



**CANCER SUPPORT
COMMUNITY™**

REDONDO BEACH

Formerly The Wellness Community

CANCER SUPPORT COMMUNITY REDONDO BEACH
(A NON-PROFIT CORPORATION)

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

with

INDEPENDENT AUDITOR'S REPORT THEREON

CANCER SUPPORT COMMUNITY REDONDO BEACH
(A NON-PROFIT CORPORATION)

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Timothy J Lilligren
Certified Public Accountant
1001 6th Street, Suite 150
Manhattan Beach, CA 90266

Independent Auditor's Report

To the Board of Directors
Cancer Support Community Redondo Beach

I have audited the accompanying financial statements of Cancer Support Community Redondo Beach ("CSCRB", a non-profit corporation), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

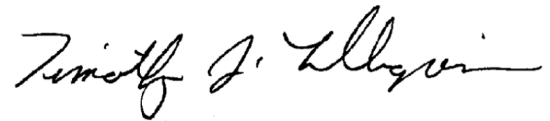
My responsibility is to express an opinion on these financial statements based on my audit. I conducted the audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to CSCRB's preparation and fair presentation of the financial statements 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 CSCRB's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CSCRB as of December 31, 2020 and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Handwritten signature of Timothy J. Allyn in cursive script.

Manhattan Beach, California

October 6, 2021

CANCER SUPPORT COMMUNITY REDONDO BEACH
(A NON-PROFIT CORPORATION)

STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2020

ASSETS

CURRENT ASSETS

| | |
|---------------------------|------------------|
| Cash and cash equivalents | \$ 2,604,991 |
| Contributions receivable | 8,000 |
| Investments | <u>5,875,887</u> |
| | 8,488,878 |

LONG-TERM ASSETS

| | |
|-----------------------------|---------------------|
| Property and equipment, net | 54,726 |
| Security deposit | <u>2,562</u> |
| | <u>\$ 8,546,166</u> |

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

| | |
|---------------------------------------|-----------|
| Accounts payable and accrued expenses | \$ 96,042 |
|---------------------------------------|-----------|

CARES ACT PPP LOAN PAYABLE

| |
|----------------|
| <u>147,000</u> |
| <u>243,042</u> |

NET ASSETS WITHOUT DONOR RESTRICTIONS

| | |
|--------------|---------------------|
| Legacy Fund | 7,938,298 |
| Undesignated | <u>364,826</u> |
| | <u>8,303,124</u> |
| | <u>\$ 8,546,166</u> |

*The accompanying notes are an
integral part of these financial statements*

CANCER SUPPORT COMMUNITY REDONDO BEACH
(A NON-PROFIT CORPORATION)

STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020

| | <u>Without donor restrictions</u> | <u>With donor restrictions</u> | <u>Total</u> |
|--|--|---|---------------------|
| OPERATING REVENUE AND SUPPORT | | | |
| Grants and contributions | \$ 3,236,777 | \$ 24,404 | \$ 3,261,181 |
| Special events, net | 219,636 | - | 219,636 |
| Contributed services | 29,100 | - | 29,100 |
| Investment return appropriated for operations | 142,667 | - | 142,667 |
| Net assets released from restrictions | 24,404 | (24,404) | - |
| | <u>3,652,584</u> | <u>-</u> | <u>3,652,584</u> |
| OPERATING EXPENSES | | | |
| Program services | 777,885 | - | 777,885 |
| Supporting services | 144,821 | - | 144,821 |
| Fundraising | 145,692 | - | 145,692 |
| | <u>1,068,398</u> | <u>-</u> | <u>1,068,398</u> |
| CHANGE IN NET ASSETS FROM OPERATIONS | 2,584,186 | - | 2,584,186 |
| INVESTMENT RETURN, in excess of amounts appropriated for operations | <u>310,780</u> | <u>-</u> | <u>310,780</u> |
| CHANGE IN NET ASSETS | 2,894,966 | - | 2,894,966 |
| NET ASSETS, beginning of year | <u>5,408,158</u> | <u>-</u> | <u>5,408,158</u> |
| NET ASSETS, end of year | <u>\$ 8,303,124</u> | <u>\$ -</u> | <u>\$ 8,303,124</u> |

