



# Cancer Support Community North Texas

Financial Statements  
As of and for the Years Ended  
December 31, 2014 and 2013

# **Cancer Support Community North Texas**

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## **Financial Statements**

As of and For the Years Ended December 31, 2014 and 2013

# Cancer Support Community North Texas

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## Independent Auditor's Report

To the Board of Directors  
Cancer Support Community North Texas  
Dallas, Texas

We have audited the accompanying financial statements of Cancer Support Community North Texas (the "Organization"), which comprise the statement of financial position as of December 31, 2014 and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

### *Management's Responsibility for the Financial Statements*

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

### *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 North Texas as of December 31, 2014 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.

*Other Matter*

The 2013 financial statements of the Organization were audited by other auditors, whose report dated August 22, 2014, expressed an unmodified opinion on those statements.

*BDO USA, LLP*

Fort Worth, Texas  
October 9, 2015

## Financial Statements

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# Cancer Support Community North Texas

## Statements of Financial Position

<i>December 31,</i>	2014	2013
<b>Assets</b>		
Cash and cash equivalents	\$ 1,757,399	\$ 1,453,797
Accounts receivable	187,738	75,000
Pledges receivable (net of allowance for doubtful pledges of \$0 for 2014 and \$4,604 for 2013)	-	10,096
Pledged rent receivable	26,603	80,973
Other assets	10,730	11,091
Land, building and equipment, net	34,659	2,984
<b>Total assets</b>	<b>2,017,129</b>	<b>1,633,941</b>
<b>Liabilities and Net Assets</b>		
Accounts payable	115,942	270
Accrued expenses	10,453	10,501
<b>Total liabilities</b>	<b>126,395</b>	<b>10,771</b>
Commitments and contingencies		
Net assets:		
Unrestricted	1,846,168	1,519,697
Temporarily restricted	44,566	103,473
<b>Total net assets</b>	<b>1,890,734</b>	<b>1,623,170</b>
<b>Total liabilities and net assets</b>	<b>\$ 2,017,129</b>	<b>\$ 1,633,941</b>

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

## Cancer Support Community North Texas

### Statements of Activities

For the Years Ended December 31,

	2014			2013		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>Public Support</b>						
Contributions and grants	\$ 1,215,756	\$ 30,035	\$ 1,245,791	\$ 874,975	\$ 43,095	\$ 918,070
<b>Revenue</b>						
Special events (net of direct benefit to donor of \$81,374 and \$61,764 for 2014 and 2013, respectively)	412,255	-	412,255	320,132	-	320,132
Investment income	1,218	-	1,218	109	-	109
Gain (loss) on sale of assets	(1,519)	-	(1,519)	96,356	-	96,356
Net assets released from restriction	88,942	(88,942)	-	76,905	(76,905)	-
<b>Total public support and revenues</b>	<b>1,716,652</b>	<b>(58,907)</b>	<b>1,657,745</b>	<b>1,368,477</b>	<b>(33,810)</b>	<b>1,334,667</b>
<b>Expenses</b>						
Program services	1,135,662	-	1,135,662	837,859	-	837,859
Fundraising	159,037	-	159,037	128,589	-	128,589
Management and general	95,481	-	95,481	91,603	-	91,603
<b>Total expenses</b>	<b>1,390,181</b>	<b>-</b>	<b>1,390,181</b>	<b>1,058,051</b>	<b>-</b>	<b>1,058,051</b>
<b>Change in net assets</b>	<b>326,471</b>	<b>(58,907)</b>	<b>267,564</b>	<b>310,426</b>	<b>(33,810)</b>	<b>276,616</b>
<b>Net assets at beginning of year</b>	<b>1,519,697</b>	<b>103,473</b>	<b>1,623,170</b>	<b>1,209,271</b>	<b>137,283</b>	<b>1,346,554</b>
<b>Net assets at end of year</b>	<b>\$ 1,846,168</b>	<b>\$ 44,566</b>	<b>\$ 1,890,734</b>	<b>\$ 1,519,697</b>	<b>\$ 103,473</b>	<b>\$ 1,623,170</b>

