



**CANCER SUPPORT
COMMUNITY**

*San Francisco Bay Area
Formerly The Wellness Community*

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

Financial Statements

*For the Years Ended
December 31, 2017 and 2016*

With Independent Auditors' Report Thereon

CANCER SUPPORT COMMUNITY - SAN FRANCISCO BAY AREA

(A California Not-For-Profit Corporation)
December 31, 2017 and December 31, 2016

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, 2017

CONTENTS

	<u>Page</u>
Independent Auditors' Report	1
Financial Statements:	
Statements 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, 2017

<u>Name</u>	<u>Position</u>	<u>Name</u>	<u>Position</u>
Bill Berkowitz	President	Brenda Carlson	Director
Sean Maduck	Vice President	Todd Skrinar	Director
Ron Boyer, CPA	Treasurer	Patrick Devinger	Director
James Hanna	Secretary	Donald Duggan	Director
James Lewis	Development Chair	Jewel Johl, MD	Director
Barry Mendelson	Investment Chair	Rod Mickels	Director
Eric Rudney	Capital Campaign Chair	Kristin Campbell Reed	Director
John Thuma	Engagement Chair	Frank Starn	Director
Kim Callas	Director	Piyush Srivastava, MD	Director

James Bouquin Executive Director

CANCER SUPPORT COMMUNITY - SAN FRANCISCO BAY AREA

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CERTIFIED PUBLIC ACCOUNTANTS



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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 statements of financial position as of December 31, 2017 and the related statements of activities and changes in net assets, cash flows and functional expenses for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Cancer Support Community as of December 31, 2017 and the results of its operations and its cash flows for the year 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 December 31, 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 26, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2016 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Danville, California
June 20, 2018

Regalia & Associates

CANCER SUPPORT COMMUNITY - SAN FRANCISCO BAY AREA

**Statements of Financial Position
December 31, 2017 and 2016**

ASSETS

	2017	2016
Current assets:		
Cash and cash equivalents	\$ 223,376	\$ 245,339
Investments	5,816,556	5,332,950
Grants receivable	179,773	107,930
Prepaid expenses and other assets	27,910	28,574
Lafayette property development	270,718	106,186
Total current assets	6,518,333	5,820,979
Noncurrent assets:		
Property, equipment and improvements (net)	909,022	975,757
Total noncurrent assets	909,022	975,757
	\$ 7,427,355	\$ 6,796,736

LIABILITIES AND NET ASSETS

Liabilities:		
Accounts payable and accrued liabilities	\$ 126,850	\$ 44,603
Accrued payroll liabilities	10,406	30,024
Other current liabilities	-	17,800
Total liabilities	137,256	92,427
Net assets:		
Unrestricted: undesignated	1,473,543	1,371,359
Unrestricted: board designated for investments	5,816,556	5,332,950
Total net assets	7,290,099	6,704,309
	\$ 7,427,355	\$ 6,796,736

CANCER SUPPORT COMMUNITY - SAN FRANCISCO BAY AREA

**Statements of Activities and Changes in Net Assets
For the Years Ended December 31, 2017 and 2016**

<i>Changes in unrestricted net assets:</i>	2017	2016
Revenue and support:		
Contributions:		
Individuals	\$ 497,551	\$ 425,750
Foundations	72,927	23,010
Corporations	158,211	70,353
In-kind	8,020	2,800
Fundraising and special events	654,638	707,559
National Program Grants	7,227	3,000
Medical and clinical contracts & grants	47,500	17,355
Interest and investment income	378,207	148,587
Unrealized investment gains	394,433	215,633
Other income	10	4,920
Total unrestricted revenue	<u>2,218,724</u>	<u>1,618,967</u>
Net assets released from restrictions:		
Satisfaction of program/timing restrictions	90,876	59,421
Total revenue and support	<u>2,309,600</u>	<u>1,678,388</u>
Expenses:		
Programs and activities	1,223,377	1,001,493
Lafayette prop capital campaign	201,727	61,946
Management and general	152,576	168,204
Fundraising	146,130	201,526
Total expenses	<u>1,723,810</u>	<u>1,433,169</u>
Increase in unrestricted net assets	<u>585,790</u>	<u>245,219</u>
<i>Changes in temporarily restricted net assets:</i>		
Grants and contributions	90,876	31,152
Net assets released from restrictions	(90,876)	(59,421)
Increase (decrease) in temporarily restricted net assets	<u>-</u>	<u>(28,269)</u>
Increase in net assets	585,790	216,950
Net assets at beginning of year	6,704,309	6,487,359
Net assets at end of year	<u>\$ 7,290,099</u>	<u>\$ 6,704,309</u>

