

Cancer Support Community Delaware, Inc.

Financial Statements

December 31, 2017 and 2016

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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, 2017, the related statements of activities, of functional expenses and of 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.

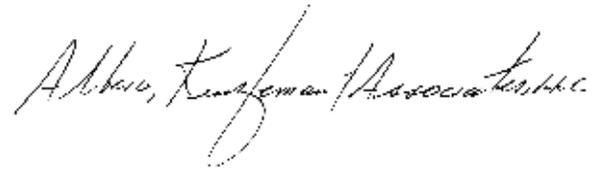
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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, 2017, 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

We have previously audited the Cancer Support Community Delaware, Inc.'s 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 2, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2016, 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 "Albert Kaufman Associates, LLC". The signature is written in dark ink and is positioned above the date and location text.

May 11, 2018
Wilmington, Delaware

Cancer Support Community Delaware, Inc.

Statements of Financial Position

December 31, 2017

Assets

	<u>2017</u>	<u>2016</u>
ASSETS		
Cash and cash equivalents	\$ 131,543	\$ 48,865
Accounts receivable - net	10,882	11,504
Prepaid expenses	3,648	5,660
Total current assets	<u>146,073</u>	<u>66,029</u>
PROPERTY AND EQUIPMENT		
Net of accumulated depreciation	<u>1,596,166</u>	<u>1,627,696</u>
OTHER ASSETS		
Donated artwork	34,029	34,029
Investment- Delaware Community Foundation	135,572	118,871
Other investments	563,353	567,651
Total other assets	<u>732,954</u>	<u>720,551</u>
TOTAL ASSETS	\$ <u>2,475,193</u>	\$ <u>2,414,276</u>

Liabilities and Net Assets

LIABILITIES		
Accounts payable	\$ 9,967	\$ 22,645
Accrued payroll	638	1,079
Deferred income	45,760	24,325
	<u>56,365</u>	<u>48,049</u>
TOTAL LIABILITIES	<u>56,365</u>	<u>48,049</u>
NET ASSETS		
Unrestricted	589,248	557,659
Unrestricted - expended	1,630,195	1,661,725
Board designated	110,546	96,929
Temporarily restricted	88,839	49,914
	<u>2,418,828</u>	<u>2,366,227</u>
TOTAL NET ASSETS	<u>2,418,828</u>	<u>2,366,227</u>
TOTAL LIABILITIES AND NET ASSETS	\$ <u>2,475,193</u>	\$ <u>2,414,276</u>

See accompanying notes to financial statements.

Cancer Support Community Delaware, Inc.

Statements of Activities

For the Year Ended December 31, 2017

with Summarized Comparative Information for the Year Ended December 31, 2016

	2017			2016
	Unrestricted	Temporarily Restricted	Total	Summarized Information
REVENUES AND OTHER SUPPORT				
Contributions	\$ 243,913	\$ 57,665	\$ 301,578	\$ 270,435
Government grants	133,737	-	133,737	139,767
Donations-in-kind	48,478	-	48,478	26,066
Investment income	17,482	-	17,482	16,184
Gain on investments	59,515	-	59,515	7,181
Program revenue	34,615	-	34,615	-
Special events revenue - net	261,142	-	261,142	243,058
Net assets released from restrictions	18,740	(18,740)	-	-
Total revenues and other support	<u>817,622</u>	<u>38,925</u>	<u>856,547</u>	<u>702,691</u>
EXPENSES				
Programs	651,065	-	651,065	635,670
Management and general	54,136	-	54,136	55,014
Fundraising	98,745	-	98,745	92,400
Total expenses	<u>803,946</u>	<u>-</u>	<u>803,946</u>	<u>783,084</u>
CHANGE IN NET ASSETS	13,676	38,925	52,601	(80,393)
NET ASSETS - BEGINNING OF YEAR	<u>2,316,313</u>	<u>49,914</u>	<u>2,366,227</u>	<u>2,446,620</u>
NET ASSETS - END OF YEAR	<u>\$ 2,329,989</u>	<u>\$ 88,839</u>	<u>\$ 2,418,828</u>	<u>\$ 2,366,227</u>

See accompanying notes to financial statements.

