

CANCER PATIENT SERVICES

**Report for the Years Ended
December 31, 2015 and 2014**

CANCER PATIENT SERVICES

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

Board of Trustees
Cancer Patient Services
Findlay, Ohio

We have reviewed the accompanying financial statements of Cancer Patient Services (a non-profit organization), which comprise the statements of financial position as of December 31, 2015 and 2014, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Organization management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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 the financial statements that are free from material misstatement whether due to fraud or error.

Accountants' Responsibility

Our responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountants' Conclusion

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Knueven, Schroeder & Co.

Findlay, Ohio
June 17, 2016

CANCER PATIENT SERVICES
Statements of Financial Position
December 31, 2015 and 2014

ASSETS	2015	2014
Cash	\$ 24,612	\$ 16,017
Investments - Merrill Lynch - NOTE B	256,762	314,143
Investment - Community Foundation - NOTE C	45,011	48,166
Prepaid expenses	1,418	1,310
Promises to give - NOTE A	101,399	123,860
Property and equipment, net - NOTES A & D	10,093	6,517
Deposits	-	51
TOTAL ASSETS	\$ 439,295	\$ 510,064
LIABILITIES AND NET ASSETS		
Accounts payable	\$ 14,797	\$ 12,544
Withheld and accrued taxes	4,863	5,666
Accrued wages and paid-time-off	2,837	2,131
Deferred revenue	4,600	9,550
TOTAL LIABILITIES	27,097	29,891
NET ASSETS		
Unrestricted	287,858	288,476
Temporarily restricted - NOTE F	124,340	191,697
TOTAL NET ASSETS	412,198	480,173
TOTAL LIABILITIES AND NET ASSETS	\$ 439,295	\$ 510,064

See Accountants' Review Report and Notes to Financial Statements.

CANCER PATIENT SERVICES
Statements of Activities
For the Years Ended December 31, 2015 and 2014

	2015		
	Unrestricted	Temporarily Restricted	Total
REVENUE AND OTHER SUPPORT			
United Way funding	\$ 125,612	\$ 52,219	\$ 177,831
Support			
Donations	89,500	3,320	92,820
Fund raising	74,335	-	74,335
Mail Appeals	34,964	-	34,964
Grants	2,000	29,375	31,375
In-kind contributions	35,841	-	35,841
Interest and dividends, net of investment fees	9,387	-	9,387
Net unrealized appreciation (depreciation) of investments	(10,318)	-	(10,318)
Net realized gain on sale of investments	(125)	-	(125)
Net realized loss on disposal of fixed assets	(375)	-	(375)
Change in Community Foundation	(348)	(1,391)	(1,739)
Miscellaneous income	3,625	-	3,625
Loss on Promises to Give	-	-	-
Net assets released from restrictions - NOTE F			
Restrictions satisfied by time	54,711	(54,711)	-
Restrictions satisfied by purpose	96,169	(96,169)	-
TOTAL REVENUE AND OTHER SUPPORT	<u>514,978</u>	<u>(67,357)</u>	<u>447,621</u>
EXPENSES			
Program services - EXHIBIT C	345,195	-	345,195
Supporting services - EXHIBIT C			
Management and general	58,447	-	58,447
Fund raising	111,954	-	111,954
TOTAL EXPENSES	<u>515,596</u>	<u>-</u>	<u>515,596</u>
CHANGE IN NET ASSETS	(618)	(67,357)	(67,975)
NET ASSETS, BEGINNING OF YEAR	<u>288,476</u>	<u>191,697</u>	<u>480,173</u>
NET ASSETS, END OF YEAR	<u>\$ 287,858</u>	<u>\$ 124,340</u>	<u>\$ 412,198</u>

See Accountants' Review Report and Notes to Financial Statements.

EXHIBIT B

2014		
Unrestricted	Temporarily Restricted	Total
\$ 117,252	\$ 49,345	\$ 166,597
71,893	-	71,893
69,081	-	69,081
27,571	-	27,571
2,767	31,312	34,079
33,126	-	33,126
9,686	103	9,789
3,935	-	3,935
897	-	897
(220)	-	(220)
376	1,503	1,879
2,185	-	2,185
-	(45,000)	(45,000)
26,966	(26,966)	-
<u>90,176</u>	<u>(90,176)</u>	<u>-</u>
<u>455,690</u>	<u>(79,879)</u>	<u>375,811</u>
303,230	-	303,230
83,150	-	83,150
<u>93,587</u>	<u>-</u>	<u>93,587</u>
<u>479,967</u>	<u>-</u>	<u>479,967</u>
(24,277)	(79,879)	(104,156)
<u>312,753</u>	<u>271,576</u>	<u>584,329</u>
<u>\$ 288,476</u>	<u>\$ 191,697</u>	<u>\$ 480,173</u>

