

TEAM CMMD FOUNDATION

FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND 2016

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Team CMMD Foundation
Exton, PA

We have audited the accompanying financial statements of Team CMMD Foundation (a nonprofit organization), which comprise the statements of financial position as of December 31, 2017 and 2016, and the related statements of activities, 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 of material misstatement.

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

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



Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Team CMMD Foundation as of December 31, 2017 and 2016, and the changes in its net assets, functional expenses and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Lutz & Travers, P.C.
LUTZ & TRAVERS, P.C.

October 1, 2018

TEAM CMMD FOUNDATION
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2017 AND 2016

ASSETS

	<u>2017</u>	<u>2016</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 284,346	\$ 175,317
Prepaid expenses	1,672	907
TOTAL ASSETS	<u>\$ 286,018</u>	<u>\$ 176,224</u>

LIABILITIES AND NET ASSETS

LIABILITIES

Accrued expenses	\$ 1,646	\$ 710
Credit card payable	791	942
Unearned sponsorships	7,725	-
Accrued payroll and related taxes	<u>2,352</u>	<u>2,461</u>
Total Liabilities	<u>12,514</u>	<u>4,113</u>

NET ASSETS

Unrestricted		
Designated by the Board for scholarships	40,000	40,000
Undesignated	227,754	124,595
Total Unrestricted	<u>267,754</u>	<u>164,595</u>
Temporarily restricted	5,750	7,516
Permanently restricted	<u>-</u>	<u>-</u>
Total Net Assets	<u>273,504</u>	<u>172,111</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 286,018</u>	<u>\$ 176,224</u>

See notes to the financial statements

TEAM CMMD FOUNDATION
STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017			2016			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUES, GAINS AND OTHER SUPPORT							
Contributions	\$ 118,535	-	\$ -	\$ 72,953	-	-	\$ 72,953
Major fundraising events							
Food Fight	121,167	-	-	101,324	-	-	101,324
5K Event	80,458	-	-	94,170	-	-	94,170
Broad Street Run	229,870	-	-	33,324	-	-	33,324
Golf Outing	78,228	-	-	-	-	-	-
Other fundraising events	8,595	5,750	14,345	31,596	7,516	-	39,112
Program revenue	22,866	-	-	38,017	-	-	38,017
Store sales (net of cost)	644	-	644	2,632	-	-	2,632
Other income	-	-	-	456	-	-	456
Investment income	81	-	81	-	-	-	-
Net assets released from restrictions	7,516	(7,516)	-	-	-	-	-
TOTAL REVENUES, GAINS AND OTHER SUPPORT	667,960	(1,766)	-	374,472	7,516	-	381,988
EXPENSES							
Program services							
Community events	6,371	-	-	8,001	-	-	8,001
Races	4,933	-	-	27,146	-	-	27,146
Charitable disbursements	393,397	-	-	201,714	-	-	201,714
Supporting Services							
Management and general expenses	60,126	-	-	47,096	-	-	47,096
Fundraising expenses	84,839	-	-	49,663	-	-	49,663
Cost of direct benefit to donors	15,135	-	-	9,829	-	-	9,829
TOTAL EXPENSES	564,801	-	-	343,449	-	-	343,449
CHANGE IN NET ASSETS	103,159	(1,766)	-	31,023	7,516	-	38,539
NET ASSETS - BEGINNING OF YEAR	164,595	7,516	-	133,572	-	-	133,572
NET ASSETS - END OF YEAR	\$ 267,754	\$ 5,750	\$ -	\$ 164,595	\$ 7,516	\$ -	\$ 172,111

See notes to the financial statements

TEAM CMMMD FOUNDATION

STATEMENTS OF FUNCTIONAL EXPENSES

FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	/-----2017-----\				2016 Totals			
	Program Services		Supporting Services					
	Community Events	Races	Charitable Disbursements	Management and General		Fundraising	Direct Benefits to Donors	2017 Totals
Compensation and related expenses								
Compensation	\$ -	\$ -	\$ -	\$ 24,519	\$ -	\$ -	\$ 24,519	\$ 20,673
Payroll taxes	-	-	-	2,385	-	-	2,385	2,865
Awards/prizes	-	-	-	-	-	-	-	5,096
Bank and credit card fees	-	-	-	1,997	9,417	-	11,414	3,926
Dues and memberships	-	-	-	623	-	-	623	-
Printing	-	-	-	-	-	-	-	215
Event Costs								
Fees	938	773	-	-	6,545	10,493	18,749	21,706
Food costs	1,313	-	-	-	1,792	4,642	7,747	10,586
Event promotion	2,857	2,975	-	-	31,882	-	37,714	30,264
Equipment/furniture rental	-	-	-	-	15,797	-	15,797	-
Supplies	1,263	1,185	-	-	14,254	-	16,702	17,996
Transportation	-	-	-	-	5,152	-	5,152	6,530
Insurance - business liability	-	-	-	2,087	-	-	2,087	924
Legal & accounting	-	-	-	15,027	-	-	15,027	11,416
Office supplies	-	-	-	1,605	-	-	1,605	1,586
Licenses	-	-	-	150	-	-	150	460
Marketing	-	-	-	6,607	-	-	6,607	5,338
Miscellaneous	-	-	-	763	-	-	763	1,134
Software	-	-	-	3,098	-	-	3,098	-
Storage	-	-	-	1,265	-	-	1,265	1,020
Family support	-	-	243,247	-	-	-	243,247	161,768
Grants given	-	-	119,150	-	-	-	119,150	23,946
Education grants	-	-	1,000	-	-	-	1,000	1,000
Four year scholarships	-	-	30,000	-	-	-	30,000	15,000
Total Expenses	\$ 6,371	\$ 4,933	\$ 393,397	\$ 60,126	\$ 84,839	\$ 15,135	\$ 564,801	\$ 343,449

