

UNITED BREAST CANCER FOUNDATION, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2022

**(WITH SUMMARIZED COMPARATIVE
TOTALS FOR DECEMBER 31, 2021)**

UNITED BREAST CANCER FOUNDATION, INC.

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INDEPENDENT AUDITORS' REPORT

To The Board of Directors
United Breast Cancer Foundation, Inc.
Huntington, New York

Opinion

We have audited the accompanying financial statements of United Breast Cancer Foundation, Inc., which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our 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, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of United Breast Cancer Foundation, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about United Breast Cancer Foundation, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 United Breast Cancer Foundation, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about United Breast Cancer Foundation, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited United Breast Cancer Foundation, Inc.'s 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 7, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Grassi & Co., CPAs, P.C.

GRASSI & CO., CPAs, P.C.

New York, New York
November 6, 2023

UNITED BREAST CANCER FOUNDATION, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2022
(WITH SUMMARIZED COMPARATIVE TOTALS AT DECEMBER 31, 2021)

	<u>2022</u>	<u>2021</u>
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash	\$ 7,528,402	\$ 5,912,294
Contributions receivable	263,596	320,538
Undistributed gifts in-kind	19,214,470	4,282,102
Prepaid expenses	55,092	50,562
Other current assets	66,442	157,709
	27,128,002	10,723,205
PROPERTY AND EQUIPMENT, NET	520,852	535,035
TOTAL ASSETS	\$ 27,648,854	\$ 11,258,240
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	\$ 1,686,367	\$ 1,031,699
Mortgage payable, current portion	19,581	18,218
	1,705,948	1,049,917
LONG-TERM LIABILITIES:		
Accrued pension obligation	74,180	69,455
Mortgage payable, net of current portion	284,263	308,665
Paycheck Protection Program loan payable	139,330	139,330
Economic Injury Disaster loan payable	149,900	149,900
	2,353,621	1,717,267
NET ASSETS:		
Without donor restrictions	25,276,486	9,540,973
With donor restrictions	18,747	-
	25,295,233	9,540,973
TOTAL LIABILITIES AND NET ASSETS	\$ 27,648,854	\$ 11,258,240

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

UNITED BREAST CANCER FOUNDATION, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022
(WITH SUMMARIZED COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2021)

	2022			2021
	Without Donor Restrictions	With Donor Restrictions	Total	Total
REVENUES AND OTHER SUPPORT:				
Contributions	\$ 13,065,164	\$ 18,747	\$ 13,083,911	\$ 7,280,210
Car donations, net of fundraiser fees of \$6,024,051 and \$9,169,466, respectively	3,795,614	-	3,795,614	5,567,361
Education and awareness advertising	711,350	-	711,350	2,451,463
Gifts in-kind contributions	39,901,089	-	39,901,089	19,863,449
Other income	237,293	-	237,293	180,391
 Total Revenues and Other Support	 <u>57,710,510</u>	 <u>18,747</u>	 <u>57,729,257</u>	 <u>35,342,874</u>
EXPENSES:				
Program services	36,237,965	-	36,237,965	27,993,759
Supporting services:				
Management and general	850,122	-	850,122	768,239
Fundraising	4,976,017	-	4,976,017	3,233,575
 Total Expenses	 <u>42,064,104</u>	 <u>-</u>	 <u>42,064,104</u>	 <u>31,995,573</u>
CHANGE IN NET ASSETS BEFORE OTHER CHANGES	15,646,406	18,747	15,665,153	3,347,301
OTHER CHANGES:				
Change in pension obligation to be recognized in future periods	89,107	-	89,107	-
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	15,735,513	18,747	15,754,260	3,347,301
NET ASSETS, BEGINNING OF YEAR	<u>9,540,973</u>	<u>-</u>	<u>9,540,973</u>	<u>6,193,672</u>
NET ASSETS, END OF YEAR	<u>\$ 25,276,486</u>	<u>\$ 18,747</u>	<u>\$ 25,295,233</u>	<u>\$ 9,540,973</u>

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

UNITED BREAST CANCER FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022
(WITH SUMMARIZED COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2021)

