

**CANCER ACTION, INC.**

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**FINANCIAL STATEMENTS**

---

**December 31, 2012 and 2011**

# IFFT & CO. PA

## *Certified Public Accountants*

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### **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
Cancer Action, Inc.  
Overland Park, Kansas

We have audited the accompanying financial statements of Cancer Action, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2012 and 2011, 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***

The Organization's 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 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.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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.

*Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Cancer Action, Inc. as of December 31, 2012 and 2011, 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.

*Iff + Co. PA*

May 17, 2013

**CANCER ACTION, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**December 31, 2012 and 2011**

	2012	2011
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 98,336	45,463
Grants receivable	8,080	6,647
Investments	825,505	821,069
Inventories	4,980	6,367
Prepaid expenses	5,316	2,885
TOTAL CURRENT ASSETS	942,217	882,431
 <b>PROPERTY AND EQUIPMENT</b>		
Office equipment	190,885	188,890
Accumulated depreciation and amortization	(180,050)	(170,078)
NET PROPERTY AND EQUIPMENT	10,835	18,812
 <b>SECURITY DEPOSITS</b>		
	10,381	10,381
TOTAL ASSETS	\$ 963,433	911,624
 <b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 7,194	11,082
Accrued expenses	7,368	4,153
Current portion of capital lease obligation	5,477	5,211
TOTAL CURRENT LIABILITIES	20,039	20,446
 <b>CAPITAL LEASE OBLIGATION, less current portion</b>		
	2,665	8,141
TOTAL LIABILITIES	22,704	28,587
 <b>NET ASSETS</b>		
Unrestricted		
Undesignated	43,882	(11,746)
Board-designated	825,509	821,342
	869,391	809,596
Temporarily restricted	71,338	73,441
TOTAL NET ASSETS	940,729	883,037
TOTAL LIABILITIES AND NET ASSETS	\$ 963,433	911,624

The accompanying notes are an integral part of these financial statements.

**CANCER ACTION, INC.**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended December 31, 2012**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Support and revenues			
Memorials and donations	\$ 211,320	-	211,320
Program income	4,816	-	4,816
Special events	33,540	-	33,540
United Way support	51,865	69,627	121,492
Grants	29,800	238,700	268,500
Interest and dividend income	18,772	-	18,772
Unrealized gain on investments	60,901	-	60,901
Realized gain on investments	6,742	-	6,742
Miscellaneous income	9,197	-	9,197
In-kind revenue	44,598	-	44,598
Net assets released from restrictions	310,430	(310,430)	-
Total revenues	<u>781,981</u>	<u>(2,103)</u>	<u>779,878</u>
Expenses			
Patient services	552,349	-	552,349
Volunteer program	32,235	-	32,235
Education program	53,043	-	53,043
Management and general	55,075	-	55,075
Fundraising	29,484	-	29,484
Total expenses	<u>722,186</u>	<u>-</u>	<u>722,186</u>
CHANGE IN NET ASSETS	59,795	(2,103)	57,692
NET ASSETS, BEGINNING OF YEAR	<u>809,596</u>	<u>73,441</u>	<u>883,037</u>
NET ASSETS, END OF YEAR	<u>\$ 869,391</u>	<u>71,338</u>	<u>940,729</u>

The accompanying notes are an integral part of these financial statements.

**CANCER ACTION, INC.**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended December 31, 2011**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Support and revenues			
Memorials and donations	\$ 178,629	-	178,629
Program income	8,112	-	8,112
Special events	31,169	-	31,169
United Way support	50,294	69,627	119,921
Grants	18,500	180,467	198,967
Interest and dividend income	20,757	-	20,757
Unrealized loss on investments	(15,350)	-	(15,350)
Realized loss on investments	(3,271)	-	(3,271)
Miscellaneous income	9,776	-	9,776
In-kind revenue	5,731	-	5,731
Net assets released from restrictions	<u>217,397</u>	<u>(217,397)</u>	<u>-</u>
Total revenues	521,744	32,697	554,441
Expenses			
Patient services	605,050	-	605,050
Volunteer program	35,032	-	35,032
Education program	57,055	-	57,055
Management and general	54,592	-	54,592
Fundraising	<u>31,743</u>	<u>-</u>	<u>31,743</u>
Total expenses	<u>783,472</u>	<u>-</u>	<u>783,472</u>
CHANGE IN NET ASSETS	(261,728)	32,697	(229,031)
NET ASSETS, BEGINNING OF YEAR	<u>1,071,324</u>	<u>40,744</u>	<u>1,112,068</u>
NET ASSETS, END OF YEAR	<u>\$ 809,596</u>	<u>73,441</u>	<u>883,037</u>

The accompanying notes are an integral part of these financial statements.

