

Cancer Support Community and Subsidiary

Consolidated Financial Statements

December 31, 2015 and 2014

With Independent Auditors' Report

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Cancer Support Community and Subsidiary:

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Cancer Support Community (a not-for-profit organization) and Subsidiary which comprise the consolidated statements of financial position as of December 31, 2015 and 2014, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated 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 audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

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

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Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Cancer Support Community and Subsidiary as of December 31, 2015 and 2014, and the changes in its consolidated net assets and its consolidated cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Clark, Schaefer, Hackett & Co.

Cincinnati, Ohio
July 12, 2016

Cancer Support Community and Subsidiary
Consolidated Statements of Financial Position
December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Assets		
Cash and cash equivalents	\$ 5,532,407	6,392,110
Accounts receivable	1,027,360	1,268,547
Contributions receivable	2,841	40,591
Prepaid expenses	83,127	130,053
Inventory	10,324	12,358
Investments	1,749,436	-
Property and equipment - net	1,546,994	1,235,760
Intangible assets - net	2,064	3,602
Deposits	<u>67,151</u>	<u>46,373</u>
Total assets	<u>\$ 10,021,704</u>	<u>9,129,394</u>
 Liabilities and Net Assets		
Liabilities:		
Accounts payable	\$ 281,940	230,673
Accrued expenses	99,450	84,895
Donation payables	2,353	3,160
Deferred revenue	44,417	18,000
Other liabilities	<u>89,415</u>	<u>60,870</u>
Total liabilities	<u>517,575</u>	<u>397,598</u>
 Net assets:		
Unrestricted - controlling interest	4,155,395	1,972,076
Unrestricted - noncontrolling interest in PPS	<u>(13,048)</u>	<u>(9,999)</u>
Unrestricted	4,142,347	1,962,077
Temporarily restricted	5,351,782	6,759,719
Permanently restricted	<u>10,000</u>	<u>10,000</u>
Total net assets	<u>9,504,129</u>	<u>8,731,796</u>
Total liabilities and net assets	<u>\$ 10,021,704</u>	<u>9,129,394</u>

See accompanying notes to the consolidated financial statements.

Cancer Support Community and Subsidiary
Consolidated Statement of Activities
Year Ended December 31, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Revenues and other support:				
Development income	\$ 610,137	-	-	610,137
Interest income	64,066	-	-	64,066
Unrealized loss of investments	(116,483)	-	-	(116,483)
Service delivery:				
Program	591,350	693,421	-	1,284,771
Research and training	334,277	1,267,316	-	1,601,593
Events and special initiatives	729,020	-	-	729,020
Less direct expenses	(197,383)	-	-	(197,383)
Education/Outreach	510,709	870,809	-	1,381,518
Policy/Advocacy	284,533	972,527	-	1,257,060
Affiliate activities	746,553	-	-	746,553
Communications	50,000	-	-	50,000
In-kind revenue	98,580	-	-	98,580
Miscellaneous income	66,331	-	-	66,331
PPS sales, net of direct costs of \$22,378	247,455	-	-	247,455
Net assets released from restriction	<u>5,212,010</u>	<u>(5,212,010)</u>	<u>-</u>	<u>-</u>
Total revenues and support	<u>9,231,155</u>	<u>(1,407,937)</u>	<u>-</u>	<u>7,823,218</u>
Expenses:				
Program services	6,006,349	-	-	6,006,349
Management and general	402,788	-	-	402,788
Fundraising	326,545	-	-	326,545
Operating expenses: PPS	<u>315,203</u>	<u>-</u>	<u>-</u>	<u>315,203</u>
Total expenses	<u>7,050,885</u>	<u>-</u>	<u>-</u>	<u>7,050,885</u>
Change in net assets	2,180,270	(1,407,937)	-	772,333
Net assets at beginning of year	<u>1,962,077</u>	<u>6,759,719</u>	<u>10,000</u>	<u>8,731,796</u>
Net assets at end of year	<u>\$ 4,142,347</u>	<u>5,351,782</u>	<u>10,000</u>	<u>9,504,129</u>

See accompanying notes to the consolidated financial statements.