	2022					2021 Totals
	Program Services	Supporting Services			Total	
	Management and General	Fundraising	Total Supporting Services			
EXPENSES:						
Salaries	\$ 476,685	\$ 312,570	\$ 249,540	\$ 562,110	\$ 1,038,795	\$ 863,426
Payroll taxes and employee benefits	154,492	113,407	92,233	205,640	360,132	299,991
 Total salaries and related expenses	 631,177	 425,977	 341,773	 767,750	 1,398,927	 1,163,417
Community service programs	26,513,275	-	-	-	26,513,275	19,942,617
Education and awareness campaigns	6,704,206	-	-	-	6,704,206	5,999,539
COVID Emergency Assistance Program	1,019,108	-	-	-	1,019,108	331,504
Contracted services	30,598	20,070	6,328	26,398	56,996	10,567
Individual and organizational grants	579,389	-	-	-	579,389	250,932
Breast screening services	70,029	-	-	-	70,029	62,407
Breast reconstructions	42,226	-	-	-	42,226	15,815
Child sponsorships	104,005	-	-	-	104,005	45,470
College scholarships	4,579	-	-	-	4,579	11,229
Holistic care	60,428	-	-	-	60,428	53,797
Professional fees	125,424	239,346	89,359	328,705	454,129	245,235
Fundraising fees	-	-	3,427,747	3,427,747	3,427,747	1,928,050
Advertising expenses	212,725	-	765,771	765,771	978,496	1,473,060
Utilities expense	-	1,809	-	1,809	1,809	8,218
Interest expense	-	13,133	-	13,133	13,133	16,188
Travel expense	16,063	13,095	-	13,095	29,158	25,054
Meetings and conferences	-	28,855	-	28,855	28,855	9,325
Telephone expense	3,767	2,029	350	2,379	6,146	17,448
Office supplies and other expenses	14,840	18,972	339,242	358,214	373,054	262,809
Repairs and maintenance	-	3,507	-	3,507	3,507	5,021
Dues, fees, and subscriptions	-	30,205	622	30,827	30,827	34,913
Computer and Internet expenses	9,032	3,871	875	4,746	13,778	9,838
Bank and credit card charges	3,112	6,200	3,950	10,150	13,262	11,599
Insurance expense	22,411	22,411	-	22,411	44,822	40,022
Depreciation expense	-	20,642	-	20,642	20,642	21,380
Loss on damaged gifts in-kind	71,571	-	-	-	71,571	-
Bad debt expense	-	-	-	-	-	119
 TOTAL EXPENSES	 <u>\$ 36,237,965</u>	 <u>\$ 850,122</u>	 <u>\$ 4,976,017</u>	 <u>\$ 5,826,139</u>	 <u>\$ 42,064,104</u>	 <u>\$ 31,995,573</u>
 % of Total Expenses	 86.15%	 2.02%	 11.83%		 100.00%	

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

UNITED BREAST CANCER FOUNDATION, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022
(WITH SUMMARIZED COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2021)

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 15,754,260	\$ 3,347,301
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Forgiveness of debt	-	(107,836)
Gift in-kind contributions	(39,901,089)	(19,863,449)
Gift in-kind distributions	24,897,150	19,608,230
Depreciation	20,642	21,380
Interest - debt issuance costs	612	612
Bad debt expense	-	119
Loss on damaged gifts in-kind	71,571	-
(Increase) decrease in assets:		
Contributions receivable	56,942	14,857
Prepaid expenses	(4,530)	(46,062)
Other current assets	91,267	(97,814)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	654,668	893,568
Deferred revenue	-	(24,000)
Accrued pension obligation	4,725	69,455
	<u>1,646,218</u>	<u>3,816,361</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES		
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	<u>(6,459)</u>	<u>(2,779)</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(6,459)</u>	<u>(2,779)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayments of mortgage payable	(23,651)	(13,401)
Proceeds from Paycheck Protection Program loan payable	<u>-</u>	<u>139,330</u>
NET CASH (USED IN) PROVIDED BY FINANCING ACTIVITIES	<u>(23,651)</u>	<u>125,929</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	1,616,108	3,939,511
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>5,912,294</u>	<u>1,972,783</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 7,528,402</u>	<u>\$ 5,912,294</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid for interest	<u>\$ 12,521</u>	<u>\$ 16,188</u>
SUPPLEMENTAL DISCLOSURE OF NONCASH FINANCING TRANSACTIONS:		
Forgiveness of debt	<u>\$ -</u>	<u>\$ 107,836</u>

