



**CANCER SUPPORT
COMMUNITY -
SAN FRANCISCO
BAY AREA**

Financial Statements

For the 15 Months Ended December 31, 2015 and

For the Year Ended September 30, 2014

With Independent Auditors' Report Thereon

CANCER SUPPORT COMMUNITY - SAN FRANCISCO BAY AREA

(A California Not-For-Profit Corporation)
December 31, 2015 and September 30, 2014

Mission

The mission of Cancer Support Community is to help people facing cancer to become healthier, live longer and live better.

We provide counseling, support groups, nutrition, exercise and patient education programs for people with cancer and their caregivers and families.

Our services enable cancer patients to partner with their treatment team to manage their treatment and recovery most effectively, increase their chances for survival, reduce their chances of recurrence, and provide for the highest possible quality of life.

We serve everyone dealing with cancer who comes to us for help – including patients, survivors, family members and other loved ones or caregivers. All of our services are always provided free of charge in order to be readily accessible to people facing cancer in their time of need.

Cancer Support Community of the San Francisco Bay Area is the only organization of its kind in Northern California. We are an affiliate of the international Cancer Support Community organization, but we are an independent nonprofit corporation, so all of the funds we raise are used to underwrite programs and services in our local communities. Our annual budget is now over \$1 million.

Our center opened in Walnut Creek in 1990, and now serves about 2,000 people each year. We also provide services in local medical centers and other community locations (in English and Spanish), including Antioch, Castro Valley, Martinez, San Pablo, San Ramon and Vallejo.

All of our programs and services are evidence-based to positively impact cancer treatment outcomes and/or immune system functioning, and they are all delivered by professionals who are licensed or certified in their area of expertise. They include the following:

- Orientation sessions several times weekly to introduce people diagnosed with cancer and their caregivers to the community and available resources
- Weekly support groups for people with any type of cancer
- Specialized support groups for people with similar experiences, including those with breast cancer, colorectal cancer, prostate cancer, brain cancer, gynecologic/ovarian cancer, lung cancer, carcinoid/neuroendocrine and other cancers, and for life after cancer
- Support groups for caregivers, family members or significant others
- Individual and family counseling for those in crisis, and decisional counseling for those with complex or difficult treatment decisions
- Counseling and other programs for children whose parents have cancer
- Specialized exercise and mind-body programs, such as yoga and guided imagery
- Workshops on topics such as nutrition, treatment advances, and complementary therapies
- Symposia developed by national experts on critical topics for people with cancer and educational series for intensive training on managing treatment and recovery
- Spanish-language cancer support groups and educational programs and activities

Organization

Cancer Support Community San Francisco Bay Area is the only organization of its kind in Northern California. We are an affiliate of the international Cancer Support Community organization, but we are an independent nonprofit corporation, so all of the funds we raise are used to underwrite programs and services in our local community. Because we keep our overhead and administrative expenses very low, our annual budget is under \$1.5 million.

CANCER SUPPORT COMMUNITY - SAN FRANCISCO BAY AREA

(A California Not-For-Profit Corporation)
December 31, 2015 and September 30, 2014

CONTENTS

	<u>Page</u>
Independent Auditors' Report	1
Financial Statements:	
Statement of Financial Position	2
Statements of Activities and Changes in Net Assets	3
Statements of Cash Flows	4
Statement of Functional Expenses	5
Notes to Financial Statements	6 - 13

Board of Directors as of December 31, 2015

<u>Name</u>	<u>Position</u>	<u>Name</u>	<u>Position</u>
Bill Berkowitz	President	Jewel Johl, MD	Director
Sean Maduck	Vice President	James Lewis	Director
James Hanna	Secretary	Lesley Martin, MD	Director
Loella Haskew	Treasurer	Barry Mendelson	Director
Ron Boyer	Audit Chair	Rod Mickels	Director
Joellen Ademski	Director	Kristin Campbell Reed	Director
Ramandeep Bambrah, MD	Director	Eric Rudney	Director
Kim Callas	Director	Todd Skriner	Director
Brenda Carlson	Director	Chris Smith	Director
Patrick Devinger	Director	Piyush Srivastava, MD	Director
Donald Duggan	Director	Frank Starn	Director
Glenn Graham	Director	John Thuma	Director

