



FINANCIAL STATEMENTS AND REPORT OF
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

CANCER SERVICES OF DELAWARE COUNTY, INC.

DECEMBER 31, 2007 and 2006

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Report of Independent Certified Public Accountants

Board of Directors
Cancer Services of Delaware County, Inc.

We have audited the accompanying statements of financial position of Cancer Services of Delaware County, Inc. (a nonprofit organization) as of December 31, 2007 and 2006, and the related statements of activities, cash flows and functional expenses for the years then ended. These financial statements are the responsibility of the management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Cancer Services of Delaware County, Inc. as of December 31, 2007 and 2006, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Estep Burkey Simmons, LLC

Muncie, Indiana
November 13, 2008

Cancer Services of Delaware County, Inc.
 STATEMENTS OF FINANCIAL POSITION
 December 31,

	2007	2006
ASSETS		
CURRENT ASSETS		
Cash	\$ 186,022	\$ 162,344
Unconditional promises to give	43,018	52,487
Accounts receivable	60	60
Inventories	137	137
	229,237	215,028
Total current assets		
PROPERTY, BUILDING & EQUIPMENT, net of accumulated depreciation	57,716	62,697
INVESTMENTS	276,959	244,451
	\$ 563,912	\$ 522,176
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 471	\$ 1,983
Accrued salaries and wages	2,084	2,039
Accrued and withheld payroll taxes	3,725	3,220
	6,280	7,242
Total current liabilities		
NET ASSETS		
Unrestricted	327,165	291,144
Temporarily restricted	80,117	73,440
Permanently restricted	150,350	150,350
	557,632	514,934
	\$ 563,912	\$ 522,176

The accompanying notes are an integral part of these statements.

Cancer Services of Delaware County, Inc.

STATEMENTS OF ACTIVITIES

Year Ended December 31,

2007

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support and revenue				
United Way	\$ 28,638	\$ 20,768		\$ 49,406
Grants	20,824	44,500		65,324
Contributions	138,313			138,313
Special events	41,336			41,336
Investment income	16,668		\$ 1,943	18,611
Realized gains (losses) on investments	2,261		2,528	4,789
Unrealized gains (losses) on investments	(11,252)		(4,471)	(15,723)
Miscellaneous	225			225
	237,013	65,268		302,281
Net assets released from restrictions				
Expiration of time restrictions	36,591	(36,591)		
Satisfaction of usage restrictions	22,000	(22,000)		
	58,591	(58,591)		
Expenses				
Special events direct expenses	16,778			16,778
Program services	208,614			208,614
Management and general	25,106			25,106
Fundraising	9,085			9,085
	259,583			259,583
INCREASE (DECREASE) IN NET ASSETS	36,021	6,677		42,698
Net assets at beginning of year	291,144	73,440	150,350	514,934
Net assets at end of year	\$ 327,165	\$ 80,117	\$ 150,350	\$ 557,632

The accompanying notes are an integral part of these statements.

2006

Unrestricted	Temporarily Restricted	Permanently Restricted	Total
\$ 27,993	\$ 22,000		\$ 49,993
56,442	30,487		86,929
130,709			130,709
37,153			37,153
10,850		\$ 2,864	13,714
(3)		6,857	6,854
12,719		(2,368)	10,351
125			125
<u>275,988</u>	<u>52,487</u>	<u>7,353</u>	<u>335,828</u>
21,498	(21,498)		
37,776	(37,776)		
<u>59,274</u>	<u>(59,274)</u>		
14,955			14,955
198,453			198,453
31,256			31,256
8,060			8,060
<u>252,724</u>			<u>252,724</u>
82,538	(6,787)	7,353	83,104
208,606	80,227	142,997	431,830
<u>\$ 291,144</u>	<u>\$ 73,440</u>	<u>\$ 150,350</u>	<u>\$ 514,934</u>

Cancer Services of Delaware County, Inc.

STATEMENTS OF CASH FLOWS

Year Ended December 31,

	2007	2006
Cash flows from operating activities:		
Increase in net assets	\$ 42,698	\$ 83,104
Adjustments to reconcile changes in net assets to net cash used in operating activities:		
Depreciation	4,980	5,032
Realized gains on investments	(4,789)	(6,854)
Unrealized (gains) losses on investments	15,723	(10,351)
(Increase) decrease in assets:		
Unconditional promises to give	9,469	(7,294)
Accounts receivable		1,308
Increase (decrease) in liabilities:		
Accounts payable	(1,512)	(2,642)
Accrued salaries and wages	45	85
Accrued and withheld payroll taxes	(175)	396
Grants payable		(13,560)
Total adjustments	<u>23,741</u>	<u>(33,880)</u>
Net cash provided by operating activities	66,439	49,224
Cash flows from investing activities:		
Capital expenditures		(271)
Net change in investments	(42,761)	(27,755)
Net cash used in investing activities	<u>(42,761)</u>	<u>(28,026)</u>
Net increase in cash and cash equivalents	23,678	21,198
Cash and cash equivalents at beginning of year	<u>162,344</u>	<u>141,146</u>
Cash and cash equivalents at end of year	<u><u>\$ 186,022</u></u>	<u><u>\$ 162,344</u></u>

The accompanying notes are an integral part of these statements.

