



CANCER SUPPORT
COMMUNITY

San Francisco Bay Area
Formerly The Wellness Community

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

Financial Statements

For the Years Ended
September 30, 2014 and 2013

With Independent Auditors' Report

CANCER SUPPORT COMMUNITY - SAN FRANCISCO BAY AREA

(A California Not-For-Profit Corporation)

September 30, 2014 and 2013

Mission

The mission of Cancer Support Community (formerly called The Wellness Community) is to ensure that all people impacted by cancer are empowered by knowledge, strengthened by action, and sustained by community.

We provide comprehensive psychosocial care – including counseling, support groups, nutrition, exercise and patient education programs – for people with cancer and their families or caregivers.

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 never turn anyone away, and 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. We now serve over 2,000 cancer patients and their families each year.

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.

Our main center opened in Walnut Creek in 1990. We also provide services in local medical centers and in several other community locations throughout the Bay Area.

All of our programs and services are evidence-based to positively impact cancer treatment outcomes and 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, melanoma 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
- 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
- Counseling and other programs for children with cancer and children whose parents have cancer

CANCER SUPPORT COMMUNITY - SAN FRANCISCO BAY AREA

(A California Not-For-Profit Corporation)
September 30, 2014 and 2013

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 - 12

Board of Directors 2013-2014

<u>Name</u>	<u>Position</u>	<u>Name</u>	<u>Position</u>
Bill Berkowitz	President	Donald Duggan	Director
Sean Maduck	Vice President	Glenn Graham	Director
James Hanna	Secretary	Jewel Johl, MD	Director
Loella Haskew	Treasurer	Lesley Martin, MD	Director
Ron Boyer	Audit Chair	Barry Mendelson	Director
Susan Wichmann	President Emerita	Rod Mickels	Director
		Scott Peterson	Director
Joellen Ademski	Director	Kristin Campbell Reed	Director
Kim Callas	Director	Frank Starn	Director
Brenda Carlson	Director	Piyush Srivastava, MD	Director
Jeff Clark	Director	Diana Superfin, MD	Director
Neil Cohen	Director	John Thuma	Director
Patrick Devinger	Director	Bonnie Waters	Director
	James Bouquin	Executive Director	

CANCER SUPPORT COMMUNITY - SAN FRANCISCO BAY AREA

Cancer Support Community East Bay
3276 McNutt Avenue
Walnut Creek, California 94597
925.933.0107

Web Site Address: www.cancersupportcommunity.net
Email: info@cancersupportcommunity.net

REGALIA & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS



Regalia & Associates

CERTIFIED PUBLIC ACCOUNTANTS
103 TOWN & COUNTRY DRIVE, SUITE K, DANVILLE, CALIFORNIA 94526
DOUGLAS REGALIA, CPA
MARIANNE RYAN
JANICE TAYLOR, CPA
LISA CLOVEN, CPA
JENNIFER JENSEN
WWW.MRCPA.COM
DANA CHAVARRIA, CPA
TRICIA WILSON
WENDY THOMAS, CPA
LISA PARKER, CPA [inactive]
VALERIE REGALIA
OFFICE: 925.314.0390 FAX: 925.314.0469

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 September 30, 2014 and 2013 and the related statements of activities and changes in net assets, cash flows and functional expenses 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 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 September 30, 2014 and 2013, and the results of its operations and its cash flows for the years then ended 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, 2013 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 17, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2013 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Danville, California
May 15, 2015

Regalia & Associates (handwritten signature)

CANCER SUPPORT COMMUNITY - SAN FRANCISCO BAY AREA

Statement of Financial Position

September 30, 2014

(with Summarized Financial Information for the Year Ended September 30, 2013)

	Unrestricted Net Assets	Temporarily Restricted Net Assets	2014 Total	2013 Total
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 701,226	\$ 31,250	\$ 732,476	\$ 669,098
Grants, sponsorships and donations receivable	94,912	-	94,912	104,129
Prepaid expenses and other assets	34,181	-	34,181	6,182
Total current assets	830,319	31,250	861,569	779,409
Noncurrent assets:				
Property and equipment, net	900,258	-	900,258	920,692
Total noncurrent assets	900,258	-	900,258	920,692
	\$1,730,577	\$ 31,250	\$1,761,827	\$1,700,101

LIABILITIES AND NET ASSETS

Current liabilities:				
Accounts payable and accrued liabilities	\$ 55,965	\$ -	\$ 55,965	\$ 99,030
Accrued payroll liabilities	31,754	-	31,754	28,833
Total liabilities	87,719	-	87,719	127,863
Net assets:				
Unrestricted	1,642,858	-	1,642,858	1,518,410
Temporarily restricted	-	31,250	31,250	53,828
Total net assets	1,642,858	31,250	1,674,108	1,572,238
	\$1,730,577	\$ 31,250	\$1,761,827	\$1,700,101