CANCER PATIENT SERVICES
Statements of Functional Expenses
For the Years Ended December 31, 2015 and 2014

	2015			
	Cancer	Supporting Services	Fund	Total
	Patients	Management	Raising	
		& General		
Salaries	\$ 95,161	\$ 25,895	\$ 45,104	\$ 166,160
Employee benefits	2,655	722	1,258	4,635
Payroll taxes	9,553	2,598	4,527	16,678
TOTAL SALARIES & RELATED EXPENSES	107,369	29,215	50,889	187,473
Professional fees	6,667	11,300	8,605	26,572
Telephone	75	1,944	-	2,019
Rent	8,031	2,661	3,910	14,602
Advertising and public relations	2,463	941	7,460	10,864
Office supplies	1,292	6,786	1,601	9,679
Conferences, trainings and dues	223	1,695	927	2,845
Printing & publications	3,761	356	2,357	6,474
Insurance	1,281	424	624	2,329
Postage	2,867	1,638	127	4,632
Miscellaneous	732	-	11,996	12,728
Medical supplies	14,928	-	-	14,928
Food supplement	36,248	-	-	36,248
Wigs	-	-	-	-
Transportation	34,268	-	-	34,268
Medication	22,148	-	-	22,148
Cost of insurance	14,976	-	-	14,976
Out of pocket expense	52,781	-	-	52,781
Equipment delivery charge	2,325	-	-	2,325
Companion program expense	2,059	-	-	2,059
Equipment cleaning & sterilization	142	-	-	142
Volunteer related expenses	127	295	713	1,135
Other financial assistance	3,225	-	-	3,225
Counseling services	12,100	-	-	12,100
Integrative Therapies	682	-	-	682
National Cancer Survivor Day	2,011	-	-	2,011
In-Kind Expense	10,966	-	22,745	33,711
TOTAL EXPENSES BEFORE DEPRECIATION	343,747	57,255	111,954	512,956
Depreciation - NOTE D	1,448	1,192	-	2,640
TOTAL EXPENSES - EXHIBIT B	\$ 345,195	\$ 58,447	\$ 111,954	\$ 515,596

See Accountants' Review Report and Notes to Financial Statements.

EXHIBIT C

2014

Supporting Services			
Cancer Patients	Management & General	Fund Raising	Total
\$ 62,593	\$ 52,491	\$ 21,755	\$ 136,839
1,708	1,433	594	3,735
<u>6,102</u>	<u>5,112</u>	<u>2,121</u>	<u>13,335</u>
70,402	59,036	24,470	153,909
8,442	2,814	18,184	29,440
1,155	385	-	1,540
6,722	5,553	2,338	14,613
138	1,222	11,478	12,838
9,750	3,602	415	13,767
-	5,531	8	5,539
421	1,039	2,239	3,699
1,030	850	359	2,239
2,220	661	1,243	4,124
213	2,003	10,528	12,744
13,975	-	-	13,975
33,721	-	-	33,721
538	-	-	538
36,949	-	-	36,949
29,805	-	-	29,805
16,769	-	-	16,769
16,924	-	-	16,924
3,030	-	-	3,030
1,944	-	-	1,944
11	-	-	11
743	-	-	743
24,465	-	-	24,465
13,200	-	-	13,200
-	-	-	-
1,215	-	-	1,215
<u>7,986</u>	<u>-</u>	<u>22,325</u>	<u>30,311</u>
301,768	82,696	93,587	478,052
<u>1,463</u>	<u>454</u>	<u>-</u>	<u>1,917</u>
<u>\$ 303,230</u>	<u>\$ 83,150</u>	<u>\$ 93,587</u>	<u>\$ 479,967</u>

CANCER PATIENT SERVICES
Statements of Cash Flows
For the Years Ended December 31, 2015 and 2014

