



# Cancer Support Community North Texas

Financial Statements  
As of and for the Years Ended  
December 31, 2015 and 2014

# **Cancer Support Community North Texas**

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## **Financial Statements**

As of and For the Years Ended December 31, 2015 and 2014

# 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, 2015 and 2014 and the related statements of activities, functional expenses and 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.



***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, 2015 and 2014 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.

*BDO USA, LLP*

Fort Worth, Texas  
August 18, 2016

## Financial Statements

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# Cancer Support Community North Texas

## Statements of Financial Position

<i>December 31,</i>	2015	2014
<b>Assets</b>		
Cash and cash equivalents	\$ 1,471,944	\$ 1,757,399
Investments	557,717	-
Accounts receivable	83,230	187,738
Pledged rent receivable	285,665	26,603
Other assets	306	10,730
Land, building and equipment, net	75,324	34,659
<b>Total assets</b>	<b>\$ 2,474,186</b>	<b>\$ 2,017,129</b>
<b>Liabilities and Net Assets</b>		
Accounts payable	\$ 46,100	\$ 115,942
Accrued expenses	73,058	10,453
<b>Total liabilities</b>	<b>119,158</b>	<b>126,395</b>
Commitments and contingencies		
Net assets:		
Unrestricted	2,021,834	1,846,168
Temporarily restricted	333,194	44,566
<b>Total net assets</b>	<b>2,355,028</b>	<b>1,890,734</b>
<b>Total liabilities and net assets</b>	<b>\$ 2,474,186</b>	<b>\$ 2,017,129</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,

	2015			2014		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>Public Support</b>						
Contributions and grants	\$ 1,260,414	\$ 328,943	\$ 1,589,357	\$ 1,215,756	\$ 30,035	\$ 1,245,791
<b>Revenue</b>						
Special events (net of direct benefit to donor of \$8,748 and \$81,374 for 2015 and 2014, respectively)	581,822	-	581,822	412,255	-	412,255
Net investment (loss) income	(4,807)	-	(4,807)	1,218	-	1,218
Loss on sale of assets	-	-	-	(1,519)	-	(1,519)
Net assets released from restriction	40,315	(40,315)	-	88,942	(88,942)	-
<b>Total public support and revenues</b>	<b>1,877,744</b>	<b>288,628</b>	<b>2,166,372</b>	<b>1,716,652</b>	<b>(58,907)</b>	<b>1,657,745</b>
<b>Expenses</b>						
Program services	1,394,640	-	1,394,640	1,135,663	-	1,135,663
Fundraising	191,297	-	191,297	159,037	-	159,037
Management and general	116,141	-	116,141	95,481	-	95,481
<b>Total expenses</b>	<b>1,702,078</b>	<b>-</b>	<b>1,702,078</b>	<b>1,390,181</b>	<b>-</b>	<b>1,390,181</b>
<b>Change in net assets</b>	<b>175,666</b>	<b>288,628</b>	<b>464,294</b>	<b>326,471</b>	<b>(58,907)</b>	<b>267,564</b>
<b>Net assets at beginning 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>
<b>Net assets at end of year</b>	<b>\$ 2,021,834</b>	<b>\$ 333,194</b>	<b>\$ 2,355,028</b>	<b>\$ 1,846,168</b>	<b>\$ 44,566</b>	<b>\$ 1,890,734</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,

