



UNITED BREAST CANCER FOUNDATION, INC.

***FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT***

***FOR THE YEAR ENDED DECEMBER 31, 2020 WITH COMPARATIVE
TOTALS FOR THE YEAR ENDED DECEMBER 31, 2019***

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UNITED BREAST CANCER FOUNDATION, INC.

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FOR THE YEAR ENDED DECEMBER 31, 2020 WITH COMPARATIVE
TOTALS FOR THE YEAR ENDED DECEMBER 31, 2019
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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of United Breast Cancer Foundation, Inc. (hereinafter, the "Organization") which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses, and cash flows for the year 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

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 auditors' 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 Organization'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 Organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2020, 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.

Other Matters - Comparative 2019 Information

The summarized comparative information of the Organization for the year ended December 31, 2019 was audited by another auditor who expressed an unmodified opinion on that information on September 23, 2020. As discussed in Note 2, the Organization has restated its December 31, 2019 financial statements during the current year for the correction of errors. In addition, the prior year financial statements are presented in a summarized format for comparative purposes and the total summarized comparative information was derived from the Organization's December 31, 2019 financial statements. As a result of the restatements, the prior year's footnote disclosures have been modified to conform to the current year's presentation. The other auditors' report on the December 31, 2019 financial statements was before these restatements.

Other Matters - Prior Period Adjustments

As part of our audit of the December 31, 2020 financial statements, we also audited the adjustments described in Note 2 that were applied to restate the December 31, 2019 financial statements. Within Note 2, we have outlined the impact of our adjustments on the previously issued financial statements. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to the December 31, 2019 financial statements of the Organization other than with respect to the adjustments and, accordingly, we do not express an opinion or any other form of assurance on the December 31, 2019 financial statements as a whole.

Cerini & Associates LLP

November 2, 2021
Bohemia, New York

UNITED BREAST CANCER FOUNDATION, INC.

STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2020 (WITH COMPARATIVE TOTALS FOR 2019)

ASSETS	2020	2019
Current Assets:		
Cash and cash equivalents.....	\$ 1,928,337	\$ 92,472
Contributions receivable.....	335,514	120,726
Prepaid expenses.....	4,500	5,648
Undistributed gifts in-kind.....	3,441,109	7,845,807
Other current assets.....	59,895	-
TOTAL CURRENT ASSETS	5,769,355	8,064,653
Property and equipment, net of accumulated depreciation.....	553,636	570,004
TOTAL ASSETS	\$ 6,322,991	\$ 8,634,657
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Current portion of long-term debt, net of amortization of deferred financing costs.....	\$ 16,518	\$ 17,815
Accounts payable and accrued expenses.....	138,131	139,585
Deferred revenue.....	24,000	24,000
TOTAL CURRENT LIABILITIES	178,649	181,400
Long-term debt, net of current portion, deferred financing costs, and accumulated amortization.....	323,154	337,695
Paycheck Protection Program loan payable.....	107,836	-
Economic Injury Disaster loan payable.....	149,900	-
TOTAL LIABILITIES	759,539	519,095
Net Assets:		
Without donor restrictions.....	5,563,452	8,115,562
TOTAL NET ASSETS	5,563,452	8,115,562
TOTAL LIABILITIES AND NET ASSETS	\$ 6,322,991	\$ 8,634,657

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, 2020 (WITH COMPARATIVE TOTALS FOR 2019)

SUPPORT AND REVENUE:	<u>2020</u>	<u>2019</u>
Cash pledges.....	\$ 1,609,488	\$ 3,190,950
Car donations, net of fundraiser fees of \$7,636,506 and \$1,251,845, respectively.....	4,015,530	3,065,770
Education and awareness advertising.....	814,750	1,555,350
Gift in-kind contributions.....	8,562,156	21,517,553
Other income.....	286,184	-
TOTAL SUPPORT AND REVENUE	<u>15,288,108</u>	<u>29,329,623</u>
 EXPENSES:		
Program services.....	15,111,992	18,489,116
Management and general.....	686,131	405,889
Fundraising.....	<u>2,042,095</u>	<u>3,309,569</u>
TOTAL EXPENSES	<u>17,840,218</u>	<u>22,204,574</u>
CHANGE IN NET ASSETS	(2,552,110)	7,125,049
Net assets without donor restrictions, beginning of year, as restated.....	<u>8,115,562</u>	<u>990,513</u>
Net assets without donor restrictions, end of year.....	<u><u>\$ 5,563,452</u></u>	<u><u>\$ 8,115,562</u></u>

