

CANCER ASSOCIATION OF GREATER
NEW ORLEANS, INC.
NEW ORLEANS, LOUISIANA
FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED
DECEMBER 31, 2018 AND 2017



ERICKSEN KRENTEL^{LLP}
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Cancer Association of Greater New Orleans, Inc.

We have audited the accompanying financial statements of Cancer Association of Greater New Orleans, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2018 and 2017, and the related statements of activities, changes in net assets, functional expenses, 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.

Auditors' 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.



To the Board of Directors of
Cancer Association of Greater New Orleans, Inc.
October 23, 2019

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Cancer Association of Greater New Orleans, Inc. as of December 31, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note 1 to the financial statements, Cancer Association of Greater New Orleans, Inc. adopted the Financial Accounting Standards Board's ASU 2016-14, *Not-for-Profit Entities*, for the year ended December 31, 2018. Our opinion is not modified with respect to that matter.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The combining statements of activities and functional expenses and the United Way Budget Form 3, pages 19 – 24 are presented for purposes of additional analyses and are 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 audit 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.

October 23, 2019
New Orleans, Louisiana

Erickson Krentel, LLP

Certified Public Accountants

FINANCIAL STATEMENTS

CANCER ASSOCIATION OF GREATER NEW ORLEANS, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
<u>CURRENT ASSETS:</u>		
Cash and cash equivalents	\$ 488,700	\$ 541,388
Receivables	135,981	66,165
Current promises to give	7,585	-
Prepaid expenses and other assets	8,827	5,883
Inventory	866	604
Investment in equity security and mineral rights	34,437	34,437
Investments in mutual funds	1,466,426	1,539,544
Property and equipment, net of accumulated depreciation of \$7,169 and \$7,121	<u>906</u>	<u>-</u>
Total current assets	<u>2,143,728</u>	<u>2,188,021</u>
<u>OTHER ASSETS:</u>		
Non-current promises to give	<u>28,449</u>	<u>-</u>
Total other assets	<u>28,449</u>	<u>-</u>
Total assets	<u><u>\$ 2,172,177</u></u>	<u><u>\$ 2,188,021</u></u>
<u>CURRENT LIABILITIES:</u>		
Accounts payable and accrued liabilities	\$ 4,822	\$ 5,763
Due to Breastoration	78,190	121,847
Accrued expenses	<u>10,500</u>	<u>10,500</u>
Total current liabilities	<u>93,512</u>	<u>138,110</u>
<u>NET ASSETS:</u>		
Without donor restriction:		
Undesignated	660,323	747,073
Board designated reserve fund	1,188,003	1,246,088
With donor restriction	<u>230,339</u>	<u>56,750</u>
Total net assets	<u>2,078,665</u>	<u>2,049,911</u>
Total liabilities and net assets	<u><u>\$ 2,172,177</u></u>	<u><u>\$ 2,188,021</u></u>

See accompanying NOTES TO FINANCIAL STATEMENTS

CANCER ASSOCIATION OF GREATER NEW ORLEANS, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<u>REVENUES AND OTHER SUPPORT:</u>			
REVENUES:			
Received directly:			
Contributions	\$ 80,122	\$ -	\$ 80,122
Combined Federal Campaign	11,435	-	11,435
Other	40,627	-	40,627
Oil royalties and dividends	16,305	-	16,305
Special events	84,613	-	84,613
Grants	29,704	268,885	298,589
Received indirectly:			
United Way designation	28,150	-	28,150
United Way allocation	-	123,669	123,669
	<u>290,956</u>	<u>392,554</u>	<u>683,510</u>
Total revenues			
OTHER SUPPORT:			
Dividends and interest	5,938	-	5,938
Change in value of investments, net of fees	(73,155)	-	(73,155)
BP oil spill claim	2,137	-	2,137
Net assets released from restrictions - satisfaction of program restrictions	<u>218,965</u>	<u>(218,965)</u>	<u>-</u>
Total other support	<u>153,885</u>	<u>(218,965)</u>	<u>(65,080)</u>
Total revenues and other support	<u>444,841</u>	<u>173,589</u>	<u>618,430</u>
<u>EXPENSES:</u>			
Program activities:			
Education	37,937	-	37,937
Patient services	463,853	-	463,853
Supporting activities:			
Fundraising	10,879	-	10,879
Management and general	<u>77,007</u>	<u>-</u>	<u>77,007</u>
Total expenses	<u>589,676</u>	<u>-</u>	<u>589,676</u>
Change in net assets	<u>\$ (144,835)</u>	<u>\$ 173,589</u>	<u>\$ 28,754</u>