CANCER SUPPORT COMMUNITY - SAN FRANCISCO BAY AREA

**Statements of Activities and Changes in Net Assets
Years Ended September 30, 2014 and 2013**

	Year Ended September 30, 2014			Year Ended September 30, 2013		
	Unrestricted Net Assets	Temporarily Restricted		Unrestricted Net Assets	Temporarily Restricted	
		Net Assets	Net Assets		2014 Total	Net Assets
<i>Changes in net assets:</i>						
Revenue and support:						
Contributions:						
Individuals	\$ 244,239	\$ -	\$ 244,239	\$ 190,770	\$ -	\$ 190,770
Foundations and other grants	44,647	60,000	104,647	65,724	95,000	160,724
Corporations	90,975	-	90,975	61,006	-	61,006
In-kind	35,128	-	35,128	28,562	-	28,562
Fundraising and special events	765,540	-	765,540	663,125	-	663,125
Consignment shop	150,481	-	150,481	155,790	-	155,790
Interest and investment income	428	-	428	393	-	393
Other income	2,470	-	2,470	2,498	-	2,498
Subtotal	1,333,908	60,000	1,393,908	1,167,868	95,000	1,262,868
Net assets released from restrictions:						
Satisfaction of program/timing restrictions	82,578	(82,578)	-	153,922	(153,922)	-
Total revenue and support	1,416,486	(22,578)	1,393,908	1,321,790	(58,922)	1,262,868
Expenses:						
Programs and activities	966,911	-	966,911	919,783	-	919,783
Management and general	102,368	-	102,368	115,922	-	115,922
Fundraising and development	222,759	-	222,759	222,342	-	222,342
Total expenses	1,292,038	-	1,292,038	1,258,047	-	1,258,047
Increase (decrease) in net assets	124,448	(22,578)	101,870	63,743	(58,922)	4,821
Net assets at beginning of year	1,518,410	53,828	1,572,238	1,454,667	112,750	1,567,417
Net assets at end of year	\$1,642,858	\$ 31,250	\$1,674,108	\$1,518,410	\$ 53,828	\$1,572,238

CANCER SUPPORT COMMUNITY - SAN FRANCISCO BAY AREA

**Statements of Cash Flows
Years Ended September 30, 2014 and 2013**

	2014	2013
<i>Operating activities:</i>		
Increase in net assets	\$ 101,870	\$ 4,821
Adjustments to reconcile to cash provided by operating activities:		
Depreciation	51,716	52,715
In-kind contributions capitalized as property and equipment	21,130	6,785
Changes in:		
Grants receivable	9,217	39,497
Prepaid expenses and other assets	(27,999)	4,082
Accounts payable and accrued liabilities	(43,065)	60,777
Accrued payroll liabilities	2,921	3,286
Cash provided by operating activities	115,790	171,963
<i>Investing activities:</i>		
Acquisition of property and equipment	(52,412)	(104,342)
Cash used for investing activities	(52,412)	(104,342)
Increase in cash and cash equivalents	63,378	67,621
Cash and cash equivalents at beginning of year	669,098	601,477
Cash and cash equivalents at end of year	\$ 732,476	\$ 669,098
<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
Year Ended September 30, 2014**

(with Summarized Financial Information for the Year Ended September 30, 2013)

	Programs and Activities	Manage- ment and General	Fund- raising and Dev- elopment	Totals Year Ended Sept 30 2014	Totals Year Ended Sept 30 2013
Bank fees, service charges and merchant fees	\$ -	\$ 8,281	\$ -	\$ 8,281	\$ 7,177
Consignment shop	75,381	-	-	75,381	76,712
Depreciation	41,372	5,172	5,172	51,716	52,715
In-kind goods and services	10,414	-	-	10,414	18,476
Insurance	17,030	2,129	2,129	21,288	19,880
National affiliation	8,793	-	-	8,793	12,958
National conference	7,731	-	-	7,731	-
Occupancy	28,072	3,509	3,509	35,090	30,484
Other	-	170	-	170	313
Outside and professional services	27,583	3,245	1,622	32,450	9,112
Postage, delivery and marketing	24,552	3,069	3,069	30,690	34,895
Salaries, benefits and professional staff	644,331	66,687	36,716	747,734	732,520
Special events	-	-	161,237	161,237	163,104
Supplies, printing and office	60,591	7,574	7,574	75,739	68,590
Telephone, internet and web page	7,434	929	929	9,292	8,081
Travel and staff development	13,627	1,603	802	16,032	23,030
Totals	\$ 966,911	\$ 102,368	\$ 222,759	\$1,292,038	\$1,258,047

Notes to Financial Statements
September 30, 2014

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 September 30, 2014 and 2013.

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 during the years ended September 30, 2014 and 2013.

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 \$35,128 and \$28,562 in both services and goods provided by donors during the years ended September 30, 2014 and 2013, respectively. A substantial number of unpaid volunteers (over 200 individuals during the year ended September 30, 2014) 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 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 September 30, 2014 and 2013:

	2014	2013
Checking (noninterest-bearing)	\$ 164,140	\$ 251,510
Savings and other depository accounts	568,336	417,588
Total cash and cash equivalents	\$ 732,476	\$ 669,098

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 September 30, 2014).