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

UNITED BREAST CANCER FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

Note 1 - Nature of Operations

United Breast Cancer Foundation, Inc. (the "Organization") is a not-for-profit organization incorporated under the laws of the State of New York in 2000. The Organization's purpose is to make a positive difference in the lives of those affected by breast cancer. The Organization aids in providing screening, treatment, after-care, educational material, and patient and family assistance and information. The Organization provides grants to hospitals and community health centers to benefit patients and families coping with breast cancer. The Organization strives 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.

The Organization is exempt from federal income taxes 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 other than a private foundation under Section 509(a)(1).

Note 2 - Summary of Significant Accounting Policies

Summarized Comparative Totals

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP"). Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2021, from which the summarized information was derived.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with U.S. GAAP.

Use of Estimates

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

Cash and Cash Equivalents

Cash equivalents include highly liquid investments with initial maturities when acquired of three months or less.

UNITED BREAST CANCER FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

Note 2 - Summary of Significant Accounting Policies (cont'd.)

Allowance for Doubtful Accounts

The Organization determines whether an allowance for doubtful accounts should be provided for contributions receivable. Such estimates are based on management's assessment of the aged basis of the receivables, current economic conditions and historical information. Contributions receivable are written off against the allowance for doubtful accounts when all reasonable collection efforts have been exhausted. Interest is not charged on outstanding receivables. Bad debt expense is charged in order to adjust the allowance for doubtful accounts to the required balance determined by management based on their periodic review. At December 31, 2022, management has determined that no allowance for doubtful accounts was necessary.

Undistributed Gifts In-Kind

Undistributed gifts in-kind consists of various household items, personal care products, clothing and children items received as in-kind donations. These items represent inventory at year-end and are valued at the donor-provided retail value less an allowance for deterioration and damage at the dates of donation. Revenue is recognized when items are received.

Property and Equipment

Property and equipment are stated at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets. Repairs and maintenance are charged to expense in the period incurred.

Estimated useful lives of the respective assets are as follows:

Computers and equipment	5 years
Furniture and fixtures	5 to 7 years
Auto	5 years
Building improvements	15 to 39 years
Buildings	39 years

Net Assets

Net assets without donor restrictions include funds having no restrictions as to use or purpose imposed by donors.

Net assets with donor restrictions are those whose use has been restricted by donors to a specific time period or purpose. At December 31, 2022, \$18,747 of net assets with donor restrictions is available for individual grants, child sponsorship and breast screening.

UNITED BREAST CANCER FOUNDATION, INC.
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2022

Note 2 - Summary of Significant Accounting Policies (cont'd.)

Contributions

Contributions are provided to the Organization either with or without restrictions placed on the gift by the donor. Revenues and net assets are separately reported to reflect the nature of those gifts - with or without donor restrictions. The value recorded for each contribution is recognized as follows:

Nature of the Gift	Value Recognized
<i>Conditional gifts, with or without restrictions</i>	
Gifts that depend on the Organization overcoming a donor-imposed barrier to be entitled to the funds	Not recognized until the gift becomes unconditional, i.e., the donor-imposed barrier is met
<i>Unconditional gifts, with or without restrictions</i>	
Received at date of gift - cash and other assets	Fair value
Received at date of gift - property, equipment and long-lived assets	Estimated fair value
Expected to be collected within one year	Net realizable value
Collected in future years	Initially reported at fair value determined using the discounted present value of estimated future cash flows technique

In addition to the amount initially recognized, revenue for unconditional gifts to be collected in future years is also recognized each year as the present-value discount is amortized using the level yield method.

When a donor-stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Absent explicit donor stipulations for the period of time that long-lived assets must be held, expirations of restrictions for gifts of land, buildings, equipment and other long-lived assets are reported when those assets are placed in service.

Gifts having donor stipulations which are satisfied in the period the gift is received are recorded as revenue and net assets without donor restrictions.

