

UNITED BREAST CANCER FOUNDATION, INC.
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
December 31, 2016
(WITH COMPARATIVE TOTALS FOR 2015)

**UNITED BREAST CANCER FOUNDATION, INC.
FOR THE YEARS ENDED
DECEMBER 31, 2016 AND 2015**

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MEMBER

AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
United Breast Cancer Foundation Inc.

I have audited the accompanying financial statements of United Breast Cancer Foundation Inc., which comprise the balance sheets as of December 31, 2016 and 2015, and the related statements of activities 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


My responsibility is to express an opinion on these financial statements based on my audits. I conducted my audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Breast Cancer Foundation Inc. as of December 31, 2016 and 2015, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.


Matthew DiPasquale, CPA, LLC

Blauvelt, NY
April 6, 2017

UNITED BREAST CANCER FOUNDATION, INC.
STATEMENT OF FINANCIAL POSITION
AS AT

	December 31,	
	2016	2015
<u>ASSETS</u>		
Current Assets:		
Cash	\$ 704,315	\$ 42,212
Contributions receivable	53,099	34,530
Prepaid expenses	2,520	3,792
Undistributed gifts in kind (Note I)	119,637	148,807
Total Current Assets	879,571	229,341
Property and equipment net of accumulated depreciation of \$139,301 and \$123,336 (Note B & C)	561,564	569,815
Other Assets:		
Mortgage Costs net of accumulated amortization Of \$920 and \$305 (Note B)	11,409	12,021
TOTAL ASSETS	\$1,452,544	\$ 811,177
<u>LIABILITIES AND NET ASSETS</u>		
LIABILITIES:		
Current Liabilities:		
Accrued expenses	\$ 296,409	\$ 297,022
Payroll taxes payable	43,828	10,104
Retirement salary deferrals payable	18,000	18,000
Due to officer	-0-	36,111
Current portion of long term debt (Note E)	14,038	13,216
Total Current Liabilities	372,275	374,453
Long Term Debt- net of current maturities (Note E)	396,223	410,617
Total Liabilities	768,498	785,070
NET ASSETS:		
Total Unrestricted Net Assets	684,046	26,107
TOTAL LIABILITIES AND NET ASSETS	\$1,452,544	\$ 811,177

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

UNITED BREAST CANCER FOUNDATION, INC.
STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED

	DECEMBER 31,	
	2016	2015
REVENUE:		
Support - Cash Pledges	\$7,872,574	\$1,246,931
Car Donations - net of towing and auction fees of \$211,467 and \$68,082	518,379	182,464
Non-cash contributions (Note F)	1,529,354	872,881
Interest Income	3	3
Total Revenue	9,920,310	2,302,279
EXPENSES:		
Program Services	5,671,929	1,435,553
Supporting Services:		
Management and General	356,187	177,912
Fundraising	3,234,255	738,505
Total Expenses	9,262,371	2,351,970
CHANGE IN NET ASSETS	657,939	(49,691)
Prior Period Adjustment:		
Gift in Kind Inventory Adjustment (Note J)	-0-	(112,622)
NET ASSETS - Beginning of Year	26,107	188,420
NET ASSETS - End of Year	\$ 684,046	\$ 26,107

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

UNITED BREAST CANCER FOUNDATION, INC.
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED

	December 31, 2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 657,939	\$ (49,691)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Gift in kind contributions	(1,514,354)	(872,881)
Gift in kind distributions	1,543,524	776,510
Depreciation and amortization	16,577	15,728
CHANGES IN OPERATING ASSETS AND LIABILITIES:		
Contribution receivable	(18,569)	(5,388)
Prepaid expenses	1,272	(2,842)
Accrued expenses	(613)	145,652
Retirement salary deferrals payable	-0-	18,000
Due to officer	(36,111)	9,014
Payroll taxes payable	33,724	7,166
Net cash flow provided by operating activities	<u>683,389</u>	<u>41,268</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Increase in long term debt	-0-	435,000
Payments of long term debt	(13,572)	(433,414)
Net cash flow provided (utilized) by financing activities	<u>(13,572)</u>	<u>1,586</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Increase in Mortgage costs	-0-	(12,330)
Purchases of property and equipment	(7,714)	(2,382)
Net cash flow utilized by investing activities	<u>(7,714)</u>	<u>(14,712)</u>
Net Increase in cash	662,103	28,142
Cash - Beginning of Year	<u>42,212</u>	<u>14,070</u>
Cash - End of Year	<u>\$ 704,315</u>	<u>\$ 42,212</u>