James Bouquin Executive Director

CANCER SUPPORT COMMUNITY - SAN FRANCISCO BAY AREA

Cancer Support Community East Bay
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Walnut Creek, California 94597
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Web Site Address: www.cancersupport.net
Email: info@cancersupport.net

REGALIA & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

**The Board of Directors
Cancer Support Community - San Francisco Bay Area**

We have audited the accompanying financial statements of Cancer Support Community (a California nonprofit organization) which comprise the statement of financial position as of December 31, 2015 and September 30, 2014 and the related statements of activities and changes in net assets, cash flows and functional expenses for the 15 months ended December 31, 2015 and the year ended September 30, 2014, 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 audits 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 as of December 31, 2015 and September 30, 2014, and the results of its operations and its cash flows for the 15 months ended December 31, 2015 and the year ended September 30, 2014 in accordance with accounting principles generally accepted in the United States of America.

Other Matters

We have previously audited Cancer Support Community's September 30, 2014 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 15, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2014 is consistent, in all material respects, with the audited financial statements from which it has been derived.

**Danville, California
October 24, 2016**

Regalia & Associates

CANCER SUPPORT COMMUNITY - SAN FRANCISCO BAY AREA

Statement of Financial Position

December 31, 2015

(with Summarized Financial Information for the Year Ended September 30, 2014)

	Unrestricted Net Assets	Temporarily Restricted Net Assets	2015 Total	2014 Total
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 215,064	\$ 28,269	\$ 243,333	\$ 732,476
Investments	5,220,132	-	5,220,132	-
Grants, sponsorships and donations receivable	61,699	-	61,699	94,912
Prepaid expenses and other assets	11,661	-	11,661	34,181
Total current assets	5,508,556	28,269	5,536,825	861,569
Noncurrent assets:				
Property and equipment, net	1,040,818	-	1,040,818	900,258
Total noncurrent assets	1,040,818	-	1,040,818	900,258
	\$6,549,374	\$ 28,269	\$ 6,577,643	\$ 1,761,827
LIABILITIES AND NET ASSETS				
Current liabilities:				
Accounts payable and accrued liabilities	\$ 52,209	\$ -	\$ 52,209	\$ 55,965
Accrued payroll liabilities	38,075	-	38,075	31,754
Total liabilities	90,284	-	90,284	87,719
Net assets:				
Unrestricted	6,459,090	-	6,459,090	1,642,858
Temporarily restricted	-	28,269	28,269	31,250
Total net assets	6,459,090	28,269	6,487,359	1,674,108
	\$6,549,374	\$ 28,269	\$ 6,577,643	\$ 1,761,827

CANCER SUPPORT COMMUNITY - SAN FRANCISCO BAY AREA

**Statements of Activities and Changes in Net Assets
For the Fifteen Months Ended December 31, 2015 and Year Ended September 30, 2014**

