

**HEALING BUDDIES, INC
dba LIFESPARK CANCER RESOURCES**

FINANCIAL STATEMENTS

with Independent Auditor's Report

December 31, 2024

**HEALING BUDDIES, INC.
dba LIFESPARK CANCER RESOURCES**

FINANCIAL STATEMENTS

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Healing Buddies, Inc., dba LifeSpark Cancer Resources
Lakewood, Colorado

Opinions

We have audited the accompanying financial statements of Healing Buddies, Inc., dba LifeSpark Cancer Resources (the Organization, a nonprofit organization) which comprise the consolidating statement of financial position as of December 31, 2024, and the related consolidating statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2024, 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 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 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 the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibility 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 judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risk 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 judgement, 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 to 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.

Fiscal Focus Partners, LLC

Arvada, Colorado
October 1, 2025

HEALING BUDDIES, INC.
dba LIFESPARK CANCER RESOURCES
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2024

ASSETS	
Cash and cash equivalents	\$ 78,654
Total assets	<u>78,654</u>
LIABILITIES	
Accrued payroll liabilities	3,388
Other payables	2,500
Total liabilities	<u>5,888</u>
NET ASSETS	
Without donor restrictions (Note 2)	72,766
With donor restrictions (Note 2)	-
Total net assets	<u>72,766</u>
Total liabilities and net assets	<u>\$ 78,654</u>

The accompanying notes to financial statements are an integral part of these statements.

HEALING BUDDIES, INC.
dba LIFESPARK CANCER RESOURCES
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
CONTRIBUTIONS, REVENUE AND OTHER SUPPORT			
Contributions, unrestricted	\$ 114,059	\$ -	\$ 114,059
Contributions, special events	36,075	-	36,075
Training fees	5,740	-	5,740
Gifts in kind - services	232,100	-	232,100
Gifts in kind - facilities	12,600	-	12,600
Other revenue	148	-	148
Net assets released from restriction			
Satisfaction of program restrictions	-	-	-
Total support and revenue	<u>400,722</u>	<u>-</u>	<u>400,722</u>
EXPENSES			
Program services	350,416	-	350,416
Support services			
General and administrative	12,307	-	12,307
Fundraising	27,161	-	27,161
Total expenses	<u>389,884</u>	<u>-</u>	<u>389,884</u>
Change in net assets	10,838	-	10,838
Net assets - beginning of year	<u>61,928</u>	<u>-</u>	<u>61,928</u>
Net assets - end of year	<u><u>\$ 72,766</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 72,766</u></u>

The accompanying notes to financial statements are an integral part of these statements.

**HEALING BUDDIES, INC.
dba LIFESPARK CANCER RESOURCES**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024**

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from members and supporting activities	\$ 156,022
Payments for services	(59,146)
Payments to employees and related expenses	(83,248)
Net cash provided by operating activities	<u>13,628</u>

NET INCREASE IN CASH AND CASH EQUIVALENTS 13,628

**CASH, CASH EQUIVALENTS, RESTRICTED CASH
AND RESTRICTED CASH EQUIVALENTS - BEGINNING OF YEAR** 65,026

**CASH, CASH EQUIVALENTS, RESTRICTED CASH
AND RESTRICTED CASH EQUIVALENTS - END OF YEAR** \$ 78,654

**RECONCILIATION OF CHANGES IN NET ASSETS TO NET
CASH PROVIDED BY OPERATING ACTIVITIES**

Changes in net assets	\$ 10,838
Adjustments to reconcile changes in net assets to net cash	
Changes in assets and liabilities	
Increase in accrued expenses	290
Increase in other liabilities	2,500
Total adjustments	<u>2,790</u>
Net cash provided by operating activities	<u><u>\$ 13,628</u></u>

The accompanying notes to financial statements are an integral part of these statements.

HEALING BUDDIES, INC.
dba LIFESPARK CANCER RESOURCES
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>Program Services</u>	<u>Supporting Services</u>		
	<u>Reiki and Healing Touch</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries & wages	\$ 58,270	\$ 7,667	\$ 10,734	\$ 76,671
Payroll taxes	4,743	624	874	6,241
Workers compensation	256	34	47	337
Professional fees	2,871	-	-	2,871
Information technology and communication	10,943	1,342	1,879	14,164
Supplies	1,337	166	232	1,735
Equipment cost	1,923	253	354	2,530
Storage	2,689	354	495	3,538
Facilities	12,600	-	-	12,600
Provider expense	235,377	-	-	235,377
Design and marketing	2,052	270	378	2,700
Events	7,122	250	10,282	17,654
Travel	2,899	381	534	3,814
Conferences and meetings	673	89	124	886
Insurance	3,890	512	717	5,119
Banking fees	2,235	294	412	2,941
Other	536	71	99	706
Total	<u><u>\$ 350,416</u></u>	<u><u>\$ 12,307</u></u>	<u><u>\$ 27,161</u></u>	<u><u>\$ 389,884</u></u>

The accompanying notes to financial statements are an integral part of these statements.

