

Cancer Support Community Delaware, Inc.

Financial Statements

December 31, 2016 and 2015

Table of Contents

	Page
Independent Auditor's Report	3
Financial Statements	
Statements of Financial Position.....	5
Statements of Activities.....	6
Statements of Functional Expenses	7
Statements of Cash Flows	8
Notes to Financial Statements	9



ALBERO, KUPFERMAN & ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS AND PROFESSIONAL SERVICES

Independent Auditor's Report

To the Board of Directors
Cancer Support Community Delaware, Inc.
Wilmington, Delaware

Report on the Financial Statements

We have audited the accompanying financial statements of Cancer Support Community Delaware, Inc. (a nonprofit organization) which comprise the statement of financial position as of December 31, 2016, the related statements of activities, of functional expenses and of cash flows for the years 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 auditor's 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 the entity'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 the entity's internal control. Accordingly, we 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

1701 SHALLCROSS AVENUE, SUITE D WILMINGTON, DE 19806

PHONE: (302) 230-7171 FAX: (302) 472-1700 info@aka-cpa.com www.aka-cpa.com

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Cancer Support Community Delaware, Inc. as of December 31, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Cancer Support Community Delaware, Inc.'s 2015 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 22, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2015, is consistent, in all material respects, with the audited financial statements from which it has been derived.

A handwritten signature in cursive script that reads "Allen, Kufman & Associates, LLC".

May 2, 2017
Wilmington, Delaware

Cancer Support Community Delaware, Inc.

Statements of Financial Position

December 31,

Assets

	<u>2016</u>	<u>2015</u>
ASSETS		
Cash - checking accounts	\$ 19,230	\$ 32,087
Cash - money market funds	29,635	50,964
Accounts receivable - net	11,504	11,240
Prepaid expenses	<u>5,660</u>	<u>6,924</u>
Total current assets	<u>66,029</u>	<u>101,215</u>
 PROPERTY AND EQUIPMENT		
Net of accumulated depreciation	<u>1,627,696</u>	<u>1,664,681</u>
 OTHER ASSETS		
Donated artwork	34,029	34,029
Investment- Delaware Community Foundation	118,871	730,335
Other investments	<u>567,651</u>	<u>-</u>
Total other assets	<u>720,551</u>	<u>764,364</u>
 TOTAL ASSETS	<u>\$ 2,414,276</u>	<u>\$ 2,530,260</u>

Liabilities and Net Assets

LIABILITIES		
Accounts payable	\$ 22,645	\$ 37,296
Accrued payroll	1,079	1,279
Deferred income	<u>24,325</u>	<u>45,065</u>
 TOTAL LIABILITIES	<u>48,049</u>	<u>83,640</u>
 NET ASSETS		
Unrestricted	557,659	592,682
Unrestricted - expended	1,661,725	1,698,710
Board designated	96,929	93,098
Temporarily restricted	<u>49,914</u>	<u>62,130</u>
 TOTAL NET ASSETS	<u>2,366,227</u>	<u>2,446,620</u>
 TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,414,276</u>	<u>\$ 2,530,260</u>

See accompanying notes to financial statements.

Cancer Support Community Delaware, Inc.

Statements of Activities For the Year Ended December 31, 2016

with Summarized Information for the Year Ended December 31, 2015

	<u>2016</u>			<u>2015</u>
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	<u>Summarized Information</u>
REVENUES AND OTHER SUPPORT				
Contributions	\$ 218,211	\$ 52,224	\$ 270,435	\$ 257,385
Government grants	139,767	-	139,767	154,421
Donations-in-kind	26,066	-	26,066	20,671
Investment income	16,184	-	16,184	13,293
Gain (loss) on investments	7,181	-	7,181	(21,151)
Special events revenue - net	243,058	-	243,058	207,002
Net assets released from restrictions	<u>64,440</u>	<u>(64,440)</u>	<u>-</u>	<u>-</u>
Total unrestricted support and revenue	<u>714,907</u>	<u>(12,216)</u>	<u>702,691</u>	<u>631,621</u>
EXPENSES				
Programs	635,670	-	635,670	630,318
Management and general	55,014	-	55,014	59,354
Fundraising	<u>92,400</u>	<u>-</u>	<u>92,400</u>	<u>111,502</u>
Total expenses	<u>783,084</u>	<u>-</u>	<u>783,084</u>	<u>801,174</u>
CHANGE IN NET ASSETS	(68,177)	(12,216)	(80,393)	(169,553)
NET ASSETS - BEGINNING OF YEAR	<u>2,384,490</u>	<u>62,130</u>	<u>2,446,620</u>	<u>2,616,173</u>
NET ASSETS - END OF YEAR	\$ <u>2,316,313</u>	\$ <u>49,914</u>	\$ <u>2,366,227</u>	\$ <u>2,446,620</u>

See accompanying notes to financial statements.