The accompanying notes are an integral part of these financial statements

CANCER SUPPORT COMMUNITY REDONDO BEACH
(A NON-PROFIT CORPORATION)

STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2020

| | <u>Program Services</u> | <u>Supporting Services</u> | <u>Fundraising</u> | <u>Total Expenses</u> |
|--------------------------|------------------------------------|---------------------------------------|---------------------------|----------------------------------|
| Salaries and wages | \$ 502,393 | \$ 112,794 | \$ 109,892 | \$ 725,079 |
| Payroll taxes | 40,299 | 9,048 | 8,815 | 58,162 |
| Employee benefits | 24,088 | 5,408 | 5,268 | 34,764 |
| Personnel expenses | <u>566,780</u> | <u>127,250</u> | <u>123,975</u> | <u>818,005</u> |
| | | | | |
| Rent | 97,459 | 1,928 | 4,619 | 104,006 |
| Outside services | 8,410 | 2,611 | 7,080 | 18,101 |
| Computer and software | 13,026 | 2,605 | 1,737 | 17,368 |
| Affiliate dues and costs | 13,172 | - | - | 13,172 |
| Depreciation | 7,847 | 1,761 | 1,716 | 11,324 |
| Office | 6,249 | 2,916 | 525 | 9,690 |
| Insurance | 6,455 | 2,152 | - | 8,607 |
| Bank and payroll costs | 3,955 | 1,978 | 1,977 | 7,910 |
| Telephone | 5,004 | 625 | 625 | 6,254 |
| Printing | 4,614 | 409 | 818 | 5,841 |
| Equipment | 4,558 | 90 | 216 | 4,864 |
| Community outreach | 1,869 | 234 | 1,880 | 3,983 |
| Postage | 2,955 | 262 | 524 | 3,741 |
| Seminars | 3,703 | - | - | 3,703 |
| Program costs | 2,729 | - | - | 2,729 |
| Contributed services | <u>29,100</u> | <u>-</u> | <u>-</u> | <u>29,100</u> |
| | <u>\$ 777,885</u> | <u>\$ 144,821</u> | <u>\$ 145,692</u> | <u>\$ 1,068,398</u> |

*The accompanying notes are an
integral part of these financial statements*

CANCER SUPPORT COMMUNITY REDONDO BEACH
(A NON-PROFIT CORPORATION)

STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2020

CASH FLOWS FROM OPERATING ACTIVITIES

| | |
|--|------------------|
| Change in net assets | \$ 2,894,966 |
| Adjustments to reconcile change in net assets to net cash from operating activities: | |
| Unrealized and realized gain on investments | (310,780) |
| Depreciation and amortization | 11,324 |
| Changes in operating assets and liabilities: | |
| Contributions receivable | (7,625) |
| Accounts payable and accrued expenses | <u>77,453</u> |
| Net cash flows from operating activities | <u>2,665,338</u> |

CASH FLOWS FROM INVESTING ACTIVITIES

| | |
|--|--------------------|
| Purchase of property and equipment | (8,360) |
| Proceeds from sales of investments | 1,487,545 |
| Purchases of investments | <u>(2,544,860)</u> |
| Net cash flows from investing activities | <u>(1,065,675)</u> |

CASH FLOWS FROM FINANCING ACTIVITIES

| | |
|--|----------------|
| Proceeds from CARES Act PPP loan payable | <u>147,000</u> |
| Net cash flows from financing activities | <u>147,000</u> |

Net change in cash and cash equivalents 1,746,663

Cash and cash equivalents, beginning of year 858,328

Cash and cash equivalents, end of year \$ 2,604,991

*The accompanying notes are an
integral part of these financial statements*

CANCER SUPPORT COMMUNITY REDONDO BEACH
(A NON-PROFIT CORPORATION)

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1 - ORGANIZATION

Cancer Support Community Redondo Beach (the “Community”, a non-profit corporation formerly known as the Wellness Community South Bay Cities, Inc.) offers a free program for cancer patients, and their families and loved-ones. CSCRB’s goal is to help as many cancer patients as possible recover from the physical and emotional effects of cancer to the greatest extent possible. The psychological support and educational programs are designed to address the loss of control, hopelessness, and social isolation that cancer patients and their families often experience.