UNITED BREAST CANCER FOUNDATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2020 (WITH COMPARATIVE TOTALS FOR 2019)

	2020			2019	
	Program Services	Management and General	Fundraising	Total	Total
Salaries and wages.....	\$ 417,469	\$ 257,676	\$ 56,100	\$ 731,245	\$ 703,142
Payroll taxes and employee benefits.....	66,258	32,387	9,079	107,724	96,800
Total salaries and related expenses	483,727	290,063	65,179	838,969	799,942
Community service programs.....	13,092,157	-	-	13,092,157	14,091,022
Education and awareness campaigns.....	1,182,001	-	-	1,182,001	3,354,794
COVID Emergency Assistance Program.	233,899	-	-	233,899	-
Temporary help.....	9,581	-	-	9,581	76,092
Individual and organizational grants.....	38,147	-	-	38,147	167,049
Breast screening services.....	6,080	-	-	6,080	72,428
Breast reconstructions.....	-	-	-	-	9,683
Child sponsorships.....	5,386	-	-	5,386	12,168
College scholarships.....	-	-	-	-	23,784
Holistic care.....	4,290	-	-	4,290	22,331
Combined federal campaign costs.....	-	-	-	-	97
Professional fees.....	-	191,931	20,111	212,042	161,768
Fundraising fees.....	-	-	308,895	308,895	2,855,835
Advertising expenses.....	-	-	1,638,045	1,638,045	343,076
Utilities expense.....	5,798	6,493	-	12,291	6,758
Interest expense.....	10,272	12,116	-	22,388	19,273
Travel expense.....	1,660	27,568	-	29,228	30,500
Meetings and conferences.....	-	7,024	-	7,024	41,586
Telephone expense.....	7,471	8,368	-	15,839	10,472
Office supplies and other expenses.....	9,982	50,008	-	59,990	18,175
Repairs and maintenance.....	1,578	1,767	-	3,345	2,870
Dues, fees, and subscriptions.....	-	23,037	-	23,037	12,751
Computer and Internet expenses.....	-	9,707	-	9,707	3,828
Bank and credit card charges.....	-	7,871	9,865	17,736	30,305
Insurance expense.....	10,683	11,965	-	22,648	18,493
Depreciation expense.....	9,280	10,393	-	19,673	19,492
Loss on damaged gifts in-kind.....	-	25,826	-	25,826	-
Bad debt expense.....	-	1,994	-	1,994	-
TOTAL EXPENSES	\$ 15,111,992	\$ 686,131	\$ 2,042,095	\$ 17,840,218	\$ 22,204,572
	84.71%	3.85%	11.45%	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, 2020 (WITH COMPARITIVE TOTALS FOR 2019)

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets.....	\$ (2,552,110)	\$ 7,267,187
<u>Adjustments to reconcile change in net assets to net cash provided by/(used in) operating activities:</u>		
Gift in-kind contributions.....	(8,562,156)	(21,517,553)
Gift in-kind distributions.....	12,941,028	13,809,906
Depreciation expense.....	19,673	20,104
Bad debt expense.....	1,994	-
Loss on damaged gifts in-kind.....	25,826	-
<u>Changes in operating assets and liabilities:</u>		
Contributions receivable.....	(216,782)	(35,354)
Prepaid expenses.....	1,148	35,433
Other current assets.....	(59,895)	-
Accounts payable and accrued expenses.....	(1,454)	(185,386)
NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES	1,597,272	(605,663)
CASH FLOWS USED IN INVESTING ACTIVITIES:		
Purchases of property and equipment.....	(3,305)	(19,946)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments of long-term debt.....	(15,838)	(15,810)
Proceeds from Paycheck Protection Program loan payable.....	107,836	-
Proceeds from Economic Disaster Injury loan payable.....	149,900	-
NET CASH PROVIDED BY/(USED IN) FINANCING ACTIVITIES	241,898	(15,810)
NET CHANGE IN CASH AND CASH EQUIVALENTS	1,835,865	(641,419)
Cash and cash equivalents, beginning of year.....	92,472	733,891
Cash and cash equivalents, end of year.....	\$ 1,928,337	\$ 92,472
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid for interest.....	\$ 21,776	\$ 19,174

UNITED BREAST CANCER FOUNDATION, INC.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of United Breast Cancer Foundation, Inc. (hereinafter, the "Organization") is presented to assist in understanding the Organization's financial statements. The financial statements and notes are representations of the Organization's management, who is responsible for the integrity and objectivity of the financial statements. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Nature of Operations: The Organization is a not-for-profit corporation formed under the laws of the state of New York on October 19, 2000.