See accompanying NOTES TO FINANCIAL STATEMENTS

CANCER ASSOCIATION OF GREATER NEW ORLEANS, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<u>REVENUES AND OTHER SUPPORT:</u>			
REVENUES:			
Received directly:			
Contributions	\$ 39,662	\$ -	\$ 39,662
Combined Federal Campaign	2,994	-	2,994
Other	54,703	-	54,703
Oil royalties and dividends	13,778	-	13,778
Special events	68,822	-	68,822
Grants	70,500	-	70,500
Received indirectly:			
United Way designation	26,148	-	26,148
United Way allocation	<u>57,595</u>	<u>56,750</u>	<u>114,345</u>
 Total revenues	 <u>334,202</u>	 <u>56,750</u>	 <u>390,952</u>
 OTHER SUPPORT:			
Unrealized gain on investments	5,495	-	5,495
Realized gain, net of investment fees	194,113	-	194,113
Net assets released from restrictions - satisfaction of program restrictions	<u>186,071</u>	<u>(186,071)</u>	<u>-</u>
 Total other support	 <u>385,679</u>	 <u>(186,071)</u>	 <u>199,608</u>
 Total revenues and other support	 <u>719,881</u>	 <u>(129,321)</u>	 <u>590,560</u>
 <u>EXPENSES:</u>			
Program activities:			
Education	37,273	-	37,273
Patient services	455,977	-	455,977
Supporting activities:			
Fundraising	4,121	-	4,121
Management and general	<u>75,831</u>	<u>-</u>	<u>75,831</u>
 Total expenses	 <u>573,202</u>	 <u>-</u>	 <u>573,202</u>
 Change in net assets	 <u>\$ 146,679</u>	 <u>\$ (129,321)</u>	 <u>\$ 17,358</u>

See accompanying NOTES TO FINANCIAL STATEMENTS

CANCER ASSOCIATION OF GREATER NEW ORLEANS, INC.
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Net assets - January 1, 2017	\$ 1,846,481	\$ 186,071	\$ 2,032,552
Change in net assets	<u>146,680</u>	<u>(129,321)</u>	<u>17,359</u>
Net assets - December 31, 2017	1,993,161	56,750	2,049,911
Change in net assets	<u>(144,835)</u>	<u>173,589</u>	<u>28,754</u>
Net assets - December 31, 2018	<u>\$ 1,848,326</u>	<u>\$ 230,339</u>	<u>\$ 2,078,665</u>

See accompanying NOTES TO FINANCIAL STATEMENTS

CANCER ASSOCIATION OF GREATER NEW ORLEANS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2018

	Program Activities		Support Activities		Total Expenses
	Education	Patient Services	Fundraising	Management & General	
Salaries	\$ 20,987	\$ 136,415	\$ -	\$ 52,467	\$ 209,869
Printing and publications	2,784	-	-	-	2,784
Specific assistance to individuals	-	233,006	-	-	233,006
Employee benefits	1,670	10,855	-	4,175	16,700
Professional fees	1,050	6,825	-	2,625	10,500
Office supplies and other	2,262	14,706	-	5,656	22,624
Occupancy	1,904	13,798	-	4,759	20,461
Payroll taxes	1,761	11,447	-	4,402	17,610
Postage and shipping	188	1,225	-	471	1,884
Telephone	906	6,362	-	2,266	9,534
Travel and local transportation	45	293	-	112	450
Event expenses	4,351	28,284	10,879	-	43,514
Depreciation and amortization	-	48	-	-	48
Interest	29	589	-	74	692
Total functional expenses	<u>\$ 37,937</u>	<u>\$ 463,853</u>	<u>\$ 10,879</u>	<u>\$ 77,007</u>	<u>\$ 589,676</u>

See accompanying NOTES TO FINANCIAL STATEMENTS

CANCER ASSOCIATION OF GREATER NEW ORLEANS, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
<u>CASH FLOWS FROM (USED FOR) OPERATING ACTIVITIES:</u>		
Change in net assets	\$ 28,754	\$ 17,359
Adjustments to reconcile change in net assets to net cash from (used for) operating activities:		
Depreciation and amortization	(906)	367
Changes in value of investments	105,069	(199,608)
Changes in assets and liabilities:		
(Increase) decrease in receivables	(105,850)	118,104
(Increase) decrease in inventory	(262)	72
(Increase) decrease in prepaids	(2,944)	(216)
Increase (decrease) in accounts payable	(941)	720
Increase (decrease) in accrued liabilities	-	(1,800)
Increase (decrease) in due to Breastoration	(43,657)	(36,803)
Net cash (used for) operating activities	<u>(20,737)</u>	<u>(101,805)</u>
<u>CASH FLOWS FROM (USED FOR) INVESTING ACTIVITIES:</u>		
Purchases of investments	(40,261)	-
Sales of investments	<u>8,310</u>	<u>5,412</u>
Net cash from (used for) investing activities	<u>(31,951)</u>	<u>5,412</u>
Net increase (decrease) in cash and cash equivalents	(52,688)	(96,393)
Cash and cash equivalents, beginning of year	<u>541,388</u>	<u>637,781</u>
Cash and cash equivalents, end of year	<u>\$ 488,700</u>	<u>\$ 541,388</u>

NOTES TO
FINANCIAL STATEMENTS

CANCER ASSOCIATION OF GREATER NEW ORLEANS, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Cancer Association of Greater New Orleans, Inc. (the Association) was incorporated on February 23, 1959. The Association does business in various locations in South Louisiana as the Cancer Associations of South Louisiana, of Southeast Louisiana, and of St. Charles, St. John, Tangipahoa, and Washington Parishes. The Association's mission is to eradicate and defeat cancer through local programs of research, education, and patient services.