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

UNITED BREAST CANCER FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

Note A - Organization and Nature of Activities

The United Breast Cancer Foundation Inc. (the Organization) is a not-for-profit corporation formed under the laws of the state of New York on October 19, 2000.

UBCF's mission is to make a positive difference in the lives of those affected by breast cancer. We aid in providing screening, treatment, after-care, educational material, patient and family assistance and information. UBCF provides grants to hospitals and community health centers to benefit patients and families coping with breast cancer. We strive to alleviate the stress and strain that cancer can cause to patients and families and to foster health and well-being through both traditional and holistic treatments by never denying anyone service regardless of age, race, gender or income.

Note B - Summary of Significant Accounting Policies

Basis of Accounting

The Organization prepares its financial statements using the accrual basis of accounting and accordingly reflects all significant receivables, payables and other liabilities.

Net Assets

Net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted Net Assets - net assets that are not subject to donor-imposed stipulations.

Temporarily Restricted Net Assets - net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or the passage of time.

Permanently Restricted Net Assets - net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. The Organization currently has no permanently restricted net assets.

UNITED BREAST CANCER FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016
(Continued)

Note B - Summary of Significant Accounting Policies (continued)

Inventory

Inventories consist of various household items, personal care products and infant items received as in-kind donations. Inventory items are valued at the Donor provided retail value less an allowance for deterioration and damage at the date of donation.

Promise to Give

The organization has adopted (FASB ASC 958-605-55) "Accounting for Contributions Received and Contributions Made". Contributions are recognized when the donor makes a payment 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 fiscal 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.

Estimates

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

Cash and Equivalents

The Organization considers all highly liquid investments with a maturity of less than three months to be cash equivalents.

Functional Allocation of Expenses

The cost of providing the various programs has been summarized on a functional basis in the statement of activities. Accordingly, certain supporting service costs have been allocated among the programs in reasonable ratios as determined by management.

UNITED BREAST CANCER FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016
(Continued)

Note B - Summary of Significant Accounting Policies (continued)

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and amortization. Depreciation and amortization are provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated useful lives of 5 years to 39 years. The organization capitalizes property and equipment with a useful life of two years or more and a cost of \$500 or more.

Contributions

The Organization follows Accounting Standards Codification 605-10-15 *Revenue Recognition*. In accordance with ASC 605-10-15, contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence or nature of any donor restrictions.

Revenue is recognized when earned and support when contributions are made which may be when cash is received, unconditional promises are made or ownership of donated assets is transferred to the Organization. Gifts-in-kind (including automobile donations) are recorded at fair value at the date of the gift.

Contributions other than gifts-in-kind are primarily cash contributions that are derived from ongoing fundraising. All contributions are considered to be available for unrestricted use unless specifically designated by the donor.

The Organization determines estimated fair value accordance with fair value measurement accounting standards.

Fair Value of Financial Instruments

The following methods and assumptions were used to estimate the fair value of each class of financial instrument:

Cash in banks - fair value approximates carrying value due to maturities of the instruments being three months or less.

UNITED BREAST CANCER FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

Note B - Summary of Significant Accounting Policies (continued)

Taxation

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2).

The Organization adopted the provisions of ASC 740-10-05 on January 1, 2009. ASC 740-10-05 prescribes a comprehensive model for how companies should recognize, measure, present and disclose in their financial statements uncertain tax positions taken or expected to be taken on a tax return. Under ASC 740-10-05, tax positions must initially be recognized in the financial statements when it is more likely than not the position will be sustained upon examination by the tax authorities. Such tax positions must initially and subsequently be measured as the largest amount of tax benefit that is greater than 50% likely of being realized upon ultimate settlement with the tax authority assuming full knowledge of the position and relevant facts. The organization did not have any unrecognized tax benefits and there was no effect on our financial condition or results of operations as a result of adopting ASC 740-10-05.

The organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. The tax years from 2013 through 2015 are subject to examination by the Internal Revenue Service. The Organization is currently not under any federal or state audits.

Concentration of Credit Risk

The organization maintains bank accounts at various institutions which are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per depositor. At December 31, 2016 and 2015, there were no uninsured cash balances.

UNITED BREAST CANCER FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016
(Continued)

Note C - Property and Equipment

Property and equipment consisted of the following at:

	December 31,	
	2016	2015
Land	\$ 148,348	\$ 148,348
Building	434,093	434,093
Building improvements	70,424	70,424
Timeshare	19,900	19,900
Delivery van	3,619	3,619
Office and computer equipment	24,481	16,767
Total	700,865	693,151
Less: accumulated depreciation	(139,301)	(123,336)
Net	\$ 561,564	\$ 569,815

Note D - Pension Benefits Payable

In 2008 the organization adopted a simple retirement pension plan for its employees. The organization can elect each year to contribute up to 25% of eligible employee compensation to a separate retirement account administered by a third party. For 2016 and 2015, the organization elected to contribute \$39,770 and -0- respectively, towards the plan.

Note E - Long Term Debt

On May 28, 2008, the organization acquired the land and building located at 205 Depot Road, Huntington, N.Y. The organization obtained a mortgage from the seller in the amount of \$475,000. The note is a fifteen year loan with a thirty year amortization. The mortgage has a fixed interest rate of 7.125%. The mortgage requires monthly payments of \$3,200 applied first to interest, with the balance applied to principal. The monthly payments began June 28, 2008 and will continue until maturity on June 28, 2023. The note is collateralized by the land and building owned by the organization.

UNITED BREAST CANCER FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016
(Continued)

Note E - Long Term Debt (continued)

The organization refinanced its mortgage on July 6, 2015 with TD Bank. The new mortgage of \$435,000 requires monthly payments of principal and interest at a fixed rate of 4.89% per annum, and may be adjusted at the five year anniversary date of the note and each subsequent five year anniversary date. The note has a twenty year term and amortization period maturing on July 6, 2035.

Maturities are due as follows:

For the year ended December 31, 2017	14,038
2018	14,740
2019	15,300
2020	16,065
2021	16,930
Thereafter	333,188
	<u>\$ 410,261</u>

Note F - Non-Cash Contributions

Non-cash contributions consist of donated advertising services of \$529,600 and in-kind donations of various household products and infant items \$999,754.

In-Kind contributions are received from two major retailers. Their value is recorded at the retail value provided by the retailer, less an estimated allowance for deterioration and damage of 5% to 10%.

In accordance with U.S. generally accepted accounting principles, the Organization only records the value of gifts-in-kind for which it receives and exercises variance power, which is the discretion to distribute redistribute the commodity without the donor's prior consent in accordance with its mission and purpose.

During 2016 and 2015, the Organization distributed in-kind contributions of the merchandise of \$1,027,290 and \$378,510 respectively.

UNITED BREAST CANCER FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016
(Continued)

Note G - Statement of Cash Flows

Cash paid for the years ended:

	December 31,	
	2016	2015
Interest	\$ 20,766	\$ 25,526

Note H - Joint Activities

The organization has agreements with The Heritage Company, Associated Community Services Inc. to provide professional fundraising services. In addition to their fundraising services, The Heritage Company provides program services in the form of breast cancer awareness information dissemination, and calls to action, to persuade women to undergo annual mammography's to help with the early detection of breast cancer. The organization, in accordance with SOP 98-2, has allocated, based on the percentage of script words in the appeal that is associated to the call to action or awareness message. For the years ended December 31, 2016 and 2015 the organization has allocated \$3,425,772 and \$264,730 respectively, to program expenses.