	15 Months Ended December 31, 2015			Year Ended September 30, 2014		
	Unrestricted Net Assets	Temporarily		Unrestricted Net Assets	Temporarily	
		Restricted Net Assets	2015 Total		Restricted Net Assets	2014 Total
<i>Changes in net assets:</i>						
Revenue and support:						
Contributions:						
Individuals	\$ 583,096	\$ -	\$ 583,096	\$ 244,239	\$ -	\$ 244,239
Foundations and other grants	151,005	55,193	206,198	44,647	60,000	104,647
Corporations	116,858	-	116,858	90,975	-	90,975
In-kind	6,239	-	6,239	35,128	-	35,128
Fundraising and special events	838,658	-	838,658	765,540	-	765,540
Consignment shop	43,550	-	43,550	150,481	-	150,481
Interest and investment income	32,742	-	32,742	428	-	428
Unrealized investment losses	(157,719)	-	(157,719)	-	-	-
Other income	5,605	-	5,605	2,470	-	2,470
Subtotal	1,620,034	55,193	1,675,227	1,333,908	60,000	1,393,908
Net assets released from restrictions:						
Satisfaction of program/timing restrictions	58,174	(58,174)	-	82,578	(82,578)	-
Total revenue and support	1,678,208	(2,981)	1,675,227	1,416,486	(22,578)	1,393,908
Expenses:						
Programs and activities	1,544,205	-	1,544,205	966,911	-	966,911
Management and general	186,973	-	186,973	102,368	-	102,368
Fundraising and development	227,187	-	227,187	222,759	-	222,759
Total expenses	1,958,365	-	1,958,365	1,292,038	-	1,292,038
Increase (decrease) in net assets-operations	(280,157)	(2,981)	(283,138)	124,448	(22,578)	101,870
Nonrecurring bequest	5,096,389	-	5,096,389	-	-	-
Net assets at beginning of year	1,642,858	31,250	1,674,108	1,518,410	53,828	1,572,238
Net assets at end of year	\$6,459,090	\$ 28,269	\$ 6,487,359	\$ 1,642,858	\$ 31,250	\$1,674,108

CANCER SUPPORT COMMUNITY - SAN FRANCISCO BAY AREA

Statements of Cash Flows
For the Fifteen Months Ended December 31, 2015 and Year Ended September 30, 2014

	Dec	Sept
	2015	2014
<i>Operating activities:</i>		
Increase in net assets	\$ 4,813,251	\$ 101,870
Adjustments to reconcile to cash provided by operating activities:		
Depreciation	79,489	51,716
In-kind contributions capitalized as property and equipment	21,130	21,130
<i>Changes in:</i>		
Grants receivable	33,213	9,217
Prepaid expenses and other assets	22,520	(27,999)
Accounts payable and accrued liabilities	(3,756)	(43,065)
Accrued payroll liabilities	6,321	2,921
Cash provided by operating activities	4,972,168	115,790
<i>Investing activities:</i>		
Acquisition of investments	(5,220,132)	-
Acquisition of property and equipment	(241,179)	(52,412)
Cash used for investing activities	(5,461,311)	(52,412)
Increase (decrease) in cash and cash equivalents	(489,143)	63,378
Cash and cash equivalents at beginning of year	732,476	669,098
Cash and cash equivalents at end of year	\$ 243,333	\$ 732,476
<i>Additional cash flow information:</i>		
State registration taxes paid	\$ 150	\$ 150
Interest paid	\$ -	\$ -

CANCER SUPPORT COMMUNITY - SAN FRANCISCO BAY AREA

**Statement of Functional Expenses
For the Fifteen Months Ended December 31, 2015**

(with Summarized Financial Information for the Year Ended September 30, 2014)

	Programs and Activities	Manage- ment and General	Fund- raising and Dev- elopment	Totals 15 Months Ended Dec 31 2015	Totals Year Ended Sept 30 2014
Bank fees, service charges and merchant fees	\$ -	\$ 11,590	\$ -	\$ 11,590	\$ 8,281
Capital campaign	170,731	-	-	170,731	-
Consignment shop	22,463	-	-	22,463	75,381
Depreciation	67,892	7,560	4,037	79,489	51,716
In-kind goods and services	2,669	-	-	2,669	10,414
Insurance	24,455	2,723	1,454	28,632	21,288
National affiliation	14,149	-	-	14,149	8,793
National conference	9,602	-	-	9,602	7,731
Occupancy	51,208	5,702	3,045	59,955	35,090
Other	-	5,428	-	5,428	170
Outreach and marketing	23,341	-	-	23,341	618
Outside and professional services	53,775	5,988	3,197	62,960	32,450
Postage, delivery and marketing	2,825	25,374	1,509	29,708	30,690
Salaries, benefits and professional staff	952,825	106,098	56,654	1,115,577	747,734
Special events	-	-	148,474	148,474	161,237
Supplies, printing and office	114,886	12,793	6,831	134,510	75,121
Telephone, internet and web page	12,033	1,340	716	14,089	9,292
Travel and staff development	21,351	2,377	1,270	24,998	16,032
Totals	\$1,544,205	\$ 186,973	\$ 227,187	\$ 1,958,365	\$1,292,038