UNITED BREAST CANCER FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

Note 2 - Summary of Significant Accounting Policies (cont'd.)

In-Kind Contributions

Contributions of donated non-cash assets are recorded at their fair values on the day of receipt. Contributions of services are recognized if the services create or enhance nonfinancial assets or require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donations.

Functional Allocation of Expenses

The costs of providing the Organization's program and supporting services have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program and supporting services benefited. Salaries and related benefits are allocated based on a time-and-effort basis. Utilities, telephone and rent expense are allocated based upon the respective use of the items.

Debt Issuance Costs

Debt issuance costs were incurred in connection with the issuance of the Organization's mortgage loan payable. These costs are amortized using the effective interest method over the term of the related indebtedness and are included in interest expense in the accompanying financial statements. The Organization reports the deferred financing costs as a direct deduction from the carrying amount of the corresponding debt liability.

Interest expense related to capitalized loan and closing costs amounted to \$612 for the year ended December 31, 2022.

Advertising Costs

The Organization uses advertising to promote its programs among the audiences it serves. The production costs of advertising are expensed as incurred.

Accounting for Uncertainty in Income Taxes

The Organization has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax period in progress. The Organization believes it is no longer subject to income tax examinations for years prior to 2019.

UNITED BREAST CANCER FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

Note 2 - Summary of Significant Accounting Policies (cont'd.)

Change in Accounting Principles

Adoption of ASU No. 2020-07

Effective January 1, 2022, the Organization adopted the provisions of Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") No. 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The new guidance requires nonprofit entities to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets. The standard also increases the disclosure requirements around contributed nonfinancial assets a nonprofit has received. Adoption of this ASU did not have a significant impact on the financial statements, with the exception of enhanced disclosure.

Adoption of ASU No. 2016-02

As of January 1, 2022, the Organization adopted FASB ASU No. 2016-02, *Leases (Topic 842)*. This ASU requires all lessees to recognize a right-of-use asset for the underlying leased asset and a lease liability for the corresponding lease liability for all lease agreements with a term greater than 12 months, initially measured at the present value of the lease payments. It also calls for enhanced leasing arrangement disclosures. The Organization has determined that the adoption of this ASU did not have a significant impact on its 2022 financial statements.

New Accounting Pronouncement

ASU No. 2016-13

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. This ASU modifies the measurement of expected credit losses on certain financial instruments and broadens the information that an entity must consider in developing its expected credit loss estimate to include such factors as current market conditions. Under current guidance, recognition of the full amount of credit losses generally is delayed until the loss is probable of occurring.

The amendments in ASU No. 2016-13 are effective for nonpublic entities for fiscal years beginning after December 15, 2022, and interim periods within that year, based on the update in ASU No. 2019-10 to defer the implementation date.

The Organization has not yet determined if this ASU will have a material effect on its financial statements.

UNITED BREAST CANCER FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

Note 3 - Concentration of Credit Risk

The Organization maintains cash balances in several financial institutions. Such balances are insured by the Federal Deposit Insurance Corporation ("FDIC") for up to \$250,000 per institution. At December 31, 2022, and from time to time during the year then ended, the Organization's balances exceeded these limits.

At December 31, 2022, approximately 68% of the Organization's contributions receivable relates to contributions of car donations through a third-party professional fundraiser.

Note 4 - Property and Equipment

Property and equipment, net, consisted of the following at December 31, 2022:

Land	\$ 148,348
Buildings	434,093
Building improvements	120,829
Computers and equipment	37,436
Furniture and fixtures	13,176
Auto	3,619
Other	19,900
	<hr/> 777,401
Less: Accumulated depreciation	256,549
	<hr/> <hr/> \$ 520,852

Depreciation expense related to property and equipment amounted to \$20,642 for the year ended December 31, 2022.

Note 5 - Mortgage Payable

On May 28, 2008, the Organization obtained a mortgage from a financial institution for the acquisition of the land and building located at 205 Depot Road, Huntington, New York. On July 6, 2015, the mortgage was refinanced for \$435,000. Interest on the principal indebtedness was at a fixed rate of 4.89% per annum and could be adjusted at the five-year anniversary date of the mortgage note and each subsequent five-year anniversary date. The interest rate was adjusted to 3.89% in February 2021. Monthly principal payments are required based on a 20-year amortization schedule. The final maturity date of the mortgage is on July 6, 2035. The mortgage is secured by the land and building owned by the Organization.