Note I - Undistributed Gifts in Kind Inventory

Undistributed Inventory is set forth below:

	2016	2015
Undistributed inventory, beginning	\$ 148,807	\$ 165,058
Prior period inventory adjustment	-0-	(112,622)
Gift in-kind inventory donations in	999,754	474,881
Gift in-kind inventory donations out	(1,028,924)	(378,510)
Donated inventory, ending	\$ 119,637	\$ 148,807

Note J - Prior Period Adjustment

An adjustment of \$112,622 was made to the opening balance of Undistributed Gifts in Kind inventory at January 1, 2015. This was done to reflect for prior year's reduction in fair value of contributions due to damage, deterioration and obsolescence.

UNITED BREAST CANCER FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016
(Continued)

Note K - Related Party

The officer has paid for various advertising expenses and other program expenses of the organization. There is no formal repayment arrangement between the officer and the organization. The officer was fully repaid in 2016

Note L - Subsequent Events

The Organization has evaluated the need for disclosures and/or adjustments resulting from subsequent events through April 6, 2017. Based on this evaluation, no adjustments or disclosures were required to the financial statements as of December 31, 2016.

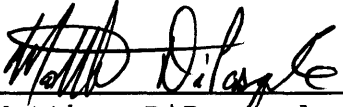
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MEMBER

AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

The Board of Directors
United Breast Cancer Foundation, Inc.

I have audited the financial statements of United Breast Cancer Foundation Inc. as of and for the year ended December 31, 2016, and have issued my report thereon dated April 6, 2017 which contained an unmodified opinion on those statements. My audit was performed for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses is presented for the purposes of additional analysis and is 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 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 my opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