Such programs include group sessions, counseling led by licensed therapists, education, and social services for patients and their loved ones. CSCRB has been able to offer free programs through the generous support of individuals, corporations, foundations, and through year-round special fundraising events. During 2020 CSCRB had to adapt to government-imposed social distancing restrictions by offering its programs through a safe, virtual environment. Despite those challenges, CSCRB received 15,500 visits from over 1,200 participants.

CSCRB maintains a license agreement with Cancer Support Community, a national non-profit organization based in Washington DC. CSCRB maintains corporate and financial independence, but the agreement licenses CSCRB to use certain intellectual property helpful in carrying out their mutual mission.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation - The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net assets without donor restrictions - Net assets available for use in general operations and not subject to donor or certain grantor restrictions.

Net assets with donor restrictions - Net assets subject to donor or certain grantor-imposed restrictions. 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 are perpetual in nature, such as gifts to an endowment, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when restrictions expire, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

CANCER SUPPORT COMMUNITY REDONDO BEACH
(A NON-PROFIT CORPORATION)

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Measure of operations - CSCRB's operating revenues in excess of operating expenses include all operating revenues and expenses that are an integral part of its programs and supporting activities, net assets released from donor restriction to support operating expenditures, and appropriations of board-designated and other nonoperating funds to support current operating activities. The measure of operations includes interest and dividends from investments, net of investment management fees. The measure of operations excludes realized and unrealized gains and losses on investments.

Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Grants and contributions - Grants and contributions are recognized at a fair value when the donor makes an unconditional promise to give to CSCRB. Conditional promises to give (with a barrier and right of return) are not recognized until the conditions on which they depend have been met. Donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Concentration of credit risk - The assets that potentially subject CSCRB to concentration of credit risk consist of cash equivalents, contributions receivable, and investments.

Cash and cash equivalents - For purposes of reporting cash flows, cash and cash equivalents include operating cash held in banks, savings accounts, investments purchased with original maturities of ninety days or less, and certificates of deposit with immaterial early withdrawal penalties. CSCRB maintains its cash balances in financial institutions, the balances of which may, at times, exceed federally insured limits.

Fair value of financial instruments - Financial instruments primarily consist of contributions receivable and investments. The Organization estimates that the fair value of its financial instruments at December 31, 2020 do not differ materially from its aggregate carrying value recorded. Considerable judgment is required in interpreting market data to develop the estimates of fair value and, accordingly, the estimates are not necessarily indicative of the amounts that the Organization could realize in a current market exchange.

CANCER SUPPORT COMMUNITY REDONDO BEACH
(A NON-PROFIT CORPORATION)

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Fair value measurements - The Organization defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The company measures fair value under a framework that 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), moderate priority to valuations based on observable inputs, such as market prices of similar assets and liabilities (level 2), and the lowest priority to unobservable inputs (level 3 measurements).

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Investments - Investments in marketable securities are classified as available for sale and reported at fair value as determined by quoted market prices in an active market. Realized gains and losses (computed by the specific identification method) and unrealized gains and losses are included in the statement of activities. Interest and dividend income are recorded on the accrual basis of accounting.

The Organization's investments are managed by a third-party investment manager who adheres to a board-approved investment policy statement restricting the asset allocation based on risk tolerance.

Property and equipment - Property and equipment are recorded at cost with the exception of donated equipment, which is stated at fair market value at the date of receipt. Depreciation is calculated using the straight-line method over the estimated useful lives of up to seven years. Leasehold improvements are amortized using the straight-line method over the shorter of their estimated lives for the term of the lease. Normal repairs and maintenance are expensed as incurred. Expenditures that materially adapt, improve, or alter the nature of the underlying assets are capitalized. When equipment is retired or otherwise disposed, of, the cost and related accumulated depreciation are removed from the accounts, and the resulting gain or loss is credited or charged to operations.