The outstanding balance of the mortgage payable at December 31, 2022 was \$311,581. Debt issuance costs of \$7,737 at December 31, 2022 are netted against the mortgage payable on the accompanying statement of financial position.

UNITED BREAST CANCER FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

Note 5 - Mortgage Payable (cont'd.)

At December 31, 2022, aggregate future payments of the mortgage payable are as follows:

<u>Years Ending December 31:</u>	
2023	\$ 19,581
2024	20,357
2025	21,163
2026	22,001
2027	22,872
Thereafter	<u>205,607</u>
	311,581
Less: Unamortized debt issuance costs	<u>7,737</u>
 Mortgage payable, net	 <u><u>\$ 303,844</u></u>

Note 6 - Paycheck Protection Program Loan Payable

In March 2021, the Organization entered into a \$139,330 agreement with a financial institution under the second draw of funding of the Paycheck Protection Program (“PPP”), established by the Coronavirus Aid, Relief, and Economic Security (“CARES”) Act, administered by the Small Business Administration (“SBA”) with support from the Department of the Treasury. Under the terms of the CARES Act and the PPP, the Organization could apply for and be granted forgiveness for all or a portion of the proceeds issued to the extent they were used in accordance with the PPP. In February 2023, the Organization applied for and was granted forgiveness of the full amount.

Note 7 - Economic Injury Disaster Loan Payable

Effective September 10, 2020, the Organization entered into a \$149,900 loan agreement (the “EIDL Loan”) with the SBA under the Economic Injury Disaster Loan (“EIDL”) program, which is a program created through the CARES Act. After deferral of payments for the first 30 months, monthly payments will be \$641, including interest at 2.75%, until maturity in 30 years. Each payment will be applied first to interest accrued to the date of receipt of each payment, with any remaining balance applied to the principal.

UNITED BREAST CANCER FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

Note 7 - Economic Injury Disaster Loan Payable (cont'd.)

At December 31, 2022, aggregate future payments of the EIDL Loan are as follows:

<u>Years Ending December 31</u>	
2023	\$ -
2024	-
2025	129
2026	3,608
2027	3,708
Thereafter	<u>142,455</u>
	<u>\$ 149,900</u>

Note 8 - In-Kind Contributions

In-kind contributions for the year ended December 31, 2022 included in the accompanying financial statements, were as follows:

<u>Nonfinancial Asset</u>	<u>Amount</u>	<u>Usage in Programs/Activities</u>	<u>Donor Restriction</u>	<u>Fair Value Techniques</u>
Household items, personal care products, clothing and children items	\$ 39,901,089	Program services	None	Estimated based on retail value provided by the donors
Vehicles	3,795,614	Program services	None	Estimated based on value received upon liquidation of the donated vehicles by the fundraiser
Advertising	<u>711,350</u>	Program services	None	Estimated based on sponsorship value of the advertisement provided by the donors or providers
	<u>\$ 44,408,053</u>			

The Organization received donations of household items, personal care products, clothing and children items with a fair market value of \$39,901,089 for the year ended December 31, 2022. The values of these donations are recorded at the retail values provided by the donors, less estimated allowances for deterioration and damage of up to 10%. The donations were recorded as in-kind contributions and expensed in the accompanying financial statements.

The Organization receives contributions relating to car donations through a third-party professional fundraiser. The Organization records car donations upon liquidation of the donated vehicles by the fundraiser. For the year ended December 31, 2022, contributions relating to car donations amounted to \$9,819,665, which are presented net of fundraiser fees of \$6,024,051 in the accompanying financial statements.

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Note 8 - In-Kind Contributions (cont'd.)

The Organization received donated education and awareness advertising, with an estimated fair market value of \$711,350 for the year ended December 31, 2022. The donated education and awareness advertising have been recognized as revenue and expenses in the accompanying financial statements.

In accordance with U.S. GAAP, the Organization only records the value of in-kind contributions for which it receives and exercises variances power, which is the discretion to redistribute the commodity without the donor's prior consent in accordance with its mission and purpose.