Cancer Support Community and Subsidiary
Consolidated Statement of Activities
Year Ended December 31, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Revenues and other support:				
Development income	\$ 355,950	-	-	355,950
Interest income	7,562	-	-	7,562
Service delivery:				
Program	597,788	801,859	-	1,399,647
Research and training	80,455	1,427,568	-	1,508,023
Events and special initiatives	302,179	365,000	-	667,179
Less direct expenses	(227,766)	-	-	(227,766)
Education/Outreach	58,428	860,853	-	919,281
Policy/Advocacy	-	1,426,552	-	1,426,552
Special purpose funds	114,557	-	-	114,557
Affiliate activities	576,379	-	-	576,379
In-kind revenue	59,575	-	-	59,575
Miscellaneous income	72,074	-	-	72,074
PPS sales, net of direct costs of \$24,756	61,771	-	-	61,771
Net assets released from restriction	<u>2,574,513</u>	<u>(2,574,513)</u>	<u>-</u>	<u>-</u>
Total revenues and support	<u>4,633,465</u>	<u>2,307,319</u>	<u>-</u>	<u>6,940,784</u>
Expenses:				
Program services	5,047,703	-	-	5,047,703
Management and general	354,782	-	-	354,782
Fundraising	296,240	-	-	296,240
Operating expenses: PPS	<u>282,369</u>	<u>-</u>	<u>-</u>	<u>282,369</u>
Total expenses	<u>5,981,094</u>	<u>-</u>	<u>-</u>	<u>5,981,094</u>
Change in net assets before sale of preferred stock	(1,347,629)	2,307,319	-	959,690
Sale of preferred stock of PPS to noncontrolling stockholder	<u>100,000</u>	<u>-</u>	<u>-</u>	<u>100,000</u>
Change in net assets	(1,247,629)	2,307,319	-	1,059,690
Net assets at beginning of year	<u>3,209,706</u>	<u>4,452,400</u>	<u>10,000</u>	<u>7,672,106</u>
Net assets at end of year	<u>\$ 1,962,077</u>	<u>6,759,719</u>	<u>10,000</u>	<u>8,731,796</u>

See accompanying notes to the consolidated financial statements.

Cancer Support Community and Subsidiary
Consolidated Statement of Functional Expenses
Year Ended December 31, 2015

	Program Services	Supporting Services		Operating Expenses: PPS	Total
		Management and General	Fundraising		
Salaries and related expenses:					
Salaries	\$ 2,011,292	177,446	115,329	249,141	2,553,208
Payroll taxes and employee benefits	<u>197,200</u>	17,397	11,308	<u>27,484</u>	<u>253,389</u>
Total salaries and related expenses	<u>2,208,492</u>	<u>194,843</u>	<u>126,637</u>	<u>276,625</u>	<u>2,806,597</u>
Other expenses:					
Office expenses	100,834	8,684	6,272	951	116,741
Grant expenses	995,523	-	-	-	995,523
Conferences and meetings	47,184	17,705	3,593	990	69,472
Consulting	1,066,201	39,678	56,843	675	1,163,397
Research and development	55,148	-	-	-	55,148
Dues and subscriptions	41,767	1,916	32,781	-	76,464
Equipment rental	11,197	964	696	-	12,857
Liability insurance	16,343	1,408	1,017	14,757	33,525
Travel	212,048	15,156	37,423	2,740	267,367
Marketing and recruiting	13,024	696	3,256	-	16,976
Postage and delivery	49,052	5,318	3,146	42	57,558
Printing and publications	108,012	7,208	-	-	115,220
Affiliate	246,585	-	-	-	246,585
Occupancy	411,161	35,410	25,575	7,900	480,046
Professional fees	109,110	19,925	14,417	3,857	147,309
Miscellaneous	6,646	30,340	6,061	4,551	47,598
In-kind expenses	98,580	-	-	-	98,580
CSC on-line	<u>124,069</u>	<u>14,100</u>	<u>2,819</u>	<u>-</u>	<u>140,988</u>
Total other expenses	<u>3,712,484</u>	<u>198,508</u>	<u>193,899</u>	<u>36,463</u>	<u>4,141,354</u>
Total expenses before depreciation and amortization	5,920,976	393,351	320,536	313,088	6,947,951
Depreciation and amortization	<u>85,373</u>	<u>9,437</u>	<u>6,009</u>	<u>2,115</u>	<u>102,934</u>
Total expenses	\$ <u>6,006,349</u>	<u>402,788</u>	<u>326,545</u>	<u>315,203</u>	<u>7,050,885</u>

See accompanying notes to the consolidated financial statements.

