroborated by observable market data.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing model of the asset and does not necessarily correspond to our assessment of the quality, risk or liquidity profile of the asset or liability.

2. Summary of Significant Accounting Policies *(continued)*

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 assumptions that affect certain reported amounts and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Accordingly, actual results could differ from those estimates.

Net Assets – Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Thus, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions
Net assets without donor restrictions represent funds which are available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has the ability to designate, from net assets without donor restrictions, net assets for certain board-designated purposes, and it has opted to do so. Board-designated net assets amounted to $7,041,573 and $5,607,168 as of December 31, 2021 and 2020, respectively.

Net Assets With Donor Restrictions
Net assets with donor restrictions represent funds which are subject to donor- (or certain grantor-) imposed restrictions which are not available for use in general operations and must meet the donor restriction before being released. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions can be perpetual in nature, where the donor stipulates that such resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenue and Revenue Recognition – Revenue is recognized in accordance with authoritative guidance, including *ASU 2018-08, Not-for-Profit Entities (Topic 958)* and *ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606)*.

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met. A transfer of funds with a conditional promise to contribute are accounted for as a refundable advance until the conditions have been substantially met. Certain payments received include both elements of contributed income and earned income, and management evaluates such transactions to determine the proper revenue rules to apply and to bifurcate the revenue components. When applicable, revenue earned under a contractual arrangement (an “exchange transaction”) is recognized when earned and therefore measured as services are provided in accordance with Topic 606.

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized.

2. Summary of Significant Accounting Policies *(continued)*

Investments – Investments are reported at fair value with gains and losses included in the statement of activities and changes in net assets. CSC follows the provisions of *ASC 958.320, Investments – Debt and Equity Securities of Not-for-Profit Entities* and has estimated the fair value of its investments using available market information and other valuation methodologies. Accordingly, the estimates presented are not necessarily indicative of the amounts that CSC could realize in a current market exchange. The use of different assumptions and/or estimation methods may have a material effect on the estimated fair value amounts. The estimates are based on pertinent information available to management as of December 31, 2021 and 2020. Although management is not aware of any factors that would significantly affect the estimated fair value amounts, current estimates of fair value may differ significantly from the statements presented, especially in light of the impact of COVID-19 on financial markets.

Property and Equipment – CSC's policy is to record acquisitions of property and equipment at cost or, if donated, at fair market value on the date of donation. Depreciation expense is calculated using the straight-line method over the estimated useful lives of the assets. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any resulting gain or loss is included in the statements of activities.

Costs of maintenance and repairs are expensed currently. CSC reviews the carrying values of all assets for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated economic utility and/or future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. CSC has determined that no long-lived assets were impaired during the years ended December 31, 2021 and 2020.

Income Taxes – CSC is organized as California nonprofit corporation and has been recognized by the IRS as exempt from federal income taxes under IRC Section 501(a) as organizations described in IRC Section 501(c)(3), qualify for the charitable contribution deduction under IRC Sections 170(b)(1)(A)(vi) and (viii), and has been determined not to be private foundations under IRC Sections 509(a)(1) and (3), respectively. CSC is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. CSC is not required to file an Exempt Organization Business Income Tax Return (Form 990-T) because it had no unrelated business taxable income for the years ended December 31, 2021 and 2020.

CSC has received notification from the Internal Revenue Service and the State of California that it qualifies for tax-exempt status under Section 501(c)(3) of the Internal Revenue Code and Section 23701d of the California Revenue and Taxation Code. The exemptions are subject to periodic review by the federal and state taxing authorities and management is confident that CSC continues to satisfy all federal and state statutes in order to qualify for continued tax exemption status.

2. Summary of Significant Accounting Policies *(continued)*

Recent and Relevant Accounting Pronouncements – The following pronouncements represent relevant current accounting guidance applicable to nonprofit organizations:

In May 2014, the FASB completed its Revenue Recognition project by issuing *ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606)*. This guidance establishes the principles to report useful information to users of financial statements about the nature, timing, and uncertainty of revenue from contracts with customers. The guidance (1) Removes inconsistencies and weaknesses in existing revenue requirements, (2) Provides a more robust framework for addressing revenue issues, (3) Improves comparability of revenue recognition practices across entities, industries, jurisdictions, and capital markets, (4) Provides more useful information to users of financial statements through improved disclosure requirements, and (5) Simplifies the preparation of financial statements by reducing the number of requirements to which an organization must refer.