CANCER SUPPORT COMMUNITY REDONDO BEACH
(A NON-PROFIT CORPORATION)

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

CSCRB assesses the recoverability of property and equipment whenever a triggering event occurs by determining whether the depreciation of such assets over their remaining lives can be recovered through projected undiscounted cash flows. The amount of impairment, if any, is measured based on fair value (projected discounted cash flows) and is charged to operations in the period in which such impairment is determined by management. To date, management has not identified any impairment of property and equipment.

Expense allocation - The costs of providing various program and supporting activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses present expenses by function and natural classification. Expenses directly attributable to specific functional areas of the Organization are reported as expenses of those functional areas while indirect costs that benefit multiple functional areas have been allocated among the various functional areas based on the number of employees involved or the amount of time spent. Functional expenses are an expense of the year in which incurred and, accordingly, are charged to operations on a current basis.

Program services - Expenses include costs that primarily relate to client services and outreach programs.

Supporting services - Expenses include costs that primarily relate to management and general administration.

Fundraising - Expenses include costs that primarily relate to fundraising activities to obtain grants and generate revenue through contributions.

Contributed services - Contributed services are recognized by CSCRB if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

CSCRB receives a significant amount of contributed time from volunteers that does not meet the recognition criteria described above. Accordingly, the value of this contributed time is not reflected in the accompanying financial statements.

Income taxes - The Organization is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code (the "Code") and the corresponding provisions of the California Revenue and Taxation Code. Accordingly, no provision for income taxes is included in the accompanying financial statements. The Organization is subject, however, to Federal and California income taxes on unrelated business income as stipulated in the Code.

CANCER SUPPORT COMMUNITY REDONDO BEACH
(A NON-PROFIT CORPORATION)

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

The Organization recognizes the impact of tax positions in the financial statements if that position is more likely than not of being sustained on audit, based on the technical merits of the position. To date, the Organization has not recorded any uncertain tax positions. The Organization recognizes potential accrued interest and penalties related to uncertain tax positions in income tax expense. During the year ended December 31, 2020, the Organization did not recognize any amount in potential interest and penalties associated with uncertain tax positions.

As of December 31, 2020, the Organization's federal tax returns since 2017 and state tax returns since 2016 remain open for examination by the tax jurisdictions. No tax returns are currently being examined by any taxing authorities.

Risks and uncertainties - Certain services of the Organization are governed by grants and contracts from governmental agencies and private sources. There can be no assurance that the Organization will be able to obtain future grants as deemed necessary by management, although management believes that there is no current indication that grants and contracts are in jeopardy. The loss of certain current grants, or the inability to obtain future grants, could have an adverse effect on the Organization's financial position and results of operations. Failure of the Organization to comply with applicable regulatory requirements can result in, among other things, loss of funding, warning letters, fines, injunctions, and civil penalties.

Subsequent events - Subsequent events have been evaluated by CSCRB through October 6, 2021, which is the date these financial statements were issued, and no subsequent events have arisen, other than those described in these financial statements, that would require disclosure.

NOTE 3 - LIQUIDITY AND AVAILABILITY OF RESOURCES

The following reflects the Organization's financial assets as December 31, 2020, reduced by amounts not available for general use within one year of the balance sheet date because of internal designations. Amounts not available include amounts set aside for board designated purposes that could be drawn upon if the governing board approves that action.

| | <u>Legacy Fund</u> | <u>Undesignated</u> | <u>Total</u> |
|---------------------------|---------------------------|----------------------------|---------------------|
| Cash and cash equivalents | \$ 2,063,543 | \$ 541,448 | \$ 2,604,991 |
| Contributions receivable | - | 8,000 | 8,000 |
| Investments | 5,874,755 | 1,132 | 5,875,887 |
| | <u>\$ 7,938,298</u> | <u>\$ 550,580</u> | <u>\$ 8,488,878</u> |

CANCER SUPPORT COMMUNITY REDONDO BEACH
(A NON-PROFIT CORPORATION)

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 3 - LIQUIDITY AND AVAILABILITY OF RESOURCES

The Organization's goal is to maintain financial assets on hand to meet at least six months of normal operating expenses which, on average, totals approximately \$90,000 per month given full programmatic expenditures.