Cancer Association of Greater New Orleans, Inc. is a not-for-profit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes.

Basis of Accounting

The financial statements of the Association have been prepared on the accrual basis in accordance with the accounting principles generally accepted in the United States of America. Whereby revenues are recognized when earned and expenses are recognized when incurred. All significant receivables, payables, and other liabilities are recorded.

Basis of Presentation

The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958. Under the provisions of ASC section 958, net assets, revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Association and changes therein are classified as follows:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Association. The Association's board may designate assets without restrictions for specific operational purposes from time to time.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Association or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

CANCER ASSOCIATION OF GREATER NEW ORLEANS, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2018 AND 2017

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Association, Inc. considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Receivables

Receivables consisted of amounts due from local agencies and are recorded at cost. Based on historical experience, management believes that all receivables are collectible and, thus, no allowance has been established.

Fair Value Measurements

The carrying amounts reflected in the statements of financial position for cash, cash equivalents, and accounts receivable approximate the respective fair values of those instruments, due to their relatively short collection times. The fair value of the investments classified as "available for sale" were derived from the quoted market values for those instruments from an active market when available.

Investments

Investments are stated at fair value. The Board has designated investments in the amount of \$1,188,003 and \$1,246,088 as of December 31, 2018 and 2017, respectively, as amounts set aside for the purpose of providing an additional funding source for future annual operations. Gains and losses on investments are reported on the statement of activities as increases or decreases in net assets without donor restrictions. Dividend, interest and other investment income are reported in the period earned in the statement of activities as increases in net assets without donor restrictions. Investment return is presented net of investment fees.

The Association discloses the fair value of its investments in a hierarchy that prioritizes the inputs to valuation techniques used to measure the fair value. Investments are recorded at fair value on a recurring basis. Nonrecurring fair value adjustments, if any, would typically involve donated property and equipment. There were no material nonrecurring fair value adjustments in 2018 and 2017. The three levels of the fair value hierarchy are described below:

CANCER ASSOCIATION OF GREATER NEW ORLEANS, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2018 AND 2017

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments (continued)

Level 1 lies at the top of the hierarchy. Inputs are quoted prices in active markets.

Level 2 inputs are in the middle of the hierarchy, where data is adjusted from similar items traded in markets that are active markets or from identical or similar items in markets that are not active. Level 2 inputs do not stem directly from quoted prices.

Level 3 inputs are unobservable and require the entity to develop its own assumptions

For assets that are measured at fair value on a recurring basis in periods after initial recognition, there were no transfers between Levels 1 and 2, or transfers into and out of Level 3 in 2018 or 2017. If such transfers were to occur, they would be recognized as of the actual date of the event.

No level 2 or level 3 inputs were used by the Association during 2018 or 2017.

The Association's measurements of fair value are made on a recurring basis, and their valuation techniques (no changes in 2018 or 2017) for assets and liabilities recorded at fair value are as follows:

Mutual Funds – Valued at the net asset value of shares on the last trading day of the fiscal year, which is the basis of transactions at that date.

Property and Equipment

Acquisitions of \$500 or more are capitalized and stated at cost. Maintenance and repairs that do not improve or extend the lives of property and equipment are charged to expense as occurred. When assets are sold or retired, their cost and related accumulated depreciation are removed from the accounts and any gain or loss is reported in the statements of activities. Depreciation is provided using the straight-line method over the estimated useful lives of the asset; computers are depreciated over three (3) years.

Donated Assets and Services

The Association records noncash donations as contributions at their estimated fair values at the date of donation. The Association recognizes donated services, if significant in amount, that create or enhance nonfinancial assets or that require specialized skills that are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. For the year ended December 31, 2018 and 2017, there were no donated services. See Note 4 for a description of a promise to give the use of certain assets to the Association.

CANCER ASSOCIATION OF GREATER NEW ORLEANS, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2018 AND 2017

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Public Support and Revenue

Contributions are reported as increases in net assets with donor restrictions or net assets without donor restrictions depending on the existence and/or nature of any donor restrictions.

Grants and contributions without donor restrictions are recorded as revenue when received or unconditionally pledged. Contributions donor restrictions are reported as increases in net assets without donor restrictions if the restrictions expire, that is, when a stipulated time restriction ends or purpose restriction is accomplished, in the reporting period in which the revenue is recognized.

Contributions of donated noncash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

Functional Expenses

Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies. 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 Association.

Income Taxes

The Association 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 Association tax-exempt purpose is subject to taxation as unrelated business income. The Tax Cut and Jobs Act generally provides that a tax-exempt organization's unrelated business taxable income is increased by the amount of qualified transportation fringe benefits provided to employees. Management currently believes that the amount of unrelated business income related to parking offered to employees would be de minimis. In addition, the Association qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

The Association's evaluation as of December 31, 2018 revealed no tax positions that would have a material impact on the financial statements. The 2016 through 2018 tax years remain subject to examination by the IRS. The Association does not believe that any reasonably possible changes will occur within the next twelve months that will have a material impact on the financial statements.