In August 2014, the FASB issued *ASU 2014-15, Presentation of Financial Statements—Going Concern (Subtopic 205-40) Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern*, which requires an organization's management to evaluate whether there are conditions and events, considered in the aggregate, that raise substantial doubt about an entity's ability to continue as a going concern within one year after the date that the financial statements are issued (or within one year after the date that the financial statements are available to be issued, when applicable). As of April 11, 2022 (the date of the Independent Auditors' Report), management has made this evaluation and has determined that CSC has the ability to continue as a going concern.

In February 2016, the FASB issued *ASU 2016-02, Leases (Topic 842) Accounting for Leases*, which requires lessees to recognize leases on-balance sheet and disclose key information about leasing arrangements. Topic 842 was subsequently amended by *ASU No. 2018-01*, *ASU No. 2018-10*, and *ASU No. 2018-11*.

The standard establishes a right-of-use model (ROU) that requires a lessee to recognize a ROU asset and lease liability on the statements of financial position for all leases with a term longer than 12 months. Leases are required to be classified as finance or operating, with classification affecting the pattern and classification of expense recognition in the statement of activities and changes in net assets.

In August 2016, the FASB issued *ASU 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. CSC has adjusted the presentation of these statements accordingly.

In June 2018, the FASB issued *ASU 2018-08, Not-for-Profit Entities (Topic 958) – Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The FASB issued this update to clarify and improve the scope and the accounting guidance for contributions received and contributions made. The amendments in this Update should assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, Not-for-Profit Entities, or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. Accordingly, CSC has incorporated these clarifying standards within the financial statements.

3. Cash and Cash Equivalents

Cash and cash equivalents of $678,879 and $384,940 at December 31, 2021 and 2020, respectively, include all funds in local checking accounts that have a maturity date of 90 days or less.

4. Grants, Pledges and Accounts Receivable

Grants, pledges and accounts receivable are expected to be collected as follows at December 31:

	2021	2020
Year ending December 31, 2021	$ -	$ 184,201
Year ending December 31, 2022	225,713	48,500
Year ending December 31, 2023	53,500	43,500
Year ending December 31, 2024	20,000	35,000
Year ending December 31, 2025	10,000	5,000
Total grants, pledges and accounts receivable	309,213	316,201
Less: Estimated allowance for uncollectible balances	(51,679)	(51,679)
Less: Estimated collectible amount due within one year	(174,034)	(132,522)
Amount due after one year	$ 83,500	$ 132,000

Grants, pledges and accounts receivable represent amounts which were committed by various individuals, organizations, and foundations. Grants, pledges and accounts receivable are recorded in the period in which the grant or pledge is received at its current collectible amount. CSC uses an allowance for doubtful accounts to estimate receivables deemed potentially uncollectible. Management established an allowance for doubtful accounts totaling and $51,679 at December 31, 2021 and 2020, respectively.

CSC has received multiple conditional pledges which are restricted to the capital campaign. These pledges amount to $2,100,000 and have not been accrued as of December 31, 2021. The conditional contributions will be recognized as support when the conditions on which they depend are substantially met, in accordance with *ASU 2018-08*. Short-term grant and pledges receivable are classified as Level 2 hierarchy as of December 31, 2021 and 2020. Long-term grants and pledges receivable are classified as Level 3 hierarchy as of December 31, 2021 and 2020.

5. Investments

Investments consist of funds held in an account at East Bay Community Fund ("EBCF"), multiple accounts at Charles Schwab, and an interest in a limited partnership (Sequoia Equities). Composition of investments is as follows at December 31:

	2021 Fair Value	2020 Fair Value
Money market funds (bearing interest at 0.01% per annum)	**$ 1,142,721**	$ 201,457
Mutual funds	**1,504,819**	1,494,048
Equities	**3,465,827**	3,259,053
Exchange traded funds	**185,637**	-
Investment pool (EBCF)	**392,599**	339,692
Real Estate Investment Trust ("REIT")	**108,302**	71,250
Limited partnership	**241,668**	241,668
Total investments	**$ 7,041,573**	$ 5,607,168

Composition of investments utilizing fair value measurements at December 31, 2021 is as follows:

	Totals	Level 1	Level 2	Level 3	NAV
Money market funds	$ 1,142,721	$ 1,142,721	$ -	$ -	$ -
Mutual funds	1,504,819	1,504,819	-	-	-
Equities	3,465,827	3,465,827	-	-	-
Exchange traded funds	185,637	-	185,637	-	-
Investment pool (EBCF)	392,599	-	392,599	-	-
REIT	108,302	108,302	-	-	-
Limited partnership	241,668	-	-	-	241,668
Totals	$ 7,041,573	$ 6,221,669	$ 578,236	$ -	$ 241,668