Notes to Financial Statements
December 31, 2015

1. Organization

The mission of Cancer Support Community is to ensure that all people impacted by cancer are empowered by knowledge, strengthened by action and sustained by community. Our services enable cancer patients to manage their treatment and recovery effectively, increase their chances for survival, reduce their chances of recurrence, and provide for the highest possible quality of life. Over 2,000 people affected by cancer in the East Bay and Silicon Valley are served by Cancer Support Community San Francisco Bay Area each year.

Cancer Support Community is an international federation of cancer support organizations, including over 50 Wellness Communities, Gilda's Clubs and Cancer Support Communities throughout the United States. Cancer Support Community San Francisco Bay Area is the only organization of its kind in Northern California. We are an affiliate of the international Cancer Support Community organization, but we are an independent nonprofit corporation, so all of the funds we raise are used to support people affected by cancer in our local community.

Our East Bay facility opened in Walnut Creek in 1990, and now serves over 2,000 people affected by cancer each year. We also provide services in local medical centers and other community locations (in English and Spanish), including Antioch, Martinez, Pittsburg, San Pablo, San Ramon and Vallejo. All of our services are always provided free of charge in order to be readily accessible to people affected by cancer in their time of need.

2. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of Cancer Support Community have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America and, accordingly, reflect all significant receivables, payables and other liabilities.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Accounting Standards Codification (ASC) 958.205, *Presentation of Financial Statements of Not-for-Profit Entities*. Under ASC 958.205, Cancer Support Community is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

Revenue Recognition

Cancer Support Community records contributions in accordance with the recommendations of ASC 958.605, *Revenue Recognition of Not-for-Profit Entities*.

Use of 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 support, revenues, and expenses during the reporting period. Actual results could differ from those estimates.

Notes to Financial Statements

2. Summary of Significant Accounting Policies *(continued)*

Cash and Cash Equivalents

Cancer Support Community considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cancer Support Community maintains its cash balances in high quality financial institutions, which at times may exceed federally insured limits. Cancer Support Community has not experienced any losses in such accounts.

Fair Value of Financial Instruments

Unless otherwise indicated, the fair values of all reported assets and liabilities represent the approximate carrying values of financial instruments, none of which are held for trading purposes.

Property, Equipment, and Improvements

Property and equipment are valued at cost or, if donated, at estimated fair market value on the date of donation. Depreciation is provided by use of the straight-line method over the estimated useful lives of the assets.

Net Assets

In accordance with accounting principles generally accepted in the United States of America, financial statements must present classes of net assets based on the following categories: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Grants and contributions are classified in the appropriate net asset category based on the absence or existence of donor-imposed restrictions that limit the use of the donated assets if they are designated as support for future periods or future projects when they are received.

Cancer Support Community reports gifts of cash and other assets as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets or if they are designated as support for future periods. When a donor's intended purpose is met or a time restriction expires, the temporarily restricted net asset is transferred to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Donor-restricted contributions where restrictions are met in the same reporting period in which they are contributed are reported as unrestricted support.

Permanently restricted net assets include those net assets that must be maintained in perpetuity in accordance with donor restrictions. The investment return from such assets may be used for purposes as specified by the donor or, if the donor has not specified a purpose, the income from such investments is not restricted and is included in unrestricted net assets. Cancer Support Community had no permanently restricted net assets as of December 31, 2015 and September 30, 2014.

Unrestricted net assets include all of those donated assets that have no restrictions or limitations imposed on their use. The Board of Directors may elect certain unrestricted funds to be set aside as Board designated funds, which may not be spent without approval by the Board. No such funds were set-aside as of December 31, 2015 and September 30, 2014.