The Organization's mission 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, 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.

Income Tax Status: 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 other than a private foundation under Section 509(a)(2).

The Organization files IRS Form 990 and respective state and local tax returns. These returns are subject to review and examination by federal, state, and local taxing authorities. The Organization evaluated its activities for uncertain tax positions and has determined that there were no uncertain tax positions for 2020 and 2019. The Organization has determined that it has registered in all states where it is required to be registered.

Basis of Accounting: The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Recent Accounting Pronouncements: On January 1, 2020, the Organization adopted Accounting Standards Update ("ASU") 2014-09, *Revenue from Contracts with Customers*, and all subsequent amendments to the ASU (collectively, "Accounting Standards Codification ("ASC") 606"), which (i) creates a single framework for recognizing revenue from contracts with customers that fall within its scope and (ii) revises when it is appropriate to recognize a gain (loss) from the transfer of nonfinancial assets. The Organization's services that fall within the scope of ASC 606 are presented within other income and is recognized as revenue as the Organization satisfies its obligations. The Organization has determined that there is no impact to the financial statements as a result of the adoption of this ASU.

UNITED BREAST CANCER FOUNDATION, INC.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Recent Accounting Pronouncements (continued): On January 1, 2020, the Organization also adopted ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. ASU 2018-08 amends ASC 958, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The amendments in this ASU were intended to assist entities in (1) evaluating whether (reciprocal) transactions are subject to other guidance (i.e. ASC 606) and (2) determining whether a contribution(s) is conditional. The Organization has determined that there is no impact to the financial statements as a result of the adoption of this ASU.

Financial Statement Presentation: The Organization is required to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed stipulations and may be expended for any purpose in performing the primary objectives of the Organization.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities. There were no net assets to be held in perpetuity as of December 31, 2020 and 2019.

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

Contributions Receivable: Receivables are stated at the amount management expects to collect from outstanding balances. The Organization considers receivables past due or delinquent when payments have not been received in a timely manner. Receivables are written off when management deems the possibility of collecting amounts due as completely unlikely. The Organization closely monitors outstanding balances for all receivables and adheres to a standard set of protocols for collection activities to be undertaken at certain times based upon delinquency status. Management believes that all outstanding receivables as of December 31, 2020 and 2019 will be collected in full.

UNITED BREAST CANCER FOUNDATION, INC.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020 WITH COMPARATIVE
TOTALS FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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. All significant acquisitions or betterments are capitalized and repairs are expensed as incurred. Depreciation is computed utilizing the straight-line method over the estimated useful lives of the related assets. The estimated useful lives of the assets are as follows:

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

Contributions: The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a 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 statement of activities as net assets released from restrictions.

Fair Value Measurements: The Organization follows fair value measurements as prescribed under accounting principles generally accepted in the United States of America. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

Donated Materials and Services: The Organization benefits from contributed materials and services attributable to its programs. Various noncash contributions are recorded at their estimated fair values at the dates of donation. For the years ended December 31, 2020 and 2019, the Organization received contributed materials with an estimated fair value of \$8,562,156 and \$21,517,553, respectively, which are reflected as gift in-kind contributions in the accompanying statement of activities and corresponding community service programs within the accompanying statement of functional expenses. For the years ended December 31, 2020 and 2019, the Organization also received contributed services with an estimated fair value of \$814,750 and \$1,555,350, respectively, which are reflected as education and awareness advertising in the accompanying statement of activities and as part of corresponding education

UNITED BREAST CANCER FOUNDATION, INC.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Donated Materials and Services (continued): and awareness campaigns within the accompanying statement of functional expenses. For the years ended December 31, 2020 and 2019, the Organization also received contributions relating to car donations with an estimated fair value of \$11,652,036 and \$4,317,615, respectively, which are presented net of fundraiser fees of \$7,636,506 and \$3,034,240, respectively, in the accompanying statement of activities.