Composition of investments utilizing fair value measurements at December 31, 2020 is as follows:

	Totals	Level 1	Level 2	Level 3	NAV
Money market funds	$ 201,457	$ 201,457	$ -	$ -	$ -
Mutual funds	1,494,048	1,494,048	-	-	-
Equities	3,259,053	3,259,053	-	-	-
Investment pool (EBCF)	339,692	-	339,692	-	-
REIT	71,250	71,250	-	-	-
Limited partnership	241,668	-	-	-	241,668
Totals	$ 5,607,168	$ 5,025,808	$ 339,692	$ -	$ 241,668

5. Investments *(continued)*

Fair value measurements establish a fair value hierarchy that prioritizes the input used to measure fair value. This hierarchy consists of three broad levels: (a) Level 1 measurement reflects the value of the investments at quoted prices in active markets for identical assets, generally without any adjustments, (b) Level 2 assets and liabilities are valued based on "observable inputs" other than quoted active market prices, including quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, and interest rates and yield curves, and (c) Level 3 assets and liabilities are valued based on “unobservable inputs," such as a company’s own estimates and pricing models. Net asset value (NAV) per share, or its equivalent, is used as a practical expedient to estimate the fair market value of certain hedge funds, private equity funds, funds of funds, and limited partnerships, which do not have readily determinable fair values. Investments that are measured at fair value using NAV per share as a practical expedient are not classified in the fair value hierarchy.

CSC has an Investment Committee which has the responsibility for establishing CSC’s return objectives (generally lower rates of return associated with more stable and safer investments) and to define the risk parameters. The committee routinely oversees investment performances and reviews cash flows necessary to sustain CSC’s operating activities.

Funds with Deficiencies
From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or the Uniform Prudent Management of Institutional Funds Act (UPMIFA) requires CSC to retain as a fund of perpetual duration. In accordance with *ASC 958.205.55.31*, there are no deficiencies of this nature that are required to be reported in net assets with donor restrictions – time/purpose at December 31, 2021. Such future deficiencies could result from unfavorable market fluctuations occurring after the investment of new restricted contributions and continued appropriation for certain programs which are deemed prudent by the Board of Directors.

CSC’s investments may decline below their original basis due to market fluctuations and unrealized losses which are beyond the control of CSC’s management. Although there were none at December 31, 2021 and 2020, future deficiencies of this nature (if applicable) would be reported in net assets with donor restrictions – time/purpose in accordance with *ASU 2016-14*.

Return Objectives and Risk Parameters
CSC has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets consist of donor and board-designated funds. Under this policy, as approved by the Investment Committee and the Board of Directors, the endowment assets are invested in a manner that is intended to (1) produce results that approximate the price and yield results of the general market conditions (2) subject CSC to a moderate level of investment risk and (c) maintain sufficient liquidity to meet planned expenditures.

5. Investments *(continued)*

Strategies Employed for Achieving Objectives
To satisfy its long-term rate-of-return objectives, CSC relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). CSC targets a diversified asset allocation that places a greater emphasis on equity-based investments (mutual funds) to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy
The Spending Policy for Investments is set by the Board. The amount of the annual draw is analyzed, calculated, and then recommended by the Finance Committee for approval of the Board as part of the annual budgeting process for the forthcoming year. Under the provisions of UPMIFA, annual endowment spending may exceed 100% of the endowment income accumulated since the last distribution plus any income not distributed in the preceding years. Any endowment draw in excess of the above or to change the Spending Policy will require an Investment Committee recommendation and an affirmative vote of 75% of the entire Board of Directors then serving. In accordance with a policy adopted by the Board of Directors, the maximum draw from the investment fund cannot exceed 6.0% of the corpus.

6. Liquidity

CSC aims to earn moderate returns on its investments, with a defensively positioned portfolio, while having a close eye on the liquid assets needed for daily operating activities. CSC's liquid assets are made up of cash accounts, grants and pledges receivable, and board designated marketable securities that are monitored to ensure timely collection of payments and profitable investment activity.

In order to ensure adequate funds are on hand for the coming twelve months, CSC measures first its current cash on hand, actively collects any past-due receivables and then turns to its board designated investment funds. Should CSC find that its current cash and receivables do not suffice for its current operating needs, the organization pulls resources from the investment funds to cover the remaining balance. Although CSC prepares detailed annual budgets that anticipate raising enough funds to cover operating activities, many of its large grantors pay toward the end of the year.

In such cases, CSC can use the investment funds to "float" the organization until payment collection occurs. Once these expected payments have been collected, CSC strives to periodically deposit funds back into its investment accounts and replace the funds borrowed for operating activities.