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (67,975)	\$ (104,156)
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation	2,640	1,917
Unrealized appreciation on investments	10,318	(3,935)
Realized gain on investments	125	(897)
Realized loss on disposal of fixed assets	375	220
Change in Community Foundation	1,739	(1,879)
(Increase) Decrease in operating assets:		
Promises to give	22,461	28,706
Other assets	(56)	618
Increase (Decrease) in operating liabilities:		
Accounts payable	2,253	5,986
Withheld and accrued taxes	(803)	1,928
Accrued paid-time-off	706	1,179
Deferred revenue	<u>(4,950)</u>	<u>3,000</u>
NET CASH USED BY OPERATING ACTIVITIES	<u>(33,167)</u>	<u>(67,314)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(6,591)	(3,868)
Funds received from the Community Foundation Agency Funds	1,416	-
Purchase of investment securities	(21,861)	(195,078)
Proceeds from sale of investment securities	<u>68,798</u>	<u>65,692</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>41,762</u>	<u>(133,254)</u>
NET INCREASE (DECREASE) IN CASH	8,595	(200,568)
CASH AT BEGINNING OF YEAR	<u>16,017</u>	<u>216,585</u>
CASH AT END OF YEAR	<u>\$ 24,612</u>	<u>\$ 16,017</u>

No amounts were paid for income taxes or interest for the years ended December 31, 2015 and 2014. There were no noncash financing and investing activities during the years ended December 31, 2015 and 2014.

See Accountants' Review Report and Notes to Financial Statements.

CANCER PATIENT SERVICES
Notes to Financial Statements
December 31, 2015 and 2014

A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities: Cancer Patient Services is a nonprofit organization located in Findlay, Ohio. The Organization was formed to help improve the quality of life for Hancock County cancer patients and their families by providing them with physical, emotional, and financial assistance as well as educational resources. Revenue is provided primarily through United Way funding, grants and private donations.

Basis of Accounting: The financial statements of Cancer Patient Services have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

Basis of Presentation: The Organization 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.

Cash and Cash Equivalents: For purposes of the statements of cash flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Promises to Give: Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions.

Contributions: Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions.

Donated Assets: Donated marketable securities and other noncash donations are recorded as contributions at their estimated fair values at the date of donation.

Donated Property and Equipment: Donations of property and equipment are recorded as contributions at their estimated fair value at the date of donation. Such donations are reported as increases in unrestricted net assets unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time.

CANCER PATIENT SERVICES
Notes to Financial Statements
December 31, 2015 and 2014

A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment: Property and equipment are stated at cost or, if donated, at the approximate fair value at the date of donation. The Organization capitalizes all expenditures for property and equipment in excess of \$500. Depreciation is computed using primarily the straight-line method.

Prepaid Item: Payments made to vendors for services that will benefit periods beyond the current reporting period are recorded as prepaid items.

Federal Income Taxes: The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2). The Organization's Forms 990, Return of Organization Exempt from Income Tax, for the years ended 2012 through 2015 are subject to examination by the IRS, generally for three years after the date the return is filed.

Expense Allocation: Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting expenses on an actual basis or have been allocated based on methods determined appropriate for each program. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization. No joint costs for fundraising appeals were incurred in 2015 and 2014.

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. Those estimates and assumptions also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

B - INVESTMENTS

The Fair Value Measurements Topic of the FASB Accounting Standards Codification establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

CANCER PATIENT SERVICES
Notes to Financial Statements
December 31, 2015 and 2014

B - INVESTMENTS (continued)

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the asset or liability.

The following investments as of December 31, 2015 and 2014, in mutual fund securities are classified as available-for-sale and are recorded at fair value on a recurring basis. All securities are classified as Level 1.

	Fair Value	Cost	Unrealized Gain
Available for sale at December 31, 2015			
Mutual funds	<u>\$ 256,762</u>	<u>\$ 259,011</u>	<u>\$ (2,249)</u>
Available for sale at December 31, 2014			
Mutual funds	<u>\$ 314,143</u>	<u>\$ 306,074</u>	<u>\$ 8,069</u>

Unrealized appreciation (depreciation) at December 31, 2015 and 2014, is calculated as follows:

Excess of market value compared to cost:	2015	2014
Beginning of year	\$ 8,069	\$ 4,134
End of year	<u>(2,249)</u>	<u>8,069</u>
Appreciation on investments	<u>\$ (10,318)</u>	<u>\$ 3,935</u>

Investment return is summarized as follows:

Interest and dividends	\$ 9,387	\$ 9,789
Net realized and unrealized gains	<u>(10,443)</u>	<u>4,832</u>
Total investment income	<u>\$ (1,056)</u>	<u>\$ 14,621</u>

Expenses relating to investment revenues, including custodial fees and investment advisory fees, amounted to \$3,724 for 2015 and \$2,741 for 2014, and have been netted against investment income in the accompanying Statements of Activities.