CANCER SUPPORT COMMUNITY - SAN FRANCISCO BAY AREA

**Statements of Cash Flows
For the Years Ended December 31, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
<i>Operating activities:</i>		
Increase in net assets	\$ 585,790	\$ 216,950
Adjustments to reconcile to cash provided by operating activities:		
Depreciation	73,384	91,376
Unrealized investment gains	(394,433)	(215,633)
<i>Changes in:</i>		
Grants receivable	(71,843)	(46,231)
Prepaid expenses and other assets	664	(16,913)
Lafayette property development	(164,532)	(106,186)
Accounts payable and accrued liabilities	82,247	(7,606)
Accrued payroll liabilities	(19,618)	(8,051)
Other current liabilities	(17,800)	17,800
Cash provided by (used for) operating activities	<u>73,859</u>	<u>(74,494)</u>
<i>Investing activities:</i>		
(Acquisition) disposition of investments, net	(89,173)	102,815
Acquisition of property and equipment	(6,649)	(26,315)
Cash provided by (used for) investing activities	<u>(95,822)</u>	<u>76,500</u>
Increase in cash and cash equivalents	(21,963)	2,006
Cash and cash equivalents at beginning of year	<u>245,339</u>	<u>243,333</u>
Cash and cash equivalents at end of year	<u>\$ 223,376</u>	<u>\$ 245,339</u>
<i>Additional cash flow information:</i>		
State registration taxes paid	<u>\$ 150</u>	<u>\$ 150</u>
Interest paid	<u>\$ -</u>	<u>\$ -</u>

CANCER SUPPORT COMMUNITY - SAN FRANCISCO BAY AREA

**Statement of Functional Expenses
For the Year Ended December 31, 2017**

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

	Programs and Activities	Lafayette Property Devel- opment	Manage- ment and General	Fund- raising and Dev- elopment	Totals Year Ended Dec 31 2017	Totals Year Ended Dec 31 2016
Bank fees, service charges and merchant fees	\$ 6,698	\$ -	\$ 893	\$ 1,339	\$ 8,930	\$ 8,987
Property development	-	45,651	-	-	45,651	5,664
Depreciation	55,038	-	7,338	11,008	73,384	91,376
In-kind goods and services	6,015	-	802	1,203	8,020	2,800
Insurance	16,850	-	2,247	3,370	22,467	22,136
National affiliation	15,268	-	-	-	15,268	10,757
National conference	2,474	-	-	-	2,474	2,786
Occupancy	34,847	-	4,646	6,970	46,463	44,926
Outreach and marketing	90,164	-	-	-	90,164	79,807
Outside and professional services	-	77,494	55,432	415	133,341	46,013
Postage, delivery and marketing	1,779	-	237	356	2,372	2,652
Salaries, benefits and professional staff	784,575	78,582	53,024	79,535	995,716	885,774
Special events	124,650	-	16,621	24,929	166,200	137,422
Supplies, printing and office	38,924	-	5,190	7,785	51,899	38,426
Telephone, internet and web page	28,810	-	3,841	5,763	38,414	33,777
Travel and staff development	17,285	-	2,305	3,457	23,047	19,866
Totals	\$ 1,223,377	\$ 201,727	\$ 152,576	\$ 146,130	\$ 1,723,810	\$ 1,433,169

Notes to Financial Statements
December 31, 2017 and 2016

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.

Reclassifications

Certain reclassifications have been made to the 2016 financial statements in order to conform to the presentation used in 2017.

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, 2017 and 2016.

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, 2017 and 2016.

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, 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 \$8,020 and \$2,800 in both services and goods provided by donors during the years ended December 31, 2017 and 2016, respectively. A substantial number of unpaid volunteers (over 200 individuals during the year ended December 31, 2017) 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, 2017 and 2016, 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.

CANCER SUPPORT COMMUNITY - SAN FRANCISCO BAY AREA

Notes to Financial Statements

3. Cash and Cash Equivalents

Cash and cash equivalents of \$223,376 and \$245,339 at December 31, 2017 and 2016, respectively, include all funds in local checking accounts that have a maturity date of 90 days or less.