Notes to Financial Statements

2. Summary of Significant Accounting Policies *(continued)*

Revenue and Support Recognition

Cancer Support Community receives revenue from a variety of sources, including fundraising, special events, consignment shop sales, and investment income. Support from contributions is described below.

Contributions

Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in unrestricted net assets. Restricted contributions are recognized and transferred to unrestricted net assets when the donor's restrictions have been satisfied.

Contributed Services and Costs

Contributed services and costs are reflected at the fair value of the contribution received. The contributions of services and costs are recognized if they (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. Cancer Support Community recognized \$6,239 and \$35,128 in both services and goods provided by donors during the 15 months ended December 31, 2015 and the year ended September 30, 2014, respectively. A substantial number of unpaid volunteers (over 200 individuals during the 15 months ended December 31, 2015) have made significant contributions of time to various departments or programs of Cancer Support Community. The value of this contributed time is not reflected in the financial statements because it is not susceptible to objective measurement or valuation and therefore did not meet the criteria for recognition under ASC 958.605.30-11 "*Revenue Recognition of Not-For-Profit Entities.*"

Income Taxes

Financial statement presentation follows the recommendations of ASC 740, *Income Taxes*. Under ASC 740, Cancer Support Community is required to report information regarding its exposure to various tax positions taken by Cancer Support Community and requires a two-step process that separates recognition from measurement. The first step is determining whether a tax position has met the recognition threshold; the second step is measuring a tax position that meets the recognition threshold. Management believes that Cancer Support Community has adequately evaluated its current tax positions and has concluded that as of December 31, 2015 and September 30, 2014, Cancer Support Community does not have any uncertain tax positions for which a reserve or an accrual for a tax liability would be necessary.

Cancer Support Community has received notification from the Internal Revenue Service and the State of California that it qualifies for tax-exempt status under Section 501(c)(3) of the Internal Revenue Code and Section 23701d of the California Revenue and Taxation Code. The exemptions are subject to periodic review by the federal and state taxing authorities and management is confident that Cancer Support Community continues to satisfy all federal and state statutes in order to qualify for continued tax exemption status. Cancer Support Community may periodically receive unrelated business income (such as sublease rental income) requiring Cancer Support Community to file separate tax returns under federal and state statutes. Under such conditions, Cancer Support Community calculates and accrues the applicable taxes.

Notes to Financial Statements

3. Cash and Cash Equivalents

Cash and cash equivalents include all funds in banks (checking, savings, and money market) at the time of acquisition that have a maturity date of 90 days or less. The components of cash and cash equivalents are as follows at December 31, 2015 and September 30, 2014:

	2015	2014
Checking (noninterest-bearing)	\$ 74,926	\$ 164,140
Savings and other depository accounts	168,407	568,336
Total cash and cash equivalents	\$ 243,333	\$ 732,476

Funds on deposit in savings and other depository accounts earn interest at rates ranging from 0.01% per annum to 0.75% per annum (as of December 31, 2015).

4. Investments

Investments consist of funds held in multiple accounts at Charles Schwab and the components are itemized as follows at December 31, 2015:

	Fair Value	Cost Basis
Money market funds (bearing interest at 0.01% per annum)	\$ 310,611	\$ 310,611
Mutual funds	3,216,358	3,384,923
Equities	1,703,163	1,701,298
Total cash and cash equivalents	\$ 5,220,132	\$ 5,386,832

There were no investments as of September 30, 2014. Composition of investments utilizing fair value measurements at December 31, 2015 is as follows:

	Totals	Level 1	Level 2	Level 3
Money market funds	\$ 310,611	\$ 310,611	\$ -	\$ -
Mutual funds	3,216,358	3,216,358	-	-
Equities	1,703,163	1,703,163	-	-
Totals	\$ 5,220,132	\$ 5,220,132	\$ -	\$ -

Fair value measurements establish a fair value hierarchy that prioritizes the input used to measure fair value. This hierarchy consists of three broad levels: (a) Level 1 measurement reflects the value of the tangible assets at quoted prices in active markets for identical assets, generally without any adjustments, (b) Level 2 assets and liabilities are valued based on "observable inputs" other than quoted active market prices, including quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, and interest rates and yield curves, and (c) Level 3 assets and liabilities are valued based on "unobservable inputs," such as a company's own estimates and pricing models.

