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, 2023 and 2022
With Independent Auditors’ Report Thereon

(A California Not-for-Profit Corporation)

Mission

Cancer Support Community (CSC) uplifts and strengthens people impacted by cancer by providing support, fostering compassionate communities, and breaking down barriers to care.

CSC 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.

Our services are always provided free of charge 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 the funds we raise are used to support programs and services in our local Bay Area community.

Management Discussion & Analysis

Every day, 5,400 people in the US are diagnosed with cancer and by the year 2050, this number is anticipated to increase by 49%. In the Bay Area, there are 34,000new cancer cases diagnosed each year

The impact of a cancer diagnosis extends far beyond medical treatment. As many as three out of every four cancer survivors experience symptoms of psychological distress or cognitive concerns and are more than twice as likely to declare bankruptcy than those without a cancer diagnosis. Distressed patients experience greater mortality and morbidity, poorer immune function, greater healthcare expenditures and greater use of medical services.

Unfortunately, these types of non-medical issues are generally not addressed by medical professionals. Appointments with physicians are more focused on physical symptoms and treatments even though research has shown that the incidence of psychological disorders, including depression and anxiety, is between 30% and 60%. Despite this, it is estimated that fewer than 10% of cancer patients are referred for support. The CSC Cancer Registry 2020 found that 49% of patients are at risk for clinical anxiety, 38% are at risk for clinical depression, and 40% are unprepared to manage side effects. The lack of support and disparities in health is even more pronounced among cancer patients from communities of color and patients who have lower incomes. In addition, availability of mental health services, which was already at a crisis point prior to 2020, was made worse by the COVID-19 pandemic.

CSC SF Bay Area has provided free psychosocial, integrative care for people facing cancer since 1990. Our mission is to support people facing cancer in our community to become healthier, live longer, and live better. To achieve that goal, CSC provides free comprehensive integrative care including counseling, support groups, nutrition, exercise, emergency financial assistance and patient education programs including special programs for teens and children. Our evidence-based programs enable cancer patients to partner with their treatment team to manage their treatment and improve health related outcomes and quality of life. Programs are offered at our centers in Walnut Creek and Antioch, in both English and Spanish, in-person and virtually.

The type of evidence-based support programs offered by CSC SF Bay Area have clear benefits in terms of health outcomes and quality of life. Research shows that support programs addressing social, educational, psychological, and financial needs of cancer patients can improve health outcomes and quality of life for both patients and their family members while also reducing hospital utilization Support services are recognized as a vital, effective, and necessary part of cancer care by the Institute of Medicine, National Cancer Institute, American Society of Clinical Oncology, and the Oncology Nursing Society.

Management Discussion & Analysis *(continued)*

Our Outreach Manager focusing on Alameda County, built relations with underserved communities and Black cancer patients and their families. She developed programs to target the needs of Black cancer patients such as “Understanding Cancer Risks in the Black Community” presented by a Kaiser Permanente surgeon. She conducted a survey and published a report that highlights the inequities in supportive care for Black cancer patient and their families. The report has been distributed to community organizations, health professionals and elected officials and will be used to develop CSC programs to better meet the needs of the Black community and to increase awareness about the issues of inequities in cancer. She also presented CSC’s services at many different events including East Oakland Senior Center, NAACP, Oakland Councilperson Trevor Reid, UMOJA Health, and Tiger Lily Foundation to name a few. We also promote CSC programs through media targeting the Black community.

Our Program Manager in our East Contra Costa County office, who is bilingual in English Spanish, is focused on outreach to underserved communities in East Contra Costa County. Our team continues to focus on outreach by presenting our services to other nonprofit organizations, corporations, clubs, and multiple events throughout the Bay Area.

CSC SF Bay Area publishes an annual impact report which is distributed to over 11,000 people throughout the community as well as emailing quarterly Impact Updates and weekly program calendars. During the year, we continued to expand our marketing efforts and focused on reaching underserved communities which included a series of bus ads in English and Spanish throughout the Contra Costa County and have targeted media that serves communities of color.

In 2023, we were given the opportunity to build a new, state-of-the-art support center on nearly six acres of land in Lafayette that was gifted by a generous donor to help meet the growing number of cancer patients and their families. During the year, we raised $20 million in donations and secured a $5 million match in order to complete our new center. This new center – in addition to our East Contra Costa County satellite office in Antioch – will vastly expand CSC’s capacity to meet the needs of the growing number of cancer patients and their families.