6. Liquidity *(continued)*

The following table shows the total financial assets held by CSC and the amounts of those financial assets readily available within one year of the balance sheet date to meet general expenditures at December 31:

	2021	2020
Cash and cash equivalents	**$ 678,879**	$ 384,940
Grants, pledges and accounts receivable	**174,034**	132,522
Investments – current portion	**6,799,905**	5,365,500
Less: amounts not available to be used within one year:		
Net assets with donor restrictions for programs	**(60,935)**	(29,605)
Financial assets available to meet general expenditures over the next twelve months	**$ 7,591,883**	$ 5,853,357

CSC's goal is generally to maintain financial assets equal to or in excess of 90 days of operating expenses.

7. Property and Equipment

Property and equipment consist of the following at December 31:

	2021	2020
Land	**$ 295,971**	$ 295,666
Building improvements	**1,337,770**	1,337,770
Office furniture and equipment	**191,255**	189,695
Subtotal	**1,824,996**	1,823,131
Less: accumulated depreciation	**(1,102,613)**	(1,037,620)
Property and equipment, net	**$ 722,383**	$ 785,511

Depreciation expense for the years ended December 31, 2021 and 2020 amounted to $64,993 and $67,686 respectively, and is reflected on the statement of functional expenses. There were no disposals during the years ended December 31, 2021 and 2020.

8. Lafayette New Center Development

On January 21, 2016, CSC entered into a Purchase Agreement to obtain approximately 5.75 acres of land in Lafayette, California as the site for a new permanent facility. The Agreement included multiple 90-day extensions in order to allow sufficient time for the organization to work with the City of Lafayette and various other agencies to obtain the appropriate permits regarding the property acquisition. During the year ended December 31, 2018, CSC received the 5.75 acres of land as an in-kind donation.

8. Lafayette New Center Development *(continued)*

Effective December 31, 2018, CSC capitalized the appraised value of this land along with certain development costs associated with the property, which included architecture and design services. As of December 31, 2021, and 2020, amounts capitalized as Lafayette new center development totaled $2,767,911 and $2,604,457, respectively, and are reflected on the balance sheet. Certain related expenses amounting to $297,931 and $432,280 during the years ended December 31, 2021 and 2020, respectively, were allocated from ongoing operational overhead and are reflected in the column titled "Lafayette New Center Development" on the statement of functional expenses.

9. Right of Use Asset and Leases

Effective July 15, 2019, CSC entered into a ten-year operating lease through December 31, 2029 for office and program space in Antioch, California. The lease stipulates a payment of $3,635 per month and increases at a rate of 3.0% per annum. CSC is required to pay for its own janitorial, phone, and internet services, as well as water and electricity. The landlord is responsible for trash disposal, pest control, and common area maintenance.

In accordance with *ASU 2016-02, Leases*, CSC is required to reflect the present value of future operating lease payments (discounted at an appropriate borrowing rate) as a "Right of Use" asset and a corresponding lease liability. As of December 31, 2021, CSC has recorded a total lease liability in the amount of $310,753 (split between current amount of $44,928 and noncurrent amount of $265,825) and a corresponding right of use asset for the premises in the amount of $299,615. The weighted average discount rate associated with the calculation of the present value of the future lease payments as of December 31, 2021 was 6.25%, which represents CSC's estimated incremental borrowing rate.

At December 31, 2020, CSC had recorded a total lease liability in the amount of $334,152 for its office (split between current amount of $23,398 and noncurrent amount of $310,754 and a corresponding right of use asset for the premises in the amount of $327,952.

During the years ended December 31, 2021 and 2020, total occupancy expense for CSC's facilities amounted to $68,446 and $89,923, respectively.

At December 31, 2021, minimum future lease payments for operating leases with terms of one year or more are as follows:

Year Ending	Total
December 31, 2022	$ 44,928
December 31, 2023	46,276
December 31, 2024	47,665
December 31, 2025	49,095
Thereafter	211,555

10. Related Party Transactions

Certain CSC board members made monetary contributions totaling $87,983 and $134,133 during the years ended December 31, 2021 and 2020, respectively.

11. Vehicle Donation Program

CSC is a participant in a vehicle donation program operated by a third-party agency which physically collects and subsequently sells donated vehicles and shares the proceeds with the CSC. The net amount received for auto donations amounted to $5,947 and $1,718 for the years ended December 31, 2021 and 2020, respectively.

