CANCER CARE SERVICES

FINANCIAL STATEMENTS

Years Ended September 30, 2023 and 2022
with Report of Independent Auditors

CANCER CARE SERVICES

FINANCIAL STATEMENTS

Years Ended September 30, 2023 and 2022

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REPORT OF INDEPENDENT AUDITORS

To the Board of Directors of
Cancer Care Services

Opinion

We have audited the financial statements of Cancer Care Services (the "Organization"), which comprise the statements of financial position as of September 30, 2023 and 2022, and the related statements of activities, cash flows, and functional expenses for the years 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 the Organization as of September 30, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 GAAP, 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 the Organization's ability to continue as a going concern for one year after the date that the financial statements are issued.

HLB WE ARE AN INDEPENDENT MEMBER OF THE GLOBAL ADVISORY AND ACCOUNTING NETWORK

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but 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 the Organization'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 the Organization'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.

Whitley Penn LLP

Fort Worth, Texas
January 24, 2024

CANCER CARE SERVICES

STATEMENTS OF FINANCIAL POSITION

	September 30, 2023	September 30, 2022
Assets		
Cash and cash equivalents	$ 531,111	$ 805,028
Contributions receivable, net	968,468	579,393
Other receivables	116	141
Prepaid expenses	24,377	28,263
Investments board-designated for endowment	1,691,709	1,499,618
Investments restricted for endowment	430,505	1,084,222
Investments with other donor restriction	25,084	22,539
Investments board-designated for infrastructure	191,123	199,695
Investments with no donor restrictions or board-designation	740,930	-
Right-of-use assets - operating leases	2,593	-
Property and equipment, net	701,929	739,793
Total assets	$ 5,307,945	$ 4,958,692
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	$ 88,207	$ 95,053
Operating lease liabilities	2,593	-
Total liabilities	90,800	95,053
Commitments and contingencies		
Net assets:		
Without donor restrictions		
Designated for endowment	1,691,709	1,499,618
Designated for infrastructure	191,123	199,695
Undesignated	2,690,512	1,701,128
Total without donor restrictions	4,573,344	3,400,441
With donor restrictions	643,801	1,463,198
Total net assets	5,217,145	4,863,639
Total liabilities and net assets	$ 5,307,945	$ 4,958,692

See accompanying notes to financial statements.

CANCER CARE SERVICES

STATEMENTS OF ACTIVITIES

	Year Ended September 30, 2023			Year Ended September 30, 2022		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**	**Without Donor Restrictions**	**With Donor Restrictions**	**Total**
Revenue, gains, and other support:						
Contributions:						
General donations and grants	$ 2,249,433	$ 232,518	$ 2,481,951	$ 2,049,803	$ 103,395	$ 2,153,198
In-kind contributions	29,496	-	29,496	13,752	-	13,752
Program contracts	817,363	-	817,363	790,687	-	790,687
United Way allocation	18,750	-	18,750	6,250	-	6,250
Rental income	3,000	-	3,000	4,400	-	4,400
Investment income (loss), net	234,185	126,664	360,849	(343,960)	(222,040)	(566,000)
Net assets released from restrictions	1,178,579	(1,178,579)	-	291,263	(291,263)	-
Total revenue, gains, and other support	4,530,806	(819,397)	3,711,409	2,812,195	(409,908)	2,402,287
Expenses:						
Program services						
Journey of Hope	2,377,433	-	2,377,433	2,138,293	-	2,138,293
Supporting services						
Management and general	370,424	-	370,424	332,725	-	332,725
Development	610,046	-	610,046	543,173	-	543,173
Total supporting services	980,470	-	980,470	875,898	-	875,898
Total expenses	3,357,903	-	3,357,903	3,014,191	-	3,014,191
Changes in net assets	1,172,903	(819,397)	353,506	(201,996)	(409,908)	(611,904)
Net assets at beginning of year	3,400,441	1,463,198	4,863,639	3,602,437	1,873,106	5,475,543
Net assets at end of year	$ 4,573,344	$ 643,801	$ 5,217,145	$ 3,400,441	$ 1,463,198	$ 4,863,639

See accompanying notes to financial statements.