**HEALING BUDDIES, INC.
dba LIFESPARK CANCER RESOURCES**

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024

Note 1 - Nature of activities and summary of significant accounting policies

Nature of activities

Healing Buddies, Inc., dba LifeSpark Cancer Resources (LifeSpark, the Organization) is a non-profit volunteer service organization that uses Reiki and Healing Touch therapies to bring peace and healing to cancer patients and their caregivers. LifeSpark serves individuals with cancer and the oncology medical community through education, training, advocacy, and delivery of hands-on and remote sessions. LifeSpark's core values include compassion, integrity, professionalism, and respect.

LifeSpark's programs serve those with cancer and their caregivers by offering healing, comfort, and support. Additionally, LifeSpark serves the medical community in supporting a holistic model of care. LifeSpark provides annual training to its volunteer energy-based therapists, who maintain a high standard of professionalism and foster a climate of cooperation and respect between care modalities.

In 2024, LifeSpark provided 1,615 full Reiki and Healing Touch sessions, and 1,412 hospital sessions to cancer patients and their caregivers. In providing these services, LifeSpark partnered with four hospitals/medical centers, and 14 other facilities, including churches, massage centers, and wellness centers.

Healing Buddies, Inc., dba LifeSpark Cancer Resources, is a not-for-profit corporation, considered a public charity. It is exempt under Section 501(c)(3) of the Internal Revenue Code from federal and state income taxes, except for lobbying expenses and unrelated business taxable income, which are subject to tax.

Basis of accounting

LifeSpark uses the accrual method of accounting whereby revenue is recognized when earned and expenses are recognized when the obligation is incurred.

Basis of presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) Codification 958-205-45, "Financial Statements of Not-for-Profit Entities." Accordingly, under the codification, LifeSpark is required to report information regarding its financial position and activities according to two classes of net assets.

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be

**HEALING BUDDIES, INC.
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**NOTES TO THE FINANCIAL STATEMENTS
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December 31, 2024

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.

As of December 31, 2024, the Organization had no net assets with donor restrictions.

Cash and cash equivalents

LifeSpark considers highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Fair value of financial instruments

The Organization follows the methods of fair value as described under Financial Accounting Standards Board Codification 820-10-35 (820-10-35) to value its financial assets and liabilities. Fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. 820-10-35 establishes a fair value hierarchy that prioritizes observable inputs to measure fair value into three broad levels, which are described below:

Level 1: Quoted prices are available in active markets for identical investments as of the reported date.

Level 2: Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies.

Level 3: Pricing inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investment. The inputs into determination of fair value require significant management judgement or estimation.

At December 31, 2024, the Organization had no assets requiring the use of valuation techniques for inclusion in any of the three levels noted above.

Unconditional promises to give and contributions

Revenue and related receivables are recognized in the period when the promise is communicated to LifeSpark.

Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. LifeSpark reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of donated assets or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose

**HEALING BUDDIES, INC.
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**NOTES TO THE FINANCIAL STATEMENTS
(continued)**

December 31, 2024

restriction is accomplished, net assets “with donor restrictions” are classified as net assets “without donor restrictions” and reported in the statement of activity as net assets released from restrictions.

Donor restricted contributions whose restrictions are met in the same reporting period are reported as restricted contributions and released from restrictions. Unspent contributions are classified as “with donor restrictions” if the donor limited their use.

LifeSpark reports gifts of goods and equipment as unrestricted support unless explicit donor stipulations specify how the assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted assets. Absent explicit donor stipulations about how long these long-lived assets must be maintained, LifeSpark reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

When applicable, LifeSpark uses the specific identification method to determine uncollectible unconditional promises to give. The specific identification is based on management’s analysis of specific promises.

Revenue recognition and unearned revenue

Revenues are recognized when earned. As of December 31, 2024, there was no unearned revenue.

Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. Grants are treated as contributions that are conditioned upon certain performance requirements and the incurrence of allowable qualifying expenses. Should the Organization substantially meet the conditions in the same period that the contribution and grant was received, and barring any further donor-imposed restrictions, the Organization has elected to recognize the revenue in net assets without donor restrictions.

Compensated absences

None of the Organization’s employees earn vacation time, per organization policy. Accordingly, no provision for compensated absences is included in the financial statements.

HEALING BUDDIES, INC.
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NOTES TO THE FINANCIAL STATEMENTS
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December 31, 2024

Donated services, goods and facilities

In-kind support is recorded as contributions and corresponding expenses in the accompanying statements at their estimated values at the date of donation. Contributed services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) required specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization.

A substantial number of volunteers donated time to LifeSpark programs during the reporting period. These donated services are valued and reflected in the financial statements since the services require specialized skills as required for reporting purposes. For the year ended December 31, 2024, LifeSpark recognized donated services in the amount of \$232,100.

Physical facilities, provided for treatment sessions, received as donations are recorded and reported in the accompanying financial statements at their fair values at the date of receipt. For the year ended December 31, 2024, LifeSpark recognized donated facilities in the amount of \$12,600.

Cost allocation

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses required allocation based on a reasonable basis that is consistently applied. The expenses that are allocated include: compensation and related expense, information technology and communication, and office costs which are allocated on the basis of time spent and benefit inured to each functional category.