Cancer Support Community and Subsidiary
Consolidated Statement of Functional Expenses
Year Ended December 31, 2014

	Program Services	Supporting Services		Operating Expenses: PPS	Total
		Management and General	Fundraising		
Salaries and related expenses:					
Salaries	\$ 1,727,503	152,409	99,056	164,208	2,143,176
Payroll taxes and employee benefits	<u>146,834</u>	<u>12,954</u>	<u>8,420</u>	<u>18,286</u>	<u>186,494</u>
Total salaries and related expenses	<u>1,874,337</u>	<u>165,363</u>	<u>107,476</u>	<u>182,494</u>	<u>2,329,670</u>
Other expenses:					
Office expenses	122,789	10,575	7,638	756	141,758
Grant expenses	415,761	-	-	-	415,761
Conferences and meetings	40,956	15,368	3,119	12,273	71,716
Consulting	1,202,743	44,759	64,122	33,200	1,344,824
Research and development	196,738	-	-	-	196,738
Dues and subscriptions	22,259	1,021	17,470	87	40,837
Equipment rental	10,130	872	630	-	11,632
Liability insurance	15,637	1,347	973	3,000	20,957
Travel	196,252	14,027	34,635	16,557	261,471
Marketing and recruiting	27,136	1,451	6,784	18,840	54,211
Postage and delivery	49,595	5,377	3,181	804	58,957
Printing and publications	62,293	4,157	-	70	66,520
Affiliate	131,835	-	-	-	131,835
Occupancy	382,371	32,931	23,784	5,400	444,486
Professional fees	105,263	19,223	13,909	6,034	144,429
Miscellaneous	5,306	24,222	4,839	2,854	37,221
In-kind expenses	59,575	-	-	-	59,575
CSC on-line	<u>26,011</u>	<u>2,956</u>	<u>591</u>	<u>-</u>	<u>29,558</u>
Total other expenses	<u>3,072,650</u>	<u>178,286</u>	<u>181,675</u>	<u>99,875</u>	<u>3,532,486</u>
Total expenses before depreciation and amortization	4,946,987	343,649	289,151	282,369	5,862,156
Depreciation and amortization	<u>100,716</u>	<u>11,133</u>	<u>7,089</u>	<u>-</u>	<u>118,938</u>
Total expenses	\$ <u>5,047,703</u>	<u>354,782</u>	<u>296,240</u>	<u>282,369</u>	<u>5,981,094</u>

See accompanying notes to the consolidated financial statements.

Cancer Support Community and Subsidiary
Consolidated Statements of Cash Flows
Years Ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Cash flows from operating activities:		
Change in net assets	\$ 772,333	1,059,690
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Bad debt expense	33,645	1,883
Unrealized loss of investments	116,483	-
Depreciation and amortization	102,934	118,938
Sale of preferred stock	-	(100,000)
Effects of change in operating assets and liabilities:		
Accounts receivable	241,187	(136,995)
Contributions receivable	4,105	17,698
Prepaid expenses	46,926	(10,896)
Inventory	2,034	550
Deposits	(20,778)	-
Accounts payable	51,267	114,351
Accrued expenses	14,555	(39,674)
Donations payable	(807)	(19,408)
Deferred revenue	26,417	18,000
Other liabilities	<u>28,545</u>	<u>5,159</u>
Net cash provided by operating activities	<u>1,418,846</u>	<u>1,029,296</u>
Cash flows from investing activities:		
Purchase of investments	(1,865,919)	-
Acquisition of property and equipment	<u>(412,630)</u>	<u>(234,326)</u>
Net cash used by investing activities	<u>(2,278,549)</u>	<u>(234,326)</u>
Cash flows from financing activities:		
Proceeds from sale of preferred stock of PPS	<u>-</u>	<u>100,000</u>
Change in cash and cash equivalents	(859,703)	894,970
Cash and cash equivalents - beginning of year	<u>6,392,110</u>	<u>5,497,140</u>
Cash and cash equivalents - end of year	\$ <u><u>5,532,407</u></u>	<u><u>6,392,110</u></u>

See accompanying notes to the consolidated financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The following accounting principles and practices of Cancer Support Community and Subsidiary (collectively known as "CSC") are set forth to facilitate the understanding of data presented in the consolidated financial statements.