Cancer Support Community Delaware, Inc.

Statements of Functional Expenses

For the Year Ended December 31, 2017

with Summarized Comparative Financial Information for the Year Ended December 31, 2016

	2017				2016
	Programs	Management & General	Fundraising	Total	Summarized Information
EXPENSES					
Payroll expenses	\$ 331,068	\$ 30,097	\$ 68,793	\$ 429,958	\$ 423,542
Employee benefits	11,008	1,001	2,288	14,297	14,192
Total payroll and related expenses	342,076	31,098	71,081	444,255	437,734
Advertising and marketing	336	-	-	336	507
Bank charges	1,188	-	3,566	4,754	5,340
Computer expenses	14,561	1,324	3,026	18,911	15,721
Conferences and meetings	3,406	85	-	3,491	4,707
Depreciation	40,849	4,178	1,392	46,419	44,396
Dues and subscriptions	15,353	-	-	15,353	14,470
Facilities and grounds	43,635	4,463	1,487	49,585	55,706
Insurance	11,256	1,151	384	12,791	12,766
Investment expenses	-	5,786	-	5,786	6,907
Office supplies	3,976	360	826	5,162	4,250
Postage	2,800	255	582	3,637	2,131
Printing	4,525	411	940	5,876	4,989
Professional fees	46,762	4,251	9,717	60,730	52,149
Program supplies	105,390	55	3,968	109,413	107,120
Program travel	4,497	-	-	4,497	2,269
Telephone	7,905	719	1,642	10,266	9,552
Website and internet	2,550	-	134	2,684	2,370
TOTAL EXPENSES	\$ 651,065	\$ 54,136	\$ 98,745	\$ 803,946	\$ 783,084

See accompanying notes to financial statements.

Cancer Support Community Delaware, Inc.

Statements of Cash Flows

For the Years Ended December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 52,601	\$ (80,393)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	46,419	44,396
Realized and unrealized gain on investments	(59,515)	(7,181)
Changes in current assests and liabilities:		
Decrease (increase) in accounts receivable	622	(264)
Decrease in prepaid expenses	2,012	1,264
Decrease in accounts payable	(12,678)	(14,651)
Decrease in accrued payroll	(441)	(200)
Increase (decrease) in deferred income	<u>21,435</u>	<u>(20,740)</u>
Net cash provided by (used in) operating activities	<u>50,455</u>	<u>(77,769)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	(14,889)	(7,411)
Transfer from Delaware Community Foundation	-	594,093
Transfer from investments	83,600	-
Proceeds from the sale of investments	200,249	35,671
Purchase of investments	<u>(236,737)</u>	<u>(578,770)</u>
Net cash provided by investing activities	<u>32,223</u>	<u>43,583</u>
NET INCREASE (DECREASE) IN CASH	82,678	(34,186)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>48,865</u>	<u>83,051</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ <u><u>131,543</u></u>	\$ <u><u>48,865</u></u>
 SUPPLEMENTAL DISCLOSURE OF NON-CASH FLOW INFORMATION		
Donated supplies and services	\$ <u><u>48,478</u></u>	\$ <u><u>26,066</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. Cash and Cash Equivalents

Cash and cash equivalents includes checking accounts, short – term savings and petty cash. The Organization considers all unrestricted highly liquid investments purchased with a maturity of three months or less to be cash equivalents. Cash maintained in the money market account within the brokerage account is intended for long-term investments and is included in the value of the other investments.

5. 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.

Cancer Support Community Delaware, Inc.

Notes to Financial Statements

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

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

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.

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.

6. 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 and improvements	3 - 40 years
Land and improvements	5 - 15 years
Equipment and furniture	5 - 10 years
Software	3 - 5 years

7. 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.