In addition, as part of our 5-year strategic plan, health equity is highlighted as one of our foundational commitments with a goal that race, ethnicity and family income will more truly reflect the demographics of the communities we serve.

Management Discussion & Analysis *(continued)*

CSC Foundational Commitment - Health Equity in Cancer Care:

While cancer does not discriminate, not all patients with cancer are treated the same. As an organization it is our goal to make sure that all cancer patients and their families, regardless of what community they are from, have access to support services that meet their needs so they can achieve better health outcomes and quality of life. We understand that finding solutions to achieving health equity in cancer care is complex, will take time and will require building lasting and diverse partnerships as well as addressing both individual and systemic change. We will learn from both our successes and failures while always remaining committed to decreasing inequities in cancer care so that all cancer patients and their families feel part of our community.

We have consistently received Charity Navigator's highest 4-star rating, GuideStar's Platinum Transparency Rating and conduct an annual audit which is available for the public on our website along with our 990 tax returns. We receive support from all the major medical centers, companies, foundations as well as generous individuals in our community which makes it possible for CSC to provide programs to cancer patients and their families at no cost.

Comments from our members best articulate the impact of support programs provided by CSC. Below a few of many examples of how our programs improve participants' quality of life.

> "Along with all of the other challenges, cancer has a financial impact—there are so many unexpected expenses. But Cancer Support Community is amazing. No fees, no paperwork, no bureaucracy. Everything is just available for you, and everyone there is so welcoming".
>
> "Cancer Support Community has taught me how to take care of myself in new ways. Better diet, better exercise, better peace of mind".
>
> "Cancer was a nightmare, but in some ways I've emerged from it even stronger. CSC opened the doors to make that possible, and I am so very thankful."

It is vital that support programs such as those offered by CSC SF Bay Area are universally offered as part of the cancer treatment standard of care and accessible to all cancer patients, especially those from underserved communities whose members are disproportionately affected by cancer. As the number of cancer survivors grows, addressing their psychological and social concerns will become even more urgent.

(A California Not-for-Profit Corporation)

Contents

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Web Site Address: www.cancersupport.net
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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 the statement of financial position as of December 31, 2023 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, 2023, 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.

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Cancer Support Community's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

INDEPENDENT AUDITORS' REPORT *(continued)*

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, 2022, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 30, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Regalia & Associates

Danville, California
March 27, 2024

Statements of Financial Position
December 31, 2023 and 2022

ASSETS

	2023	2022
Current assets:		
Cash and cash equivalents	**$ 782,825**	$ 428,006
Restricted cash	**215,758**	-
Grants, pledges, and accounts receivable, net	**3,957,435**	200,486
Investments	**10,531,008**	5,748,757
Prepaid expenses and other assets	**25,269**	28,299
Total current assets	**15,512,295**	6,405,548
Noncurrent assets:		
Grants and pledges receivable (long-term)	**9,172,481**	30,000
Investments	**371,775**	391,646
Lafayette new center development	**2,971,533**	2,853,699
Property, equipment and improvements (net)	**644,949**	701,140
Right of use asset - premises	**238,147**	269,745
Total noncurrent assets	**13,398,885**	4,246,230
Total assets	**$ 28,911,180**	$ 10,651,778

LIABILITIES AND NET ASSETS

	2023	2022
Current liabilities:		
Accounts payable and accrued liabilities	**$ 62,645**	$ 17,834
Accrued payroll liabilities	**133,539**	119,339
Deferred revenue	**10,000**	-
Lease payable - current portion	**32,641**	26,250
Total current liabilities	**238,825**	163,423
Noncurrent liability:		
Lease payable - noncurrent portion	**222,538**	258,254
Total liabilities	**461,363**	421,677
Net assets:		
Without donor restrictions: undesignated	**(755,027)**	3,965,784
Without donor restrictions: board designated for investments	**10,902,783**	6,140,403
With donor restrictions	**18,302,061**	123,914
Total net assets	**28,449,817**	10,230,101
Total liabilities and net assets	**$ 28,911,180**	$ 10,651,778

Statements of Activities and Changes in Net Assets
For the Years Ended December 31, 2023 and 2022