See notes to the financial statements

TEAM CMMD FOUNDATION

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 101,393	\$ 38,539
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
(Increase) decrease in:		
Prepaid expenses	(765)	(907)
(Decrease) increase in:		
Accrued expenses	936	(5,611)
Credit card payable	(151)	(8,514)
Unearned sponsorships	7,725	-
Accrued payroll and related taxes	(109)	1,288
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>109,029</u>	<u>24,795</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	109,029	24,795
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>175,317</u>	<u>150,522</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 284,346</u>	<u>\$ 175,317</u>
Supplemental Data:		
Interest paid	<u>\$ -</u>	<u>\$ -</u>
Income taxes paid	<u>\$ -</u>	<u>\$ -</u>

See notes to the financial statements

TEAM CMMD FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND 2016

NOTE 1 NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Team CMMD Foundation (the Foundation) is a not-for-profit charity of volunteers, runners, walkers and cyclists working together for those fighting cancer in our community and beyond. Based in Chester County, PA, the Foundation provides financial assistance, scholarships, gift cards and meals to families dealing with cancer. The Foundation also hosts dedication runs honoring cancer fighters and provides moral support through many community outreach projects.

Financial Statement Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles. Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Contributions of non-cash collectible items are valued at appraised value and recorded in the financial statements. Accordingly, net assets of the Team CMMD Foundation and changes therein are classified and reported as follows:

Unrestricted net assets – Net assets that are not subject to donor-imposed stipulations. Unrestricted net assets may be designated for specific purposes by action of the board of directors or may otherwise be limited by contractual agreements with outside parties.

Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Foundation and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restriction. Temporarily restricted revenues are reported as unrestricted support if the restrictions are met in the reporting period

Permanently restricted net assets – Net assets subject to donor-imposed stipulations that they be maintained permanently by the Association. Currently, the Foundation has no permanently restricted net assets.

Advertising

The Foundation expenses advertising as incurred.

TEAM CMMD FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND 2016

NOTE 1 NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

For purposes of reporting cash flows, cash and cash equivalents includes cash and all short-term investments purchased with a maturity of three months or less when purchased.

Promises to Give

Contributions are recognized when a donor makes a promise to give the Foundation that is, in substance, unconditional. Restricted donations are classified as permanently restricted net assets or temporarily restricted net assets, depending on the nature of the restrictions. After the restrictions of time or use are fulfilled, the assets are reclassified as unrestricted net assets. If the restrictions are fulfilled in the same period the contribution is made, it is considered to be unrestricted support.

The Foundation uses the direct write-off method for bad debt recognition. Generally accepted accounting principles require that the allowance method be used to recognize bad debts; however, the effect of using the direct write-off method is not materially different from the results that would have been obtained under the allowance method.

Income Taxes

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c) (3) of the Internal Revenue Code.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events

Management has evaluated subsequent events through October 1, 2018, the date of this report.

TEAM CMMD FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND 2016

NOTE 2 CONTINGENT LIABILITIES

As stated in Note 1, the Foundation awards four-year scholarships on an annual basis. Scholarship winners are given a \$5,000 initial payment and must maintain a 3.0 grade point average at the completion of each year to receive subsequent payments. Because these payments are contingent on student performance a liability has not been recorded. During 2017 and 2016, scholarship payments totaled \$30,000 and \$15,000, respectively. As of December 31, 2017, potential future scholarships payments for the next five years are as follows:

2018	\$ 30,000
2019	\$ 30,000
2020	\$ 25,000
2021	\$ 20,000
2022	\$ 20,000

NOTE 3 TEMPORARILY RESTRICTED NET ASSETS

At December 31, 2017, there were no permanently restricted net assets. Temporarily restricted assets are the result of fundraisers aimed to assist families dealing with specific types of cancer. At December 31, 2017 and 2016, the balance of the restrictions was \$5,750 and \$7,516, respectively.

NOTE 4 DONATED SERVICES

Certain volunteers contribute their time and expertise to help the Foundation perform its fundraising and operational duties. Total volunteer hours received during 2017 are estimated at 7,500 hours. The economic value of the donated time is not recorded in the financial statements.