CANCER ASSOCIATION OF GREATER NEW ORLEANS, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2018 AND 2017

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Accounting Pronouncement

On August 18, 2016, FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. Cancer Association of Greater New Orleans, Inc. has adopted this standard.

Subsequent Events

Subsequent events have been evaluated through October 23, 2019, which is the date the financial statements were available to be issued.

(2) DEFINED CONTRIBUTION PLAN

The Association has a defined contribution plan (the Plan) covering all full-time employees. Employees are eligible to participate in the Plan on the January 1st following two full years of service. The Association makes discretionary contributions to the Plan each year of 7.5% of participants' gross compensation. Participants are not permitted to make contributions to the Plan. Participants immediately vest 100% in the Association's contributions. Total employer contribution expense for the years ended December 31, 2018 and 2017 was \$11,004 and \$11,685, respectively, and is included in the statements of functional expenses in employee benefits.

(3) RECEIVABLES

Receivables consisted of the following as of December 31,

	<u>2018</u>	<u>2017</u>
United Way of Southeast Louisiana	\$ 35,000	\$ 35,000
United Way of St. Charles	15,333	10,500
United Way of St. John	12,750	11,250
Baton Rouge General Medical Center	56,250	-
Libby and Blouin dividend	5,893	5,400
Other receivables	<u>10,755</u>	<u>4,015</u>
Total	<u>\$ 135,981</u>	<u>\$ 66,165</u>

CANCER ASSOCIATION OF GREATER NEW ORLEANS, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2018 AND 2017

(4) PROMISES TO GIVE

Cancer Association of Greater New Orleans, Inc. entered into a five-year agreement with Baton Rouge General Medical Center (BRGMC) to establish the Association as a provider for BRGMC cancer patients and provide cancer patient resources to cancer patients in the Baton Rouge, commencing on September 1, 2018. The agreement stipulates that BRGMC shall provide the office space, internet, and phone services at no cost. Management estimated the fair value of the rental agreement to be \$36,034. This amount is recorded as contribution revenue on the statement of activities and as a promise to give asset to be amortized as rent expense over the life of the lease on the statement of financial position. For the year ended December 31, 2018, rent expense recognized on this leasehold was \$1,425.

(5) INVESTMENTS IN EQUITY SECURITY AND MINERAL RIGHTS

Investments are recorded at fair market value based on market quotations and consist of mutual funds, money market accounts, stocks, and bonds. The Association currently holds a 4.44% interest in the common stock of a nonpublic company without a readily determinable market value. In accordance with EITF Issue No. 03-1, *The Meaning of Other-Than-Temporary Impairment and Its Application to Certain Investments*, the stock is carried at its original donated value of \$13,534, plus additional mineral rights of \$20,903, for a total of \$34,437, and is assessed for an other than temporary impairment annually. The Association believes that no impairment existed as of December 31, 2018 and 2017. Oil royalties and dividends of \$16,305 and \$13,778 were recognized on the investments for the years ended December 31, 2018 and 2017, respectively, and are recorded as unrestricted support in the statements of activities. Value for the Association is determined by using current audited financial statements provided by an outside auditor.

(6) INVESTMENTS AND FAIR VALUE MEASUREMENT

The Association records its investment in corporate stock of a closely held company at its fair value at the date of donation, and in accordance with EITF Issue No. 03-1, *The Meaning of Other-Than-Temporary Impairment and Its Application to Certain Investments*. Accordingly, the investment is carried at its original cost unless it is determined that an other-than-temporary impairment has occurred. If the Association determines that other than temporary impairment occurs, then the investment would be written down by the amount of the impairment. For the years ended December 31, 2018 and 2017, the Association does not believe that the investment is impaired.

CANCER ASSOCIATION OF GREATER NEW ORLEANS, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2018 AND 2017

(6) INVESTMENTS AND FAIR VALUE MEASUREMENT (CONTINUED)

Investments consisted of the following at December 31, 2018:

	<u>2018</u>			
	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>	<u>Total</u>
Mutual funds	\$ 1,466,426	\$ -	\$ -	\$ 1,466,426
Investments at fair value	<u>\$ 1,466,426</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,466,426</u>

Investments consisted of the following at December 31, 2017:

	<u>2017</u>			
	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>	<u>Total</u>
Mutual funds	\$ 1,539,554	\$ -	\$ -	\$ 1,539,554
Investments at fair value	<u>\$ 1,539,554</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,539,554</u>

Investment income is reported net of fees of \$7,977 and \$7,653 for the years ended December 31, 2018 and 2017, respectively.

The Board has designated investments in the amount of \$1,188,003 and \$1,246,088 as of December 31, 2018 and 2017, respectively, as amounts set aside for the purpose of providing an additional funding source for future annual operations.

(7) BREASTORATION FUND

On July 15, 2014, cancer survivors Sandy Keller, Eve Wallinga and Kim Sport created the Breastoration Fund for the purpose of providing assistance to breast cancer patients for breast reconstruction following surgical mastectomies. The fund is maintained under the auspices of the Association, who records the amounts received as a liability. As of December 31, 2018 and 2017, Due to Breastoration was \$78,190 and \$120,847, respectively.