Changes in net assets without donor restrictions:	2023	2022
Revenue and support:		
Contributions:		
Individuals	**$ 383,520**	$ 450,615
Foundations	**118,801**	9,383
Corporations	**129,118**	407,295
Fundraising and special events	**1,148,992**	912,817
National program grants	**2,750**	13,500
Government grants	**-**	13,137
Interest and investment income, net of fees	**174,830**	127,889
Realized and unrealized investment gains (losses)	**476,345**	(1,014,529)
Other income	**97**	-
Subtotal	**2,434,453**	920,107
Net assets released from restrictions:		
Satisfaction of program/timing restrictions	**175,292**	106,258
Total revenue and support	**2,609,745**	1,026,365
Expenses:		
Programs and activities	**1,887,036**	1,615,498
Lafayette new center development	**286,815**	271,035
Management and general	**252,307**	195,441
Fundraising	**142,018**	131,205
Total expenses	**2,568,176**	2,213,179
Increase (decrease) in net assets without donor restrictions	**41,569**	(1,186,814)
Changes in net assets with donor restrictions:		
Grants and contributions	**19,617,575**	169,237
Change in value of pledges receivable	**(1,264,136)**	-
Net assets released from restrictions	**(175,292)**	(106,258)
Increase in net assets with donor restrictions	**18,178,147**	62,979
Increase (decrease) in net assets	**18,219,716**	(1,123,835)
Net assets at beginning of year	**10,230,101**	11,353,936
Net assets at end of year	**$ 28,449,817**	$ 10,230,101

Statements of Cash Flows
For the Years Ended December 31, 2023 and 2022

	2023	2022
Operating activities:		
Increase (decrease) in net assets	**$ 18,219,716**	$ (1,123,835)
Adjustments to reconcile to cash provided by operating activities:		
Depreciation	**56,191**	59,756
Right of use asset amortization - premises	**31,598**	28,804
Change in present value of pledges receivable	**1,264,136**	-
Unrealized investment losses (gains)	**(476,345)**	1,014,529
Changes in:		
Grants, pledges and accounts receivable, net	**(14,163,566)**	27,048
Prepaid expenses and other assets	**3,030**	9,738
Accounts payable and accrued liabilities	**44,811**	(8,239)
Accrued payroll liabilities	**14,200**	4,369
Deferred revenue	**10,000**	(200)
Interest payments applied to operating lease liability	**(16,951)**	(18,679)
Principal payments applied to operating lease liability	**(12,374)**	(7,134)
Cash provided by (used for) operating activities	**4,974,446**	(13,843)
Investing activities:		
Disposition (acquisition) of investments, net	**(4,286,035)**	(113,359)
Lafayette new center development	**(117,834)**	(85,788)
Acquisition of property and equipment	**-**	(38,513)
Cash used for investing activities	**(4,403,869)**	(237,660)
Increase (decrease) in cash and cash equivalents	**570,577**	(251,503)
Cash and cash equivalents at beginning of year	**427,376**	678,879
Cash and cash equivalents at end of year	**$ 997,953**	$ 427,376
Additional cash flow information:		
State registration taxes paid	**$ 200**	$ 200
Interest paid	**$ -**	$ -

Statement of Functional Expenses
For the Year Ended December 31, 2023
(with Summarized Financial Information for the Year Ended December 31, 2022)

	Programs and Activities	Lafayette New Center Devel-opment	Manage-ment and General	Fund-raising and Dev-elopment	Totals Year Ended Dec 31 2023	Totals Year Ended Dec 31 2022
Bank fees, service charges, and merchant fees	$ 11,104	$ -	$ 1,481	$ 2,221	**$ 14,806**	$ 24,172
Property development	-	17,170	-	-	**17,170**	25,209
Bad debt expense	-	-	-	-	**-**	1,250
Depreciation	42,143	-	5,619	8,429	**56,191**	59,756
Insurance	14,923	-	1,990	2,984	**19,897**	36,216
National affiliation payment	32,424	-	-	-	**32,424**	33,843
Occupancy	110,384	-	14,718	22,077	**147,179**	95,669
Other	-	-	4,427	-	**4,427**	3,973
Outreach and marketing	111,056	-	-	-	**111,056**	79,467
Outside and professional services	-	-	134,490	-	**134,490**	85,259
Postage, delivery, and marketing	26,544	-	3,539	5,309	**35,392**	36,867
Program supplies	-	-	-	-	**-**	42,416
Salaries, benefits, and professional staff	1,253,560	269,645	55,779	55,602	**1,634,586**	1,413,303
Special events	146,597	-	19,546	29,319	**195,462**	154,753
Supplies, emergency assistance, and office	57,917	-	-	-	**57,917**	-
Telephone, internet and web page	57,714	-	7,695	11,543	**76,952**	95,545
Travel and staff development	22,670	-	3,023	4,534	**30,227**	25,481
Totals	$ 1,887,036	$ 286,815	$ 252,307	$ 142,018	**$ 2,568,176**	$ 2,213,179

Notes to Financial Statements
December 31, 2023 and 2022

1. Organization

The mission of Cancer Support Community San Francisco Bay Area (CSC) 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, please 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 CSC 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 impacting net assets with donor restrictions. 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, 2022, from which the summarized information was derived.

