



**United Breast Cancer Foundation, Inc.  
Financial Statements  
December 31, 2023  
(With Summarized Comparative Information  
for December 31, 2022)**

United Breast Cancer Foundation, Inc.  
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December 31, 2023 and 2022

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## Independent Auditor's Report

To the Board of Directors of  
United Breast Cancer Foundation, Inc.

### Opinion

We have audited the accompanying financial statements of United Breast Cancer Foundation, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, 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, 2023, and the changes in 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 Auditor's 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.

### Auditor's 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 auditor's 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.

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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**

The financial statements of United Breast Cancer Foundation, Inc. as of December 31, 2022 were audited by other auditors whose report dated November 6, 2023 expressed an unmodified opinion on those statements. As more fully described in Note 13 to the financial statements, United Breast Cancer Foundation, Inc. has restated its 2022 financial statements to correct improper recognition of fundraising fees. The other auditors reported on the financial statements before the correction of the error.

As part of our audit of the 2023 financial statements, we also audited the adjustment to the 2022 financial statements to correct the error as described in Note 13. In our opinion, such adjustment is appropriate and has been properly applied. We were not engaged to audit, review, or apply any procedures to United Breast Cancer Foundation, Inc.'s 2022 financial statements other than with respect to the adjustment and, accordingly, we do not express an opinion or any other form of assurance on the 2022 financial statements as a whole.

*Prager Metis CPAs, LLC*

Prager Metis CPAs, LLC  
Tysons Corner, Virginia  
March 6, 2025

United Breast Cancer Foundation, Inc.  
Statement of Financial Position  
December 31, 2023  
(With Summarized Comparative Information as of December 31, 2022)

	<u>2023</u>	<u>2022</u>
<b>Assets</b>		
Current assets		
Cash	\$ 5,585,837	\$ 7,528,402
Contributions receivable	148,199	263,596
Undistributed gifts in-kind	17,276,355	19,214,470
Prepaid expenses	75,217	55,092
Other current assets	7,840	66,442
Total current assets	<u>23,093,448</u>	<u>27,128,002</u>
Property and equipment, net	<u>502,094</u>	<u>520,852</u>
<b>Total assets</b>	<u><u>\$ 23,595,542</u></u>	<u><u>\$ 27,648,854</u></u>
<b>Liabilities and net assets</b>		
<b>Liabilities</b>		
Current liabilities		
Accounts payable and accrued expenses	\$ 1,174,834	\$ 1,686,367
Mortgage payable, current portion	20,357	19,581
Economic Injury Disaster loan payable, current portion	3,387	-
Total current liabilities	<u>1,198,578</u>	<u>1,705,948</u>
Long-term liabilities		
Accrued pension obligation	76,692	74,180
Mortgage payable, net of current portion	264,518	284,263
Paycheck Protection Program loan payable	-	139,330
Economic Injury Disaster loan payable, net of current portion	146,513	149,900
Total long-term liabilities	<u>487,723</u>	<u>647,673</u>
<b>Total liabilities</b>	<u>1,686,301</u>	<u>2,353,621</u>
<b>Net assets</b>		
Without donor restrictions	21,887,512	25,276,486
With donor restrictions	21,729	18,747
<b>Total net assets</b>	<u>21,909,241</u>	<u>25,295,233</u>
<b>Total liabilities and net assets</b>	<u><u>\$ 23,595,542</u></u>	<u><u>\$ 27,648,854</u></u>

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

United Breast Cancer Foundation, Inc.

