

CANCER COALITION OF SOUTH GEORGIA, INC.



FINANCIAL STATEMENTS

for the years ended June 30, 2015 and 2014

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Cancer Coalition of South Georgia, Inc.
Albany, Georgia

We have audited the accompanying financial statements of Cancer Coalition of South Georgia, Inc., which comprise the statements of financial position as of June 30, 2015 and 2014, and the related statements of revenue and support, expenses, and changes in net assets and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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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 Organization'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 Organization'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 Coalition of South Georgia, Inc. as of June 30, 2015 and 2014, and the results of its operations, changes in net assets, and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Draggin & Tucker, LLP

Albany, Georgia
November 11, 2015

CANCER COALITION OF SOUTH GEORGIA, INC.

STATEMENTS OF FINANCIAL POSITION

June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
ASSETS		
Cash	\$ 1,083,972	\$ 1,110,587
Grants receivable	<u>267,094</u>	<u>158,417</u>
Total current assets	1,351,066	1,269,004
Property and equipment, net	<u>9,188</u>	<u>8,248</u>
Total assets	\$ <u><u>1,360,254</u></u>	\$ <u><u>1,277,252</u></u>
LIABILITIES AND NET ASSETS		
Accounts payable	\$ <u>11,624</u>	\$ <u>1,201</u>
Net assets:		
Unrestricted net assets	1,234,607	1,165,314
Temporarily restricted net assets	<u>114,023</u>	<u>110,737</u>
Total net assets	<u>1,348,630</u>	<u>1,276,051</u>
Total liabilities and net assets	\$ <u><u>1,360,254</u></u>	\$ <u><u>1,277,252</u></u>

The independent auditor's report and accompanying notes are an integral part of this financial statement.

CANCER COALITION OF SOUTH GEORGIA, INC.

STATEMENTS OF REVENUE AND SUPPORT, EXPENSES,
AND CHANGES IN NET ASSETS
for the years ended June 30, 2015 and 2014

	<u>2015</u>		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenue and support:			
Contributions	\$ 380,735	\$ 11,328	\$ 392,063
Grants	-	894,545	894,545
Net assets released from restrictions	<u>902,587</u>	<u>(902,587)</u>	<u>-</u>
Total revenue and support	<u>1,283,322</u>	<u>3,286</u>	<u>1,286,608</u>
Expenses:			
Program	1,041,000	-	1,041,000
Management and general	114,542	-	114,542
Fundraising	<u>59,408</u>	<u>-</u>	<u>59,408</u>
Total expenses	<u>1,214,950</u>	<u>-</u>	<u>1,214,950</u>
Operating income (loss)	68,372	3,286	71,658
Other income:			
Investment income	<u>921</u>	<u>-</u>	<u>921</u>
Change in net assets	69,293	3,286	72,579
Net assets, beginning of year	<u>1,165,314</u>	<u>110,737</u>	<u>1,276,051</u>
Net assets, end of year	\$ <u>1,234,607</u>	\$ <u>114,023</u>	\$ <u>1,348,630</u>

2014		
<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
\$ 420,925	\$ 68,263	\$ 489,188
-	682,864	682,864
<u>770,640</u>	<u>(770,640)</u>	<u>-</u>
<u>1,191,565</u>	<u>(19,513)</u>	<u>1,172,052</u>
952,027	-	952,027
140,180	-	140,180
<u>99,783</u>	<u>-</u>	<u>99,783</u>
<u>1,191,990</u>	<u>-</u>	<u>1,191,990</u>
(425)	(19,513)	(19,938)
<u>976</u>	<u>-</u>	<u>976</u>
551	(19,513)	(18,962)
<u>1,164,763</u>	<u>130,250</u>	<u>1,295,013</u>
\$ <u>1,165,314</u>	\$ <u>110,737</u>	\$ <u>1,276,051</u>

The independent auditor's report and accompanying notes
are an integral part of this financial statement.

CANCER COALITION OF SOUTH GEORGIA, INC.

STATEMENTS OF CASH FLOWS
for the years ended June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Cash flows from operating activities:		
Change in net assets	\$ 72,579	\$(18,962)
Adjustments to reconcile the change in net assets to net cash used by operating activities:		
Depreciation and amortization	4,135	11,192
Changes in:		
Grants receivable	(108,677)	(110,516)
Accounts payable	<u>10,423</u>	<u>(1,780)</u>
Net cash used by operating activities	(21,540)	(120,066)
Cash flows from investing activities:		
Purchase of property and equipment	<u>(5,075)</u>	<u>-</u>
Decrease in cash	(26,615)	(120,066)
Cash, beginning of year	<u>1,110,587</u>	<u>1,230,653</u>
Cash, end of year	\$ <u>1,083,972</u>	\$ <u>1,110,587</u>

The independent auditor's report and accompanying notes
are an integral part of this financial statement.