4. Property and Equipment

A summary of property and equipment is as follows at September 30, 2014 and 2013:

	2014	2013
Land	\$ 253,969	\$ 253,969
Building and improvements	1,178,142	1,153,061
Office furniture and equipment	179,495	173,294
Subtotal	1,611,606	1,580,324
Less accumulated depreciation	(711,348)	(659,632)
Total property, equipment and improvements (net)	\$ 900,258	\$ 920,692

Depreciation expense for the years ended September 30, 2014 and 2013 amounted to \$51,716 and \$52,715, respectively, and is reflected on the statement of functional expenses.

5. 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 September 30, 2014) and is secured by personal property. There was no outstanding balance on the line of credit at September 30, 2014 and 2013.

Notes to Financial Statements

6. 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 September 30, 2014 and 2013:

	2014	2013
Bank of the West	\$ -	\$ 2,500
El Camino Hospital	15,000	16,500
Joseph & Vera Long Foundation	-	12,828
McKesson Corporation	12,500	12,500
Susan Komen Breast Cancer Foundation	-	5,750
Sutter Solano	3,750	3,750
Total temporarily restricted net assets	\$ 31,250	\$ 53,828

During the years ended September 30, 2014 and 2013, additions to temporarily restricted net assets amounted to \$60,000 and \$95,000, respectively. Net assets released from restrictions amounted to \$82,578 and \$153,922 for the years ended September 30, 2014 and 2013, respectively.

7. Lease Commitments

Cancer Support Community leases certain office equipment under separate operating lease agreement which requires a quarterly rental remittance of \$390. Rent expense for all property and equipment for the years ended September 30, 2014 and 2013 amounted to \$1,560 and \$3,049, respectively, and is included in supplies, printing and office on the statement of functional expenses.

8. 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 only through elective salary deferrals by participating employees. There were no employer contributions to the plan for the years ended September 30, 2014 and 2013.

Notes to Financial Statements

9. 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 \$5,388 and \$9,328 for the years ended September 30, 2014 and 2013, respectively.

10. 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 \$31,754 and \$28,833 at September 30, 2014 and 2013, respectively.

11. 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.

12. 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 new fiscal year will be January through December. For the transition, there will be a 'stub period' of October 2014 through December 2014, at the conclusion of which Cancer Support Community will file a short period tax return.

Notes to Financial Statements

13. Subsequent Events

In compliance with ASC 855, *Subsequent Events*, Cancer Support Community has evaluated subsequent events through May 15, 2015, the date the financial statements were available to be issued. The following items are presented for disclosure:

Board-Designated 'Endowment' Fund: In March 2014, Cancer Support Community was notified by the successor trustee that it was the sole beneficiary of a living trust with assets totaling in excess of \$5 million. The donor, now deceased, had received services from Cancer Support Community as a lung cancer patient in the early 1990s.

The initial distribution of assets from the trust occurred in December 2014, and the final distribution is expected to be received during the summer of 2015. In preparation, the Cancer Support Community Board of Directors took several actions during 2014:

1. Established an Investment Committee
2. Approved an Investment Policy, an Endowment Policy, and a Gift Acceptance Policy
3. Established a board-designated 'Endowment Fund'
4. Selected a financial advisory firm to manage the board-designated fund, under the auspices of the Investment Committee

Capital Campaign and Cornucopia: Cancer Support Community's mission delivery has effectively doubled during the past ten years. In 2012-2013, the organization conducted an analysis that projected a potential growth of another 100% in the next 10-15 years, and that the current facilities would be unable to support that growth of programs and services. In fact, over 200 times during 2014, a Cancer Support Community member was unable to attend an activity because of limited room capacity.

During 2014, Cancer Support Community engaged a consultant to conduct a feasibility study for a capital campaign to build an expanded campus. The Board of Directors approved the campaign in January 2015, with a plan to transition to the new campus in 2017.

Meanwhile, Cancer Support Community closed the Cornucopia consignment store in December 2014 in order to utilize the former store space for additional programs and services. The store had been located in a Cancer Support Community-owned building and thus had minimal occupancy expenses. Because the cost of a nearby leased facility was projected at nearly the potential revenue from the store, it was determined not to be relocated and reopened.

Planned Operating Deficit: The Board of Directors approved a budget that includes an operating deficit of nearly \$300,000 during the 15-month period of the October-December 2014 'stub period' and 2015 fiscal year. The purpose includes several investments to expand mission delivery and development capacity:

1. Hiring of a senior development officer to coordinate major gifts and legacy giving programs
2. Loss of revenue from the Cornucopia store closing (to be replaced by new revenues in 2016)
3. Additional programs and services provided in the former Cornucopia store building
4. Telecommunications and facilities improvements
5. Capital campaign expenses

It is expected that the organization will return to balanced or surplus budgets in 2016. In the opinion of management, there are no other subsequent events which need to be disclosed.