**CANCER ACTION, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
For the Year Ended December 31, 2012

	Program Services				Supporting Services			Total Program and Supporting Services
	Patient Services	Volunteer Program	Education Program	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Salaries and wages	\$ 228,737	15,249	30,498	274,484	21,449	9,149	30,598	305,082
Employee benefits	19,496	1,300	2,600	23,396	2,041	780	2,821	26,217
Payroll taxes	20,357	1,357	2,714	24,428	1,900	814	2,714	27,142
Total salaries and related expenses	268,590	17,906	35,812	322,308	25,390	10,743	36,133	358,441
Specific assistance to individuals	124,636	230	951	125,817	-	-	-	125,817
Professional fees	20,335	1,356	2,711	24,402	9,302	813	10,115	34,517
Office operations	20,098	1,820	2,754	24,672	5,140	718	5,858	30,530
Occupancy	58,934	3,955	8,044	70,933	5,113	2,253	7,366	78,299
Printing and publications	1,893	945	1,366	4,204	2,425	1,790	4,215	8,419
Agency sponsored meetings	686	733	-	1,419	1,191	-	1,191	2,610
Volunteers banquet	-	4,165	-	4,165	-	-	-	4,165
Equipment and supplies	6,512	-	-	6,512	-	-	-	6,512
Staff training and development	444	-	-	444	560	-	560	1,004
Special events	-	-	-	-	-	12,387	12,387	12,387
Interest expense	-	-	-	-	549	-	549	549
In-kind expense	42,471	382	629	43,482	767	349	1,116	44,598
Miscellaneous	203	272	-	475	3,691	-	3,691	4,166
Total before depreciation and amortization	544,802	31,764	52,267	628,833	54,128	29,053	83,181	712,014
Depreciation and amortization	7,547	471	776	8,794	947	431	1,378	10,172
Total	\$ 552,349	32,235	53,043	637,627	55,075	29,484	84,559	722,186

The accompanying notes are an integral part of these financial statements.

**CANCER ACTION, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**For the Year Ended December 31, 2011**

	Program Services				Supporting Services			Total Program and Supporting Services
	Patient Services	Volunteer Program	Education Program	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Salaries and wages	\$ 259,492	17,299	34,599	311,390	23,819	10,380	34,199	345,589
Employee benefits	20,680	1,359	2,718	24,757	2,093	846	2,939	27,696
Payroll taxes	22,205	1,480	2,961	26,646	2,072	888	2,960	29,606
Total salaries and related expenses	302,377	20,138	40,278	362,793	27,984	12,114	40,098	402,891
Specific assistance to individuals	165,795	324	456	166,575	-	-	-	166,575
Professional fees	22,749	1,517	3,033	27,299	10,100	910	11,010	38,309
Office operations	19,500	1,422	2,447	23,369	3,488	1,141	4,629	27,998
Occupancy	61,445	4,422	8,331	74,198	5,804	2,394	8,198	82,396
Printing and publications	5,759	2,107	940	8,806	249	4,319	4,568	13,374
Agency sponsored meetings	226	526	-	752	1,492	6	1,498	2,250
Volunteers banquet	-	3,583	-	3,583	-	-	-	3,583
Equipment and supplies	8,608	-	-	8,608	-	-	-	8,608
Staff training and development	1,579	-	-	1,579	125	25	150	1,729
Special events	-	-	-	-	-	9,700	9,700	9,700
Interest expense	-	-	-	-	828	-	828	828
In-kind expense	4,370	253	412	5,035	467	229	696	5,731
Miscellaneous	357	29	-	386	2,742	261	3,003	3,389
Total before depreciation and amortization	592,765	34,321	55,897	682,983	53,279	31,099	84,378	767,361
Depreciation and amortization	12,285	711	1,158	14,154	1,313	644	1,957	16,111
Total	\$ 605,050	35,032	57,055	697,137	54,592	31,743	86,335	783,472

The accompanying notes are an integral part of these financial statements.