CANCER CARE SERVICES

STATEMENTS OF CASH FLOWS

	Year Ended September 30, 2023	2022
Cash flows from operating activities:		
Changes in net assets	$ 353,506	$ (611,904)
Adjustments to reconcile changes in net assets to net cash used in operating activities:		
Depreciation	38,764	38,182
Bad debt expense	-	45,837
Discount on contributions receivable	49,822	38,819
Investment income restricted for reinvestment	(27,874)	(24,423)
Realized and unrealized (gain) loss on investments	(289,596)	613,178
Non-cash lease expense	6,988	-
Changes in net assets and liabilities:		
Contributions receivable	(438,897)	(235,719)
Other receivables	25	14,432
Prepaid expenses	3,886	(5,183)
Accounts payable and accrued expenses	(6,846)	9,317
Deferred revenue	-	(189,161)
Operating lease liabilities	(6,988)	-
Net cash used in operating activities	(317,210)	(306,625)
Cash flows from investing activities:		
Proceeds from sale of investments	213,382	568,896
Purchases of investments	(197,063)	(567,537)
Purchases of property and equipment	(900)	(49,116)
Net cash provided by (used in) investing activities	15,419	(47,757)
Cash flows from financing activities:		
Investment income restricted for reinvestment	27,874	24,423
Net cash provided by financing activities	27,874	24,423
Net decrease in cash and cash equivalents	(273,917)	(329,959)
Cash and cash equivalents at beginning of year	805,028	1,134,987
Cash and cash equivalents at end of year	$ 531,111	$ 805,028
Supplemental Disclosure of Non-Cash Information		
Right-of-use assets assumed through lease liabilities	$ 9,506	$ -

See accompanying notes to financial statements.

CANCER CARE SERVICES

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended September 30, 2023

	Program Services	Supporting Services			
	Journey of Hope	Management and General	Development	Total Supporting Services	Total Program and Supporting Services
Salaries	$ 1,263,291	$ 234,433	$ 401,494	$ 635,927	$ 1,899,218
Employee benefits	156,332	28,719	31,233	59,952	216,284
Payroll taxes and other	116,664	21,138	36,169	57,307	173,971
Total salaries and related expenses	1,536,287	284,290	468,896	753,186	2,289,473
Bank fees	-	3,929	1,447	5,376	5,376
Conferences and meetings	13,234	360	5,749	6,109	19,343
Dues and subscriptions	2,416	509	4,419	4,928	7,344
Equipment costs	30,739	3,529	6,666	10,195	40,934
Fundraising	190	-	35,357	35,357	35,547
Insurance	18,671	2,321	4,290	6,611	25,282
Journey of Hope - Connect	54,300	60	-	60	54,360
Journey of Hope - Cope	477,162	2,249	750	2,999	480,161
Miscellaneous	1,436	399	339	738	2,174
Occupancy	27,794	3,263	6,368	9,631	37,425
Office supplies	3,958	442	557	999	4,957
Postage	2,237	156	1,459	1,615	3,852
Printing and promotion	3,159	7	2,686	2,693	5,852
Professional fees	104,542	60,051	48,902	108,953	213,495
Repairs and maintenance	37,625	4,708	13,055	17,763	55,388
Telephone	5,398	634	1,197	1,831	7,229
Transportation	104	28	1,319	1,347	1,451
	2,319,252	366,935	603,456	970,391	3,289,643
In-kind expense	29,496	-	-	-	29,496
Depreciation	28,685	3,489	6,590	10,079	38,764
Total expenses	$ 2,377,433	$ 370,424	$ 610,046	$ 980,470	$ 3,357,903

See accompanying notes to financial statements.