4. Investments

Investments consist of funds held in an account at East Bay Community Fund (“EBCF”), multiple accounts at Charles Schwab, and an interest in a limited partnership (Sequoia Equities). Composition of investments is as follows at December 31, 2017 and 2016:

	2017 Fair Value	2016 Fair Value
Money market funds (bearing interest at 0.01% per annum)	\$ 356,646	\$ 428,378
Mutual funds	1,563,552	1,503,754
Equities	3,392,892	3,146,657
Investment pool (EBCF)	291,957	254,161
Real Estate Investment Trust (“REIT”)	21,505	-
Limited partnership	190,004	-
Total cash and cash equivalents	\$ 5,816,556	\$ 5,332,950

Composition of investments utilizing fair value measurements at December 31, 2017 is as follows:

	Totals	Level 1	Level 2	Level 3
Money market funds	\$ 356,646	\$ 356,646	\$ -	\$ -
Mutual funds	1,563,552	1,563,552	-	-
Equities	3,392,892	3,392,892	-	-
REIT	21,505	21,505	-	-
Investment pool	291,957	291,957	-	-
Limited partnership	190,004	-	-	190,004
Totals	\$ 5,816,556	\$ 5,626,552	\$ -	\$ 190,004

Composition of investments utilizing fair value measurements at December 31, 2016 is as follows:

	Totals	Level 1	Level 2	Level 3
Money market funds	\$ 428,378	\$ 428,378	\$ -	\$ -
Mutual funds	1,503,754	1,503,754	-	-
Equities	3,146,657	3,146,657	-	-
Investment pool	254,161	254,161	-	-
Totals	\$ 5,332,950	\$ 5,332,950	\$ -	\$ -

(continued)

Notes to Financial Statements

4. Investments *(continued)*

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.

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, 2017 and 2016. 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.

(continued)

Notes to Financial Statements

4. Investments *(continued)*

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. In accordance with a policy adopted by the Board of Directors, the maximum draw from the investment fund cannot exceed 6.0% of the corpus.

5. Property and Equipment

A summary of property and equipment is as follows at December 31, 2017 and 2016:

	2017	2016
Land	\$ 253,969	\$ 253,969
Building and improvements	1,309,695	1,309,695
Office furniture and equipment	165,926	159,277
Subtotal	1,729,590	1,722,941
Less accumulated depreciation	(820,568)	(747,184)
Total property, equipment and improvements (net)	\$ 909,022	\$ 975,757

Depreciation expense for the years ended December 31, 2017 and 2016 amounted to \$73,384 and \$91,376, respectively, and is reflected on the statement of functional expenses. During the year ended December 31, 2016, Cancer Support Community disposed of fully depreciation property and equipment in the amount of \$135,029. There were no disposals during the year ended December 31, 2017.

6. Lafayette Property Development

On January 21, 2016, Cancer Support Community entered into a Purchase Agreement to obtain approximately 5.75 acres of land in Lafayette, California as the site for a new permanent facility. The Agreement includes multiple 90 day extensions in order to allow sufficient time for the organization to work with the City of Lafayette and various other agencies to obtain the appropriate permits regarding the property acquisition. During the year ended December 31, 2017, Cancer Support Community capitalized certain development costs associated with the property, including architecture and design services as well as deposits to escrow. As of December 31, 2017 and 2016, total capitalized Lafayette development expenses amounted to \$270,718 and \$106,186, respectively, and are reflected on the statements of financial position.

(continued)

Notes to Financial Statements

6. Lafayette Property Development *(continued)*

Certain related expenses amounting to \$201,727 and \$61,946 during the years ended December 31, 2017 and 2016, respectively, were allocated from ongoing operational overhead and are reflected in the column titled "Lafayette Property Development" on the statement of functional expenses.

7. Lease Commitments

Cancer Support Community leased certain office equipment under a separate operating lease agreement which required a quarterly rental remittance of \$169 throughout the fiscal year ended December 31, 2017. Rent expense for all property and equipment for the years ended December 31, 2017 and 2016 amounted to \$675 and \$1,207, respectively, and is included in supplies, printing and office on the statement of functional expenses.

8. Net Assets

Unrestricted Net Assets

Unrestricted net assets consist of the following at December 31, 2017 and 2016:

	2017	2016
Unrestricted: undesignated	\$ 1,473,543	\$ 1,371,359
Unrestricted: board designated for investments	5,816,556	5,332,950
Total designated and undesignated unrestricted net assets	\$ 7,290,099	\$ 6,704,309

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. There were no temporarily restricted net assets as of December 31, 2017 and 2016.

During the years ended December 31, 2017 and 2016, additions to temporarily restricted net assets amounted to \$90,876 and \$31,152, respectively. Net assets released from restrictions amounted to \$90,876 and \$59,421 for the years ended December 31, 2017 and 2016, respectively.

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 \$4,139 and \$4,175 for the years ended December 31, 2017 and 2016, respectively.

Notes to Financial Statements

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 participants 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 \$7,019 and \$6,439 for the years ended December 31, 2017 and 2016, respectively.

11. 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 payroll liabilities amounted to \$10,406 and \$30,024 at December 31, 2017 and 2016, respectively.

12. 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.

13. Subsequent Events

In compliance with ASC 855, *Subsequent Events*, Cancer Support Community has evaluated subsequent events through June 20, 2018, 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.