**CANCER ACTION, INC.**  
**STATEMENTS OF CASH FLOWS**  
**For the Years Ended December 31, 2012 and 2011**

	<u>2012</u>	<u>2011</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 57,692	(229,031)
Adjustments to reconcile change in net assets to net cash used in operating activities		
Depreciation and amortization	10,172	16,111
Unrealized (gain) loss on investments	(60,901)	15,350
Realized (gain) loss on investments	(6,742)	3,271
Gain from sale of office equipment	(310)	-
Changes in operating assets and liabilities		
Grants receivable	(1,433)	(20)
Inventories	1,387	239
Prepaid expenses	(2,431)	828
Accounts payable	(3,888)	(2,631)
Accrued expenses	3,215	(487)
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<u>(3,239)</u>	<u>(196,370)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of investments	(11,793)	(12,994)
Proceeds from sale of investments	75,000	191,000
Purchases of office equipment	(2,195)	(2,540)
Proceeds from sale of office equipment	310	-
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>	<u>61,322</u>	<u>175,466</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments on capital lease obligation	(5,210)	(4,957)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<u>(5,210)</u>	<u>(4,957)</u>
<b>NET CHANGE IN CASH</b>	52,873	(25,861)
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>45,463</u>	<u>71,324</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 98,336</u>	<u>45,463</u>
<b>SUPPLEMENTARY DISCLOSURE OF CASH FLOW INFORMATION</b>		
Cash paid during the year for interest	<u>\$ 549</u>	<u>828</u>

The accompanying notes are an integral part of these financial statements.

**CANCER ACTION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2012 and 2011**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Nature of Business

Cancer Action, Inc. (the Organization) is a not-for-profit organization serving the greater Kansas City metropolitan area. The Organization, founded in 1959, is a caring community of professionals and volunteers dedicated to increase the quality of life for cancer patients and their caregivers, provide direct client services, and promote the education and early detection of cancer.

Basis of Presentation

The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

- Unrestricted net assets – Net assets not subject to donor-imposed restrictions but may be subject to Board designations.
- Temporarily restricted net assets – Net assets subject to donor-imposed restrictions that may or will be met either by actions of the Organization and/or the passage of time.
- Permanently restricted net assets – Net assets restricted to investment in perpetuity. The Organization had no permanently restricted net assets at December 31, 2012 or 2011.

Restricted and Unrestricted Revenue and Support

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. When a restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the accompanying statements of activities as net assets released from restrictions.

Grant Revenues

The Organization receives a significant amount of revenue in the form of grants. The Organization recognizes grant funds as revenue at the time the grant is awarded.

**CANCER ACTION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2012 and 2011**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Description of Programs

Patient Services – Patient services provided by the Organization are free of charge and are available to anyone with a cancer diagnosis in the Kansas City area. Services provided include practical and direct services, financial assistance programs, educational and emotional support, and wellness and survivorship programs.

Volunteer Program – This program coordinates the time and efforts provided by volunteers in performing patient services through the Organization’s offices, in the community, at home, or for special events.

Education Program – This program educates the public on how to reduce their risk of cancer by providing life-saving information on the prevention and early detection of cancer. In addition, this program provides accurate, up-to-date information on cancer related topics for cancer patients and their families.

Cash Equivalents

The Organization considers highly liquid investments purchased with initial maturities of three months or less to be cash equivalents.

Grants Receivable

The Organization’s receivables are due from grants and are recorded at amounts due, net of an allowance for doubtful accounts. Grants receivable are generally due at the donor’s discretion. Grants outstanding beyond the time agreed are considered past due. The Organization determines its allowance by considering a number of factors, including the length of time grants receivable are past due, the Organization’s previous loss history, the grantor’s current ability to pay its obligations to the Organization, and the condition of the general economy as a whole. The Organization writes off receivables when they become uncollectible. At December 31, 2012 and 2011, the Organization considered grants receivable to be fully collectible; accordingly, no allowance for doubtful accounts was recorded.