CANCER PATIENT SERVICES
Notes to Financial Statements
December 31, 2015 and 2014

C - INVESTMENT IN COMMUNITY FOUNDATION

In 2003, the Organization transferred \$10,000 from its investment portfolio to the Hancock County Community Foundation to establish a fund. No additional contributions were made by the organization during 2015 and 2014. Under the terms of the agreement, the Organization can request up to twenty percent of the value of the investment portfolio once every five years; therefore, eighty percent of the fund is restricted due to time. Additionally, a distribution from the fund shall be available to the Organization at least annually. The Hancock County Community Foundation has no variance power over the fund. At December 31, 2015 and 2014, the value of the fund amounted to \$45,011 and \$48,166, respectively, which is reported in the Statements of Financial Position as an Investment in Community Foundation.

In addition, the Organization has funds at the Community Foundation at December 31, 2015 and 2014, amounting to \$32,900 and \$33,882, respectively, which are funds contributed by outside donors to the Cancer Patient Services Endowment Fund held at the Community Foundation. Since the Community Foundation has variance power over these funds, these funds are not reflected on the books of the Organization.

D - PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2015 and 2014, are recorded at cost and consist of the following:

	2015	2014
Office furniture and equipment	\$ 61,339	\$ 56,248
Less accumulated depreciation	<u>51,246</u>	<u>49,731</u>
	<u>\$ 10,093</u>	<u>\$ 6,517</u>

Depreciation expense was \$2,640 and \$1,917 for 2015 and 2014, respectively.

E - LEASES

The Organization leases space at The Family Center from The Hancock Properties Foundation; the original lease was for one year expiring April 30, 2007 with indefinite automatic one year renewals. On May 1, 2012, Cancer Patient Services signed a new lease for the same space for a three-year term subject to extension for an additional three years. The annual base rent may be increased but not exceed three percent annually. On May 1, 2015, the Organization did not renew the extension and is leasing the space on a month-to-month basis. The Organization is also responsible for additional rent for items such as utilities, telephone and technology. Base rental and security expense for these leases totaled \$14,602 and \$14,613 for the years ended December 31, 2015 and 2014, respectively.

CANCER PATIENT SERVICES
Notes to Financial Statements
December 31, 2015 and 2014

F - NET ASSETS

The detail of the Organization's net asset categories at December 31, is as follows:

	2015	2014
Unrestricted:		
Board Designated Reserves:		
Patient Guide	\$ 143,830	\$ 143,830
Audit/Review Reserve	-	1,750
Hardware/Software Repair/Replace	3,661	5,000
Office Equipment Repair/Replace	1,529	5,000
Undesignated	<u>138,838</u>	<u>132,896</u>
 Total unrestricted net assets	 <u><u>\$ 287,858</u></u>	 <u><u>\$ 288,476</u></u>

Temporarily restricted net assets are available for the following purposes or periods:

	2015	2014
Purpose		
Counseling Grant	\$ -	\$ 12,100
Patient Guide	3,566	42,981
Visibility Grant	11,519	31,506
Strategic Planning Grant	5,000	10,000
Needs Assessment Grant	8,333	-
Time		
United Way	52,218	49,345
Community Foundation	37,384	39,765
Corporate Pledge	3,000	6,000
Board Pledges	<u>3,320</u>	<u>-</u>
 Total Temporarily Restricted	 <u><u>\$ 124,340</u></u>	 <u><u>\$ 191,697</u></u>

The Organization had no permanently restricted net assets as of December 31, 2015 and 2014.

G - DONATED SERVICES

No amounts have been reflected in the financial statements for donated services. The Organization pays for most services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization with specific assistance programs and various committee assignments throughout the year. The Organization received more than 1,283 and 1,275 volunteer hours during 2015 and 2014, respectively.

CANCER PATIENT SERVICES
Notes to Financial Statements
December 31, 2015 and 2014

H - TAX-DEFERRED ANNUITY PLAN

The Organization has a tax-deferred annuity plan qualified under Section 403(b) of the Internal Revenue Code. The plan covers full-time employees of the Organization and they may make contributions to the plan up to the maximum allowed by the Internal Revenue Code at their discretion. The Organization matches an employee's contribution up to maximum of three percent of their gross salaries. Plan expenses for the years ended December 31, 2015 and 2014, were \$2,820 and \$2,767, respectively.

I - CONCENTRATIONS

The Organization maintains cash balances at several financial institutions located in Findlay, Ohio. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2015 and 2014, the Organization had no uninsured cash balances. The Organization also maintains an account with a stock brokerage firm. The accounts contain both cash and securities. Balances are insured up to \$500,000 (with a limit of \$250,000 for cash) by the Securities Investor Protection Corporation (SIPC).

J - SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through June 17, 2016, the date which the financial statements were available to be issued.