Statement of Activities

Year Ended December 31, 2023

(With Summarized Comparative Information for the Year Ended December 31, 2022)

	<b>2023</b>			<b>2022</b>
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>	<b>Total (as restated)</b>
<b>Revenue and other support</b>				
Contributions	\$ 9,127,000	\$ 20,000	\$ 9,147,000	\$ 13,083,911
Vehicle donations	3,523,963	-	3,523,963	9,819,665
Education and awareness	135,750	-	135,750	711,350
Gifts in-kind contributions	17,395,608	-	17,395,608	39,901,089
Paycheck Protection Program loan forgiveness income	139,330	-	139,330	-
Other income	25,058	-	25,058	237,293
Net assets released from restrictions	17,018	(17,018)	-	-
Total revenue and other support	<u>30,363,727</u>	<u>2,982</u>	<u>30,366,709</u>	<u>63,753,308</u>
<b>Expenses</b>				
Program services	27,208,053	-	27,208,053	36,237,965
Supporting services				
Management and general	1,340,976	-	1,340,976	850,122
Fundraising	5,201,160	-	5,201,160	11,000,068
Total expenses	<u>33,750,189</u>	<u>-</u>	<u>33,750,189</u>	<u>48,088,155</u>
<b>Change in net assets before change in pension obligation</b>	<b>(3,386,462)</b>	<b>2,982</b>	<b>(3,383,480)</b>	<b>15,665,153</b>
Change in pension obligation to be recognized in future periods	<u>(2,512)</u>	<u>-</u>	<u>(2,512)</u>	<u>89,107</u>
<b>Change in net assets</b>	<b>(3,388,974)</b>	<b>2,982</b>	<b>(3,385,992)</b>	<b>15,754,260</b>
Net assets – beginning of year	<u>25,276,486</u>	<u>18,747</u>	<u>25,295,233</u>	<u>9,540,973</u>
<b>Net assets – ending of year</b>	<u><b>\$ 21,887,512</b></u>	<u><b>\$ 21,729</b></u>	<u><b>\$ 21,909,241</b></u>	<u><b>\$ 25,295,233</b></u>

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

United Breast Cancer Foundation, Inc.  
Statement of Functional Expenses  
Year Ended December 31, 2023  
(With Summarized Comparative Information for the Year Ended December 31, 2022)

	2023					2022 Totals (as restated)
	Program Services	Supporting Services Management and General	Fundraising	Total Supporting Services	Total	
Salaries	\$ 479,563	\$ 348,256	\$ 435,642	\$ 783,898	\$ 1,263,461	\$ 1,038,795
Payroll taxes and employee benefits	39,594	184,738	30,305	215,043	254,637	360,132
Total salaries and related expenses	519,157	532,994	465,947	998,941	1,518,098	1,398,927
Community service programs	20,434,702	-	-	-	20,434,702	26,513,275
Education and awareness campaigns	4,003,767	-	94,632	94,632	4,098,399	6,704,206
COVID emergency assistance program	54,614	-	-	-	54,614	1,019,108
Emergency assistance	370,616	-	-	-	370,616	-
Contracted services	950	86,788	-	86,788	87,738	56,996
Individual and organizational grants	993,093	-	-	-	993,093	579,389
Breast screening services	102,357	-	-	-	102,357	70,029
Breast reconstructions	63,499	-	-	-	63,499	42,226
Child sponsorships	143,442	-	-	-	143,442	104,005
College sponsorships	15,469	-	-	-	15,469	4,579
Holistic care	127,808	-	-	-	127,808	60,428
Professional fees	208,162	473,674	23,000	496,674	704,836	454,129
Fundraising fees	-	32,542	4,246,659	4,279,201	4,279,201	9,451,798
Advertising expenses	52,763	-	209,089	209,089	261,852	978,496
Utilities expense	-	1,727	-	1,727	1,727	1,809
Interest expense	-	29,060	-	29,060	29,060	13,133
Travel expense	17,787	27,790	-	27,790	45,577	29,158
Meetings and conferences	3,083	31,383	-	31,383	34,466	28,855
Telephone expense	819	445	-	445	1,264	6,146
Office supplies and other expenses	11,572	41,149	158,631	199,780	211,352	373,054
Repairs and maintenance	-	5,813	-	5,813	5,813	3,507
Dues, fees, and subscriptions	4,268	14,317	-	14,317	18,585	30,827
Computer and internet expenses	21,210	5,604	927	6,531	27,741	13,778
Bank and credit card charges	5,372	5,372	2,275	7,647	13,019	13,262
Insurance expense	33,559	33,560	-	33,560	67,119	44,822
Depreciation expense	-	18,758	-	18,758	18,758	20,642
Loss on damaged gifts in-kind	19,984	-	-	-	19,984	71,571
Total expenses	\$ 27,208,053	\$ 1,340,976	\$ 5,201,160	\$ 6,542,136	\$ 33,750,189	\$ 48,088,155
% of total expenses	80.62%	3.97%	15.41%	100.00%		

