

**Cancer Support Community Delaware, Inc.**

**Financial Statements**

**December 31, 2015 and 2014**

## 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

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## **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, 2015, 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.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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.

## **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, 2015, 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.

## **Report on Summarized Comparative Information**

The Cancer Support Community Delaware, Inc.'s 2014 financial statements were audited by other auditors, and they expressed an unmodified audit opinion on those audited financial statements in their report dated March 1, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.

A handwritten signature in black ink that reads "Alberto Kaufman Associates, LLC". The signature is written in a cursive style with a large, looping initial 'A'.

April 22, 2016  
Wilmington, Delaware

**Cancer Support Community Delaware, Inc.**

**Statements of Financial Position**

**December 31,**

**Assets**

	<u>2015</u>	<u>2014</u>
<b>ASSETS</b>		
Cash - checking accounts	\$ 32,087	\$ 53,952
Cash - money market funds	50,964	137,848
Accounts receivable (net)	11,240	12,227
Prepaid expenses	6,924	5,325
Investment held in Delaware Community Foundation	<u>730,335</u>	<u>773,825</u>
Total current assets	<u>831,550</u>	<u>983,177</u>
<b>PROPERTY AND EQUIPMENT - AT COST</b>		
Net of accumulated depreciation	<u>1,664,681</u>	<u>1,657,121</u>
<b>OTHER ASSET - donated art</b>	<u>34,029</u>	<u>34,029</u>
<b>TOTAL ASSETS</b>	<u>\$ 2,530,260</u>	<u>\$ 2,674,327</u>

**Liabilities and Net Assets**

<b>LIABILITIES</b>		
Accounts payable	\$ 37,296	\$ 17,654
Accrued payroll	1,279	1,335
Deferred income	<u>45,065</u>	<u>39,165</u>
<b>TOTAL LIABILITIES</b>	<u>83,640</u>	<u>58,154</u>
<b>NET ASSETS</b>		
Unrestricted	592,682	696,401
Unrestricted - expended	1,698,710	1,691,150
Board designated	93,098	95,536
Temporarily restricted	<u>62,130</u>	<u>133,086</u>
<b>TOTAL NET ASSETS</b>	<u>2,446,620</u>	<u>2,616,173</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 2,530,260</u>	<u>\$ 2,674,327</u>

See accompanying notes to financial statements.

**Cancer Support Community Delaware, Inc.**

**Statements of Activities For the Year Ended December 31, 2015**

**with Summarized Information for the Year Ended December 31, 2014**

	2015			2014
	Unrestricted	Temporarily Restricted	Total	Summarized Information
<b>REVENUES AND OTHER SUPPORT</b>				
Contributions	\$ 214,995	\$ 42,390	\$ 257,385	\$ 440,429
Government grants	154,421	-	154,421	153,842
Donations-in-kind	20,671	-	20,671	19,762
Investment income	13,293	-	13,293	16,175
Unrealized (loss) gain on investments	(21,151)	-	(21,151)	8,133
Special events revenue (net)	207,002	-	207,002	202,295
Net assets released from restrictions	<u>113,346</u>	<u>(113,346)</u>	<u>-</u>	<u>-</u>
Total unrestricted support and revenue	<u>702,577</u>	<u>(70,956)</u>	<u>631,621</u>	<u>840,636</u>
<b>EXPENSES</b>				
Programs	630,318	-	630,318	681,134
Management and general	59,354	-	59,354	47,299
Fundraising	<u>111,502</u>	<u>-</u>	<u>111,502</u>	<u>108,279</u>
Total expenses	<u>801,174</u>	<u>-</u>	<u>801,174</u>	<u>836,712</u>
<b>CHANGE IN NET ASSETS</b>	(98,597)	(70,956)	(169,553)	3,924
<b>NET ASSETS - BEGINNING OF YEAR</b>	<u>2,483,087</u>	<u>133,086</u>	<u>2,616,173</u>	<u>2,612,249</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 2,384,490</u>	<u>\$ 62,130</u>	<u>\$ 2,446,620</u>	<u>\$ 2,616,173</u>

See accompanying notes to financial statements.

**Cancer Support Community Delaware, Inc.**

**Schedules of Functional Expenses**

**For the Year Ended December 31, 2015 with Summarized**

**Financial Information for the Year Ended December 31, 2014**

EXPENSES	2015				2014
	Programs	Management & General	Fundraising	Total	Summarized Information
Payroll expenses	\$ 334,338	\$ 31,627	\$ 85,844	\$ 451,809	\$ 452,354
Employee benefits	19,280	1,824	4,950	26,054	40,225
Total payroll and related expenses	353,618	33,451	90,794	477,863	492,579
Advertising and marketing	678	-	-	678	1,006
Bank charges	873	-	2,619	3,492	2,911
Computer expenses	9,959	942	2,557	13,458	17,814
Conferences and meetings	3,039	180	-	3,219	6,233
Contract services	-	-	-	-	18,900
Depreciation	41,207	4,214	1,405	46,826	54,728
Dues and subscriptions	15,035	-	-	15,035	10,606
Facilities and grounds	49,855	5,099	1,700	56,654	52,864
Insurance	11,053	1,130	377	12,560	12,217
Investment expenses	-	10,396	-	10,396	10,756
Office supplies	5,060	479	1,299	6,838	6,693
Postage	1,825	173	468	2,466	4,249
Printing	11,300	1,069	2,901	15,270	10,589
Professional fees	17,029	1,611	4,372	23,012	33,085
Program supplies	100,216	26	1,316	101,558	91,492
Program travel	1,363	-	-	1,363	153
Telephone	6,181	584	1,587	8,352	7,569
Website and internet	2,027	-	107	2,134	2,268
<b>TOTAL EXPENSES</b>	<b>\$ 630,318</b>	<b>\$ 59,354</b>	<b>\$ 111,502</b>	<b>\$ 801,174</b>	<b>\$ 836,712</b>

See accompanying notes to financial statements.