CANCER ASSOCIATION OF GREATER NEW ORLEANS, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2018 AND 2017

(8) NET ASSETS WITH DONOR RESTRICTIONS

For the years ended December 31, 2018 and 2017, net assets with donor restrictions were \$230,339 and \$56,750, respectively, consisted mostly of pledges receivable from various United Way allocations to support operations and other grants received. These amounts are typically released from donor restrictions for general operations of the Association during the subsequent year.

Net assets with donor restrictions from the following grants at December 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
United Way	\$ 63,083	\$ 56,750
Baptist Community Ministries	40,983	-
Susan G. Komen Foundation	6,464	-
Baton Rouge General Medical Center	<u>119,809</u>	<u>-</u>
Total	<u>\$ 230,339</u>	<u>\$ 56,750</u>

(9) LEASE OBLIGATIONS

In early 2013, the Association signed a lease with the Sterbcow Development Group, LLC for the office at 824 Elmwood Park Boulevard. The lease term is for five years effective May 1, 2013 and expiring April 30, 2018. The Association renewed the lease for 5 years at an increased rate and expires May 31, 2023. Total rent expense for the years ended December 31, 2018 and 2017 was \$19,036 and \$16,602, respectively.

Future minimum rental payments required under the operating lease as of December 31, 2018 are as follows:

2018	\$ 19,036
2019	21,363
2020	21,650
2021	21,936
2022	22,223
Thereafter	<u>11,183</u>
	<u>\$ 117,391</u>

CANCER ASSOCIATION OF GREATER NEW ORLEANS, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2018 AND 2017

(10) LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Cancer Association of Greater New Orleans's financial assets as of December 31, 2018 and 2017, respectively, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date. Amounts not available include amounts set aside for long-term investing in the board designated reserve fund that could be drawn upon if the governing board approves that action.

	<u>2018</u>	<u>2017</u>
Financial assets, at year end	\$ 2,133,129	\$ 2,181,534
Less those unavailable for general expenditure within one year due to:		
Board designated reserve fund	(1,188,003)	(1,246,088)
Funds set aside for donor restricted purposes	<u>(230,339)</u>	<u>(56,750)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 714,787</u>	<u>\$ 878,696</u>

The Association's financial assets have been reduced by amounts not available for general use because of donor imposed restrictions within one year of the balance sheet date. As a part of the Association's liquidity plan, excess cash is invested in the Association's brokerage account to earn a return while not in use.

(11) CONCENTRATION OF CREDIT RISK

At December 31, 2018 and 2017, the Association maintained checking and money market accounts at various financial institutions. The Federal Deposit Insurance Corporation (FDIC) ensures the accounts up to \$250,000. As of December 31, 2018, the Association's cash balance exceeded the FDIC insurance by \$208,189. As of December 31, 2017, the bank balances did not exceed FDIC limits. The Association has not experienced any losses in these accounts and management believes they are not exposed to any significant credit risk. The Association maintains cash and investment balances with investment brokerage firms. The Securities Investor Protection Corporation (SIPC) insures accounts at each institution up to \$500,000. The balances of cash and investments held by investment brokerage firms exceeded SIPC insurance by \$688,022 and \$704,088 at December 31, 2018 and 2017, respectively. The Association has not experienced any losses in these accounts and management believes they are not exposed to any significant credit risk.

Approximately 54% and 27% of the Association's public support was provided from various United Way affiliates and two other grantors for the years ended December 31, 2018 and 2017, respectively. As of December 31, 2018 and 2017, 88% and 79% of receivables, respectively, are due from United Way affiliates and one other grantor.

SUPPLEMENTARY INFORMATION

CANCER ASSOCIATION OF GREATER NEW ORLEANS, INC.
COMBINING STATEMENT OF ACTIVITIES AND FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2018