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



## Cancer Support Community North Texas

### Statements of Functional Expenses

For the Years Ended December 31,

	2014				2013			
	Program Services	Fundraising	Management and General	Total	Program Services	Fundraising	Management and General	Total
Payroll expenses	\$ 543,306	\$ 100,083	\$ 71,487	\$ 714,876	\$ 382,481	\$ 77,470	\$ 66,730	\$ 526,681
Professional fees and consultations	165,126	10,217	2,159	177,502	157,369	10,696	9,863	177,928
Supplies	44,189	597	358	45,144	20,489	322	193	21,004
Telephone	12,300	488	390	13,178	10,031	398	318	10,747
Postage	9,137	3,038	294	12,469	5,430	7,984	872	14,286
Meals and entertainment	3,627	3,301	-	6,928	2,244	-	-	2,244
Printing	42,226	3,996	1,108	47,330	27,962	3,891	1,939	33,792
Transportation	7,558	949	1,621	10,128	4,719	593	1,013	6,325
Training and education	9,957	194	2,942	13,093	3,810	26	952	4,788
Insurance	10,890	431	345	11,666	13,176	52	418	14,116
Office equipment and building maintenance and repair	27,648	1,096	877	29,621	63,358	2,438	1,951	67,474
Utilities	-	-	-	-	7,045	279	223	7,547
Rent	220,778	12,265	12,265	245,309	86,034	4,779	4,779	95,592
Interest	-	-	-	-	6,402	254	203	6,859
Credit card/bank fees	363	6,532	363	7,258	267	4,802	267	5,336
Advertising and promotion	22,013	5,360	-	27,373	17,842	6,132	-	23,974
Bad debt	-	8,896	-	8,896	-	5,337	-	5,337
Membership fees	13,167	1,514	454	15,135	9,844	1,131	339	11,314
Miscellaneous	-	80	640	720	-	1,535	524	2,059
<b>Total expenses before depreciation</b>	<b>1,132,285</b>	<b>159,037</b>	<b>95,303</b>	<b>1,386,626</b>	<b>818,503</b>	<b>128,589</b>	<b>90,584</b>	<b>1,037,676</b>
Depreciation expense	3,377	-	178	3,555	19,356	-	1,019	20,375
<b>Total expenses</b>	<b>\$ 1,135,662</b>	<b>\$ 159,037</b>	<b>\$ 95,481</b>	<b>\$1,390,181</b>	<b>\$ 837,859</b>	<b>\$ 128,589</b>	<b>\$ 91,603</b>	<b>\$ 1,058,051</b>

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

# Cancer Support Community North Texas

## Statements of Cash Flows

<i>For the Years Ended December 31,</i>	2014	2013
<b>Cash Flows from Operating Activities:</b>		
Change in net assets	\$ 267,564	\$ 276,616
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Change in restricted cash	-	50,000
Bad debt	8,896	5,337
Depreciation expense	3,555	20,375
Loss (gain) on sale of assets	1,519	(96,356)
Contributed rent	54,370	48,810
Changes in operating assets and liabilities:		
Decrease (increase) in:		
Accounts receivable	(112,738)	(75,000)
Pledges receivable	1,200	5,816
Other assets	361	(6,802)
Increase (decrease) in:		
Accounts payable	115,672	(35,037)
Accrued expenses	(50)	(5,844)
<b>Net cash provided by operating activities</b>	<b>340,349</b>	<b>187,915</b>
<b>Cash Flows from Investing Activities:</b>		
Capital expenditures	(36,747)	(6,966)
Proceeds from sale of fixed assets	-	1,660,508
<b>Net cash provided by (used in) investing activities</b>	<b>(36,747)</b>	<b>1,653,542</b>
<b>Cash Flows from Financing Activities:</b>		
Payments on mortgage note payable	-	(463,859)
Borrowings on line of credit	-	50,000
<b>Net cash used in financing activities</b>	<b>-</b>	<b>(413,859)</b>
<b>Net increase in cash</b>	<b>303,602</b>	<b>1,427,598</b>
<b>Cash and equivalents at beginning of year</b>	<b>1,453,797</b>	<b>26,199</b>
<b>Cash and equivalents at end of year</b>	<b>\$ 1,757,399</b>	<b>\$ 1,453,797</b>
<b>Supplemental Disclosure of Cash Flow Information</b>		
Interest paid	\$ -	\$ 6,858