In addition, the Organization receives contributed services from volunteers that do not meet the criteria for recognition. Accordingly, the value of these contributed services has not been reflected in the accompanying financial statements.

Functional Allocation of Expenses: The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying statement of activities and functional expenses. Accordingly, certain costs have been allocated by management among the program, management and general, and fundraising categories. Most costs incurred by the Organization are directly assignable to these categories. Those costs that cannot be directly assigned are allocated based upon reasonable allocation methodologies, the most significant of which are:

- Salaries and wages are allocated based on an estimate of time spent on program related functions, management and general, and fundraising functions.
- Payroll taxes and employee benefits are allocated based upon the salary allocations.
- Utilities, telephone, and office expenses are allocated based upon the respective use of the respective items.

Use of Estimates: The presentation 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 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 these estimates.

Concentrations of Credit Risk: From time to time, the Organization has cash and cash equivalents on deposit with financial institutions that are in excess of Federal Deposit Insurance Corporation ("FDIC") limits.

Reclassifications: Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements.

Events Occurring After the Report Date: The Organization has evaluated events and transactions that occurred between January 1, 2021 and November 2, 2021, which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.

UNITED BREAST CANCER FOUNDATION, INC.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020 WITH COMPARATIVE
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NOTE 2 - PRIOR PERIOD ADJUSTMENT

Management became aware of errors in the Organization's previously issued financial statements for the year ended December 31, 2019. Management corrected errors with regards to cash, prepaid expenses, undistributed gifts in-kind, accounts payable, and accrued expenses. These corrections resulted in a net decrease to opening net assets of \$111,925, an increase in cash and cash equivalents of \$513, a decrease in accounts payable and accrued expenses of \$216,723, a decrease in prepaid expenses of \$36,807, and a decrease of undistributed gifts in-kind of \$292,354 as of December 31, 2019.

NOTE 3 - PROPERTY AND EQUIPMENT

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

	<u>2020</u>	<u>2019</u>
Computers and equipment.....	\$ 30,714	\$ 28,797
Furniture and fixtures.....	11,886	10,498
Auto.....	3,619	3,619
Building improvements.....	119,695	119,695
Buildings.....	434,093	434,093
Other.....	19,900	19,900
Land.....	148,348	148,348
Total cost	<u>768,255</u>	<u>764,950</u>
Less: accumulated depreciation	(214,619)	(194,946)
Net property and equipment	<u>\$ 553,636</u>	<u>\$ 570,004</u>

NOTE 4 - LONG-TERM DEBT

On May 28, 2008, the Organization acquired the land and building located at 205 Depot Road, Huntington, New York. 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 are related to obtaining the mortgage loan. Costs are amortized on a straight-line basis over the life of the loan. The unamortized cost is classified as a reduction to the debt obligation and amortization is a component of interest expense on the accompanying statement of functional expenses.

UNITED BREAST CANCER FOUNDATION, INC.

**NOTES TO THE FINANCIAL STATEMENTS
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NOTE 4 - LONG-TERM DEBT (continued)

Future minimum payments on this long-term debt, net of deferred financing costs are as follows for the years ending December 31,:

2021.....	\$	17,134
2022.....		17,991
2023.....		18,891
2024.....		19,835
2025.....		20,827
Thereafter.....		253,955
Total.....		<u>348,633</u>
Less: deferred financing costs, net of accumulated amortization.....		<u>(8,961)</u>
Net total.....	\$	<u><u>339,672</u></u>

NOTE 5 - NON-CASH CONTRIBUTIONS

Non-cash contributions consist of donated advertising services of \$814,750 and in-kind donations of various household products and children items of \$8,562,156 for the year ended December 31, 2020.

Non-cash contributions consisted of donated advertising services of \$1,555,350 and in-kind donations of various household products and children items of \$21,517,553 for the year ended December 31, 2019.

In-kind contributions are received from several major retailers. Their values are recorded at the retail values provided by the retailers, less estimated allowances for deterioration and damage of up to 10%.

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

During 2020 and 2019, the Organization distributed in-kind contributions of the merchandise totaling \$12,941,028 and \$13,809,906, respectively.