	EDUCATION					Cancer Association of South Louisiana	Cancer Association of Southeast Louisiana	Combined
	Cancer Association of St. Charles	Cancer Association of St. John	Baton Rouge Area	Cancer Association of Louisiana	20%			
Net assets without donor restrictions								
Contributions	\$ -	\$ -	\$ -	\$ -	\$ 8,237	\$ 8,237	\$ -	\$ 8,237
Combined Federal Campaign	-	-	-	-	2,287	2,287	-	2,287
Other	-	-	-	-	1,707	1,707	-	1,707
Legacies and endowments	-	-	-	-	3,261	3,261	-	3,261
Special events	-	-	-	-	16,923	16,923	-	16,923
Grants	-	-	-	-	5,941	5,941	-	5,941
United Way designation	-	-	-	-	5,630	5,630	-	5,630
United Way allocation	-	-	-	-	-	-	-	-
Realized/unrealized loss on investments	-	-	-	-	(14,631)	(14,631)	-	(14,631)
Interest, dividends, royalties	-	-	-	-	1,188	1,188	-	1,188
Total net assets without donor restrictions	\$ -	\$ -	\$ -	\$ -	\$ 30,543	\$ 30,543	\$ -	\$ 30,543
Net assets with donor restrictions								
Grants	-	-	-	-	-	-	-	-
United Way designation and allocation	11,500	8,500	-	4,250	35,177	35,177	-	35,177
Total net assets with donor restrictions	\$ 11,500	\$ 8,500	\$ -	\$ 4,250	\$ 35,177	\$ 35,177	\$ -	\$ 59,427
Total net assets	\$ 11,500	\$ 8,500	\$ -	\$ 4,250	\$ 65,720	\$ 65,720	\$ -	\$ 89,970
Expenses								
Salaries	\$ -	\$ -	\$ -	\$ -	10%	20,987	\$ 20,987	\$ 20,987
Printing and publications	-	-	-	-	2,783	2,783	-	2,783
Specific assistance to individuals	-	-	-	-	-	-	-	-
Employee benefits	-	-	-	-	1,670	1,670	-	1,670
Professional fees	-	-	-	-	1,050	1,050	-	1,050
Office supplies and other	-	-	-	-	1,582	1,582	-	1,582
Occupancy	-	-	-	-	1,904	1,904	-	1,904
Payroll taxes	-	-	-	-	1,761	1,761	-	1,761
Postage and shipping	-	-	-	-	188	188	-	188
Telephone	-	-	-	-	906	906	-	906
Travel and local transportation	-	-	-	-	45	45	-	45
Fund raising expense	-	-	-	-	4,352	4,352	-	4,352
Depreciation and amortization	-	-	-	-	-	-	-	-
Interest	-	-	-	-	30	30	-	30
Total expenses	\$ 11,500	\$ 8,500	\$ -	\$ 4,250	\$ 37,258	\$ 37,258	\$ -	\$ 37,258
Increase (decrease) in net assets	\$ -	\$ -	\$ -	\$ -	\$ 28,462	\$ 28,462	\$ -	\$ 28,462

CANCER ASSOCIATION OF GREATER NEW ORLEANS, INC.
COMBINING STATEMENT OF ACTIVITIES AND FUNCTIONAL EXPENSES (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2018

	PATIENT SERVICES					Cancer Association of South Louisiana	Cancer Association of Southeast Louisiana	Combined
	Cancer Association of St. Charles	Cancer Association of St. John	Baton Rouge Area	Cancer Association of South Louisiana	Cancer Association of Southeast Louisiana			
Net assets without donor restrictions	100%	100%	100%	100%	80%			
Contributions	\$ -	\$ -	\$ 38,935	\$ -	\$ 32,950	\$ 71,885		
Combined Federal Campaign	-	-	-	-	9,148	9,148		
Other	-	-	-	-	6,829	6,829		
Legacies and endowments	-	-	-	-	13,045	13,045		
Special events	-	-	-	-	67,690	67,690		
Grants	-	-	-	-	23,763	23,763		
United Way designation	-	-	-	-	22,520	22,520		
United Way allocation	-	-	-	-	-	-		
Realized/unrealized loss on investments	-	-	-	-	-	-		
Interest, dividends, royalties	-	-	-	-	(58,524)	(58,524)		
Total net assets without donor restrictions	\$ -	\$ -	\$ 38,935	\$ -	\$ 122,171	\$ 161,106		
Net assets with donor restrictions								
Grants	-	-	93,000	-	140,708	233,708		
United Way designation and allocation	11,500	8,500	-	4,250	-	24,250		
Total net assets with donor restrictions	\$ 11,500	\$ 8,500	\$ 93,000	\$ 4,250	\$ 140,708	\$ 257,958		
Total net assets	\$ 11,500	\$ 8,500	\$ 131,935	\$ 4,250	\$ 262,879	\$ 419,064		
Expenses	100%	100%	100%	100%	65%			
Salaries	\$ -	\$ -	\$ -	\$ -	\$ 136,415	\$ 136,415		
Printing and publications	-	-	-	-	-	-		
Specific assistance to individuals (See Note 1)	8,872	5,435	2,678	6,773	209,248	233,006		
Employee benefits	-	-	-	-	10,855	10,855		
Professional fees	-	-	-	-	6,825	6,825		
Office supplies and other	-	-	6,000	800	10,286	17,086		
Occupancy	-	-	1,425	-	12,373	13,798		
Payroll taxes	-	-	-	-	11,447	11,447		
Postage and shipping	-	-	-	-	1,225	1,225		
Telephone	-	-	472	-	5,890	6,362		
Travel and local transportation	-	-	-	-	293	293		
Fund raising expense	-	-	-	-	28,285	28,285		
Depreciation and amortization	-	-	48	-	-	48		
Interest	-	-	397	-	192	589		
Total expenses	8,872	5,435	11,020	7,573	433,334	466,234		
Increase (decrease) in net assets	\$ 2,628	\$ 3,065	\$ 120,915	\$ (3,323)	\$ (170,455)	\$ (47,170)		

Note 1: Specific assistance to individuals is allocated @ 100% on the Patient Services spreadsheet

CANCER ASSOCIATION OF GREATER NEW ORLEANS, INC.
COMBINING STATEMENT OF ACTIVITIES AND FUNCTIONAL EXPENSES (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2018