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

# Cancer Support Community North Texas

## Notes to Financial Statements

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### 1. Description of The Organization

Cancer Support Community North Texas (the "Organization") is a non-profit, voluntary, citizen-controlled organization, incorporated to provide services to persons diagnosed with cancer and family members and friends of those diagnosed with cancer. The Organization is supported by contributions from individuals, companies, and private foundations.

### 2. Summary of Significant Accounting Policies

#### *Cash and Cash Equivalents*

The Organization considers all demand and money market accounts to be cash equivalents.

#### *Revenue Recognition*

Contributions are recognized as revenues in the period when unconditional promises to give are received. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions of assets other than monetary assets are recorded at their estimated fair value.

#### *Pledges Receivable*

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are recognized when the conditions on which they depend are substantially met. In addition, management provides for probable uncollectible amounts through a provision for uncollectible pledges receivable and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to pledges receivable.

#### *Land, Building, and Equipment*

Land, building, and equipment is carried at cost, and the related depreciation is provided on the straight-line basis over the assets' estimated useful lives, generally 40 years for buildings and renovations, seven years for office equipment and furniture, and three years for computer software. Major renewals and betterments are capitalized and depreciated. Repair and maintenance costs are expensed as incurred.

#### *Unrestricted Net Assets*

Donations received from third parties that are not restricted as to use or for which the donor-imposed restrictions have been fulfilled are reported as unrestricted net assets in the accompanying financial statements.

# Cancer Support Community North Texas

## Notes to Financial Statements

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### *Temporarily Restricted Net Assets*

The Organization reports gifts of cash and other assets as restricted support in temporarily restricted net assets if they are received with donor stipulations that limit the use of the donated assets. When the purpose of the donor restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Temporarily restricted net assets are primarily related to cash received from grants of public and private organizations and individuals. Temporarily restricted contributions whose restrictions are met in the year of contribution are reported as unrestricted contributions in that year.

### *Functional Expenses*

Expenses are summarized on a functional basis. Salaries and related payroll expenses are recorded based on estimates of time spent by personnel by function. Certain indirect expenses are allocated to various functions based on percentages of time spent by personnel within each function. Distribution of all other expenses is based on actual usage or management's estimates of usage.

### *Use of Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

### *Impairment of Long-Lived Assets*

The Organization periodically reviews the carrying value of its long-lived assets, including land, building, and equipment, whenever events or changes in circumstances indicate that the carrying value may not be recoverable. An impairment loss is recognized to the extent fair value of a long-lived asset is less than the carrying amount. Fair value is determined based upon the estimated future cash inflows attributable to the asset less estimated future cash outflows. No such losses were recognized during the years ended December 31, 2014 and 2013.

### *Federal Income Taxes*

The Organization is a qualified non-profit organization and is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

Under Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") topic *Accounting for Uncertainty in Income Taxes*, an organization must recognize the tax benefit associated with tax positions taken for tax return purposes when it is more-likely-than-not that the position will be sustained. The implementation of ASC topic *Accounting for Uncertainty in Income Taxes* had no impact on the Organization's financial statements. The Organization does not believe there are any unrecognized tax benefits that should be recorded. For the years ended December 31, 2014 and 2013, there were no interest or penalties related to taxes recorded or included in the statement of activities. The Organization is still open to examination by taxing authorities from 2010 forward.

# Cancer Support Community North Texas

## Notes to Financial Statements

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### *Recent Accounting Pronouncements*

The Organization's management has evaluated the recently issued accounting pronouncements through the date that these financial statements were available to be issued and has determined the application of these pronouncements will have no material impact on the Organization's financial position and changes in net assets.