CANCER COALITION OF SOUTH GEORGIA, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2015 and 2014

1. Summary of Significant Accounting Policies

Organization

Cancer Coalition of South Georgia, Inc. (Organization) is organized pursuant to the Georgia Nonprofit Corporation Code (Code). The Organization operates exclusively to prevent cancer and increase survival among people of South Georgia through community-based services, education, research, and outreach as authorized by the Code and within the restrictions of Section 501(c)(3) of the Internal Revenue Code. The Organization's primary sources of revenue are from state agencies, related party hospitals, fundraising programs, and private contributions.

Basis of Accounting

These financial statements, which are presented on the accrual basis of accounting, have been prepared to present balances and transactions according to the existence or absence of donor-imposed restrictions. This has been accomplished by classification of net assets and transactions into two classes – temporarily restricted, or unrestricted as follows:

- *Temporarily Restricted Net Assets* – Net assets subject to donor-imposed stipulations that may or will be met by actions of the Organization and/or the passage of time.
- *Unrestricted Net Assets* – Net assets which represent resources generated from operations or that are not subject to donor-imposed stipulations.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenditures are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulations or by law. Expirations of restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets. Expirations or restrictions on gifts of long-lived assets or assets to be used to purchase long-lived assets are reported as reclassifications when the long-lived assets are placed in service.

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CANCER COALITION OF SOUTH GEORGIA, INC.

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2015 and 2014

1. Summary of Significant Accounting Policies, Continued

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 at the date of the financial statements and the reported amounts of support, revenue and expenses during the period. Accordingly, actual results could differ from those estimates.

Gifts, Contributions and Grants

Contributions, including unconditional promises to give, are recognized as revenues in the period the pledge is received. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value. The Organization had grants receivable due in less than one year of \$267,094 and \$158,417 during 2015 and 2014, respectively. The Organization considers all accounts, grants and pledges receivable to be fully collectible; accordingly, no allowance for doubtful accounts is considered necessary. Management closely monitors outstanding balances throughout the year, and writes off to expense all balances that are considered uncollectible. Grants receivable consist of amounts awarded but not yet paid and due within the next year.

Property and Equipment

Property and equipment acquisitions are recorded at cost. Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed on the straight-line method.

Income Taxes

The Organization is a not-for-profit corporation that has been recognized as tax-exempt pursuant to Section 501(c)(3) of the Internal Revenue Code.

The Organization applies accounting policies that prescribe when to recognize and how to measure the financial statement effects of income tax positions taken or expected to be taken on its income tax returns. These rules require management to evaluate the likelihood that, upon examination by the relevant taxing jurisdictions, those income tax positions would be

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CANCER COALITION OF SOUTH GEORGIA, INC.

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2015 and 2014

1. Summary of Significant Accounting Policies, Continued

Income Taxes, Continued

sustained. Based on that evaluation, the Organization only recognizes the maximum benefit of each income tax position that is more than 50% likely of being sustained. To the extent that all or a portion of the benefits of an income tax position are not recognized, a liability would be recognized for the unrecognized benefits, along with any interest and penalties that would result from disallowance of the position. Should any such penalties and interest be incurred, they would be recognized as operating expenses.

Based on the results of management's evaluation, no liability is recognized in the accompanying statements of financial position for unrecognized income tax positions. Further, no interest or penalties have been accrued or charged to expense as of June 30, 2015 and 2014 or for the years then ended. The Organization's tax returns are subject to possible examination by the taxing authorities. For federal income tax purposes the tax returns essentially remain open for possible examination for a period of three years after the respective filing deadlines of those returns.

Recently Issued Accounting Pronouncement

In 2013, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) No. 2013-06, *Services Received from Personnel of an Affiliate*. The objective of this amendment is to specify the guidance for recognizing and measuring services received from personnel of an affiliate, when the affiliate does not charge for services. The Organization adopted this ASU in fiscal year 2015 with no material effect on the financial statements.

Subsequent Events

In preparing the financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through November 11, 2015, the date the financial statements were available to be issued.

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CANCER COALITION OF SOUTH GEORGIA, INC.