Inventories

Inventories consist of nutrition supplements and medical equipment and supplies. All inventories are valued at the lower of cost or market, with cost being determined using the first-in, first-out (FIFO) method.

**CANCER ACTION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2012 and 2011**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Property and Equipment

The Organization capitalizes all significant acquisitions of property and equipment, which are recorded at cost. Depreciation and amortization are computed using the straight-line and accelerated methods over the estimated useful lives of the assets. Donated property and equipment are recorded at their estimated fair value on the date of donation.

Expenditures for repairs and maintenance are charged to expense as incurred. Expenditures that materially extend the life of an asset are capitalized.

Income Taxes

The Organization is generally exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision or liability for income taxes has been included in the accompanying financial statements.

The Organization recognizes the financial statement benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more-likely-than not threshold, the amount recognized in the financial statements is the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement with the relevant tax authority.

The Organization is subject to income tax regulations in the U.S. federal jurisdiction and certain state jurisdictions. Tax regulations within each jurisdiction are subject to the interpretation of the related tax laws and regulations and require significant judgment to apply. With few exceptions, the Organization is no longer subject to income tax examinations by the applicable tax authorities for the years before 2009. If any were to be incurred, the Organization's policy is to record penalties and interest assessed by income tax authorities as operating expenses.

In-Kind Contributions

In addition to receiving cash contributions, the Organization receives in-kind contributions of free rent and medical supplies from various donors. It is the policy of the Organization to record the estimated fair value of these in-kind contributions.

Expense Allocation

Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services based on management estimates. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

**CANCER ACTION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2012 and 2011**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Reclassifications

Certain items in the 2011 financial statements have been reclassified to conform with the 2012 presentation. These reclassifications had no effect on the previously reported change in net assets.

Use of Estimates

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the 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

Subsequent events have been evaluated through May 17, 2013, which is the date the financial statements were available to be issued.

NOTE 2 - FAIR VALUE MEASUREMENTS

FASB Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*, establishes a single authoritative definition of fair value, sets a framework for measuring fair value, and requires additional disclosures about fair value measurements. In accordance with ASC 820, the Organization classifies its assets and liabilities into Level 1 (securities valued using quoted market prices from active markets for identical assets), Level 2 (securities not traded on an active market for which observable inputs are readily available), and Level 3 (securities valued based on significant unobservable inputs). Investments are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

The following is a description of the valuation methodologies and inputs for assets and liabilities measured at fair value pursuant to the valuation hierarchy.

- Funds held by two community foundations in pooled investment funds are valued at the net asset value of shares held by the Organization at year-end. These pooled investment funds are invested in money market, equity, and fixed income funds. The fair value of the underlying assets is used to determine the net asset value of the pooled fund, which is not publicly quoted.

**CANCER ACTION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2012 and 2011**

NOTE 2 - FAIR VALUE MEASUREMENTS - Continued

The following tables summarize the valuation of investments measured at fair value on a recurring basis in the accompanying statements of financial position at December 31, 2012 and 2011, including the additional requirement to classify securities by major category, which is defined as the major security type classifications within ASC 820.

<u>Description</u>	<u>Assets at Fair Value as of December 31, 2012</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market pool	\$ -	78,682	-	78,682
Fixed income pool	-	330,971	-	330,971
Equity pool	-	415,852	-	415,852
	<u>\$ -</u>	<u>825,505</u>	<u>-</u>	<u>825,505</u>

<u>Description</u>	<u>Assets at Fair Value as of December 31, 2011</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market pool	\$ -	79,198	-	79,198
Fixed income pool	-	333,842	-	333,842
Equity pool	-	408,029	-	408,029
	<u>\$ -</u>	<u>821,069</u>	<u>-</u>	<u>821,069</u>

Disbursements can be made with authorization by the Board of Directors.