Cancer Support Community Delaware, Inc.

Schedules of Functional Expenses

For the Year Ended December 31, 2016

with Summarized Financial Information for the Year Ended December 31, 2015

	2016				2015
	Programs	Management & General	Fundraising	Total	Summarized Information
EXPENSES					
Payroll expenses	\$ 326,127	\$ 29,648	\$ 67,767	\$ 423,542	\$ 451,809
Employee benefits	10,927	994	2,271	14,192	26,054
Total payroll and related expenses	337,054	30,642	70,038	437,734	477,863
Advertising and marketing	507	-	-	507	678
Bank charges	1,335	-	4,005	5,340	3,492
Computer expenses	12,105	1,101	2,515	15,721	13,458
Conferences and meetings	4,053	654	-	4,707	3,219
Depreciation	39,067	3,996	1,333	44,396	46,826
Dues and subscriptions	14,470	-	-	14,470	15,035
Facilities and grounds	49,021	5,014	1,671	55,706	56,654
Insurance	11,234	1,149	383	12,766	12,560
Investment expenses	-	6,907	-	6,907	10,396
Office supplies	3,273	679	298	4,250	6,838
Postage	1,641	149	341	2,131	2,466
Printing	3,842	349	798	4,989	15,270
Professional fees	40,155	3,650	8,344	52,149	23,012
Program supplies	106,038	55	1,027	107,120	101,558
Program travel	2,269	-	-	2,269	1,363
Telephone	7,355	669	1,528	9,552	8,352
Website and internet	2,251	-	119	2,370	2,134
TOTAL EXPENSES	\$ <u>635,670</u>	\$ <u>55,014</u>	\$ <u>92,400</u>	\$ <u>783,084</u>	\$ <u>801,174</u>

See accompanying notes to financial statements.

Cancer Support Community Delaware, Inc.

Statements of Cash Flows

For the Years Ended December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (80,393)	\$ (169,553)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	44,396	46,826
Realized and unrealized (gain) loss on investments	(7,181)	21,152
(Increase) decrease in accounts receivable	(264)	987
Decrease (increase) in prepaid expenses	1,264	(1,599)
(Decrease) increase in accounts payable	(14,651)	19,642
Decrease in accrued payroll	(200)	(56)
(Decrease) increase in deferred income	<u>(20,740)</u>	<u>5,900</u>
Net cash used by operating activities	<u>(77,769)</u>	<u>(76,701)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(7,411)	(54,387)
Transfers from Delaware Community Foundation	594,093	25,000
Purchase of investments	(534,000)	-
Reinvestment of investment income	<u>(9,099)</u>	<u>(2,661)</u>
Net cash provided by (used in) investing activities	<u>43,583</u>	<u>(32,048)</u>
NET DECREASE IN CASH	(34,186)	(108,749)
CASH - BEGINNING OF YEAR	<u>83,051</u>	<u>191,800</u>
CASH - END OF YEAR	\$ <u><u>48,865</u></u>	\$ <u><u>83,051</u></u>
SUPPLEMENTAL DISCLOSURES		
Noncash transactions		
Donated supplies and services	\$ <u><u>26,066</u></u>	\$ <u><u>20,671</u></u>

See accompanying notes to financial statements.

Cancer Support Community Delaware, Inc.

Notes to Financial Statements

Note A - Organization and Summary of Significant Accounting Policies

1. Purpose of the Organization

The Cancer Support Community Delaware, Inc. (the Organization) is leading the way in empowering people affected by cancer. Servicing all three counties of Delaware, we are dedicated to helping people with cancer and their loved ones by providing professionally led programs of emotional support, education and hope as an integral part of conventional medical treatment. All programs are offered free of charge.

2. Basis of Accounting

The financial statements of the Organization are prepared on the accrual basis of accounting. In accordance with the accrual basis of accounting, revenue is recognized when earned and expenditures are recognized when incurred.

3. Financial Statement Presentation

In accordance with accounting principles generally accepted in the United States of America, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted net assets.

4. Contributions, Promises to Give, Restricted and Unrestricted Support and Revenue

In accordance with accounting principles generally accepted in the United States of America, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires, that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

Promise to give contributions are recognized when the donor makes a promise to give to the Organization, that is, in substance, unconditional. Conditional promises to make contributions are recorded as support in the period the condition is met. Contributions that are temporarily restricted are reported as unrestricted, if the restrictions expire in the fiscal year in which they are recognized.