Nature of operations

The mission of the Cancer Support Community is to ensure that all people impacted by cancer are empowered by knowledge, strengthened by action and sustained by community. In 2009, The Wellness Community and Gilda's Club joined forces to become the Cancer Support Community.

As the largest professionally led nonprofit network of cancer support worldwide, the Cancer Support Community (CSC) is dedicated to ensuring that all people impacted by cancer are empowered by knowledge, strengthened by action and sustained by community. CSC achieves its mission through three areas: direct service delivery, research and advocacy. The organization includes an international network of Affiliates that offer the highest quality social and emotional support for people impacted by cancer, as well as a community of support available online and over the phone. The Research and Training Institute conducts cutting-edge psychosocial, behavioral and survivorship research. CSC furthers its focus on patient advocacy through the Cancer Policy Institute, informing public policy in Washington D.C. and across the nation. The Cancer Support Community is advancing the innovations that are becoming the standard in complete cancer care.

Individual gifts, corporate and foundation contributions, and educational grants are the major sources of support for CSC.

Patient Planning Services, Inc. ("PPS") is a majority-owned Texas C-Corp established in 2013 to license a distress screening tool for cancer patients. It was initially funded by a \$100,000 investment by CSC which received that money as a donation. CSC will license the distress tool to PPS which will in turn license to hospitals.

Basis of consolidation

The consolidated financial statements include the accounts of the CSC and PPS. All material inter-entity transactions have been eliminated.

CSC applies the accounting treatment of the majority owner and its relationship with the deficits in the noncontrolling interest. The amount of intercompany profit or loss to be eliminated is not affected by the existence of a noncontrolling interest. The complete elimination of the intercompany profit or loss is consistent with the underlying assumption that consolidated statements represent the financial position and operating results of a single business enterprise. The elimination of the intercompany profit or loss may be allocated proportionately between the majority and noncontrolling interests. FASB requires that ownership interests in subsidiaries held by parties other than the parent to be clearly identified. In addition, it requires that the amount of consolidated excess of revenue over expense attributable to the parent and to the noncontrolling interest be clearly identified and presented on the face of the consolidated statements of activities and changes in net assets. This standard requires the recognition of a noncontrolling interest in the unrestricted net assets in the consolidated statements of financial position separate from unrestricted net assets.

The excess of revenue over expenses attributable to the noncontrolling interest is included in the consolidated statements of activities and changes in net assets. The incremental effects of applying the provisions on the individual lines of the consolidated financial statements as of and for the year ended December 31, 2015 and 2014, are presented in the consolidated financial statements and included in Note 9 to the consolidated financial statements.

Use of estimates

The preparation of consolidated 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.

Financial statement presentation

CSC reports information regarding its consolidated financial position and activities in three classes of net assets: unrestricted net assets which have no donor-imposed restrictions; temporarily restricted net assets which have donor-imposed restrictions that will likely expire in the future; and permanently restricted net assets which have donor-imposed restrictions which do not expire.

Contributions

Contributions of cash and other assets without donor stipulations concerning the use of such assets are reported as revenues of the unrestricted net asset class. Contributions of cash or other assets to be used in accordance with donor stipulations are reported as revenues of the temporarily or permanently restricted net asset classes. Contributions are reported as development and service delivery income on the consolidated statement of activities.

The expiration of a donor-imposed restriction on a contribution is recognized in the period in which the restriction expires and at that time the related resources are reclassified to unrestricted net assets. A restriction expires when the stipulated time period has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support.

Income taxes

For Federal tax purposes, CSC is an exempt organization under Section 501(c)(3) of the Internal Revenue Code. In addition, CSC has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the Internal Revenue Code. Beginning in 2012, CSC engaged in activities that generate unrelated business income tax. No provision for federal income taxes is included in these statements as the amounts are not material.