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

United Breast Cancer Foundation, Inc.

Statement of Cash Flows

Year Ended December 31, 2023

(With Summarized Comparative Information for the Year Ended December 31, 2022)

	<u>2023</u>	<u>2022</u>
<b>Cash flows from operating activities</b>		
Change in net assets	\$ (3,385,992)	\$ 15,754,260
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Gift in-kind contributions	(17,395,608)	(39,901,089)
Gift in-kind distributions	19,313,739	24,897,150
Paycheck Protection Program loan forgiveness income	(139,330)	-
Depreciation	18,758	20,642
Amortization of debt issuance costs	612	612
Loss on damaged gifts in-kind	19,984	71,571
Changes in operating assets and liabilities		
Contributions receivable	115,397	56,942
Prepaid expenses	(20,125)	(4,530)
Other current assets	58,602	91,267
Accounts payable and accrued expenses	(511,533)	654,668
Accrued pension obligation	2,512	4,725
<b>Net cash provided by (used in) operating activities</b>	<u>(1,922,984)</u>	<u>1,646,218</u>
<b>Cash flows from investing activities</b>		
Purchase of property and equipment	-	(6,459)
<b>Net cash used in investing activities</b>	<u>-</u>	<u>(6,459)</u>
<b>Cash flows from financing activities</b>		
Repayments of mortgage payable	(19,581)	(23,651)
<b>Net cash used in financing activities</b>	<u>(19,581)</u>	<u>(23,651)</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	(1,942,565)	1,616,108
Cash and cash equivalents – beginning of year	7,528,402	5,912,294
<b>Cash and cash equivalents – end of year</b>	<u>\$ 5,585,837</u>	<u>\$ 7,528,402</u>
<b>Supplemental disclosure of cash flows information</b>		
Cash paid during the years for interest	<u>\$ 18,991</u>	<u>\$ 12,521</u>

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



**Note 1 Nature of Organization**

United Breast Cancer Foundation, Inc. (the “Organization”) is a non-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 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**

**Basis of Accounting**

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

**Summarized Comparative Totals**

The financial statements include certain prior year summarized comparative information in total but not by net asset class or functional expense. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Organization’s financial statements for the year ended December 31, 2022, from which the summarized information was derived.

**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 revenue 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.

**Note 2 Summary of Significant Accounting Policies (continued)**

**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, 2023, management has determined that no allowance for doubtful accounts was necessary.

**Undistributed Gifts In-Kind**

Undistributed gifts in-kind consist 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, 2023, there were \$21,729 of net assets with donor restrictions, which were restricted for individual grants and child sponsorship.

**Note 2 Summary of Significant Accounting Policies (continued)**

**Contributions**

Contributions are provided to the Organization either with or without restrictions placed on the gift by the donor. Revenue 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:

<u>Nature of the Gift</u>	<u>Value Recognized</u>
<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

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.

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

**In-Kind Contributions**

Contributions of donated non-cash assets are recorded at their estimated 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.

**Note 2 Summary of Significant Accounting Policies (continued)**

**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, 2023.

**Advertising Costs**

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

**Reclassifications**

Certain reclassifications have been made to the 2022 financial statement presentation to correspond to the current year's format. Net assets and changes in net assets are unchanged due to these reclassifications.