CANCER CARE SERVICES

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended September 30, 2022

	Program Services	Supporting Services			
	Journey of Hope	Management and General	Development	Total Supporting Services	Total Program and Supporting Services
Salaries	$ 1,205,523	$ 217,681	$ 375,630	$ 593,311	$ 1,798,834
Employee benefits	146,458	22,550	29,414	51,964	198,422
Payroll taxes and other	112,986	20,081	33,669	53,750	166,736
Total salaries and related expenses	1,464,967	260,312	438,713	699,025	2,163,992
Bank fees	-	2,535	1,406	3,941	3,941
Conferences and meetings	3,528	318	7,392	7,710	11,238
Dues and subscriptions	2,295	232	2,783	3,015	5,310
Equipment costs	16,064	755	1,251	2,006	18,070
Fundraising	-	78	27,180	27,258	27,258
Insurance	15,349	1,970	3,591	5,561	20,910
Journey of Hope - Connect	43,348	-	-	-	43,348
Journey of Hope - Cope	318,212	-	-	-	318,212
Miscellaneous	797	249	29	278	1,075
Occupancy	28,524	3,903	6,423	10,326	38,850
Office supplies	4,741	556	587	1,143	5,884
Postage	1,718	236	679	915	2,633
Printing and promotion	4,999	353	6,156	6,509	11,508
Professional fees	98,851	52,195	32,528	84,723	183,574
Repairs and maintenance	42,273	4,674	6,209	10,883	53,156
Telephone	4,812	519	1,081	1,600	6,412
Transportation	228	83	738	821	1,049
	2,050,706	328,968	536,746	865,714	2,916,420
Bad debt expense	45,837	-	-	-	45,837
In-kind expense	13,752	-	-	-	13,752
Depreciation	27,998	3,757	6,427	10,184	38,182
Total expenses	$ 2,138,293	$ 332,725	$ 543,173	$ 875,898	$ 3,014,191

See accompanying notes to financial statements.

CANCER CARE SERVICES

NOTES TO FINANCIAL STATEMENTS

September 30, 2023 and 2022

A. Nature of Business

Cancer Care Services (the "Organization") was organized in 1946 as a Texas non-profit corporation. The primary mission of the Organization is to provide help and hope to cancer patients, their families, and caregivers through financial, emotional, spiritual, and social programs and services. The Organization's corporate office is located in Fort Worth, Texas.

B. Summary of Significant Accounting Policies

A summary of the Organization's significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

Basis of Accounting

The accompanying financial statements are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP"). Net assets of the Organization and changes therein are classified according to the existence or absence of donor-imposed restrictions and reported as follows:

- Net assets without donor restrictions – Net assets that are not subject to donor-imposed stipulations and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and Board of Directors. Net assets without donor restrictions may be designated for specific purposes by action of the Board of Directors.

- Net assets with donor restrictions – Net assets subject to stipulations imposed by donors. Some donor restrictions are temporary in nature; those will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities as net assets released from restrictions.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts in the financial statements and accompanying notes. Actual results could differ from these estimates and assumptions.

B. Summary of Significant Accounting Policies – continued

Cash and Cash Equivalents

The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. The Organization maintains deposits primarily in one financial institution, which may at times exceed amounts covered by insurance provided by the U.S. Federal Deposit Insurance Corporation ("FDIC"). The Organization has not experienced any losses related to amounts in excess of FDIC limits.

Contributions Receivable

Contributions receivable are recorded as revenue in the year made. 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 discount on those amounts is computed using risk-adjusted interest rates applicable to the years in which the promises are expected to be received. Amortization of the discount is included in contribution revenue. Management provides for probable uncollectible pledges through a charge to bad debt expense and a credit to an allowance for uncollectible pledges based on its assessment of the current status of individual pledges. Balances still outstanding after management has used reasonable collection efforts are written off through a charge to the allowance for uncollectible pledges and a credit to pledges receivable.

Investments

GAAP requires investments with readily determinable fair values to be stated at fair value with unrealized gains and losses from fluctuations in fair value included in the statement of activities. The fair values of investments in money market funds, equity and mutual fund securities, and fixed income securities with readily determinable fair values are based on the quoted market price of the shares owned at September 30, 2023 and 2022.

The Organization maintains investments in several financial institutions that are covered members of the Securities Investor Protection Corporation ("SIPC"), which may at times exceed amounts covered by insurance provided by the SIPC. The Organization has not experienced any losses related to amounts in excess of SIPC limits.

GAAP establishes a framework for measuring fair value, which provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under GAAP are described as follows:

B. Summary of Significant Accounting Policies – continued

Investments – continued

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurements.

