

**UNITED BREAST CANCER FOUNDATION, INC.**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**December 31, 2017**  
**(WITH COMPARATIVE TOTALS FOR 2016)**

UNITED BREAST CANCER FOUNDATION, INC.  
FOR THE YEARS ENDED  
DECEMBER 31, 2017 AND 2016

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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, 2017 and 2016, 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**

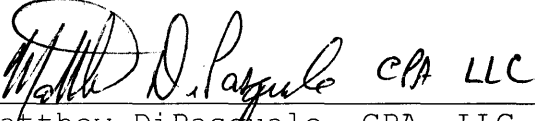
My responsibility is to express an opinion on these financial statements based on my audits. I conducted my audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether 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, 2017 and 2016, 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 28, 2018

**UNITED BREAST CANCER FOUNDATION, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31,**

	<u>2017</u>	<u>2016</u>
<b><u>ASSETS</u></b>		
Current Assets:		
Cash	\$1,231,131	\$ 704,315
Contributions receivable	58,401	53,099
Prepaid expenses	24,047	2,520
Undistributed gifts in kind (Note G)	<u>19,260</u>	<u>119,637</u>
Total Current Assets	1,332,839	879,571
Property and equipment net of accumulated depreciation of \$156,893 and \$139,301 (Note B & C)	<u>582,262</u>	<u>561,564</u>
TOTAL ASSETS	<u>\$1,915,101</u>	<u>\$1,441,135</u>

**LIABILITIES AND NET ASSETS**

Current Liabilities:		
Accrued expenses	\$ 256,688	\$ 256,639
Payroll taxes payable	14,312	43,828
Pension benefits payable	40,970	39,770
Retirement salary deferrals payable	-0-	18,000
Current portion of long term debt (Note E)	<u>14,740</u>	<u>14,038</u>
Total Current Liabilities	326,710	372,275
Long Term Debt- net of current maturities, Deferred financing costs, and accumulated amortization (Note E)	<u>370,403</u>	<u>384,814</u>
Total Liabilities	697,113	757,089
NET ASSETS:		
Total Unrestricted Net Assets	<u>1,217,988</u>	<u>684,046</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$1,915,101</u>	<u>\$1,441,135</u>

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,	
	2017	2016
<b>REVENUE:</b>		
Support - Cash Pledges	\$10,914,345	\$7,855,446
Federation campaign pledges	12,091	17,128
Car Donations - net of auction fees of \$460,906 and \$211,467	1,267,834	518,379
Non-cash contributions (Note F):		
Education & awareness advertising	611,560	529,600
Gift in kind contributions	2,320,929	999,754
Interest Income	-0-	3
Total Revenue	15,126,759	9,920,310
<b>EXPENSES:</b>		
Program Services	9,229,888	5,671,929
Supporting Services:		
Management and General	396,446	356,187
Fundraising	4,966,483	3,234,255
Total Expenses	14,592,817	9,262,371
CHANGE IN NET ASSETS	533,942	657,939
NET ASSETS - Beginning of Year	684,046	26,107
NET ASSETS - End of Year	\$ 1,217,988	\$ 684,046

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,	
	2017	2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 533,942	\$ 657,939
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Gift in kind contributions	(2,932,489)	(1,514,354)
Gift in kind distributions	3,032,866	1,543,524
Depreciation and amortization	18,204	16,577
<b>CHANGES IN OPERATING ASSETS AND LIABILITIES:</b>		
Contribution receivable	(5,302)	(18,569)
Prepaid expenses	(21,527)	1,272
Accrued expenses	49	(40,383)
Pension benefits payable	1,200	39,770
Retirement salary deferrals payable	(18,000)	-0-
Due to officer	-0-	(36,111)
Payroll taxes payable	(29,516)	33,724
Net cash flow provided by operating activities	<u>579,427</u>	<u>683,389</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Payments of long term debt	<u>(14,321)</u>	<u>(13,572)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchases of property and equipment	<u>(38,290)</u>	<u>(7,714)</u>
Net Increase in cash	526,816	662,103
Cash - Beginning of Year	<u>704,315</u>	<u>42,212</u>
Cash - End of Year	<u>\$ 1,231,131</u>	<u>\$ 704,315</u>

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

**UNITED BREAST CANCER FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**

**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, 2017  
(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, 2017  
(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, 2017**

**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 2014 through 2016 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, 2017, the uninsured cash balance was \$607,925.