Note 9 - Allocation of Joint Costs

The Organization incurred joint costs of \$10,294,599 relating to informational and educational materials, website, and campaigns that included fundraising appeals for the year ended December 31, 2022. For the year ended December 31, 2022, \$6,101,081 was allocated to program service expenses and \$4,193,518 was allocated to fundraising expenses.

Note 10 - Retirement Plan

Defined Contribution Retirement Plan

The Organization sponsors a defined contribution retirement plan covering all eligible employees. An employee who has attained age twenty-one and has completed one year of service is eligible to participate in the plan and have salary-reduction contributions made on the employee's behalf. The plan allows for employer discretionary contributions, which amounted to \$107,002 for the year ended December 31, 2022.

Cash Balance Plan

In 2022, the Organization established a cash balance defined benefit pension plan (the "cash balance plan") with an effective date of January 1, 2021 for all employees who had attained the age of 21 and had completed one year of service, except for union employees, leased employees and nonresident aliens with no U.S. source income.

The interest crediting rate on the cash balance accounts is 5.00% for the year ended December 31, 2022.

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Note 10 - Retirement Plan (cont'd.)

Cash Balance Plan (cont'd.)

The following sets forth the information regarding the cash balance plan, using a measurement date of December 31:

Change in projected benefit obligation:

Benefit obligation at beginning of year	\$ (69,455)
Service cost	(173,567)
Interest cost	(6,076)
Actuarial gain	89,687
Benefit obligation at end of year	<u>\$ (159,411)</u>

Change in plan assets:

Fair value of plan assets at beginning of year	\$ -
Actual return on plan assets	776
Employer contributions	84,455
Fair value of plan assets at end of year	<u>\$ 85,231</u>

Amounts recognized in the statement of financial position at December 31, 2022 consist of:

Current liabilities	\$ -
Noncurrent liabilities	<u>(74,180)</u>
Total liabilities	<u>\$ (74,180)</u>

Information for the cash balance plan related to the accumulated benefit obligation and plan assets includes the following at December 31, 2022:

Projected benefit obligation	<u>\$ 159,411</u>
Fair value of plan assets	<u>\$ 85,231</u>
Accumulated benefit obligation	<u>\$ 159,411</u>

The components of net periodic benefit cost:

Net periodic benefit cost	
Service cost	\$ 173,567
Interest cost	6,076
Expected return on assets	<u>(1,356)</u>
Net periodic benefit cost	<u>\$ 178,287</u>

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Note 10 - Retirement Plan (cont'd.)

Cash Balance Plan (cont'd.)

Other changes in plan assets and benefit obligations affecting the statement of activities:

Liability experience	\$ (89,687)
Asset experience	580
Amount recognized on the statement of activities	<u>\$ (89,107)</u>

The following are the weighted-average assumptions used to determine the cash balance plan's benefit obligations at December 31, 2022:

Discount rate	5.00%
Rate of compensation increase	3.00%

The following are the weighted-average assumptions used to determine the cash balance plan's net periodic benefit cost for the year ended December 31, 2022:

Discount rate	3.00%
Expected return on assets	6.00%
Rate of compensation increase	3.00%

Plan Assets

The cash balance plan's assets consist of exchange traded funds, which are valued based on quoted prices and are classified in Level 1 of the fair value hierarchy. The fair value of the cash balance plan's assets amounted to \$85,231 as of December 31, 2022.

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Note 11 - Available Resources and Liquidity

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the use of its available funds. The Organization has various sources of liquidity at its disposal, including cash and cash equivalents and contributions receivable.

The following reflects the Organization's financial assets available for general use within one year at December 31, 2022:

Cash and cash equivalents	\$ 7,528,402
Contributions receivable	<u>263,596</u>
	7,791,998
Less: Donor-imposed restrictions	<u>18,747</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$ 7,773,251</u></u>

Note 12 - Subsequent Events

The Organization has evaluated all events or transactions that occurred after December 31, 2022 through November 6, 2023, which is the date that the financial statements were available to be issued. During this period, there were no material subsequent events requiring disclosure, except as disclosed in Note 6.