 CPA LLC
Matthew DiPasquale CPA, LLC

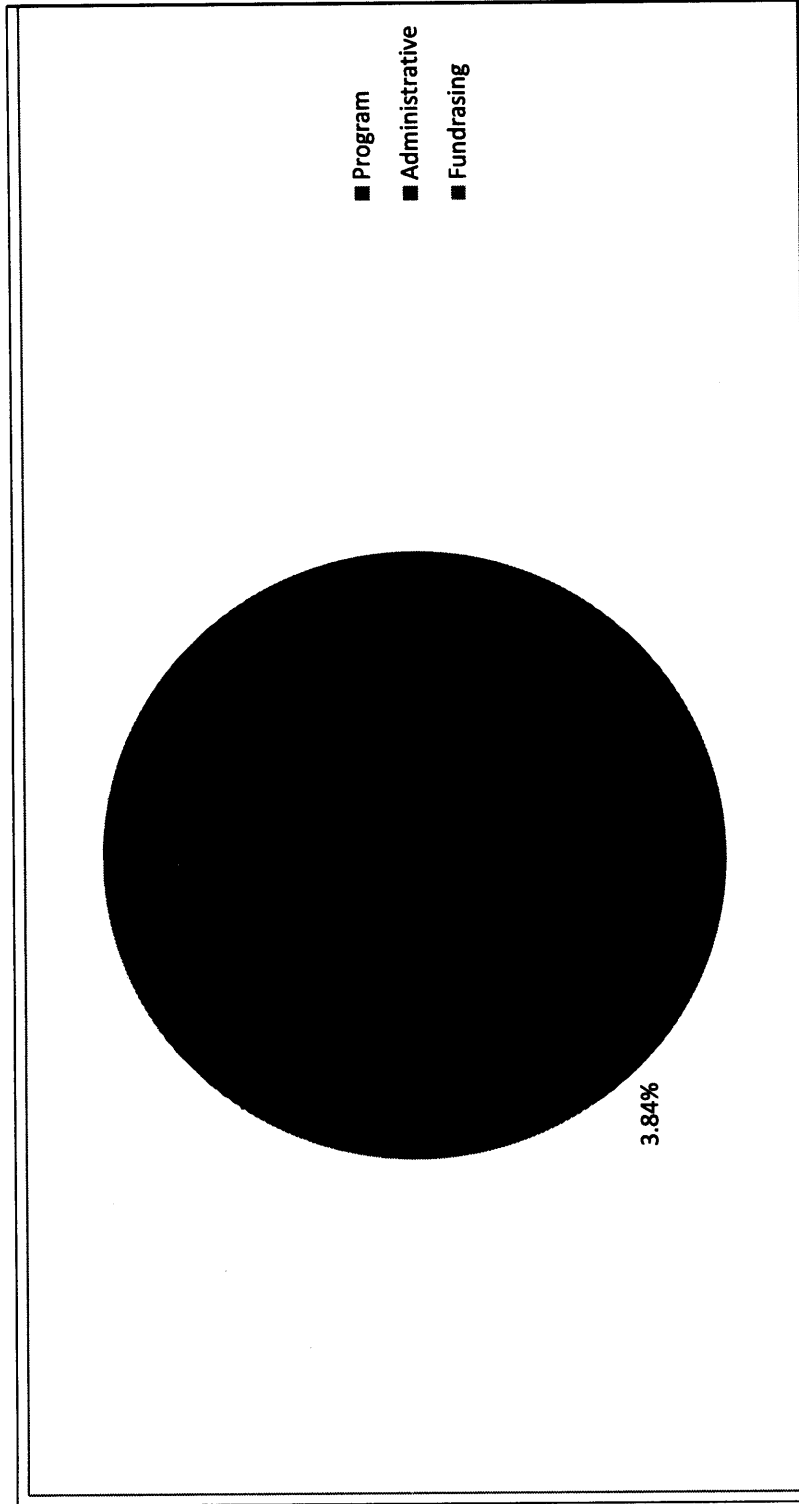
Blauvelt, NY
April 6, 2017

UNITED BREAST CANCER FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED
December 31,

	2016		2015	
	PROGRAM	MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL EXPENSES
Officer salaries	\$ 105,830	\$ 61,370	\$ 22,800	\$ 190,000
Salaries and wages	152,165	\$ 25,796		177,961
Payroll taxes	18,109	6,118	1,600	25,827
Employee benefits	23,418	13,959	4,104	41,481
Education and awareness campaigns	4,032,299			4,032,299
Community service programs	1,074,060			1,074,060
Individual and organizational grants	105,997			105,997
Breast screening services	38,420			38,420
Breast reconstructions	10,425			10,425
Child sponsorships	12,071			12,071
College Scholarships	19,250			19,250
Holistic care	2,980			2,980
Combined federal campaign costs	10,423			10,423
Legal and accounting		128,994		128,994
Consulting fees			3,100	3,100
Fundraising fees			3,106,246	3,106,246
Advertising expenses			73,216	73,216
Utilities	3,059	1,828		4,887
Interest expense	12,997	7,769		20,766
Travel expenses	1,794	6,276		8,070
Meetings and conferences		13,225		13,225
Telephone	10,562	6,314		16,876
Office supplies and other expense	22,859	12,614		35,473
Repairs and maintenance	4,265	2,548		6,813
Dues, fees and subscriptions		16,999		16,999
Computer and internet expenses		2,558		2,558
Bank and credit card charges	954	29,884	23,189	53,073
Insurance	9,992	13,350		14,304
Depreciation and amortization		6,585		16,577
Total Expenses	\$5,671,929	\$356,187	\$3,234,255	\$9,262,371
	61.24%	3.84%	34.92%	100%

See independent auditor's report on supplementary information.

UNITED BREAST CANCER FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
DECEMBER 31, 2016



UNITED BREAST CANCER FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
DECEMBER 31, 2016

PROGRAM EXPENSES

Direct Program expenses for the years ending December 31, 2016, 2015 and 2014 are presented below for comparative purposes.

	2016	2015	2014	
Salaries and payroll costs	\$ 299,522	\$ 126,503	\$ 77,823	8.48%
Education and awareness	4,032,299	709,962	258,275	28.14%
Community service programs	1,074,060	389,081	436,806	47.59%
Individual and organizational grants	105,997	77,224	73,526	8.01%
Breast screening services	38,420	24,896	19,128	2.08%
Breast reconstructions	10,425	20,534	20,736	2.26%
Child sponsorships	12,071	11,500	11,425	1.25%
Holistic care	2,980	11,500	11,919	1.30%
Combined federal campaign	10,423	6,881	2,231	0.24%
College scholarships	19,250	7,900	6,000	0.65%
Total	<u>\$5,605,447</u>	<u>\$1,385,981</u>	<u>\$917,869</u>	<u>100.00%</u>