UNITED BREAST CANCER FOUNDATION, INC.  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2017  
 (Continued)

**Note B - Summary of Significant Accounting Policies (continued)**

Recently Adopted Accounting Pronouncement

During the year ended December 31, 2017, the Organization adopted Financial Accounting Standards Board Accounting Standards Update ("ASU") No. 2015-03 and ASU 2015-13. This ASU requires that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of the related debt liability instead of being reported as an asset. The update represents a change in accounting principle. As a result of the adoption of this ASU 2015-13, total assets and liabilities were decreased by \$10,797 and \$11,409 at December 31, 2017 and 2016, respectively.

The financial statements for 2016 were reclassified to reflect the adoption of this accounting pronouncement.

**Note C - Property and Equipment**

Property and equipment consisted of the following at:

	December 31,	
	2017	2016
Land	\$ 148,348	\$ 148,348
Building	434,093	434,093
Building improvements	99,749	70,424
Timeshare	19,900	19,900
Delivery van	3,619	3,619
Office and computer equipment	33,446	24,481
Total	<u>739,155</u>	<u>700,865</u>
Less: accumulated depreciation	<u>(156,893)</u>	<u>(139,301)</u>
Net	<u>\$ 582,262</u>	<u>\$ 561,564</u>

**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 2017 and 2016, the organization elected to contribute \$40,970 and \$39,770 respectively, towards the plan.

UNITED BREAST CANCER FOUNDATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017  
(Continued)

**Note E - Long Term Debt**

On May 28, 2008, the organization acquired the land and building located at 205 Depot Road, Huntington, NY. 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.

The note is collateralized by the land and building owned by the organization.

Deferred Financing Costs

Loan costs are related to obtaining the mortgage loan. Costs are amortized on a straight-line basis over the life of the loan. Accumulated amortization for December 31, 2017 and 2016 was \$1,532 and \$920, respectively.

Maturities are due as follows:

For the year ended December 31, 2018	\$ 14,740
2019	15,300
2020	16,065
2021	16,930
2022	17,800
Thereafter	<u>315,105</u>
	<u>\$ 395,940</u>

As of December 31, 2017 and 2016, the net principal balance is as follows:

	<u>2017</u>	<u>2016</u>
Mortgage payable	\$ 395,940	\$ 410,261
Net Deferred financing costs	<u>(10,797)</u>	<u>(11,409)</u>
	<u>\$ 385,143</u>	<u>\$ 398,852</u>

UNITED BREAST CANCER FOUNDATION, INC.  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2017  
 (Continued)

**Note F - Non-Cash Contributions**

Non-cash contributions consist of donated advertising services of \$611,560 and in-kind donations of various household products and infant items \$2,320,929.

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 up 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 2017 and 2016, the Organization distributed in-kind contributions of the merchandise of \$2,421,306 and \$1,028,924 respectively.

**Note G - Undistributed Gifts in Kind Inventory**

Undistributed Inventory is set forth below:

	<u>2017</u>	<u>2016</u>
Undistributed inventory, beginning	\$ 119,637	\$ 148,807
Gift in-kind inventory donations in	2,320,929	999,754
Gift in-kind inventory donations out	(2,421,306)	(1,028,924)
Donated inventory, ending	<u>\$ 19,260</u>	<u>\$ 119,637</u>

**Note H - Statement of Cash Flows**

Cash paid for the years ended:

	<u>December 31,</u>	
	<u>2017</u>	<u>2016</u>
Interest	\$ 20,017	\$ 20,766

UNITED BREAST CANCER FOUNDATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017  
(Continued)

**Note I - Joint Activities**

The organization has agreements with The Heritage Company, Associated Community Services Inc., and Central Processing Services Inc. to provide professional fundraising services. In addition to their fundraising services, these companies provide 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, 2017 and 2016 the organization has allocated \$4,925,207 and \$3,428,722 respectively, to program expenses.