Contributions

Contributions, including unconditional promises to give, are recorded when pledges are made by the respective donors. All contributions are available for general use unless specifically restricted by the donor. Donor-restricted support is reported as an increase in net assets with donor restrictions depending on the nature of the restriction. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. Bequests are recorded as revenue at the time an unassailable right to the gift has been established and the proceeds are measurable in amount. Conditional promises to give are recognized when the conditions on which they depend are met.

B. Summary of Significant Accounting Policies – continued

Revenue Recognition

The Organization's revenues are primarily derived from the providing of social work, dietitian, and volunteer coordinating services to patients of a third-party cancer treatment and research provider. A performance obligation is a promise in a contract to transfer a distinct good or service to the customer or client. Revenue is recognized when performance obligations under the terms of the respective contract with customers are satisfied. The Organization's contracts have a single performance obligation. The contract prices are generally deemed to be the transaction price and are recognized as revenue when, or as, the performance obligations are satisfied. The contract terms run for a 12-month period. The Organization receives periodic payments under the terms of the respective contract. Revenue is recognized as the Organization provides services. Amounts received in advance of the services being provided are considered a contract liability and are included in deferred revenue on the accompanying statements of financial position. There were no contract liabilities at September 30, 2023 and 2022.

Contributed Nonfinancial Assets

The following represents the Organization's contributed nonfinancial assets recognized within the statements of activities for the years ended September 30:

	2023	2022
Medical supplies and miscellaneous goods	$ 29,496	$ 6,371
Professional services	-	7,381
	$ 29,496	$ 13,752

The Organization recognizes nonfinancial assets as in-kind contributions, which are classified within revenue, gains, and other support during the years ended September 30, 2023 and 2022. All contributed nonfinancial assets are generally used in the period in which they are contributed. Unless otherwise noted, contributed nonfinancial assets do not have donor-imposed restrictions. Contributed medical supplies and miscellaneous goods are valued using wholesale prices of identical or similar products and are used primarily for program activities. Professional services are valued based on current rates of the services provided and are used primarily for management and general activities.

A substantial number of volunteers have contributed significant amounts of their time related to the Organization's events. The value of this contributed time is not reflected in the accompanying financial statements because it does not meet the above criteria.

B. Summary of Significant Accounting Policies – continued

Functional Allocation of Expenses

The cost of providing programs and supporting services has been summarized on a functional basis in the accompanying statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services. Such allocations, specifically for salaries and benefits, are determined by management based on estimates of time and effort. Generally, the Organization records its expenses based on direct allocation by assigning each expense to a functional category based on direct usage.

Endowment Funds

Classification of donor-restricted and board-designated endowment funds is subject to the Uniform Prudent Management of Institutional Fund Act ("UPMIFA").

The Organization has various endowments which provide funding for grants and other operations of the Organization. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Organization's management has interpreted the UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of donor-restricted endowment funds absent explicit donor stipulations to the contrary. Accordingly, the Organization classifies as net assets with donor restrictions: (a) the original value of gifts donated to the endowment; (b) the original value of subsequent gifts to the endowment; and (c) accumulations to the endowment made in accordance with explicit donor stipulations. The remaining portion of the donor-restricted endowment fund is classified as net assets with donor restrictions until those amounts are appropriated for expenditure in a manner consistent with the standard of prudence prescribed by the UPMIFA.

In accordance with the UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund;
- The purposes of the Organization and the donor-restricted endowment fund;
- General economic conditions;
- The possible effect of inflation and deflation;
- The expected total return from income and the appreciation of investments;
- Other resources of the Organization; and
- The investment policies of the Organization.

B. Summary of Significant Accounting Policies – continued

Endowment Funds – continued

The Organization 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 include those assets of donor-restricted funds that the Organization must hold in perpetuity or for a donor-specified period(s), as well as board-designated funds.

To satisfy its long-term rate-of-return objectives, the Organization 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). The Organization targets a diversified asset allocation to achieve its long-term return objectives within prudent risk constraints.