Cash and cash equivalents

For purposes of the consolidated statement of cash flows, CSC considers all highly liquid investments with initial maturities of three months or less to be cash equivalents. CSC maintains its cash in bank deposit accounts, which at times, may exceed federally insured limits. CSC has not experienced any losses in such accounts. Management believes it is not exposed to any significant credit risk on cash.

Investments

Investments are carried at the fair value of the securities. Investment income consists of dividends, capital gain distributions, and unrealized gain (loss).

Allowance for doubtful accounts

CSC carries its accounts receivable at the amount earned less an allowance for doubtful accounts. On a periodic basis, CSC evaluates its accounts receivable and establishes an allowance for doubtful accounts, based on a history of past write-offs and collections and current credit conditions. CSC carries its contributions receivable at their net present value. CSC evaluates the collectability of its contributions receivable on an annual basis and writes-off contributions receivable as deemed necessary. No allowance for doubtful accounts is deemed necessary as of December 31, 2015 and 2014.

Inventory

Inventory is stated at lower of cost or market with cost determined on an average cost basis. Inventory consists primarily of education materials and merchandise available for sale.

Property and equipment

Property and equipment is stated at cost or fair value, if donated. CSC capitalizes assets with a cost or fair value of at least \$500. Depreciation is computed using the straight-line method over three, five, seven and twenty year lives.

Intangible assets

Intangible assets consist of trademarks that are amortized over the useful life of the trademarks. Accumulated amortization as of December 31, 2015 and 2014 was \$5,626 and \$4,088, respectively.

In-kind contributions

CSC records in-kind services as revenue in the consolidated financial statements at their estimated fair value. In-kind services are not recorded if no objective basis is available to measure the value received by CSC. During 2015 and 2014, CSC received in-kind services of \$98,580 and \$59,575, respectively.

Functional allocation of expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the consolidated statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. All fundraising costs are charge to fundraising; there are no joint costs.

Reclassifications

Certain items in the 2014 report have been reclassified to conform to current year classifications. Such reclassifications have no effect on previously reported change in net assets.

Subsequent events

CSC evaluates events and transactions occurring subsequent to the date of the consolidated financial statements for matters requiring recognition or disclosure in the consolidated financial statements. The accompanying consolidated financial statements consider events through July 12, 2016, the date on which the consolidated financial statements were available to be issued.

2. INVESTMENTS:

Generally accepted accounting principles define fair value, establish a framework for measuring fair value, and establish a fair value hierarchy that prioritizes the inputs to valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between

market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach are used to measure fair value. The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities the Organization has the ability to access.
- Level 2 inputs are inputs (other than quoted prices included within Level 1) that are observable for the asset or liability, either directly or indirectly.
- Level 3 are unobservable inputs for the asset or liability and rely on management's own assumptions about the assumptions that market participants would use in pricing the asset or liability.

The following tables present CSC's fair value hierarchy for those assets measured at fair value on a recurring basis as of December 31, 2015.

	<u>Fair Value Measurements at Reporting Date Using</u>			
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
<u>December 31, 2015</u>				
Money market funds	\$ 87,772	87,772	-	-
Fixed income funds	600,596	600,596	-	-
Equity funds	<u>1,061,068</u>	<u>1,061,068</u>	-	-
Total	<u>\$ 1,749,436</u>	<u>1,749,436</u>	<u>-</u>	<u>-</u>

3. CONTRIBUTIONS RECEIVABLE:

CSC received unconditional promises to give which have been recorded at their net present value. No discount is provided as the amounts are immaterial. The following summarizes these contributions receivable at December 31:

	<u>2015</u>	<u>2014</u>
Amounts due in:		
Less than one year	\$ 2,841	39,391
One to five years	<u>-</u>	<u>1,200</u>
Total	<u>\$ 2,841</u>	<u>40,591</u>

4. PROPERTY AND EQUIPMENT:

Property and equipment consisted of the following at December 31:

	<u>2015</u>	<u>2014</u>
Leasehold improvements	\$ 1,088,482	1,088,482
Office furniture and equipment	207,053	178,939
Software	<u>753,835</u>	<u>369,319</u>
	2,049,370	1,636,740
Less accumulated depreciation	<u>(502,376)</u>	<u>(400,980)</u>
	<u>\$ 1,546,994</u>	<u>1,235,760</u>