**Note J - Subsequent Events**

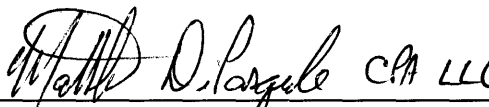
The Organization has evaluated the need for disclosures and/or adjustments resulting from subsequent events through April 28, 2018. Based on this evaluation, no adjustments or disclosures were required to the financial statements as of December 31, 2017.

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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, 2017, and have issued my report thereon dated April 28, 2018 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.

  
Matthew DiPasquale CPA, LLC

Blauvelt, NY  
April 28, 2018

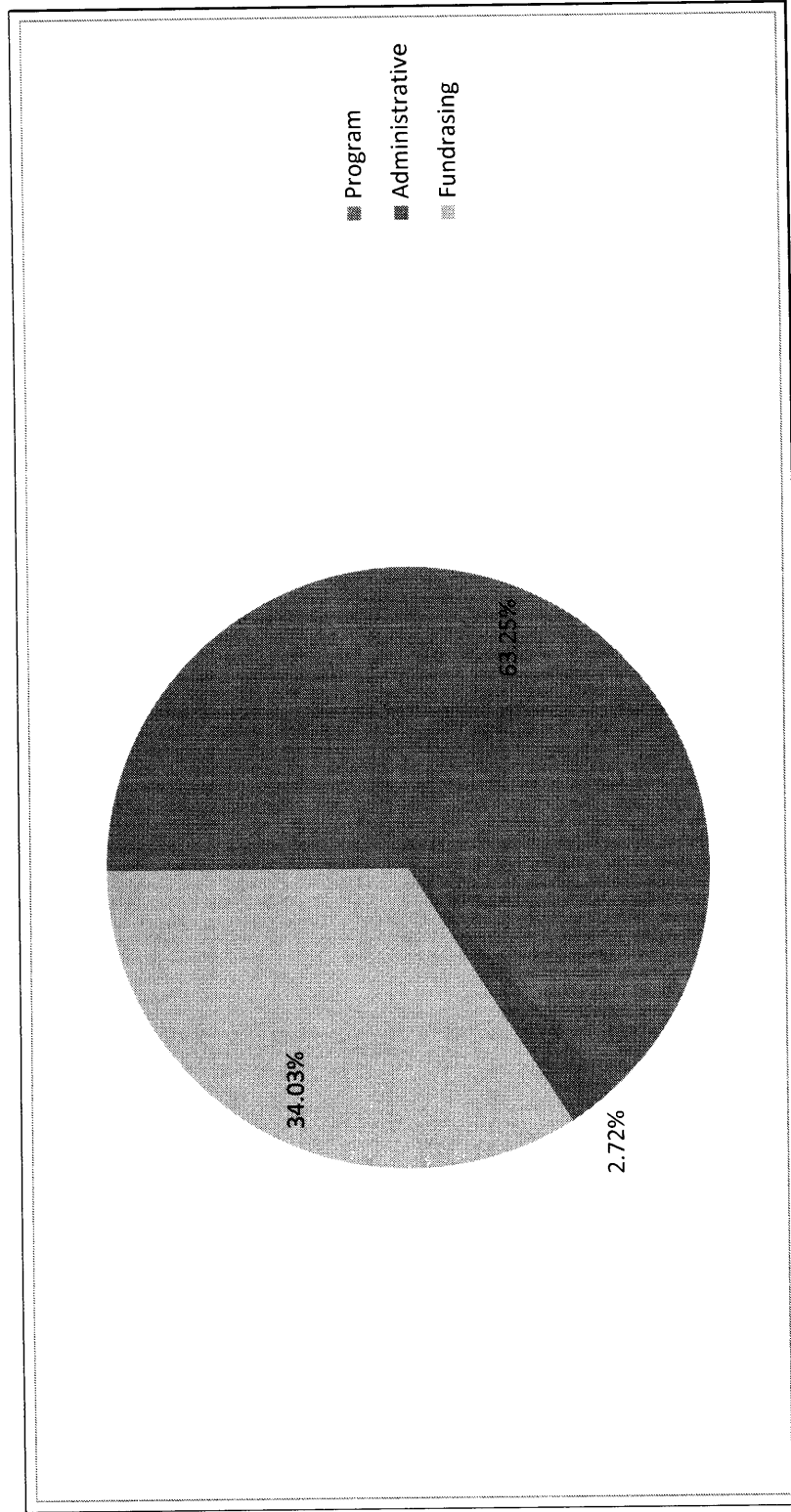


**UNITED BREAST CANCER FOUNDATION, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEARS ENDED**  
**December 31,**

	2017			2016
	PROGRAM	MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL EXPENSES
Officer salaries	\$ 143,000	\$ 78,000	\$ 39,000	\$ 190,000
Salaries and wages	169,042	\$ 27,465		177,961
Payroll taxes	18,455	6,237	2,307	25,827
Employee benefits	31,434	17,216	5,070	41,481
Temporary help	75,153			75,153
Education and awareness campaigns	5,769,515			4,032,299
Community service programs	2,501,201			1,074,060
Individual and organizational grants	290,082			105,997
Breast screening services	61,331			38,420
Breast reconstructions	27,337			10,425
Child sponsorships	32,395			12,071
College Scholarships	26,800			19,250
Holistic care	29,109			2,980
Combined federal campaign costs	9,700			10,423
Legal and accounting		149,555		128,994
Consulting fees			49,850	3,100
Fundraising fees			4,647,935	3,106,246
Advertising expenses			188,221	73,216
Utilities	3,139	2,278		4,887