Board-designated disbursements to the Organization, when needed, shall not exceed 7% of the asset value on December 31 of the previous year. However, the total disbursement over 3 rolling years cannot exceed 15%. The actual percentage distribution will be determined by the Finance Committee or the Board of Directors.

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the Organization is required to retain as a fund of perpetual duration. There are no deficiencies of this nature as of September 30, 2023 and 2022.

Property and Equipment

Property and equipment are carried at cost. These assets are generally capitalized if more than $1,000. Depreciation is provided on the straight-line method over the assets' estimated service lives. Expenditures for maintenance and repairs are charged to expense in the period in which they are incurred, and betterments are capitalized. The cost of assets sold or abandoned and the related accumulated depreciation are eliminated from the accounts, and any gains or losses are reflected in the accompanying statements of activities of the respective period. The estimated useful lives of buildings is 39.5 years, building improvements is 15 years, and office equipment and furniture is 5 years.

Federal Income Taxes

The Organization is generally exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, as an organization other than a private foundation.

GAAP requires management to evaluate tax positions taken by the Organization and recognize a tax liability if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. Management has analyzed the tax positions taken by the Organization and has concluded that, as of September 30, 2023, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

B. Summary of Significant Accounting Policies – continued

Adoption of New Accounting Standards

In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Codification ("ASC") 842 – *Leases*, to increase transparency and comparability among organizations by requiring the recognition of right-of-use ("ROU") assets and lease liabilities on the statement of financial position. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

The Organization elected the package of practical expedients permitted under the transition guidance, allowing the Organization to carry forward conclusions related to: (a) whether expired or existing contracts contain leases; (b) lease classification; and (c) initial direct costs for existing leases. The Organization has elected not to record operating lease ROU assets or lease liabilities associated with leases with durations of 12 months or less. The Organization elected the practical expedient allowing aggregation of non-lease components with related lease components when evaluating the accounting treatment for all classes of underlying assets.

The Organization adopted this standard effective October 1, 2022, using the modified retrospective approach. In transitioning to ASC 842, the Organization elected to use the practical expedient package available at the time of implementation and did not elect to use hindsight. These elections have been applied consistently to all leases existing at, or entered into after, October 1, 2022 (the beginning of the period of adoption). As a result of the adoption of the new lease accounting guidance, the Organization recognized on October 1, 2022, an ROU asset and an offsetting lease liability of approximately $10,000. The standard did not materially impact the Organization's change in net assets and had no impact on cash flows. Lease disclosures for the year ended September 30, 2022, are made under prior lease guidance in FASB ASC 840.

C. Availability and Liquidity

The following reflects the Organization's financial assets as of September 30, 2023 and 2022, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date and amounts set aside for long-term investing in the board-designated endowment that could be drawn upon if the governing board approves that action. However, amounts already appropriated from either the donor-restricted endowment or board-designated endowment for general expenditure within one year of the statement of financial position date have not been subtracted as unavailable.

C. Availability and Liquidity – continued

	September 30, 2023	September 30, 2022
Financial assets at year-end:		
Cash and cash equivalents	$ 531,111	$ 805,028
Contributions receivable, net	968,468	579,393
Other receivables	116	141
Investments	3,079,351	2,806,074
Total financial assets	4,579,046	4,190,636
Less those unavailable for general expenditure within one year, due to:		
Net receivables to be collected more than one year from statements of financial position date	(740,465)	(462,728)
Restricted by donor with time or purpose restrictions	(176,389)	(378,976)
Subject to appropriation and satisfaction of donor restrictions	(210,387)	(512,197)
Restricted by donor to be held in perpetuity	(257,025)	(572,025)
Board-designated endowment fund, primarily for long-term investing	(1,691,709)	(1,499,618)
Board-designated investments for infrastructure	(191,123)	(199,695)
Financial assets available to meet general expenditures over the next twelve months	$ 1,311,948	$ 565,397

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. At September 30, 2023 and 2022, the Organization has approximately $1,312,000 and $565,000, respectively, of financial assets available within one year of the statement of financial position dates to meet cash needs for general expenditure consisting of cash and cash equivalents, contributions receivable, and investments. Other than the net assets with donor restrictions of approximately $644,000 and $1,463,000, none of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the statement of financial position dates. Although the Organization does not intend to spend from the board-designated investments (other than amounts appropriated for general expenditure as part of the Board's annual budget approval and appropriation), these amounts could also be made available, if necessary.