5. TEMPORARILY RESTRICTED NET ASSETS:

Temporarily restricted net assets are available for the period after December 31 for the following purposes:

	<u>2015</u>	<u>2014</u>
Policy/Advocacy	\$ 972,527	1,687,790
Breakaway From Cancer	-	80,191
Sponsorships	-	315,000
CSC Online	18,605	39,840
Online Support Groups	172,931	257,672
Digital Media and Tech Infrastructure	13,114	25,846
Group Loop	42,116	51,184
Patient Powered Digital Network	-	150,000
National Call Center	295,864	367,930
Frankly Speaking About Cancer Programs	987,033	1,166,241
Pilot Navigation and Service Delivery	70,352	87,015
Meals at Home	72,524	41,562
Cancer Transitions	71,234	44,866
MPN Awareness	22,085	120,984
Education	265,173	226,891
Cancer Experience Registry	1,361,239	1,445,892
Living Health with Cancer	-	9,984
Children and Teens with Cancer	38,245	31,383
Open to Options Programs	285,930	72,918
Distress Screening	332,820	291,661
Treatment Decision Support	26,836	32,139
Innovative Online Education	-	32,500
Other programs	300,313	139,639
Future periods	<u>2,841</u>	<u>40,591</u>
	<u>\$ 5,351,782</u>	<u>6,759,719</u>

During the years ended December 31, 2015 and 2014, net assets released from restrictions were \$5,212,010 and \$2,574,513, respectively.

6. PERMANENTLY RESTRICTED NET ASSETS:

Permanently restricted net assets as of December 31, 2015 and 2014 consist of \$10,000 for CSC's future growth.

7. RELATED PARTIES:

CSC received fees from local affiliates in the amount of \$746,553 and \$576,379 during the years ended December 31, 2015 and 2014, respectively. Expenditures related to these local affiliates totaled \$246,585 and \$131,835 during the years ended December 31, 2015 and 2014, respectively. At December 31, 2015 and 2014, CSC had amounts due to affiliates (included in accounts payable) of \$2,100 and \$17,322, respectively, and amounts due from affiliates (included in accounts receivable) of \$96,932 and \$47,776, respectively.

8. LEASES:

CSC leases office space under a non-cancelable operating lease that expires December 2017. CSC also leases two office spaces under non-cancelable operating leases that expire September 2020 and November 2033, respectively. Future minimum lease payments under all three of these agreements at December 31, 2015 are as follows:

2016	\$ 337,115
2017	347,986
2018	130,956
2019	133,402
2020	112,618
Thereafter	<u>722,741</u>
	<u>\$ 1,784,818</u>

CSC leases office equipment under non-cancelable operating leases that expire in various years through 2020. Future minimum lease payments under these agreements at December 31, 2015 are as follows:

2016	\$ 8,703
2017	8,352
2018	8,352
2019	7,197
2020	<u>2,811</u>
	<u>\$ 35,415</u>

Total rent expense was \$359,276 and \$342,438 for the years ended December 31, 2015 and 2014, respectively.

9. CONSOLIDATION:

In March 2014, CSC sold 4,761 shares of preferred stock of PPS to an unrelated investor for \$100,000. This represents a noncontrolling ownership interest in PPS of 4.5%. The change in consolidated unrestricted net assets attributed to controlling and noncontrolling interests are as follows:

	<u>Total</u>	<u>Controlling Interest</u>	<u>Noncontrolling Interest</u>
Balance at December 31, 2013	\$ 3,209,706	3,209,706	-
Sale of preferred stock	100,000	101,233	(1,233)
Change in unrestricted net assets of CSC	(1,127,031)	(1,127,031)	-
Change in unrestricted net assets assets of PPS	<u>(220,598)</u>	<u>(211,832)</u>	<u>(8,766)</u>
Balance at December 31, 2014	1,962,077	1,972,076	(9,999)
Change in unrestricted net assets of CSC	2,438,018	2,438,018	-
Change in unrestricted net assets assets of PPS	<u>(67,748)</u>	<u>(64,699)</u>	<u>(3,049)</u>
Balance at December 31, 2015	\$ <u>4,332,347</u>	<u>4,345,395</u>	<u>(13,048)</u>