UNITED BREAST CANCER FOUNDATION, INC.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020 WITH COMPARATIVE
TOTALS FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE 6 - JOINT COSTS

The Organization derived some of its public support from direct mail, telemarketing solicitations, and education and awareness campaigns. Direct mail and telemarketing solicitations involve two distinct functions that are reported separately in the financial statements. The following schedule details total joint costs related to direct mail and telemarketing solicitations for the years ended December 31,:

	<u>2020</u>	<u>2019</u>
Fundraising.....	\$ 1,946,940	\$ 1,443,790
Program awareness.....	1,980,854	1,623,500
Total joint costs.....	<u>\$ 3,927,794</u>	<u>\$ 3,067,290</u>

The fundraising function includes the cost of developing, producing, and processing mail appeals to lists that are maintained by the professional fundraiser. The program awareness function includes costs of developing, producing, and processing mailings in order to promote the activities and accomplishments of the Organization's programs throughout the year.

NOTE 7 - CONCENTRATION OF RISK

The Organization receives donations from various donors throughout the United States of America. For the year ended December 31, 2020, 82% of the Organization's total revenue received was from two donors. For the year ended December 31, 2019, 76% of the Organization's total revenue received was from one donor.

As of December 31, 2020, all of the Organization's contributions receivable was due from two donors.

The Organization is currently involved in pending litigation involving a lawsuit in the State of Florida with an advertising company. As of the date of this report, it is too early in the litigation process to estimate any potential or probable loss.

NOTE 8 - RETIREMENT PLAN

In 2008, the Organization adopted a 401(k) plan for eligible employees to contribute to. Any employee who has attained age twenty-one and has completed one year of service is eligible to participate in the plan. The plan allows for discretionary employer safe harbor contributions and profit-sharing contributions. For the years ended December 31, 2020 and 2019, the Organization elected to contribute \$48,787 and \$50,811 towards the plan, respectively.

UNITED BREAST CANCER FOUNDATION, INC.

**NOTES TO THE FINANCIAL STATEMENTS
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NOTE 9 - FINANCIAL IMPACT RELATED TO THE COVID-19 PANDEMIC

Due to the benefits of the Coronavirus Aid, Relief, and Economic Security Act (hereinafter, "CARES Act"), on May 7, 2020, the Organization received a forgivable note for a total of \$107,836. The loan was granted as part of the Paycheck Protection Program ("PPP") to help businesses impacted by the COVID-19 pandemic. Under the terms of the note, a portion or all of the note may be forgiven as a grant with the ultimate amount payable depending on the uses of the loan and the criteria set forth in the CARES Act, subsequent guidance, and regulations. The note was forgiven in full subsequent to year-end.

Subsequent to year-end, the Organization received a note for \$139,330 as part of the second round of the CARES Act PPP. The note may be forgiven entirely based on levels of qualified expenditures to be made by the Organization over a period subsequent to funding. Any amount not forgiven will be required to be repaid and amortized over a two-year term at an interest rate of 1.00%. Management expects that most, if not all, of this note will be forgiven.

The Organization also received an Economic Injury Disaster Loan ("EIDL") of \$149,900 on September 10, 2020. After deferral of payments for the first 24 months, monthly payments will be \$612, including interest at 2.75%, until its maturity in thirty years.

Future minimum payments for the EIDL loan are as follows for the years ending December 31.:

2022.....	\$	807
2023.....		3,285
2024.....		3,376
2025.....		3,470
2026.....		3,567
Thereafter.....		135,395
Total.....	<u>\$</u>	<u>149,900</u>

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen, which may negatively impact operating results. The full long-term impact of the pandemic on the Organization's operating results and financial position is uncertain and the financial impact of this matter, if any, cannot be completely estimated at this time.

UNITED BREAST CANCER FOUNDATION, INC.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020 WITH COMPARATIVE
TOTALS FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE 10 - AVAILABILITY AND LIQUIDITY

The following represents the Organization's financial assets at December 31.:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents.....	\$ 1,928,337	\$ 92,472
Contributions receivable.....	<u>335,514</u>	<u>120,726</u>
Financial assets available to meet general expenditures over the next twelve months.....	<u>\$ 2,263,851</u>	<u>\$ 213,198</u>

The Organization's goal is generally to maintain financial assets to meet ninety days of operating expenses (approximately \$943,000).