	2015				2014			
	Program Services	Fundraising	Management and General	Total	Program Services	Fundraising	Management and General	Total
Payroll expenses	\$ 667,265	\$ 122,916	\$ 87,798	\$ 877,979	\$ 543,306	\$ 100,083	\$ 71,487	\$ 714,876
Professional fees and consultations	199,242	9,288	2,641	211,171	165,126	10,217	2,159	177,502
Supplies	35,523	292	175	35,990	44,189	597	358	45,144
Telephone	7,302	289	232	7,823	12,300	488	390	13,178
Postage	15,858	9,573	1,955	27,386	9,137	3,038	294	12,469
Meals and entertainment	1,553	2,662	-	4,215	3,627	3,301	-	6,928
Printing	42,457	3,563	983	47,003	42,226	3,996	1,108	47,330
Transportation	6,702	842	1,438	8,982	7,558	949	1,621	10,128
Training and education	7,208	233	994	8,435	9,957	194	2,942	13,093
Insurance	8,650	342	273	9,265	10,890	431	345	11,666
Office equipment and building maintenance and repair	49,699	1,971	1,576	53,246	27,648	1,096	877	29,621
Rent	274,034	15,224	15,224	304,482	220,779	12,265	12,265	245,309
Credit card/bank fees	605	10,876	605	12,086	363	6,532	363	7,258
Advertising and promotion	46,012	9,445	-	55,457	22,013	5,360	-	27,373
Bad debt	-	-	-	-	-	8,896	-	8,896
Membership fees	22,802	2,621	786	26,209	13,167	1,514	454	15,135
Miscellaneous	-	1,160	949	2,109	-	80	640	720
<b>Total expenses before depreciation</b>	<b>1,384,912</b>	<b>191,297</b>	<b>115,629</b>	<b>1,691,838</b>	<b>1,132,286</b>	<b>159,037</b>	<b>95,303</b>	<b>1,386,626</b>
Depreciation expense	9,728	-	512	10,240	3,377	-	178	3,555
<b>Total expenses</b>	<b>\$ 1,394,640</b>	<b>\$ 191,297</b>	<b>\$ 116,141</b>	<b>\$1,702,078</b>	<b>\$ 1,135,663</b>	<b>\$ 159,037</b>	<b>\$ 95,481</b>	<b>\$ 1,390,181</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>	<b>2015</b>	<b>2014</b>
<b>Cash Flows from Operating Activities:</b>		
Change in net assets	\$ 464,294	\$ 267,564
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Bad debt	-	8,896
Depreciation expense	10,240	3,555
Loss on sale of assets	-	1,519
Net realized and unrealized loss on investments	13,599	-
Contributed rent	(259,062)	54,370
Changes in operating assets and liabilities:		
Decrease (increase) in:		
Accounts receivable	104,508	(112,738)
Pledges receivable	-	1,200
Other assets	10,424	361
Increase (decrease) in:		
Accounts payable	(109,498)	115,672
Accrued expenses	62,605	(50)
<b>Net cash provided by operating activities</b>	<b>297,110</b>	<b>340,349</b>
<b>Cash Flows from Investing Activities:</b>		
Capital expenditures	(11,249)	(36,747)
Proceeds from sale or redemption of investments	10,687	-
Purchases of investment securities	(582,003)	-
<b>Net cash used in investing activities</b>	<b>(582,565)</b>	<b>(36,747)</b>
<b>Cash Flows from Financing Activities:</b>		
	-	-
<b>Net (decrease) increase in cash</b>	<b>(285,455)</b>	<b>303,602</b>
<b>Cash and equivalents at beginning of year</b>	<b>1,757,399</b>	<b>1,453,797</b>
<b>Cash and equivalents at end of year</b>	<b>\$ 1,471,944</b>	<b>\$ 1,757,399</b>

*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.

#### *Investments*

The Organization records all investments with readily determinable market values at fair value in the statements of financial position. Increases and decreases in fair value are recognized as gains and losses in the period in which they occur. The Organization records investment transactions based on the trade date.

#### *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.

# Cancer Support Community North Texas

## Notes to Financial Statements

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### ***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.

### ***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, 2015 and 2014.

### ***Fair Value of Financial Instruments***

The Organization's significant financial instruments include cash and accounts receivable, which have carrying values that approximate their fair values due to the short maturities of those assets. Financial instruments of the Organization also include investments, which are all stated at their approximate fair value as further described at Note 5.

# Cancer Support Community North Texas

## Notes to Financial Statements

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### ***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, 2015 and 2014, 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 2012 forward.

### ***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***

Concentration of credit risk consists primarily of cash. As of December 31, 2015 and 2014, the Organization held cash at a quality financial institution that at times is in excess of federally insured limits.

One donor comprises approximately 57% and 72% of contributions and grants revenue for the years ended December 31, 2015 and 2014, respectively.