	TOTAL PROGRAM SERVICES					
	Cancer Association of St. Charles	Cancer Association of St. John	Cancer Association of Baton Rouge Area	Cancer Association of South Louisiana	Cancer Association of Southeast Louisiana	Combined
Net assets without donor restrictions						
Contributions	\$ -	\$ -	\$ 38,935	\$ -	\$ 41,187	\$ 80,122
Combined Federal Campaign	-	-	-	-	11,435	11,435
Other	-	-	-	-	8,536	8,536
Legacies and endowments	-	-	-	-	16,306	16,306
Special events	-	-	-	-	84,613	84,613
Grants	-	-	-	-	29,704	29,704
United Way designation	-	-	-	-	28,150	28,150
United Way allocation	-	-	-	-	-	-
Realized/unrealized loss on investments	-	-	-	-	(73,155)	(73,155)
Interest, dividends, royalties	-	-	-	-	5,938	5,938
Total net assets without donor restrictions	\$ -	\$ -	\$ 38,935	\$ -	\$ 152,714	\$ 191,649
Net assets with donor restrictions						
Grants	-	-	93,000	-	175,885	268,885
United Way designation and allocation	23,000	17,000	-	8,500	-	48,500
Total net assets with donor restrictions	\$ 23,000	\$ 17,000	\$ 93,000	\$ 8,500	\$ 175,885	\$ 317,385
Total net assets	\$ 23,000	\$ 17,000	\$ 131,935	\$ 8,500	\$ 328,599	\$ 509,034
Expenses						
Salaries	\$ -	\$ -	\$ -	\$ -	\$ 157,402	\$ 157,402
Printing and publications	-	-	-	-	2,783	2,783
Specific assistance to individuals	8,872	5,435	2,678	6,773	209,248	233,006
Employee benefits	-	-	-	-	12,525	12,525
Professional fees	-	-	-	-	7,875	7,875
Office supplies and other	-	-	6,000	800	11,868	18,668
Occupancy	-	-	1,425	-	14,277	15,702
Payroll taxes	-	-	-	-	13,208	13,208
Postage and shipping	-	-	-	-	1,413	1,413
Telephone	-	-	472	-	6,796	7,268
Travel and local transportation	-	-	-	-	338	338
Fund raising expense	-	-	-	-	32,637	32,637
Depreciation and amortization	-	-	48	-	-	48
Interest	-	-	397	-	222	619
Total expenses	8,872	5,435	11,020	7,573	470,592	503,492
Increase (decrease) in net assets	\$ 14,128	\$ 11,565	\$ 120,915	\$ 927	\$ (141,993)	\$ 5,542

Schedule 1 (Continued)

CANCER ASSOCIATION OF GREATER NEW ORLEANS, INC.
COMBINING STATEMENT OF ACTIVITIES AND FUNCTIONAL EXPENSES (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2018

	SUPPORT SERVICES					
	Cancer Association of St. Charles	Cancer Association of St. John	Cancer Association of South Louisiana	Cancer Association Southeast Louisiana	Combined	
Net assets without donor restrictions						
Contributions	\$ -	\$ -	\$ -	\$ -	\$ -	-
Combined Federal Campaign	-	-	-	-	-	-
Other	-	-	-	-	-	-
Legacies and endowments	-	-	-	34,227	34,227	34,227
Special events	-	-	-	-	-	-
Grants	-	-	-	-	-	-
United Way designation	-	-	-	-	-	-
United Way allocation	-	-	-	-	-	-
Realized/unrealized loss on investments	-	-	-	-	-	-
Interest, dividends, royalties	-	-	-	-	-	-
Total net assets without donor restrictions	\$ -	\$ -	\$ -	\$ 34,227	\$ 34,227	\$ 34,227
Net assets with donor restrictions						
United Way designation and allocation	-	-	-	-	75,169	75,169
Total net assets with donor restrictions	-	-	-	-	75,169	75,169
Total net assets	\$ -	\$ -	\$ -	\$ 34,227	\$ 109,396	\$ 109,396
Expenses						
Salaries	\$ -	\$ -	\$ -	\$ 52,467	\$ 52,467	\$ 52,467
Printing and publications	-	-	-	-	-	-
Specific assistance to individuals	-	-	-	-	-	-
Employee benefits	-	-	-	4,175	4,175	4,175
Professional fees	-	-	-	2,625	2,625	2,625
Office supplies and other	-	-	-	3,956	3,956	3,956
Occupancy	-	-	-	4,759	4,759	4,759
Payroll taxes	-	-	-	4,403	4,403	4,403
Postage and shipping	-	-	-	471	471	471
Telephone	-	-	-	2,266	2,266	2,266
Travel and local transportation	-	-	-	113	113	113
Fund raising expense	-	-	-	10,879	10,879	10,879
Depreciation and amortization	-	-	-	-	-	-
Interest	-	-	-	74	74	74
Total expenses	-	-	-	86,186	86,186	86,186
Increase (decrease) in net assets	\$ -	\$ -	\$ -	\$ 23,210	\$ 23,210	\$ 23,210