**Cancer Support Community Delaware, Inc.**

**Statements of Cash Flows**

**For the Years Ended December 31, 2015 and 2014**

	<u>2015</u>	<u>2014</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (169,553)	\$ 3,924
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	46,826	54,728
Unrealized loss (gain) on investments	21,152	(8,133)
Decrease in accounts receivable	987	8,107
Increase in prepaid expenses	(1,599)	-
Increase in accounts payable	19,642	8,146
(Decrease) increase in accrued payroll	(56)	396
Increase (decrease) in deferred income	5,900	(95,492)
Net cash used by operating activities	<u>(76,701)</u>	<u>(28,324)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(54,387)	(20,540)
Transfer from DE Community Foundation	25,000	
Reinvestment in DE Community Foundation	(2,661)	(5,198)
Net cash used in investing activities	<u>(32,048)</u>	<u>(25,738)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	<u>-</u>	<u>-</u>
<b>NET DECREASE IN CASH</b>	(108,749)	(54,062)
<b>CASH - BEGINNING OF YEAR</b>	<u>191,800</u>	<u>245,862</u>
<b>CASH - END OF YEAR</b>	<u>\$ 83,051</u>	<u>\$ 191,800</u>
 <b>SUPPLEMENTAL DISCLOSURES</b>		
Noncash transactions		
Donated supplies and services	<u>\$ 20,671</u>	<u>\$ 19,762</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 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 is 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 \$678 and \$1,066 for the years ended December 31, 2015 and 2014, 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. 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 - Investments

The Organization current investments consist of money market accounts and two funds at the Delaware Community Foundation (DCF), *The Wellness Community Fund* and the *Matthew E. Pangburn Endowment Fund*, which is designated by the Board (Note E). The Organizations funds in the DCF are a component fund in the DCF and are held on a comingled, unitized basis. Investments are measured at market to market value and the earnings, fees and change in value is recorded with investment income on a quarterly basis.

The following is a summary of investment income, gains and losses, including the activity of the DCF, for the years ended December 31,

	<u>2015</u>	<u>2014</u>
Interest income - banks	\$ 236	\$ 221
Investment income - DCF	<u>13,057</u>	<u>15,954</u>
Interest and Dividends	<u>13,293</u>	<u>16,175</u>
Unrealized (losses) gains		
DE Community Foundation	\$ <u>(21,151)</u>	\$ <u>8,133</u>
DCF Investment Fees	\$ <u>10,396</u>	\$ <u>10,756</u>
Distributions from DCF	\$ <u>25,000</u>	\$ <u>-</u>

## Cancer Support Community Delaware, Inc.

### Notes to Financial Statements

#### Note C - Property and Equipment

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

	<u>2015</u>	<u>2014</u>
Buildings, improvements and furniture	\$ 2,204,285	\$ 2,161,848
Software	<u>50,814</u>	<u>38,865</u>
Total	2,255,099	2,200,713
Less: accumulated depreciation	<u>(590,418)</u>	<u>(543,592)</u>
Property and equipment - net	<u>\$ 1,664,681</u>	<u>\$ 1,657,121</u>

Depreciation expense was \$46,826 and \$54,728 for the years ended December 31, 2015 and 2014, respectively.

#### Note D - Temporarily Restricted Net Assets

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

	<u>2015</u>	<u>2014</u>
DDOA Grant	\$ 1,620	\$ -
Sam's Garden	1,843	1,843
Survivor's Conference	160	-
Living Well Programs	2,388	4,569
Longwood Grant Outreach	-	22,182
Welfare Foundation	-	5,492
Kutz Foundation	3,200	-
CSC National	-	1,000
Center Improvements	<u>52,919</u>	<u>98,000</u>
	<u>\$ 62,130</u>	<u>\$ 133,086</u>

#### Note E - 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 \$93,098 and \$95,536 as of December 31, 2015 and 2014, respectively.

## Cancer Support Community Delaware, Inc.

### Notes to Financial Statements

#### Note F - Special Events

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

	<u>2015</u>	<u>2014</u>
Fundraising Income	\$ 290,542	\$ 293,978
Fundraising Expense	<u>(83,540)</u>	<u>(91,683)</u>
	<u>\$ 207,002</u>	<u>\$ 202,295</u>
Direct fundraising expense	28.75%	31.19%

#### Note G - 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, in addition to the collecting annual licensing fees. As a member, the Organization follows the guidelines and adheres to the policies of the national organization. They also paid annual dues to the national organization which were \$7,500 and \$7,500, for 2015 and 2014, respectively.

#### Note H - Credit Risk

As of December 31, 2015, the Organization's cash deposits did not exceed the Federal Deposit Insurance Corporation (FDIC) limits of \$250,000.

#### Note I - Subsequent Events

The Organization evaluated its December 31, 2015 financial statements for subsequent events through April 22, 2016, the date the financial statements were available to be issued.