During March 2020 the World Health Organization declared the spread of Coronavirus disease, or COVID-19, a worldwide pandemic. The COVID-19 pandemic had significant effects on global markets, supply chains, businesses, and communities. CSCRB adapted to government-imposed social distancing restrictions by offering its program through a safe, virtual environment. However, the restrictions have negatively impacted CSCRB's 2020 special events fundraising, and will continue to do so through 2021. The duration of these uncertainties and the ultimate financial effects cannot be reasonably estimated at this time.

Legacy Fund - In 2015 CSCRB formed a Legacy Fund when an individual bequeathed a \$4 million unrestricted planned gift. Gifts to the Legacy Fund are segregated as board-designated assets to ensure the long-term funding of CSCRB's operations. The Organization invests the Legacy Fund primarily in marketable securities with an overall objective of long-term growth and income. Interest and dividends are available for current operations if approved, while realized and unrealized gains and losses on investments are non-operating revenues. Any draws from the Legacy Fund must be approved by the Board of Directors.

CSCRB received nearly \$2.8 million in planned gifts to the Legacy Fund during 2020.

NOTE 4 - INVESTMENTS AND FAIR VALUE MEASUREMENTS

The following is a description of the valuation methodologies used for the investments measured at fair value, including the general classification of such instruments pursuant to the valuation hierarchy.

Equities and exchange traded funds - Investments in equities and exchange traded funds are measured using Level 1 under the fair value hierarchy and are valued at the closing price reported on the active market on which they are traded.

Fixed income securities - Investments in bond funds and corporate bonds are measured using Level 1 under the fair value hierarchy and are valued at the closing price reported on the active market on which they are traded.

CANCER SUPPORT COMMUNITY REDONDO BEACH
(A NON-PROFIT CORPORATION)

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 4 - INVESTMENTS AND FAIR VALUE MEASUREMENTS, continued

Investment held in trust - CSCRB has an investment in an investment pool held by The California Community Foundation which is composed of various marketable securities. CSCRB does not have authority to choose what investments are purchased and held but can withdraw its share at any time with notice. Unrealized gains and losses are recorded as income in the year in which they occur. The investment held in trust is categorized as Level 3 as of December 31, 2020.

The preceding method described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future values. Furthermore, although CSCRB believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table provides the hierarchy and fair value for each major category of investments at December 31, 2020:

| | Legacy Fund | General Fund | Total |
|------------------------------------|------------------------|-------------------------|---------------------|
| Level 1 | | | |
| Equities and exchange traded funds | \$ 4,028,939 | \$ - | \$ 4,028,939 |
| Fixed income securities | 1,845,816 | - | 1,845,816 |
| Level 3 | | | |
| Investment held in trust | - | 1,132 | 1,132 |
| | <u>\$ 5,874,755</u> | <u>\$ 1,132</u> | <u>\$ 5,875,887</u> |

CANCER SUPPORT COMMUNITY REDONDO BEACH
(A NON-PROFIT CORPORATION)

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 4 - INVESTMENTS AND FAIR VALUE MEASUREMENTS, continued

The following table sets forth a summary of changes in the fair value of CSCRB’s investments during the year ended December 31, 2020:

| | Investments in <u>Legacy Fund</u> | Investment <u>held-in-trust</u> | <u>Total</u> |
|--------------------------------|--|--|---------------------|
| Beginning value of investments | \$ 4,506,660 | \$ 1,132 | \$ 4,507,792 |
| Purchases | 2,494,900 | - | 2,494,900 |
| Interest and dividends | 165,776 | - | 165,776 |
| Unrealized gains | 379,784 | - | 379,784 |
| Sales | (1,579,719) | - | (1,579,719) |
| Realized losses | (67,958) | - | (67,958) |
| Investment fees | <u>(24,688)</u> | <u>-</u> | <u>(24,688)</u> |
| | <u>\$ 5,874,755</u> | <u>\$ 1,132</u> | <u>\$ 5,875,887</u> |