Cancer Support Community Delaware, Inc.

Notes to Financial Statements

Note A - Organization and Summary of Significant Accounting Policies (Continued)

4. Contributions, Promises to Give, Restricted and Unrestricted Support and Revenue (Continued)

Contributed services are not recognized as revenues unless the services received create or enhance the value of a non-financial asset; or require specialized skills which are provided by individuals possessing those skills and would typically need to be purchased if not provided by volunteers.

Support received under grants and contracts with state and local governments are recorded as support when the related direct costs are incurred.

5. Property and Equipment

Fixed assets are stated at cost if purchased and at estimated fair market value if donated. Assets over \$1,000 are capitalized. Expenditures for renewals and betterments are capitalized. When assets are sold or otherwise disposed of, any gains or losses on such disposition are recognized in the statement of activities.

Depreciation is computed using the straight-line method based upon the estimated useful lives of the related assets. The useful lives for purposes of computing depreciation are as follows:

Buildings	40 years
Building Improvements	3 - 40 years
Machinery and Equipment	3 - 15 years
Furniture and Fixtures	5 - 10 years
Land Improvements	5 - 15 years
Software	3 - 5 years

6. Investment in Community Foundation

The Organization's investment in the Delaware Community Foundation (DCF) is recognized in accordance with generally accepted accounting standards. The Organization's funds are a component fund and held on a commingled, utilized basis. There are no securities independently held in the name of the Organization. Investments are valued at their fair market value in the statements of financial position. Earnings, fees, and unrealized gains and losses are included in the statements of activities.

7. Works of Art

The Organization has elected to carry donated works of art at their historical fair market value and not to depreciate these assets. Each of the items are cataloged, preserved and cared for, and activities verifying their existence and assessing their condition are performed continually.

Cancer Support Community Delaware, Inc.

Notes to Financial Statements

Note A - Organization and Summary of Significant Accounting Policies (Continued)

8. Advertising Expense

The Organization expenses the production costs of advertising when incurred. Advertising totaled \$507 and \$678 for the years ended December 31, 2016 and 2015, respectively.

9. Employee Benefit Plan

The Organization established a 403(B) plan to which eligible employees can voluntarily contribute. Contributions to the Plan can be made at the discretion of the Board of Directors. The Organization has not made any contributions to the Plan since it was established.

10. Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

11. Comparative Financial Statements

The financial statements include certain prior-year summarized comparative information which has been presented in total only and not by net asset class or functional expense. Accordingly, such information should be read in conjunction with the Organization's prior year financial statements from which the summarized information was derived.

12. Income Taxes

The Organization has elected to be classified as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. Accordingly, it is not subject to state or federal income taxes. Therefore, no provision or liability for income tax is presented in these financial statements.

The Organization accounts for the effect of any uncertain tax positions based on a "more likely than not" threshold to the recognition of the tax positions being sustained based on the technical merits of the position under scrutiny by the applicable taxing authority. The Center recognizes accrued interest and penalties associated with uncertain tax positions, if any, as a component of functional expenses. The Center did not have any income tax uncertainties that were considered greater than remote.

Cancer Support Community Delaware, Inc.

Notes to Financial Statements

Note A - Organization and Summary of Significant Accounting Policies (Continued)

13. Fair Value Measurements

The Organization adopted the Fair Value Measurements standard for assets and liabilities measured at fair value on a recurring basis. The standard defines fair value and establishes a hierarchy for reporting the reliability of input measurements used to assess fair value for all assets and liabilities. The hierarchy consists of three broad levels:

- Level 1 Observable inputs such as quoted market prices in active markets for identical assets or liabilities.
- Level 2 Observable market-based inputs or unobservable inputs that are corroborated by market data.
- Level 3 Unobservable inputs for which there is little or no market data, which require the use of the reporting entity's own assumptions.

14. Management 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 public support, revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note B - Investment Held at Delaware Community Foundation

The Organization recognizes its interest in the net assets of the Delaware Community Foundation (DCF) in accordance with generally accepted accounting principles. The Organization's funds are a component fund of the DCF which are held and invested on a comingled, unitized basis. The purpose of the Fund is to provide for the long-term stability of the Organization. There are no securities independently held in the name of the Organization. The income earned and change in value is recorded with investment income on a quarterly basis.

During 2016, \$534,000 was transferred from the DCF and to a managed brokerage account. The interest held by DCF for the years ended December 31, 2016 and 2015 was \$118,871 and \$730,335, respectively.

Cancer Support Community Delaware, Inc.