Interest expense	11,598	8,419		20,766
Travel expenses	1,980	7,205		8,070
Meetings and conferences		16,956		13,225
Telephone	6,868	4,986		16,876
Office supplies and other expense	8,711	17,726		23,389
Repairs and maintenance	1,962	1,424		6,813
Dues, fees and subscriptions		18,623		16,999
Computer and internet expenses		2,712		2,558
Bank and credit card charges	883	17,480	34,100	53,073
Insurance	10,193	12,153		14,304
Depreciation and amortization		8,011		16,577
<b>Total Expenses</b>	<b>\$9,229,888</b>	<b>\$396,446</b>	<b>\$4,966,483</b>	<b>\$14,592,817</b>
	63.25%	2.72%	34.03%	100%

See independent auditor's report on supplementary information.

UNITED BREAST CANCER FOUNDATION, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
DECEMBER 31, 2017



UNITED BREAST CANCER FOUNDATION, INC.  
 STATEMENT OF FUNCTIONAL EXPENSES  
 DECEMBER 31, 2017

PROGRAM EXPENSES

Direct Program expenses for the years ending December 31, 2017, 2016 and 2015 are presented below for comparative purposes.

	<u>2017</u>	<u>2016</u>	<u>2015</u>	
Salaries and payroll costs	\$ 437,084	\$ 299,522	\$126,503	9.13%
Education and awareness	5,769,515	4,032,299	709,962	51.22%
Community service programs	2,501,201	1,074,060	389,081	28.07%
Individual and organizational grants	290,082	105,997	77,224	5.57%
Breast screening services	61,331	38,420	24,896	1.79%
Breast reconstructions	27,337	10,425	20,534	1.49%
Child sponsorships	32,395	12,071	11,500	0.83%
Holistic care	29,109	2,980	11,500	0.83%
Combined federal campaign	9,700	10,423	6,881	0.50%
College scholarships	<u>26,800</u>	<u>19,250</u>	<u>7,900</u>	<u>0.57%</u>
Total	<u>\$9,184,554</u>	<u>\$5,605,447</u>	<u>\$1,385,981</u>	<u>100.00%</u>