Income taxes

LifeSpark is a not-for-profit corporation and tax-exempt under the Internal Revenue Code Section 501(c)(3), except for unrelated business income. LifeSpark adopted "Accounting for Uncertainty in Income Taxes," which required the Organization to determine whether a tax position (and the related tax benefit) is more likely than not to be sustained upon examination by the applicable taxing authority, based solely on the technical merits of the position. The tax benefit to be recognized is measured as the largest amount of benefit that is greater than fifty percent likely of being realized upon settlement, presuming that the tax position is examined by the appropriate taxing authority that has full knowledge of all relevant information. During the year ended December 31, 2024, the Organization's management evaluated its tax positions to determine the existence of uncertainties, and did not note any matters that would require recognition of which may have an effect on its tax-exempt status. The Organization files tax returns in the U.S. federal jurisdiction. The years ended December 31, 2024, 2023, 2022, and 2021 are subject to examination by U.S. federal tax authorities.

**HEALING BUDDIES, INC.
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**NOTES TO THE FINANCIAL STATEMENTS
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December 31, 2024

Measure of operations

The Organization's change in net assets includes all operating revenues and expenses that are an integral part of its program and supporting activities and net assets released from donor restrictions to support operating expenditures. The measure of operations includes support for operating activities from both donor restricted net assets and net assets without donor restrictions according to the Organization's spending policy, which is detailed in Note 3. The measure of operations excludes investment income in excess of (less than) amounts made available for current support.

Adoption of new accounting standards

In February 2016, the Financial Accounting Standards Board (FASB) established Topic 842, Leases, by issuing Accounting Standards Update (ASU) No. 2016-02. This standard 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, Land Easement and Practical Expedient for Transition to Topic 842, ASU 2018-10, Codification Improvements to Topic 842 and ASU 2018-11, Targeted Improvements. The new standard establishes a right-of-use model (ROU) model that requires a lessee to recognize a ROU asset and lease liability on the statement of financial position for all leases with a term longer than 12 months. Leases will be classified as finance or operating, with classification affecting the pattern and classification of expense recognition in the statement of activities.

The Organization adopted the requirements of the guidance effective January 1, 2023. A modified retrospective transition approach is required, applying the new standard to all leases existing at the date of initial application. The new standard provides a number of optional expedients in transition. Management has elected to use the "package of practical expedients" which permits the Organization not to reassess under the new standard prior conclusions about lease identification, lease classification and initial direct costs.

After review of existing leases, management determined no material impact to the financial statements from adoption of the new standard. Accordingly, no right-of-use assets or lease liabilities are reflected on the statement of net position.

Leases

The Organization has elected to recognize payments for short-term leases with a lease term of 12 months or less as expenses as incurred, and these leases are not included as lease liabilities or right-of-use lease assets on the statements of financial position. For individual lease contracts where information about the discount rate implicit in the lease is not included, the Organization has elected to use the incremental borrowing rate to calculate the present value of expected lease payments.

**HEALING BUDDIES, INC.
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**NOTES TO THE FINANCIAL STATEMENTS
(continued)**

December 31, 2024

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management of LifeSpark 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 2 - Restrictions on net assets

LifeSpark may receive contributions for which donors restrict use for various program requirements. Restrictions are considered satisfied as payments are made for the restricted purpose.

There were no net assets with donor restrictions as of December 31, 2024.

Net assets resulting from contributions received with donor restrictions, for which the purpose is satisfied, are reported as net assets without donor restrictions.

Note 3 - Liquidity and availability of financial assets

As part of the Organization's liquidity management, there is a policy to structure financial assets to be available as general expenditures, liabilities, and other obligations become due.

The following reflects the Organization's financial assets as of the balance sheet date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date.

Financial assets at year end	\$ 78,654
Less those unavailable for general expenditures within one year, due to:	
Donor restrictions program services	_____ -
Financial assets available to meet cash needs for general expenditures within one year	_____ \$ 78,654

Note 4 - Cash and investments

LifeSpark maintains cash accounts in commercial banks, which may at various times exceed the \$250,000 insurance coverage provided by the Federal Deposit Insurance Corporation (FDIC). The Organization had no cash and cash equivalent balances at December 31, 2024, nor throughout the year, in excess of the federally insured amount.

**HEALING BUDDIES, INC.
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**NOTES TO THE FINANCIAL STATEMENTS
(continued)**

December 31, 2024

Note 5 - Operating lease obligations

In December 2022 the Organization executed a lease for office equipment. The lease commenced on December 1, 2022 for 60 months until November 30, 2027. The Organization agreed to pay a maximum of \$247 per month.

During the year ended December 31, 2024 LifeSpark paid \$2,530 under the terms of the lease.

Future minimum base rental payments under the operating leases at December 31, 2024 are due as follows:

<u>Year</u>	<u>Amount</u>
2025	\$ 2,964
2026	2,964
2027	2,717

Note 6 - Subsequent events

Subsequent events have been evaluated by management through October 1, 2025, the date the financial statements were available to be issued.