Cancer Services of Delaware County, Inc.

STATEMENTS OF FUNCTIONAL EXPENSES

Year Ended December 31,

2007

	Program	Management & General	Fundraising	Total
Salaries	\$ 86,127	\$ 17,225	\$ 4,306	\$ 107,659
Payroll taxes	6,536	1,307	327	8,171
Employee benefits	4,005	801	200	5,006
Professional fees	3,620	905		4,525
Contract labor		480		480
Office supplies	701	175		877
Telephone	2,205	245		2,450
Postage	2,220	185	4	2,408
Occupancy	4,737	1,169		5,906
Repairs and maintenance	1,411	353		1,763
Equipment rental and maintenance	1,648	409		2,056
Insurance	1,244	202		1,446
Client services	30,426			30,426
Reaching out	40,991			40,991
Printing and publications	13,273	177	4,247	17,698
Travel	293	33		326
Conferences and meetings	2,683	159		2,842
Membership dues	244	27		272
Miscellaneous	2,266	259		2,525
	204,630	24,110	9,085	237,825
Total expenses before depreciation				
Depreciation	3,984	996		4,980
	\$ 208,614	\$ 25,106	\$ 9,085	\$ 242,805

The accompanying notes are an integral part of these statements.

2006

Program	Management & General	Fundraising	Total
\$ 85,446	\$ 17,089	\$ 4,272	\$ 106,807
6,531	1,225	408	8,164
3,664	724	136	4,524
5,134	1,284		6,418
740	185		925
2,111	235		2,346
1,985	221		2,206
5,170	1,293		6,463
1,090	273		1,363
1,642	411		2,053
1,650	413		2,063
29,173			29,173
37,283			37,283
6,122	6,153	3,244	15,519
1,481	165		1,646
2,132	237		2,369
276	31		307
2,797	311		3,108
194,427	30,250	8,060	232,737
4,026	1,006		5,032
<u>\$ 198,453</u>	<u>\$ 31,256</u>	<u>\$ 8,060</u>	<u>\$ 237,769</u>

Cancer Services of Delaware County, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2007 and 2006

NOTE A - SUMMARY OF ACCOUNTING POLICIES

1. Organization

Cancer Services of Delaware County, Inc. is a nonprofit organization committed to help patients and families experiencing cancer to live longer, better and more fulfilling lives. The organization strives to help reduce the incidence of cancer and promote early detection through education and research. Financial support for these services consists of grants and donations from private and public organizations or individuals. The organization is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code.

2. Basis of Accounting

The accounting records of the organization are maintained on the accrual basis of accounting.

3. Functional Expenses

Certain expenses not directly chargeable to a program have been allocated among the programs and supporting services benefited.

4. Cash and Cash Equivalents

The organization maintains its cash in accounts at local financial institutions which are insured by agencies of the U.S. Government. For purposes of the statement of cash flows, the organization considers all unrestricted, highly liquid investments with an initial maturity of three months or less to be cash equivalents.

5. Accounts Receivable

The organization considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to operations when that determination is made.

6. Inventories

Inventories consist of donated used medical supplies and equipment accounted for using the lower of fair value at date of donation or market.

7. Property, Building and Equipment

Property, building and equipment owned by the organization are recorded at cost less accumulated depreciation. Depreciation is computed by the straight-line method over the useful class lives of the assets, ranging from three to thirty-nine years.

Expenditures for maintenance, repair and minor renewals are charged to income as incurred. Additions and major renewals are capitalized. The cost and related accumulated depreciation of assets sold or otherwise disposed of are removed from the accounts. Any gain or loss is credited or charged to income.

Cancer Services of Delaware County, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2007 and 2006

NOTE A - SUMMARY OF ACCOUNTING POLICIES - Continued

8. Investments

Investments are recorded at their fair value in accordance with *Statement of Financial Accounting Standards No. 124*.

9. 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 financial 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. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

10. Contributed Services

During the years ended December 31, 2007 and 2006, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded.

11. Compensated Absences

All employees are entitled to paid vacations, depending on length of service. The accumulation of vacation days is allowed up to a maximum of 25 days per year. Employees other than full-time employees accrue vacation days on a pro-rated basis. Full-time employees accrue one sick day a month and may accumulate up to 30 days.

12. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE B - UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give consist of the following at December 31,

	<u>2007</u>	<u>2006</u>
United Way funding	\$ 20,768	\$ 22,000
Susan G. Komen Breast Cancer Foundation grant	<u>22,250</u>	<u>30,487</u>
	<u>\$43,018</u>	<u>\$52,487</u>

The amounts due from funding sources at December 31, 2007 and 2006 are payable within one year. Uncollectible promises are expected to be insignificant.

Cancer Services of Delaware County, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2007 and 2006

NOTE C - PROPERTY, BUILDING AND EQUIPMENT

The amounts of fixed assets, net of depreciation, consist of the following at December 31,

	<u>2007</u>	<u>2006</u>
Land	\$ 2,320	\$ 2,320
Buildings and improvements	90,971	90,971
Furniture and equipment	41,690	41,690
	<u>134,981</u>	<u>134,981</u>
Less accumulated depreciation	<u>77,265</u>	<u>72,284</u>
	<u>\$ 57,716</u>	<u>\$ 62,697</u>

NOTE D - INVESTMENTS

The following is an analysis of the cost and market value at December 31, 2007 and 2006 by type of investment. The investments are held in uninsured trust accounts

	<u>2007</u>		
	<u>Cost</u>	<u>Unrealized Gains (Losses)</u>	<u>Market Value</u>
Stocks	\$ 73,982	\$ 8,002	\$ 81,984
Preferred/fixed rate securities	100,779	(10,017)	90,762
Mutual funds	89,316	14,897	104,213
	<u>\$264,077</u>	<u>\$12,882</u>	<u>\$276,959</u>
	<u>2006</u>		
	<u>Cost</u>	<u>Unrealized Gains (Losses)</u>	<u>Market Value</u>
Stocks	\$ 72,757	\$ 9,445	\$ 82,202
Preferred/fixed rate securities	60,916	(276)	60,640
Mutual funds	96,026	5,583	101,609
	<u>\$229,699</u>	<u>\$14,752</u>	<u>\$244,451</u>

The following schedule summarizes the investment return and its classification in the statement of activities for the years ended December 31, 2007 and 2006.

	<u>2007</u>		<u>2006</u>	
	<u>Unrestricted</u>	<u>Permanently Restricted</u>	<u>Unrestricted</u>	<u>Permanently Restricted</u>
Investment income	\$ 16,668	\$ 1,943	\$ 10,850	\$ 2,864
Realized gains (losses)	2,261	2,528	(3)	6,857
Unrealized gains (losses)	(11,252)	(4,471)	12,719	(2,368)
	<u>\$ 7,677</u>	<u>\$ -0-</u>	<u>\$ 23,566</u>	<u>\$ 7,353</u>

Cancer Services of Delaware County, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2007 and 2006

NOTE E - EMPLOYEE BENEFIT PLAN

Eligible employees may participate in the organization's employee contributory 403(b) retirement plan. Matching contributions are made at the organization's discretion. During the years ended December 31, 2007 and 2006, the organization made no contributions to the plan.

NOTE F - NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors during 2007 and 2006.

	<u>2007</u>	<u>2006</u>
Time restrictions expired:		
United Way funding	\$22,000	\$ 21,498
Purpose restrictions accomplished:		
Reaching out program	30,487	28,396
Prosthesis clothing		306
Client therapy	<u>6,104</u>	<u>9,074</u>
	<u>\$58,591</u>	<u>\$59,274</u>

NOTE G - UNRESTRICTED NET ASSETS

Unrestricted net assets consist of the following.

	<u>2007</u>	<u>2006</u>
Cash and cash equivalents	\$186,022	\$ 156,240
Accounts receivable	60	60
Inventories	137	137
Property, building & equipment, net of accumulated depreciation	57,716	62,697
Investments	89,510	79,252
Current liabilities	<u>(6,280)</u>	<u>(7,242)</u>
	<u>\$327,165</u>	<u>\$291,144</u>

NOTE H - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of donations restricted for client therapy or research. They also consist of unconditional promises to give United Way funding for the next fiscal year and grants.

Temporarily restricted net assets are available as follows.

	<u>2007</u>	<u>2006</u>
Troxler Fund - to be used for client therapy	\$ -0-	\$ 6,104
Memorial Fund - to be used for research	14,849	14,849
Unconditional Promises to Give - United Way funding for next fiscal year	20,768	22,000
Reaching Out Program - education, health screenings, and mammograms	<u>44,500</u>	<u>30,487</u>
	<u>\$80,117</u>	<u>\$73,440</u>

Cancer Services of Delaware County, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2007 and 2006

NOTE I - PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted net assets consist of donations restricted to investment in perpetuity, the income from which is expendable for the following purposes as defined by the donor.

	<u>2007</u>	<u>2006</u>
Roy C. Griffith Fund - income available for operating expenses	\$ 91,136	\$ 91,136
Marion Sharpe Memorial Fund - income available for patient services	<u>59,214</u>	<u>59,214</u>
	<u>\$150,350</u>	<u>\$150,350</u>