Additional information about investments where fair value is estimated using NAV are as follows:

<u>December 31, 2012</u>	<u>Fair value</u>	<u>Unfunded commitments</u>	<u>Expected liquidation term</u>	<u>Redemption terms</u>	<u>Redemption restrictions</u>
Money market pool	\$ 78,682	None	None	Immediate	None
Fixed income pool	330,971	None	None	Immediate	None
Equity income pool	<u>415,852</u>	None	None	Immediate	None
	<u>\$ 825,505</u>				

<u>December 31, 2011</u>	<u>Fair value</u>	<u>Unfunded commitments</u>	<u>Expected liquidation term</u>	<u>Redemption terms</u>	<u>Redemption restrictions</u>
Money market pool	\$ 79,198	None	None	Immediate	None
Fixed income pool	333,842	None	None	Immediate	None
Equity income pool	<u>408,029</u>	None	None	Immediate	None
	<u>\$ 821,069</u>				

**CANCER ACTION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2012 and 2011**

**NOTE 3 - CAPITAL LEASE**

Property and equipment included the following asset under a capital lease at December 31, 2012 and 2011:

	<u>2012</u>	<u>2011</u>
Equipment	\$ 26,521	26,521
Accumulated amortization	<u>(19,890)</u>	<u>(14,586)</u>
	<u>\$ 6,631</u>	<u>11,935</u>

Amortization expense for both years ended December 31, 2012 and 2011 was \$5,304.

Future minimum lease payments required under the capital lease are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2013	\$ 5,760
2014	<u>2,702</u>
Future minimum lease payments	8,462
Less amount representing interest	<u>320</u>
	8,142
Less current maturities	<u>5,477</u>
	<u>\$ 2,665</u>

**NOTE 4 - UNRESTRICTED DESIGNATED NET ASSETS**

Unrestricted net assets designated by the Board of Directors are set aside as a reserve fund and are available to fund Organization expenses approved by the Board of Directors.

**NOTE 5 - TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets of \$71,338 and \$73,441 were restricted for the patient services program at December 31, 2012 and 2011, respectively.

**NOTE 6 - OPERATING LEASES**

The Organization leases its headquarters and branch offices under non-cancelable operating lease agreements that expire at various dates through December 2014. Total rent expense (excluding in-kind rent discussed in Note 8) for the years ended December 31, 2012 and 2011 was \$70,740 and \$74,520, respectively, and was included in occupancy expenses in the accompanying statements of functional expenses.

**CANCER ACTION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2012 and 2011**

NOTE 6 - OPERATING LEASES - Continued

Future minimum rental payments required under these operating leases are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2013	\$ 70,250
2014	<u>30,958</u>
	<u>\$ 101,208</u>

NOTE 7 - RENTAL INCOME

The Organization subleases a portion of its office space at its headquarters to an unrelated third party through February 2013. Rental income for the years ended December 31, 2012 and 2011 was \$7,440 and \$7,000, respectively, and was included in miscellaneous income in the accompanying statements of activities. Future minimum rental payments to be received under this sublease total \$1,240.

NOTE 8 - IN-KIND REVENUE

In-kind revenue consisted of the following for the years ended December 31:

	<u>2012</u>	<u>2011</u>
Rent	\$ 8,244	5,731
Prosthetics and medical supplies	<u>36,354</u>	<u>-</u>
	<u>\$ 44,598</u>	<u>5,731</u>

NOTE 9 - RETIREMENT PLAN

The Organization sponsors a prototype 401(k) plan for the benefit of all employees at least age twenty-one with one year of service. Participants may defer a portion of their salary up to the maximum allowed by law as a contribution to the plan. The Organization may also elect to contribute a discretionary amount as determined by the Board of Directors on an annual basis. Contributions to the plan were \$6,370 and \$1,232 for the years ended December 31, 2012 and 2011, respectively.



**CANCER ACTION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2012 and 2011**

**NOTE 10 - CONCENTRATIONS OF RISK**

The Organization invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying statements of financial position.

During the years ended December 31, 2012 and 2011, the Organization received money from several donors as funding for its programs. During the years ended December 31, 2012 and 2011, funding from three significant donors represented approximately 40% and 48%, respectively, of the Organization's total support and revenue and accounted for 97% and 100%, respectively, of grants receivable at December 31, 2012 and 2011. A significant donor is defined as any donor that accounts for 10% or more of total support and revenues.

Additionally, at December 31, 2012 and 2011, the Organization had cash equivalents of \$4 and \$272, respectively, in a money market fund account not covered by the Federal Deposit Insurance Corporation.