### *Concentrations of Credit Risks*

Concentration of credit risk consists primarily of cash. As of December 31, 2014 and 2013, the Organization held cash at a quality financial institution that at times is in excess of federally insured limits.

### **3. Pledges Receivable**

Pledges at December 31, 2014 represents donated rent to be received during 2015.

Pledges at December 31, 2013 are due as follows:

Amounts to be collected in:	Beyond the Red Door Campaign	Rent	Total
2014	\$ 11,600	\$ 69,405	\$ 81,005
2015	3,100	11,568	14,668
	14,700	80,973	95,673
Less allowance for uncollectible pledges	(4,604)	-	(4,604)
	\$ 10,096	\$ 80,973	\$ 91,069

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### **4. Land, Building and Equipment**

Land, building and equipment consist of the following at December 31:

	2014	2013
Office equipment and furniture	\$ 272,544	\$ 266,270
Computer software	18,920	18,920
Deposits on leasehold improvements	22,233	-
	313,697	285,190
Less accumulated depreciation	(279,038)	(282,206)
	\$ 34,659	\$ 2,984

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# Cancer Support Community North Texas

## Notes to Financial Statements

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### 5. Related Party Transactions

The Organization receives contributions from its Board of Directors. These amounts are recorded by the Organization as revenue and are available for unrestricted use unless stipulated by the donor as restricted. During 2014 and 2013, the Organization received \$36,595 and \$43,305, respectively, in donations from members of its Board of Directors, which represents 100% participation of Board and staff.

### 6. Donated Materials and Services

A number of volunteers have donated significant time and effort to the Organization. The dollar value of donated volunteer services is not reflected in the financial statements since no objective basis is available to measure the value of such services.

Donated materials and professional services that can be used by the Organization are reflected in the financial statements as contributions at their estimated value at the date of receipt. The Organization recognized \$32,526 and \$51,015 of donated materials and professional services in 2014 and 2013, respectively, and these amounts are included in unrestricted contributions in the accompanying statements of activities.

The Organization receives donated rent through three operating lease agreements of \$153,717 for the year ended December 31, 2014. The lease period for these office spaces ranges from 2015 through 2022. The lease provides for in kind rent for the lease term and any renewal period. The Organization has a sublease agreement to receive donated rent valued at \$4,039 per month through September 2022. The agreement may be terminated by either party with 30 days written notice if certain conditions are not met. The Organization accounts for lease as a conditional promise to give and records related donated rent on a month to month basis.

### 7. Temporarily Restricted Net Assets

Temporarily restricted net assets are as follows as of December 31:

	2014	2013
Technology hardware	\$ 17,963	\$ 15,000
Cancer transitions program	-	7,500
Time restriction rent	26,603	80,973
	<b>\$ 44,566</b>	<b>\$ 103,473</b>

### 8. Advertising Costs

The Organization uses advertising to promote its programs among the audiences it serves. Advertising costs are expensed as incurred. Advertising expense for the years ended December 31, 2014 and 2013 were \$27,373 and \$23,974, respectively.

# Cancer Support Community North Texas

## Notes to Financial Statements

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### 9. Retirement Plan

The Organization created a defined contribution plan ("the Plan") covering all employees 18 years of age and with at least six consecutive months of service, excluding union employees and non-resident alien employees. The Organization may match participants' contributions to the Plan up to a determined percentage of the individual participant's compensation. In addition, the Organization may contribute, at its discretion, an undetermined percentage of all participants' eligible compensation as defined by the Plan. There was no employer match in 2014 or 2013.

### 10. Subsequent Events

The Organization signed a lease agreement for a facility subsequent to year end. The Organization opened the facility for operations in January 2015. The lease provides the space for 10 years. Monthly rent of \$7,527 plus common area maintenance charges per month will be due in the first year, and the rent will increase by 2% each anniversary date through the life of the lease.

The date to which events occur after December 31, 2014, the date of the most recent statement of financial position, have been evaluated for possible adjustment to the financial statements or disclosure is October 9, 2015, which is the date on which the financial statements were available to be issued.