(continued)

Notes to Financial Statements

4. Investments *(continued)*

Cancer Support Community has an Investment Committee which has the responsibility for establishing Cancer Support Community's return objectives (generally lower rates of return associated with more stable and safer investments) and to define the risk parameters. The committee routinely oversees investment performances and reviews cash flows necessary to sustain Cancer Support Community's operating activities.

Funds with Deficiencies

From time to time, the fair value of assets associated with endowment funds may fall below the level that the donor or UPMIFA requires Cancer Support Community to retain as a fund of perpetual duration. In accordance with ASC 958.205.55.31, there are no deficiencies of this nature that are required to be reported at December 31, 2015. Future deficiencies could result from unfavorable market fluctuations occurring after the investment of new restricted contributions and continued appropriation for certain programs which are deemed prudent by the Board of Directors. Cancer Support Community's investments may decline below their original basis due to market fluctuations and unrealized losses which are beyond the control of Cancer Support Community's management.

Return Objectives and Risk Parameters

Cancer Support Community has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets consist entirely of board-designated funds. Under this policy, as approved by the Investment Committee and the Board of Directors, the endowment assets are invested in a manner that is intended to (1) produce results that approximate the price and yield results of the general market conditions (2) subject Cancer Support Community to a moderate level of investment risk and (c) maintain sufficient liquidity to meet planned expenditures.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, Cancer Support Community relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). Cancer Support Community targets a diversified asset allocation that places a greater emphasis on equity-based investments (mutual funds) to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Spending Policy for Investments is set by the Board. The amount of the annual draw will be recommended by the Investment Committee for approval of the Board as part of the annual budgeting process for the forthcoming year. Under the provisions of UPMIFA, annual endowment spending may exceed 100% of the endowment income accumulated since the last distribution plus any income not distributed in the preceding years. Any endowment draw in excess of the above or to change the Spending Policy will require an Investment Committee recommendation and an affirmative vote of 75% of the entire Board of Directors then serving.

Notes to Financial Statements

5. Property and Equipment

A summary of property and equipment is as follows at December 31, 2015 and September 30, 2014:

	2015	2014
Land	\$ 253,969	\$ 253,969
Building and improvements	1,312,642	1,178,142
Office furniture and equipment	265,044	179,495
Subtotal	1,831,655	1,611,606
Less accumulated depreciation	(790,837)	(711,348)
Total property, equipment and improvements (net)	\$ 1,040,818	\$ 900,258

Depreciation expense for the 15 months ended December 31, 2015 and the year ended September 30, 2014 amounted to \$79,489 and \$51,716, respectively, and is reflected on the statement of functional expenses.

6. Line of Credit

Cancer Support Community has a revolving line of credit with Scott Valley Bank with a total available balance of \$200,000. The line of credit is subject to renewal annually in March and, when used, accrues interest at the bank’s variable rate (contractually stated to be 5.0% as of December 31, 2015) and is secured by personal property. There was no outstanding balance on the line of credit at December 31, 2015 and September 30, 2014 and the line was not utilized during the for the 15 months ended December 31, 2015 and the year ended September 30, 2014.

7. Lease Commitments

Cancer Support Community leases certain office equipment under separate operating lease agreement which requires a quarterly rental remittance of \$404 as of December 31, 2015. Rent expense for all property and equipment for the 15 months ended December 31, 2015 and the year ended September 30, 2014 amounted to \$1,540 and \$1,560, respectively, and is included in supplies, printing and office on the statement of functional expenses.

8. Fiscal Year Change

During the year ended September 30, 2014, the Board of Directors approved a change in the organization’s fiscal year. The previous fiscal year had been October through September. Beginning January 2015, the fiscal year was changed to the calendar year and the organization filed appropriate paperwork with the Internal Revenue Service to effect the change. A ‘stub period’ tax return for the period October 2014 through December 2014 was filed with the tax authorities.