Contributions of Nonfinancial Assets – Donated services and in-kind contributions are reflected at the fair value of the contributions received in accordance with *ASU 2020-07, Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets.* 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.

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. There were no contributed services that met the criteria for recognition for the years ended December 31, 2023 and 2022.

Reclassifications – Certain prior year amounts have been reclassified to conform to fiscal year 2023 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:

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

<u>Level 2</u>
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.

<u>Level 3</u>
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)*

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 $10,902,783 and $6,140,403 as of December 31, 2023 and 2022, 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.

Earned income is recognized when the good or service has been transferred to the customer. CSC defers earned income until the time of delivery and recognizes the income once the good or service has been delivered.

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

Investments –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, 2023 and 2022. 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.

Investments include cash, mutual funds, exchange traded funds, REIT's, equities, and an investment pool. Purchased investments are initially stated at cost. Investments received by gift are recorded at market value at the date of contribution. Investments in equity securities with readily determinable fair values and all investments in debt securities are reported at fair value with gains and losses included on the statement of activities and changes in net assets.

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, 2023 and 2022.

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, 2023 and 2022.

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)*

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.

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

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.

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 March 27, 2024 (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.

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

Recent and Relevant Accounting Pronouncements *(continued)*

ASU 2020-07, Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets – The purpose of the *ASU 2020-07* is to clarify the presentation and disclosure of contributed nonfinancial assets with an intention to provide the reader of the financial statements a clearer understanding of what type of nonfinancial assets were received and how they are used and recognized by CSC. *ASU 2020-07* does not change the accounting and recognition of nonfinancial assets but rather the presentation and disclosure requirements in the financial statements.

3. Cash, Cash Equivalents, and Restricted Cash

Cash, cash equivalents, and restricted cash of $998,583 and $428,006 at December 31, 2023 and 2022, respectively, include all funds in checking accounts that have a maturity date of 90 days or less. A deposit account in the amount of $491,452 at December 31, 2023 bears interest at the rate of 0.45% per annum. All of the other accounts are noninterest-bearing. At December 31, 2023, $215,758 of cash is restricted for the Lafayette new center development (see Note 8). The restrictions on these funds are quickly met and the resources are thus readily available to creditors.

4. Grants, Pledges, and Accounts Receivable

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

	2023	2022
Year ending December 31, 2023	**$ -**	$ 252,165
Year ending December 31, 2024	**5,265,750**	20,000
Year ending December 31, 2025	**3,113,000**	10,000
Year ending December 31, 2026	**3,028,000**	-
Year ending December 31, 2027	**3,026,731**	-
Year ending December 31, 2028	**4,750**	-
Total grants, pledges, and accounts receivable	**14,438,231**	282,165
Less: Estimated allowance for uncollectible balances	**(44,179)**	(51,679)
Less: Discount applied to multi-year pledges	**(1,264,136)**	-
Present value of grants, pledges, and accounts receivable	**13,129,916**	230,486
Less: Estimated collectible amounts due within one year	**(3,957,435)**	(200,486)
Amount due after one year	**$ 9,172,481**	$ 30,000

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 $44,179 and $51,679 at December 31, 2023 and 2022, respectively.

4. Grants, Pledges, and Accounts Receivable *(continued)*

Bad debt write-offs amounted to $1,250 for the year ended December 31, 2022. There were no bad debt write-offs for the year ended December 31, 2023.

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, 2023. 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 grants and pledges receivable are classified as Level 2 hierarchy as of December 31, 2023 and 2022. Long-term grants and pledges receivable are classified as Level 3 hierarchy as of December 31, 2023 and 2022.