Cancer Support Community Delaware, Inc.

Notes to Financial Statements

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

8. 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.

9. Advertising Expense

The Organization expenses the production costs of advertising when incurred. Advertising totaled \$336 and \$507 for the years ended December 31, 2017 and 2016, respectively.

10. 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.

11. 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.

12. 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.

13. 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.

Cancer Support Community Delaware, Inc.

Notes to Financial Statements

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

13. Income Taxes (Continued)

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.

14. 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.

15. 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) as a Level 3 investment, as defined above, 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.

Cancer Support Community Delaware, Inc.

Notes to Financial Statements

Note B - Investment Held at Delaware Community Foundation (Continued)

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. The fair value of the Investment in DCF is based on a percentage interest of those assets' fair value as represented by the DCF's management.

The combined fair market value of the two funds held at DCF for the years ended December 31, 2017 and 2016 was \$135,572 and \$118,871, respectively.

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, 2017 are classified as Level 1:

	<u>2017</u>	<u>2016</u>
Money market funds	\$ 32,343	\$ 47,037
Exchange traded funds	345,798	304,300
Fixed income	185,212	159,857
Mutual funds	<u>-</u>	<u>56,457</u>
Total	<u>\$ 563,353</u>	<u>\$ 567,651</u>

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

	<u>2017</u>	<u>2016</u>
Investment income		
Interest income - banks	\$ 205	\$ 177
Dividends and income earned	<u>17,277</u>	<u>16,007</u>
	<u>17,482</u>	<u>16,184</u>
Gain on investments		
Realized gains	4,494	1,663
Unrealized gains	<u>55,021</u>	<u>5,518</u>
	<u>59,515</u>	<u>7,181</u>
Investment fees	<u>(5,786)</u>	<u>(6,907)</u>
Net investment income	<u>\$ 71,211</u>	<u>\$ 16,458</u>

Investment income 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>2017</u>	<u>2016</u>
Buildings and improvements	\$ 1,528,436	\$ 1,514,438
Land and improvements	567,432	567,432
Equipment and furniture	122,423	122,423
Software	59,106	58,217
Total	<u>2,277,397</u>	<u>2,262,510</u>
Less: accumulated depreciation	<u>681,231</u>	<u>634,814</u>
Property and equipment - net	<u>\$ 1,596,166</u>	<u>\$ 1,627,696</u>

Depreciation expense was \$46,419 and \$44,396 for the years ended December 31, 2017 and 2016, respectively.

Note E - Temporarily Restricted Net Assets

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

	<u>2017</u>	<u>2016</u>
Sam's Garden	\$ -	\$ 1,791
VAV System	5,000	-
Health Coaching	45,000	-
Kutz Foundation	-	3,200
Center Improvements	<u>38,839</u>	<u>44,923</u>
	<u>\$ 88,839</u>	<u>\$ 49,914</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 a separate fund at the DCF. Board designated net assets were \$110,546 and \$96,929 as of December 31, 2017 and 2016, respectively.

Note G - Special Events

The contributions raised through special events provides significant resources to the Organization which allows it to continue to fulfill its mission. Special events revenue is reported net of the direct expenses incurred on the statement of activities while other fundraising expenses are allocated to the fundraising expenses on the statements of functional expenses.

Cancer Support Community Delaware, Inc.

Notes to Financial Statements

Note G - Special Events (Continued)

	<u>2017</u>	<u>2016</u>
Fundraising income	\$ 336,138	\$ 326,455
Fundraising expense	<u>(74,996)</u>	<u>(83,397)</u>
Special events revenue - net	<u>\$ 261,142</u>	<u>\$ 243,058</u>
Direct fundraising expense	22.31%	25.55%

Note H - National Affiliation

The Organization is a licensed affiliate of and accredited by 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 the years ended December 31, 2017 and 2016.

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, 2017 and 2016, 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, 2017 financial statements for subsequent events through May 11, 2018, the date the financial statements were available to be issued.