Notes to Financial Statements

9. Net Assets

Unrestricted Net Assets

Unrestricted net assets of \$6,459,090 and \$1,642,858 as of December 31, 2015 and September 30, 2014, respectively, represent the cumulative net operating surpluses from the inception of the organization. Of the \$6,459,090 total unrestricted balance, the Board of Directors designated \$3,000,000 as an “endowment” as of December 31, 2015.

Temporarily Restricted Net Assets

Cancer Support Community recognizes support from temporarily restricted net assets when the restrictions imposed by the donors have been satisfied or expired. Historically, the organization has received small temporarily restricted donations which get rolled over from year to year. Temporarily restricted net assets consist of the following as of December 31, 2015 and September 30, 2014:

	2015	2014
Capital campaign	\$ 24,519	\$ -
El Camino Hospital	-	15,000
McKesson Corporation	-	12,500
Sutter Medical Center	3,750	3,750
Total temporarily restricted net assets	\$ 28,269	\$ 31,250

During the years ended December 31, 2015 and September 30, 2014, additions to temporarily restricted net assets amounted to \$55,193 and \$60,000, respectively. Net assets released from restrictions amounted to \$58,174 and \$82,578 for the 15 months ended December 31, 2015 and the year ended September 30, 2014, respectively.

10. Retirement Plan

Cancer Support Community offers employees the opportunity for participation in a salary reduction retirement plan qualified under Internal Revenue Code Section 403(b). Under the terms of the Cancer Support Community Contributory Retirement/Savings Plan, contributions in the form of payroll deductions are invested at the direction of the Plan participant into one or more of the investment vehicles available under the Plan. The Plan is funded through elective salary deferrals by participating employees. Employer matching contributions amounted to \$7,436 for the 15 months ended December 31, 2015. There were no employer contributions to the plan for the year ended September 30, 2014.

Notes to Financial Statements

11. Vehicle Donation Program

Cancer Support Community is a participant in a vehicle donation program operated by a third-party agency which physically collects and subsequently sells donated vehicles and shares the proceeds with the Cancer Support Community. The net amount received for auto donations amounted to \$7,212 and \$5,388 for the 15 months ended December 31, 2015 and the year ended September 30, 2014, respectively.

12. Compensated Absences (Accrued Payroll Liabilities)

Financial statement presentation follows the recommendations of ASC 710.25, *Compensated Absences*. Under ASC 710.25, Cancer Support Community is required to record a liability for the estimated amounts of compensation for future absences. Employees are permitted to accrue a specific number of hours of vacation which is payable upon termination of the employee. Sick leave is not paid upon termination. Annual leave accruals are recorded in the financial statements as an accrued liability on the statements of financial position based on hourly rates in effect at the end of the fiscal year. Accrued payable liabilities amounted to \$38,076 and \$31,754 at December 31, 2015 and September 30, 2014, respectively.

13. Commitments and Contingencies

In the normal course of business there are various commitments outstanding and contingent liabilities such as commitments to enter into contracts and provide future services not reflected in the financial statements. Such commitments and contingencies also include risks associated with various economic and operating factors, which include (a) grant restrictions and donor conditions which obligate Cancer Support Community to fulfill certain requirements as set forth in grant instruments, (b) funding levels which vary based on factors beyond Cancer Support Community's control, such as generosity of donors and general economic conditions, (c) employment and service agreements with key management and operating personnel, and (d) financial risks associated with funds on deposit at bank and investment brokerage accounts. Management believes that such commitments, contingencies and risks will not have a material adverse effect on the financial statements. Certain of the grants and contracts (including current and prior costs) are subject to audit and final acceptance by the granting entities.

14. Subsequent Events

In compliance with ASC 855, *Subsequent Events*, Cancer Support Community has evaluated subsequent events through October 24, 2016, the date the financial statements were available to be issued and, in the opinion of management, there are no subsequent events which need to be disclosed.