12. Compensated Absences (Accrued Payroll and Related Benefits)

Financial statement presentation follows the recommendations of *ASC 710.25, Compensated Absences.* Under *ASC 710.25*, CSC is required to record a liability for the estimated amounts of compensation for future absences. Employees are permitted to accrue a specific number of hours of vacation which is payable upon termination of the employee. Sick leave is not paid upon termination. Annual leave accruals are recorded in the financial statements as an accrued liability on the balance sheets based on hourly rates in effect at the end of the fiscal year. Accrued payroll liabilities amounted to $114,970 and $58,459 at December 31, 2021 and 2020, respectively.

13. Retirement Plan

CSC offers employees the opportunity for participation in a salary reduction retirement plan qualified under Internal Revenue Code Section 401(k). Under the terms of the CSC Contributory Retirement/Savings Plan, contributions in the form of payroll deductions are invested at the direction of the Plan participants into one or more of the investment vehicles available under the Plan. The Plan is funded through elective salary deferrals by participating employees. Employer matching contributions amounted to $9,077 for the year ended December 31, 2020. There were no employer matching contributions for the year ended December 31, 2021.

14. Net Assets

Net Assets without Donor Restrictions
Net assets without donor restrictions consist of the following as of December 31:

	2021	2020
Undesignated net assets from operating activities	**$ 4,251,428**	$ 3,991,052
Board-designated for investments	**7,041,573**	5,607,168
Total net assets without donor restrictions	**$ 11,293,001**	$ 9,598,220

14. Net Assets *(continued)*

Net Assets with Donor Restrictions – Time/Purpose
CSC recognizes support from net assets with donor restrictions imposed by the donors have been satisfied or expired. Net assets with donor restrictions – time/program consist of the following as of December 31:

		2021		2020
Antioch general support	**$**	**60,935**	$	29,605
Total net assets with donor restrictions – time/purpose	**$**	**60,935**	$	29,605

During the years ended December 31, 2021 and 2020, additions to net assets with donor restrictions amounted to $110,000 and $45,000, respectively. Net assets released from restrictions amounted to $78,670 and $56,693 during the years ended December 31, 2021 and 2020, respectively.

15. Refundable Advance and Government Contributed Income

During January 2021, the CSC received $230,209 in a forgivable loan under the Small Business Administration Paycheck Protection Program ("PPP"). Congress established the PPP to provide relief to small businesses during the coronavirus pandemic as part of the $2 trillion Coronavirus Aid, Relief, and Economic Security (CARES) Act, P.L. 116-136. This legislation authorized the United States Treasury Department to use the SBA's 7(a) small business lending program to fund loans of up to $10 million per borrower that qualifying entities can spend to cover payroll, interest, rent, and utilities.

In June 2021, CSC applied to the SBA for forgiveness of the PPP loan. CSC expended the funds and utilized the proceeds for payroll, operating overhead, and other eligible costs in accordance with its agreement with the SBA.

As a result, the conditions for satisfying the terms of forgiveness were present at the end of the fiscal year. Accordingly, because the terms of the forgivable loan had been fully satisfied as of December 31, 2021, the loan balance of $230,209 has been reflected as a government contribution on the statement of activities and changes in net assets in accordance with *ASU 2018-08*.

16. Commitments and Contingencies

In the normal course of business there are outstanding various commitments and contingent liabilities, such as commitments to enter into contracts and future projects, which are not reflected in the financial statements. Such commitments and contingencies also include risks associated with various economic and operating factors, which include (a) Grant restrictions and donor conditions which obligate CSC to fulfill certain requirements as set forth in grant instruments, (b) Funding levels which vary based on factors beyond CSC's control, such as generosity of donors and general economic conditions, (c) Employment and service agreements with key management personnel, and (d) Financial risks associated with funds on deposit at bank and investment brokerage accounts. Management believes that such commitments, contingencies and risks will not have a material adverse effect on the financial statements. Certain of the grants and contracts (including current and prior costs) are subject to audit and final acceptance by the various granting agencies. Management believes that such commitments, contingencies and risks will not have a material adverse effect on the financial statements.

17. COVID-19

As a result of COVID-19 and its variants, the worldwide threat continues to (a) impact financial markets, (b) threaten revenue streams, and (c) impact private enterprises with which CSC conducts business. Business continuity, including supply chains and consumer demand across a broad range of industries and countries, continues to present challenges. Management monitors and evaluates its options. These financial statements reflect certain economic ramifications which impacted the years ended December 31, 2021 and 2020.

18. Subsequent Events

In compliance with *ASC 855, Subsequent Events*, CSC has evaluated subsequent events through April 11, 2022 the date the financial statements were available to be issued, and in the opinion of management, there are no subsequent events which are required to be disclosed.