**Income Taxes**

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

**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, 2023, and from time to time during the year then ended, the Organization's balances exceeded these limits.

**Note 4 Property and Equipment**

Property and equipment, net, consisted of the following at December 31, 2023:

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
	<u>777,401</u>
Less: accumulated depreciation	<u>(275,307)</u>
Property and equipment, net	<u>\$ 502,094</u>

Depreciation expense related to property and equipment amounted to \$18,758 for the year ended December 31, 2023.

**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 payments of \$2,613, including principal and interest, 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, 2023 was \$291,999. Debt issuance costs of \$7,124 at December 31, 2023 are netted against the mortgage payable on the accompanying statement of financial position.

**Note 5 Mortgage Payable (continued)**

At December 31, 2023, aggregate future payments of the mortgage payable are as follows:

<u>Years Ending</u> <u>December 31,</u>	
2024	\$ 20,357
2025	21,163
2026	22,001
2027	22,872
2028	23,778
Thereafter	<u>181,828</u>
	291,999
Less: unamortized debt issuance costs	<u>(7,124)</u>
Total	<u>\$ 284,875</u>

**Note 6 Paycheck Protection Program Loan Payable**

In March 2021, the Organization entered into a \$139,330 loan 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 as of the date of receipt of each payment, with any remaining balance applied to the principal.

**Note 7 Economic Injury Disaster Loan Payable (continued)**

At December 31, 2023, aggregate future payments of the EIDL Loan are as follows:

<u>Years Ending December 31,</u>	
2024	\$ 3,387
2025	3,482
2026	3,579
2027	3,678
2028	3,781
Thereafter	<u>131,993</u>
	<u><u>\$ 149,900</u></u>

**Note 8 In-Kind Contributions**

In-kind contributions for the year ended December 31, 2023 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	\$ 17,395,608	Program services	None	Estimated based on retail value provided by the donors.
Vehicles	3,523,963	Program services	None	For donations received through a fundraiser, estimated based on value received upon liquidation of the donated vehicles by the fundraiser. For donations received directly by the Organization, estimated based on fair value of the vehicle on the date of donation provided by an auction company.
Education and awareness	<u>135,750</u>	Program services	None	Estimated based on sponsorship value of the advertisement provided by the donors or providers.
Total	<u>\$ 21,055,321</u>			

The Organization received donations of household items, personal care products, clothing and children items with a fair market value of \$17,395,608 for the year ended December 31, 2023. 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 are expensed in the accompanying financial statements as they are distributed.

The Organization receives contributions relating to vehicle donations both directly and through third-party professional fundraisers. The Organization records vehicle donations upon liquidation of the donated vehicles by the fundraiser or at estimated fair value on the date of donation provided by an auction company for vehicle donations received directly. The Organization also incurred \$1,941,847 of fundraiser fees related to vehicle donations, which are included in supporting services expenses in the accompanying statement of activities.

**Note 8 In-Kind Contributions (continued)**

The Organization received donated education and awareness support, with an estimated fair market value of \$135,750 for the year ended December 31, 2023. The donated education and awareness has been recognized as revenue and expenses in the accompanying financial statements.

**Note 9 Allocation of Joint Costs**

The Organization incurred joint costs of \$5,601,576 relating to informational and educational materials, website, and campaigns that included fundraising appeals for the year ended December 31, 2023. For the year ended December 31, 2023, \$3,490,929 was allocated to program service expenses and \$2,110,647 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 \$85,942 for the year ended December 31, 2023.