One donor comprises approximately 90% and 40% of accounts receivable balance at December 31, 2015 and 2014, respectively.

### **3. Pledges Receivable**

Pledges at December 31, 2015 are due as follows:

Amounts to be collected in:

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2016	\$	90,210
2017		90,210
2018		90,210
2019		15,035

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Less allowance for uncollectible pledges		-
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	\$	285,665
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# Cancer Support Community North Texas

## Notes to Financial Statements

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Pledges at December 31, 2015 represent donated rent to be received during the periods 2016 through 2019.

### 4. Investments

The fair value, cost and unrealized gain/loss on investments as of December 31, 2015 is summarized as follows:

	2015
Common stock	\$ 21,182
Mutual funds	536,535
Total fair value	557,717
Less cost	(571,030)
Unrealized loss	\$ (13,313)

A reconciliation of unrealized depreciation during the year ended December 31 is as follows:

	2015
Unrealized loss at beginning of the year	\$ -
Unrealized loss on investments	(13,313)
Unrealized loss at end of year	\$ (13,313)

Investment (loss) income for the year ended December 31 is summarized as follows:

	2015	2014
Unrealized loss on investments	\$ (13,313)	\$ -
Realized loss on investments	(286)	-
	(13,599)	-
Interest and dividend income	8,792	1,218
Net investment (loss) income	\$ (4,807)	\$ 1,218

# Cancer Support Community North Texas

## Notes to Financial Statements

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### 5. Fair Value Measurements

FASB guidance establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements).

The three levels of the fair value hierarchy under this guidance are described as follows:

**Level 1:** Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

**Level 2:** Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

**Level 3:** Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Assets measured at fair value on a recurring basis include investments. Investments consist of common stock and mutual funds. Following is a description of the valuation methodologies used for assets measured at fair value for 2015.

**Common Stock and Mutual Funds:** The fair values of these investments are based on quoted market price and are classified in level 1 of the fair value hierarchy.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

# Cancer Support Community North Texas

## Notes to Financial Statements

The following table set forth by level, within the fair value hierarchy, the Organization's assets at fair value as of December 31, 2015.

	Level 1	Level 2	Level 3	Total
Common stock	\$ 21,182	\$ -	\$ -	\$ 21,182
Mutual Funds	536,535	-	-	536,535
Total assets at fair value	\$ 557,717	\$ -	\$ -	\$ 557,717

### 6. Land, Building and Equipment

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

	2015	2014
Office equipment and furniture	\$ 306,026	\$ 272,544
Building and renovations	39,656	-
Computer software	18,920	18,920
Deposits on leasehold improvements	-	22,233
	364,602	313,697
Less accumulated depreciation	(289,278)	(279,038)
	\$ 75,324	\$ 34,659

### 7. 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 2015 and 2014, the Organization received \$45,900 and \$36,595, respectively, in donations from members of its Board of Directors, which represents 100% participation of Board and staff.

### 8. 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 \$32,275 and \$32,526 of donated materials and professional services in 2015 and 2014, respectively, and these amounts are included in unrestricted contributions in the accompanying statements of activities.



# Cancer Support Community North Texas

## Notes to Financial Statements

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For the year ended December 31, 2015 and 2014, the Organization received donated rent through three operating lease agreements of \$165,285 and \$153,717, respectively. The lease period for these office spaces ranges from 2016 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.

### 9. Temporarily Restricted Net Assets

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

	2015	2014
Technology hardware	\$ 4,252	\$ 17,963
Survive and Thrive	43,277	-
Time restriction rent	285,665	26,603
	\$ 333,194	\$ 44,566

### 10. 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, 2015 and 2014 were \$55,457 and \$27,373, respectively.

### 11. 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 2015 or 2014.

### 12. Subsequent Events

The Organization signed a lease extension agreement for a facility subsequent to year end. The lease provides the space for one year. Monthly rent of \$1,350 per month will be due through December 2016.

The date to which events occur after December 31, 2015, the date of the most recent statement of financial position, have been evaluated for possible adjustment to the financial statements or disclosure is August 18, 2016, which is the date on which the financial statements were available to be issued.