D. Contributions Receivable

Contributions receivable are due as follows at September 30:

	2023	2022
Less than 1 year	$ 377,305	$ 233,964
1-5 years	740,465	462,728
Total contributions receivable	1,117,770	696,692
Allowance for uncollectible receivables	(48,042)	(65,861)
Unamortized discount to adjust contributions to net present value	(101,260)	(51,438)
Contributions receivable, net	$ 968,468	$ 579,393

Contributions receivable net were approximately $428,000 at October 1, 2021. At September 30, 2023 and 2022, the discount rates used by the Organization to calculate the present value of the contributions receivable ranged from 0.28% to 4.60%.

E. Investments

The fair values of the Organization's investments consisted of the following at September 30:

	Level 1	
	2023	2022
Money market funds	$ 174,608	$ 140,520
Equity and mutual fund securities	1,958,107	1,764,527
Fixed income securities	946,636	901,027
Total investments	$ 3,079,351	$ 2,806,074

The fair values of the Organization's investments were based on Level 1 inputs, as defined by GAAP, which represent quoted prices of the individual investments in an active market. The Organization had no investments with fair values based on Level 2 or 3 inputs, as defined by GAAP.

E. Investments – continued

The Organization's investment income (loss), net was comprised of the following for the year ended September 30:

	2023	2022
Interest and dividends	$ 89,398	$ 66,756
Net realized gain on sales of investments	54,131	67,401
Net unrealized gain (loss) on investments	235,465	(680,579)
Investment expenses	(18,145)	(19,578)
Total investment income (loss), net	$ 360,849	$ (566,000)

F. Property and Equipment

Property and equipment consisted of the following at September 30:

	2023	2022
Land	$ 75,000	$ 75,000
Buildings and building improvements	1,305,807	1,304,565
Office equipment and furniture	64,400	64,400
	1,445,207	1,443,965
Less accumulated depreciation	(743,278)	(704,172)
Property and equipment, net	$ 701,929	$ 739,793

G. Net Assets with Donor Restrictions and Endowment Funds

Net assets with donor restrictions are restricted as follows at September 30:

	2023	2022
Subject to expenditure for specific purpose	$ 176,389	$ 378,976
Subject to spending policy and appropriation:		
Infrastructure building and maintenance	42,228	385,705
Education and enrichment	32,631	27,678
General activities of the Organization	135,528	98,814
Endowment funds held in perpetuity	257,025	572,025
Total net assets with donor restrictions	$ 643,801	$ 1,463,198

Net assets with donor restrictions subject to purpose and time restrictions are recorded within cash and cash equivalents and contributions receivable, net on the accompanying statements of financial position at September 30, 2023 and 2022. Net assets released from restriction were approximately $1,179,000 and $291,000 for the years ended September 30, 2023 and 2022, respectively, as a result of program expenditures and/or the passage of time which satisfied the temporary restrictions imposed by the donors.

The endowment funds held in perpetuity are gifts which have been stipulated as such by the donor. The accumulated investment income and net realized and unrealized gains on certain of these net assets must be used for specific purposes stipulated by the donor and are reported above as the net assets subject to spending policy and appropriation. The endowment funds held in perpetuity and the net assets subject to spending policy and appropriation are reported in the restricted endowment investments in the accompanying statements of financial position.

The Organization’s endowments consist of five individual donor-restricted funds established for a variety of purposes and funds designated by the Board of Directors to function as an endowment. Net assets associated with endowment funds, including funds designated by the Board of Directors to function as an endowment, are classified and reported based on the existence of, or absence of, donor-imposed restrictions.