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2015 and 2014

2. Property and Equipment

A summary of property and equipment at June 30, 2015 and 2014 follows:

	<u>2015</u>	<u>2014</u>
Major moveable equipment	\$ 106,694	\$ 101,619
Less accumulated depreciation	<u>97,506</u>	<u>93,371</u>
Total property and equipment	\$ <u>9,188</u>	\$ <u>8,248</u>

Depreciation expense for the years ended June 30, 2015 and 2014 amounted to \$4,135 and \$11,192, respectively.

3. Temporarily Restricted Net Assets

Temporarily restricted net assets are available for community-based cancer services, education, research and outreach, and for infrastructure and patient support and are restricted by the following organizations at June 30, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Cancer Care Grants	\$ -	\$ 8,000
Screening Program	73,604	78,057
Miller County Colorectal Project	-	23,326
HCG Foundation	27,450	-
GA CORE	11,784	-
Other	<u>1,185</u>	<u>1,354</u>
Total	\$ <u>114,023</u>	\$ <u>110,737</u>

4. Related Party Transactions

The Organization's Board of Directors includes the Chief Executive Officers of Phoebe Putney Memorial Hospital, South Georgia Medical Center, and Miller County Hospital.

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CANCER COALITION OF SOUTH GEORGIA, INC.

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2015 and 2014

4. Related Party Transactions, Continued

The following schedule shows the receivables and revenues from the related party hospitals for the years ended June 30, 2015 and 2014:

	Receivables for 6/30/15	Revenue for 6/30/15	Receivables for 6/30/14	Revenue for 6/30/14
Archbold Medical Center	\$ -	\$ -	\$ -	\$ 37,500
Phoebe Putney Memorial Hospital	-	150,000	-	150,000
South Georgia Medical Center	-	50,500	-	58,333
Tift Regional Medical Center	-	-	-	25,000
Miller County Hospital	<u>11,742</u>	<u>1,402</u>	<u>25,116</u>	<u>25,116</u>
Total	\$ <u>11,742</u>	\$ <u>201,902</u>	\$ <u>25,116</u>	\$ <u>295,949</u>

The Organization has no employees. All employees are provided through Phoebe Putney Memorial Hospital (Phoebe) on an expense reimbursement basis. Under this arrangement, Phoebe is responsible for all payroll, benefits and related costs. As part of this arrangement, employees are eligible to participate in certain employee benefit plans sponsored by Phoebe. The Organization recorded salary and benefit expenses from this arrangement of \$719,977 and \$800,194 during 2015 and 2014, respectively.

5. Concentrations of Credit Risk

The amounts that exceeded the Federal Deposit Insurance Corporation limit were \$900,000 and \$600,000 at June 30, 2015 and 2014, respectively. The Organization believes the credit risk related to these deposits is minimal.

6. Commitments and Contingencies

From time to time, the Organization may be involved in litigation arising in the course of business. It is anticipated that management will resolve such matters if and when they arise with consultation from legal counsel and without material adverse effect on the Organization's future financial position or results from operations.

INDEPENDENT AUDITOR'S REPORT ON
SUPPLEMENTAL INFORMATION

The Board of Directors
Cancer Coalition of South Georgia, Inc.
Albany, Georgia

We have audited the basic financial statements of Cancer Coalition of South Georgia, Inc. for the years ended June 30, 2015 and 2014, and our report thereon dated November 11, 2015, which expressed an unmodified opinion on those financial statements, appears on pages 1 and 2. Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The information included in this report on page 13, inclusive, is presented for the purpose of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Draffin & Tucker, LLP

Albany, Georgia
November 11, 2015

CANCER COALITION OF SOUTH GEORGIA, INC.

SCHEDULE OF STATE OF GEORGIA AWARDS EXPENDED
for the year ended June 30, 2015

<u>State Grant/ Program Title</u>	<u>Contract Number</u>	<u>Total Awarded</u>	<u>Total State Paid</u>	<u>Total Expended</u>
Department of Public Health - Cancer Survivorship	40500-032-15140941	\$ 22,200	\$ 22,200	\$ 22,200
Department of Public Health - Colorectal Cancer Screening Education	40500-032-15120597	455,377	209,406	455,236
Department of Public Health - 14-15 Reduction of Tobacco Use Program		10,000	10,000	10,000
Department of Public Health - State Funding FY15	40500-004-15140956	<u>240,948</u>	<u>240,948</u>	<u>240,948</u>
		\$ <u>728,525</u>	\$ <u>482,554</u>	\$ <u>728,384</u>

See independent auditor's report on supplemental information.