Amounts due in more than one year have been presented at net present value utilizing a discount rate of 4.2%, which approximates the rate associated with Treasury bills (classified with an average maturity date of less than ten years). The discount rate also approximates the average rate of return anticipated from CSC's investment portfolio. The amortization of the discount will be reflected as an adjustment impacting contribution revenue under net assets with donor restrictions.

5. Investments

Investments consist of funds domiciled 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:

		2023 Fair Value		2022 Fair Value
Money market funds (bearing interest at 0.06% per annum)	**$**	**6,526,486**	$	154,197
Mutual funds		**2,305,680**		1,959,355
Equities		**520,340**		1,991,531
Exchange traded funds		**1,169,117**		1,303,435
Investment pool (EBCF)		**-**		322,760
Real Estate Investment Trust ("REIT")		**9,385**		17,479
Limited partnership		**371,775**		391,646
Total investments	**$**	**10,902,783**	$	6,140,403
Investments reflected as short-term	**$**	**10,531,008**	$	5,748,757
Investments reflected on long-term	**$**	**371,775**	$	391,646

5. Investments *(continued)*

Composition of investments utilizing fair value measurements at December 31, 2023 is as follows:

	Totals	Level 1	Level 2	Level 3	NAV
Money market funds	$ 6,526,486	$ 6,526,486	$ -	$ -	$ -
Mutual funds	2,305,680	-	2,305,680	-	-
Equities	520,340	520,340	-	-	-
Exchange traded funds	1,169,117	-	1,169,117	-	-
Investment pool (EBCF)	-	-	-	-	-
REIT	9,385	9,385	-	-	-
Limited partnership	371,775	-	-	-	371,775
Totals	$ 10,902,783	$ 7,056,211	$ 3,474,797	$ -	$ 371,775

Composition of investments utilizing fair value measurements at December 31, 2022 is as follows:

	Totals	Level 1	Level 2	Level 3	NAV
Money market funds	$ 154,197	$ 154,197	$ -	$ -	$ -
Mutual funds	1,959,355	-	1,959,355	-	-
Equities	1,991,531	1,991,531	-	-	-
Exchange traded funds	1,303,435	-	1,303,435	-	-
Investment pool (EBCF)	322,760	-	322,760	-	-
REIT	17,479	17,479	-	-	-
Limited partnership	391,646	-	-	-	391,646
Totals	$ 6,140,403	$ 2,163,207	$ 3,585,550	$ -	$ 391,646

Investment earnings are summarized as follows at December 31:

	2023	2022
Investment income	**$ 201,431**	$ 164,934
Net realized gains	**117,650**	413,107
Net change in unrealized gains and (losses)	**358,695**	(1,427,636)
Investment expenses	**(26,601)**	(37,045)
Investment earnings (losses), net	**$ 651,175**	$ (886,640)

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, 2023. 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, 2023 and 2022, 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.

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

5. Investments *(continued)*

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 which 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 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. 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:

	2023	2022
Cash, cash equivalents, and restricted cash	**$ 998,583**	$ 428,006
Grants, pledges, and accounts receivable	**3,957,435**	200,486
Investments – short-term portion, unrestricted	**10,531,008**	5,748,757
Less: amounts not available to be used within one year:		
Net assets with donor restrictions for programs	**(50,622)**	(23,914)
Restricted investments for Lafayette center buildout	**(5,009,589)**	-
Financial assets available to meet general expenditures over the next twelve months	**$ 10,426,815**	$ 6,353,335

7. Property and Equipment

Property and equipment consist of the following at December 31:

	2023	2022
Land	**$ 295,971**	$ 295,971
Building improvements	**1,337,770**	1,337,770
Office furniture and equipment	**229,768**	229,768
Subtotal	**1,863,509**	1,863,509
Less: accumulated depreciation	**(1,218,560)**	(1,162,369)
Property and equipment, net	**$ 644,949**	$ 701,140

Depreciation expense for the years ended December 31, 2023 and 2022 amounted to $56,191 and $59,756 respectively, and is reflected on the statement of functional expenses. There were no disposals during the years ended December 31, 2023 and 2022.

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 CSC 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.

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, 2023, and 2022, amounts capitalized as Lafayette new center development totaled $2,971,533 and $2,853,699, respectively, and are reflected on the statements of financial position. Certain related expenses amounting to $286,815 and $271,035 during the years ended December 31, 2023 and 2022, 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. Related Party Transactions

Certain CSC board members made monetary contributions totaling $182,768 and $56,518 during the years ended December 31, 2023 and 2022, respectively.