NOTE 5 - PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2020 consists of:

| | |
|---|------------------|
| Furniture and office equipment | \$ 72,830 |
| Leasehold improvements | <u>36,535</u> |
| | 109,365 |
| Less: accumulated depreciation and amortization | <u>(54,639)</u> |
| | <u>\$ 54,726</u> |

NOTE 6 - CARES ACT PPP LOAN PAYABLE

In April 2020, CSCRB obtained a low-interest loan in the amount of \$147,000 from a financial institution, in connection with the U.S. Small Business Administration’s (the “SBA”) Paycheck Protection Program (the “PPP Loan”). In April 2021, the PPP Loan was forgiven based on the Company’s use of the proceeds for its payroll costs and other expenses in accordance with the requirements of the CARES Act. The amount forgiven will be subsequently recognized as revenue during 2021.

CANCER SUPPORT COMMUNITY REDONDO BEACH
(A NON-PROFIT CORPORATION)

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 6 - CARES ACT PPP LOAN PAYABLE, Continued

In February 2021, the Company secured a second PPP loan of \$147,000, payable over up to five years. The second round of PPP funding has similar circumstance and terms to the first round of funding. Under certain circumstances, the loan may be forgivable, although the amount of forgiveness is uncertain. If the second PPP note is not fully forgiven, the Company will remain liable for the full and punctual payment of the outstanding principal plus accrued and unpaid interest. The second PPP loan accrues interest at a rate of 1.0% per annum. The outstanding principal balance and accrued, unpaid interest would be due in monthly installments commencing the date that the SBA remits the Company's loan forgiveness amount to the lender. The note must be repaid within 24 months of funding, which would be February 2023, but the Company may have an option to extend the maturity date, based on approval of the lending institution, for up to a total of 60 months from the date of initial funding, which would be February 2026. The PPP note is unsecured, and can be prepaid at any time prior to maturity with no prepayment penalties. It is uncertain what, if any, impact future legislation or regulatory definitions will have on the CARES act.

NOTE 7 - SPECIAL EVENTS, net

CSCRB sponsored various fundraising special events during 2020. The income and costs to provide those activities are as follows:

| | <u>Gross</u> <u>revenues</u> | <u>Direct</u> <u>expenses</u> | <u>Net</u> <u>revenues</u> |
|---------------------|---|--|---|
| Sunset at the Beach | \$ 195,119 | \$ 25,067 | \$ 170,052 |
| Tour de Pier | 30,000 | - | 30,000 |
| Other events | <u>19,655</u> | <u>71</u> | <u>19,584</u> |
| | <u>\$ 244,774</u> | <u>\$ 25,138</u> | <u>\$ 219,636</u> |

NOTE 8 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor consisted of \$24,404 received from a local public agency dedicated to enhancing community health in Redondo Beach and its surrounding communities. CSCRB met the donor's criteria to release restrictions during the year ended December 31, 2020.

CANCER SUPPORT COMMUNITY REDONDO BEACH
(A NON-PROFIT CORPORATION)

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 9 - FACILITY LEASE

CSCRB maintained an operating lease for its Redondo Beach offices and programs that expired in January 2018. CSCRB continued to lease those offices under a month-to-month arrangement requiring monthly payments of \$8,223 through January 2021. Due to the restrictions of conducting in-person programs, CSCRB moved to a smaller space that requires monthly payments of \$2,468 through December 2021. Management is currently seeking a long-term lease for an expanded facility that will commence in-person programs in 2022.

NOTE 10 - RETIREMENT PLAN

CSCRB provides a tax-deferred annuity plan qualified under Section 403(b) of the Code that covers all eligible employees of the Organization. Eligible employees may make contributions to the plan up to the maximum amount allowed under the Code. The Organization makes safe harbor contributions to the plan equal to 3% of the eligible employee's salary after one year of service. The Organization contributed \$16,615 to the plan during the year ended December 31, 2020.