**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 4.75% for the year ended December 31, 2023.

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	\$	(159,411)
Service cost		(78,227)
Interest cost		(7,572)
Expenses paid		1,125
Actuarial gain		(14,571)
Benefit obligation at end of year	\$	<u>(258,656)</u>



**Note 10 Retirement Plan (continued)**

Change in plan assets:

Fair value of plan assets at beginning of year	\$ 85,231
Actual return on plan assets	20,383
Employer contributions	77,475
Expenses paid	(1,125)
Fair value of plan assets at end of year	<u>\$ 181,964</u>

Amounts recognized in the statement of financial position at December 31, 2023 consist of:

Current liabilities	\$ -
Noncurrent liabilities	<u>(76,692)</u>
Total liabilities	<u>\$ (76,692)</u>

Information for the cash balance plan related to the accumulated benefit obligation and plan assets includes the following at December 31, 2023:

Projected benefit obligation	<u>\$ (258,656)</u>
Fair value of plan assets	<u>\$ 181,964</u>
Accumulated benefit obligation	<u>\$ (258,656)</u>

The components of net periodic benefit cost:

Net periodic benefit cost	
Service cost	\$ 78,227
Interest cost	7,572
Expected return on assets	(8,349)
Amortization of net gain	(4,607)
Net periodic benefit cost	<u>\$ 72,843</u>

**Note 10 Retirement Plan (continued)**

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

Liability experience	\$ 14,571
Asset experience	(12,034)
Amount recognized on the statement of activities	<u>\$ 2,537</u>

The following are the weighted-average assumptions used to determine the cash balance plan's benefit obligations at December 31, 2023:

Discount rate	4.75%
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, 2023:

Discount rate	5.00%
Expected return on assets	6.00%
Rate of compensation increase	3.00%

The following table provides information related to expected benefit payments for each of the five years following the measurement date and cumulatively for the subsequent five-year period:

<u>Year Ended</u> <u>December 31,</u>		
2024	\$	-
2025		-
2026		-
2027		-
2028		-
2029 - 2033		5,603

**Plan Assets**

The cash balance plan's assets consist of exchange traded funds, which are valued based on quoted prices and are classified as Level 1 of the fair value hierarchy. The fair value of the cash balance plan's assets amounted to \$181,964 as of December 31, 2023.

**Note 11 Liquidity and Available Resources**

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, 2023:

Financial assets	
Cash	\$ 5,585,837
Contributions receivable	<u>148,199</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$ 5,734,036</u></u>

**Note 12 Contingencies**

The Organization is subject to claims and legal actions arising in the ordinary course of business. In the opinion of management, based in part upon the advice of legal counsel, these matters are of such a nature that the unfavorable disposition would not have a material adverse effect on the financial position, results of operations, or cash flows of the organization.

**Note 13 Correction of an Error**

GAAP requires revenues and expenses to be reported gross. The 2022 financial statements improperly reflected vehicle donations net of fundraising fees and have been restated to correct this error. The effect on the 2022 financial statements is as follows:

<b>Statement of activities</b>	<u>As previously reported</u>	<u>Correction</u>	<u>As restated</u>
Revenue and other support			
Vehicle donations	<u>\$ 3,795,614</u>	<u>\$ 6,024,051</u>	<u>\$ 9,819,665</u>
Total revenue and other support	<u>\$ 57,729,257</u>	<u>\$ 6,024,051</u>	<u>\$ 63,753,308</u>
Expenses			
Fundraising	<u>\$ 4,976,017</u>	<u>\$ 6,024,051</u>	<u>\$ 11,000,068</u>
Total expenses	<u>\$ 42,064,104</u>	<u>\$ 6,024,051</u>	<u>\$ 48,088,155</u>

The restatement had no impact on the change in net assets.

**Note 14 Subsequent Events**

The Organization has evaluated all events or transactions that occurred after December 31, 2023 through March 6, 2025, which is the date that the financial statements were available to be issued.

Subsequent to year end, the Organization established a separate nonprofit organization, Drive Out Breast Cancer, Inc., to handle vehicle donations for the benefit of the Organization.

In December 2024, the Organization entered into a \$850,000 promissory note agreement with a bank. The note is secured by the Organization's deposit account with the bank. The note requires the Organization to make fixed payments of \$12,660 per month, beginning January 2025, with interest at 6.5% per annum. The note is due to mature in December 2031.