CANCER ASSOCIATION OF GREATER NEW ORLEANS, INC.
COMBINING STATEMENT OF ACTIVITIES AND FUNCTIONAL EXPENSES (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2018

	TOTAL SERVICES				
	Cancer Association of St. Charles	Cancer Association of St. John	Cancer Association of South Louisiana	Baton Rouge Area	Cancer Association Southeast Louisiana
	St. Charles	St. John	South Louisiana	Area	Combined
Net assets without donor restrictions					
Contributions	\$ -	\$ -	\$ -	\$ 38,935	\$ 41,187
Combined Federal Campaign	-	-	-	-	\$ 80,122
Other	-	-	-	-	11,435
Legacies and endowments	-	-	-	-	42,763
Special events	-	-	-	-	16,306
Grants	-	-	-	-	84,613
United Way designation	-	-	-	-	29,704
Realized/unrealized loss on investments	-	-	-	-	28,150
Interest, dividends, royalties	-	-	-	-	(73,155)
Total net assets without donor restrictions	\$ -	\$ -	\$ -	\$ 38,935	\$ 186,941
					\$ 5,938
					\$ 225,876
Net assets with donor restrictions					
Grants	-	-	-	93,000	175,885
United Way designation and allocation	23,000	17,000	8,500	-	75,169
Total net assets with donor restrictions	\$ 23,000	\$ 17,000	\$ 8,500	\$ 93,000	\$ 251,054
					\$ 392,554
Total net assets	\$ 23,000	\$ 17,000	\$ 8,500	\$ 131,935	\$ 437,995
					\$ 618,430
Expenses					
Salaries	\$ -	\$ -	\$ -	\$ -	\$ 209,869
Printing and publications	-	-	-	-	2,783
Specific assistance to individuals	8,872	5,435	6,773	2,678	209,248
Employee benefits	-	-	-	-	16,700
Professional fees	-	-	-	-	10,500
Office supplies and other	-	-	800	6,000	15,824
Occupancy	-	-	-	1,425	19,036
Payroll taxes	-	-	-	-	17,610
Postage and shipping	-	-	-	-	1,884
Telephone, Telecommunications, IT expenses	-	-	-	472	9,062
Travel and local transportation	-	-	-	-	450
Fund raising expense	-	-	-	-	43,515
Depreciation and amortization	-	-	-	-	48
Interest and Fees	-	-	-	397	295
Total expenses	8,872	5,435	7,573	11,020	556,776
	\$ 14,128	\$ 11,565	\$ 927	\$ 120,915	\$ (118,781)
Increase (decrease) in net assets					\$ 28,754

CANCER ASSOCIATION OF GREATER NEW ORLEANS

(a segment of the Cancer Association of Greater New Orleans, Inc. includes Washington and Tangipahoa parishes)

UNITED WAY BUDGET FORM 3 FORMAT

for the period from July 1, 2017 through June 30, 2018

	Supporting Services			Program Services		
	Agency Total	Management and General	Total	Education	Patient Services	
Revenue:						
4200 Board Generated Self Support	\$ 297,536	\$ -	\$ 297,536	\$ 59,507	\$ 238,029	
4201 Client Generated Self Support	103,285	103,285	-	-	-	
6700 Other Revenue	400,821	103,285	297,536	59,507	238,029	
4702 UNITED WAY Designation	24,312	-	24,312	4,862	19,450	
4703 CFC Designation	3,173	-	3,173	635	2,538	
4704 Other United Way Funding	5,396	-	5,396	1,079	4,317	
	433,702	103,285	330,417	66,083	264,334	
4701 UNITED WAY Allocation	70,000	-	70,000	-	70,000	
Total revenues	503,702	103,285	400,417	66,083	334,334	
Expenses:						
7000 Salaries	216,512	54,128	162,384	21,651	140,733	
7100 Benefits	25,883	6,471	19,412	2,588	16,824	
7200 Taxes	10,153	2,538	7,615	1,015	6,599	
8400 Occupancy Expense	17,198	4,300	12,899	1,720	11,179	
8700 Travel and Transportation Expense	226	56	169	23	147	
8100 Office Supplies	2,152	538	1,614	215	1,399	
8600 Printing	1,137	284	853	114	739	
8900 Direct Assistance to Individuals	207,656	-	207,656	-	207,656	
9400 Other	40,001	10,000	30,001	4,000	26,001	
9402 Board Generated Self Support	15,738	3,935	11,804	1,574	10,230	
Grand Total Expenses	536,656	82,250	454,407	32,900	421,506	
Net Difference	\$ (32,954)	\$ 21,035	\$ (53,990)	\$ 33,183	\$ (87,172)	

Expense Analysis:

Total Direct Program Expenses	\$ 32,900	\$ 421,506
Percent of Total Program Expenses	7%	93%
Distribution of M&G Expenses	\$ 20,563	\$ 61,688
Grand total Program Expenses	\$ 53,463	\$ 483,194
Actual Unduplicated People Served	7,500	477
Cost per Person	\$ 7	\$ 1,013