10. 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 $7,921 and $8,575 for the years ended December 31, 2023 and 2022, respectively.

11. Right of Use Asset and Operating 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 $3,856 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. Occupancy expense is included in occupancy expense on the statement of functional expenses and amounted to $147,179 and $95,669 for the years ended December 31, 2023 and 2022, respectively.

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 an "Operating Right of Use" asset and a corresponding operating lease liability. The weighted average discount rate is based on the discount rate implicit in the lease. If the implicit rate is not readily determinable from the lease, CSC estimates an applicable incremental borrowing rate. The incremental borrowing rate is estimated using CSC's applicable borrowing rates and the contractual lease term. The estimated incremental borrowing rate for the office lease was determined to be 6.25%. CSC had no finance leases in effect during the years ended December 31, 2023 and 2022.

Total operating right of use asset and liability on the statement of financial position consist of the following at December 31:

	2023	**2022**
Gross operating right of use asset – premises	**$ 356,756**	$ 356,756
Accumulated operating right of use asset – premises	**(118,609)**	(87,011)
Total operating right of use asset, net	**$ 238,147**	$ 269,745

	2023	**2022**
Operating lease liability – short term	**$ 32,641**	$ 26,250
Operating lease liability – long term	**222,538**	258,254
Total lease liability	**$ 255,179**	$ 284,504

Total operating lease cost recognized within occupancy expense on the statement of functional expenses consists is summarized as follows at December 31:

	2023	**2022**
Amortization of operating lease asset	**$ 31,598**	$ 28,804
Interest on lease liability	**16,951**	18,679
Lease expense	**(2,273)**	(2,555)
Total operating lease costs	**$ 46,276**	$ 44,928

11. Right of Use Asset and Leases *(continued)*

The following summarizes cash flow information related to operating leases as of December 31:

		2023		2022
Principal payments applied to lease liability	**$**	**12,374**	$	7,134
Interest on lease liability		**16,951**		18,679
Total cash paid for amounts included in measurement of lease liabilities	**$**	**29,325**	$	25,813

At December 31, 2023 minimum future lease payments for operating leases with terms of one year or more are as follows:

Year Ending:		**Total**
December 31, 2024	$	47,665
December 31, 2025		49,095
December 31, 2026		50,567
December 31, 2027		52,084
Thereafter		108,904
Total Lease Payments		308,315
Less: Interest		(53,136)
Present value of lease liabilities	**$**	**255,179**

The following table represents the weighted-average remaining lease term and discount rate for the operating lease as of December 31, 2023:

	2023
Weighted average remaining lease terms (years)	6
Weighted average discount rate	6.25%

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 $133,539 and $119,339 at December 31, 2023 and 2022, 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. There were no employer matching contributions for the years ended December 31, 2023 and 2022.

14. Net Assets

Net Assets without Donor Restrictions
Net assets without donor restrictions represent the cumulative net operating surpluses since the inception of CSC and consist of the following as of December 31:

	2023	2022
Undesignated net assets from operating activities	**$ (755,027)**	$ 3,965,784
Board-designated for investments	**10,902,783**	6,140,403
Total net assets without donor restrictions	**$ 10,147,756**	$ 10,106,187

The CSC Board of Directors have elected to set aside certain balances of net assets without donor restrictions as Board-designated funds, with future changes subject to approval by the Board. The goal of designating a portion of CSC's investment portfolio is to provide earnings to ensure long-term funding of CSC's programmatic activities.

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:

	2023	2022
Antioch general support	**$ 44,872**	$ 23,914
Scan Health Foundation	**-**	20,000
Genentech Grant	**-**	80,000
CSC National	**5,250**	-
Eden Medical Center	**500**	-
Purpose Restricted – Lafayette new center development	**19,515,575**	-
Less: Change in value of pledges receivable	**(1,264,136)**	-
Total net assets with donor restrictions – time/purpose	**$ 18,302,061**	$ 123,914

During the years ended December 31, 2023 and 2022, additions to net assets with donor restrictions amounted to $19,617,575 and $169,237 respectively. Net assets released from restrictions amounted to $175,292 and $106,258 during the years ended December 31, 2023 and 2022, respectively.

15. 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.

16. Subsequent Events

In compliance with *ASC 855, Subsequent Events*, CSC has evaluated subsequent events through March 27, 2024 the date the financial statements were available to be issued and, in the opinion of management, there are no subsequent events which necessitate disclosure.