Notes to Financial Statements

Note C - Investments

Investments in marketable securities are measured at fair market value on a recurring basis. The following investments that were held as of December 31, 2016 are classified as Level 1:

Cash	\$ 47,037
Marketable Securities	304,300
Fixed Income	159,857
Mutual Funds	<u>56,457</u>
Total	<u>\$ 567,651</u>

Investment income (loss) and its classification in the statements of activities is as follows for the years ended December 31,:

	<u>2016</u>	<u>2015</u>
Investment income		
Interest income - banks	\$ 177	\$ 236
Dividends and income earned	<u>16,007</u>	<u>13,057</u>
	<u>16,184</u>	<u>13,293</u>
Gains (losses)		
Realized gains	1,663	-
Unrealized gains (losses)	<u>5,518</u>	<u>(21,151)</u>
	<u>7,181</u>	<u>(21,151)</u>
Investment fees	<u>(6,907)</u>	<u>(10,396)</u>
Net investment income (loss)	<u>\$ 16,458</u>	<u>\$ (18,254)</u>

Investment income (loss) reflects the activity of both the brokerage account and the funds held by the Delaware Community Foundation.

Cancer Support Community Delaware, Inc.

Notes to Financial Statements

Note D - Property and Equipment

Property and equipment consisted of the following as of December 31,:

	<u>2016</u>	<u>2015</u>
Buildings, improvements and furniture	\$ 2,204,293	\$ 2,204,293
Software	<u>58,217</u>	<u>50,814</u>
Total	2,262,510	2,255,107
Less: accumulated depreciation	<u>(634,814)</u>	<u>(590,426)</u>
Property and equipment - net	<u><u>\$ 1,627,696</u></u>	<u><u>\$ 1,664,681</u></u>

Depreciation expense was \$44,396 and \$46,826 for the years ended December 31, 2016 and 2015, respectively.

Note E - Temporarily Restricted Net Assets

Net assets are temporarily restricted as of December 31, for the following purpose:

	<u>2016</u>	<u>2015</u>
DDOA Grant	\$ -	\$ 1,620
Sam's Garden	1,791	1,843
Survivor's Conference	-	160
Living Well Programs	-	2,388
Kutz Foundation	3,200	3,200
Center Improvements	<u>44,923</u>	<u>52,919</u>
	<u><u>\$ 49,914</u></u>	<u><u>\$ 62,130</u></u>

Note F - Board Designated Fund Balance

The Organization received a bequest from the estate of an active volunteer in Sussex County. The Board has designated the funds to be used for Sussex County programs, with earnings available to be used annually. The funds are being held as fund at the DCF. Board designated net assets were \$96,929 and \$93,098 as of December 31, 2016 and 2015, respectively.

Note G - Special Events

The revenue raised through special events provides significant resources to the organization which allows it to continue to fulfill its mission. This support is reported net of the direct expenses incurred on the statement of activities.

Cancer Support Community Delaware, Inc.

Notes to Financial Statements

Note G - Special Events (Continued)

	<u>2016</u>	<u>2015</u>
Fundraising income	\$ 326,455	\$ 290,542
Fundraising expense	<u>(83,397)</u>	<u>(83,540)</u>
	<u>\$ 243,058</u>	<u>\$ 207,002</u>
Direct fundraising expense	25.55%	28.75%

Note H - National Affiliation

The Organization is a licensed affiliate of and accredited by The Cancer Support Community Inc. The national organization defines the roles and expectations for each affiliate. As a member, the Organization follows the guidelines and adheres to the policies of the national organization. They also pay annual dues to the national organization which were \$7,500, for 2016 and 2015.

Note I - Credit Risk

Financial instruments that potentially subject the Organization to significant concentrations of credit risk are principally cash balances and marketable securities.

1. Cash Balances

The Organization, in the ordinary course of business, maintains cash balances in various financial institutions. For the years ended December 31, 2016 and 2015, the balances of both interest and non-interest bearing accounts were insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The balances on all accounts held at the financial institutions are added together, and any amounts over the limit is considered uninsured. At times, balances may exceed insured limits; however, management does not feel it is exposed to any significant credit risk with respect to uninsured balances maintained at financial institutions.

2. Marketable Securities

The Organization maintains marketable securities with a brokerage firm located in the United States which is insured by the Securities Investor Protection Corporation (SIPC) up to \$500,000, which includes a \$250,000 limit for cash. At times, balances may exceed insured limits; however, management does not feel it is exposed to any significant credit risk with respect to uninsured balances maintained at the brokerage firm.

Cancer Support Community Delaware, Inc.

Notes to Financial Statements

Note J - Subsequent Events

The Organization evaluated its December 31, 2016 financial statements for subsequent events through May 2, 2017, the date the financial statements were available to be issued.