The composition of the Organization’s endowments by type as of September 30, 2023, is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total Net Endowment Assets
Donor-restricted endowment funds	$ -	$ 430,505	$ 430,505
Board-designated endowment funds	1,691,709	-	1,691,709
Total endowment funds	$ 1,691,709	$ 430,505	$ 2,122,214

G. Net Assets with Donor Restrictions and Endowment Funds – continued

The composition of the Organization's endowments by type as of September 30, 2022, is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total Net Endowment Assets
Donor-restricted endowment funds	$ -	$ 1,084,222	$ 1,084,222
Board-designated endowment funds	1,499,618	-	1,499,618
Total endowment funds	$ 1,499,618	$ 1,084,222	$ 2,583,840

Changes in endowments by type for the year ended September 30, 2023, are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total Net Endowment Assets
Balance, beginning of year	$ 1,499,618	$ 1,084,222	$ 2,583,840
Investment income, net	192,091	124,120	316,211
Released from restriction	-	(740,930)	(740,930)
Amounts appropriated for expenditure	-	(36,907)	(36,907)
Balance, end of year	$ 1,691,709	$ 430,505	$ 2,122,214

Changes in endowments by type for the year ended September 30, 2022, are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total Net Endowment Assets
Balance, beginning of year	$ 1,805,519	$ 1,347,513	$ 3,153,032
Investment loss, net	(305,901)	(217,302)	(523,203)
Amounts appropriated for expenditure	-	(45,989)	(45,989)
Balance, end of year	$ 1,499,618	$ 1,084,222	$ 2,583,840

H. Employee Benefit Plan

The Organization has a 401(k) Plan (the "Plan") covering substantially all employees, which is administered by Nextep, the Organization's third-party professional employer organization. For the years ended September 30, 2023 and 2022, the Organization made matching contributions to the Plan of approximately $9,000 and $8,500, respectively.

I. Concentrations

At September 30, 2023 and 2022, the Organization had one donor which accounted for approximately 10% and 15% of contributions receivable, net, respectively.

For the years ended September 30, 2023 and 2022, the Organization's program contract revenue was comprised of amounts received from one organization which accounted for approximately 22% and 33% of total revenue, gains, and other support, respectively.

J. Leases

A lease provides the lessee the right to control the use of an identified asset for a period of time in exchange for consideration. Operating lease right-of-use assets and finance lease right-of-use assets (collectively "ROU assets") represent the Organization's right to use an underlying asset for the lease term. Operating lease liabilities and finance lease liabilities (collectively, "lease liabilities") represent the Organization's obligation to make lease payments arising from the lease. The Organization determines if an arrangement is a lease at inception. ROU assets and lease liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The Organization excludes short-term leases having initial terms of 12 months or less from ROU assets and lease liabilities and recognizes rent expense on a straight-line basis over the lease term.

The Organization has leases for certain equipment. Most operating leases contain renewal options that provide for rent increases based on prevailing market conditions. The Organization has lease extension terms that have either been extended or are likely to be extended. The terms used to calculate the ROU assets and lease liabilities for these leases include the renewal options that the Organization is reasonably certain to exercise.

The discount rate used to determine the commencement date present value of lease payments is the interest rate implicit in the lease, or when that is not readily determinable, the Organization utilizes a risk free rate. ROU assets include any lease payments required to be made prior to commencement and exclude lease incentives. Both ROU assets and lease liabilities exclude variable payments not based on an index or rate, which are treated as period costs. The Organization's lease agreements do not contain significant residual value guarantees, restrictions or covenants.

J. Leases – continued

Total operating lease costs were approximately $7,000 for the year ended September 30, 2023.

Maturities of lease liabilities as of September 30, 2023, are as follows:

	Operating Leases
2024	$ 1,588
2025	508
2026	508
2027	85
Total lease payments	2,689
Less present value discount	(96)
Lease liabilities	$ 2,593

Weighted average lease term and discount rate as of September 30, 2023, are as follows:

Weighted average remaining lease term (years)	
Operating leases	1.92
Weighted average discount rate	
Operating leases	2.49%

Cash paid during the year ended September 30, 2023, for operating leases are as follows:

Operating leases	
Operating cash flows	$ 6,988

Total rental expense for the year ended September 30, 2022, was approximately $7,700, and is included within management and general supporting services on the statements of activities.

K. Subsequent Events

In preparing the financial statements, the Organization has evaluated all subsequent events and transactions for potential recognition or disclosure through January 24, 2024, the date the financial statements were available for issuance.