

BREM FOUNDATION TO DEFEAT BREAST CANCER, INC.
FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT
31 DECEMBER 2017 AND 2016

**BREM FOUNDATION TO DEFEAT BREAST CANCER, INC.
FINANCIAL STATEMENTS**

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Brem Foundation to Defeat Breast Cancer, Inc.

Report on the Financial Statements

We have audited the accompanying statement of financial position of Brem Foundation to Defeat Breast Cancer, Inc. as of 31 December 2017, 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.

Auditor's 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 as to whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, 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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Brem Foundation to Defeat Breast Cancer, Inc. as of 31 December 2017 and the related changes in net assets and its cash flows of Brem Foundation to Defeat Breast Cancer, Inc. for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matter

The statement of financial position of Brem Foundation to Defeat Breast Cancer, Inc. as of 31 December 2016, and the related statements of activities, functional expenses and cash flows for the year then ended and the related notes to the financial statements were audited by a predecessor auditor. The audit report was dated 29 January 2018. The audit report stated that the statement of financial position of Brem Foundation to Defeat Breast Cancer, Inc. as of 31 December 2016, and the related statements of activities, functional expenses and cash flows for the year then ended and the related notes to the financial statements present fairly, in all material respects, the financial position of Brem Foundation to Defeat Breast Cancer, Inc. as of 31 December 2016 and the related results of operations and cash flows of Brem Foundation to Defeat Breast Cancer, Inc. for the year then ended in conformity with accounting principles generally accepted in the United States of America

Guaranteed De Annando Associates

Upper Marlboro, Maryland
30 January 2019

**BREM FOUNDATION TO DEFEAT BREAST CANCER
STATEMENTS OF FINANCIAL POSITION
31 DECEMBER 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 860,457	\$ 640,467
Accounts receivable	99,278	52,078
Prepaid expenses	1,459	1,563
Total Current Assets	961,194	694,108
TOTAL ASSETS	\$ 961,194	\$ 694,108
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 335,702	\$ 7,011
Accrued expenses	2,418	8,475
Total Current Liabilities	338,120	15,486
NET ASSETS		
Unrestricted	614,215	674,580
Temporarily restricted	8,859	4,042
TOTAL NET ASSETS	623,074	678,622
TOTAL LIABILITIES AND NET ASSETS	\$ 961,194	\$ 694,108

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

BREM FOUNDATION TO DEFEAT BREAST CANCER, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2017

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenue and Support			
Contributions	\$ 597,261	\$ 60,488	\$ 657,749
Interest income	1,105	-	1,105
Net assets released from restrictions	55,671	(55,671)	-
Total Revenue and Support	<u>654,037</u>	<u>4,817</u>	<u>658,854</u>
Expenses			
Program services	538,765	-	538,765
Fundraising	147,414	-	147,414
Supporting services			
Management and general	28,223	-	28,223
Total Expenses	<u>714,402</u>	<u>-</u>	<u>714,402</u>
Change in Net Assets	<u>(60,365)</u>	<u>4,817</u>	<u>(55,548)</u>
Net Assets at Beginning of Year	<u>674,580</u>	<u>4,042</u>	<u>678,622</u>
NET ASSETS AT END OF YEAR	<u>\$ 614,215</u>	<u>\$ 8,859</u>	<u>\$ 623,074</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

BREM FOUNDATION TO DEFEAT BREAST CANCER, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenue and Support			
Contributions	\$ 475,018	\$ 10,000	\$ 485,018
Interest income	220	-	220
Net assets released from restrictions	5,958	(5,958)	-
Total Revenue and Support	<u>481,196</u>	<u>4,042</u>	<u>485,238</u>
Expenses			
Program services	71,083	-	71,083
Supporting services			
Management and general	259,674	-	259,674
Total Expenses	<u>330,757</u>	<u>-</u>	<u>330,757</u>
Change in Net Assets	<u>150,439</u>	<u>4,042</u>	<u>154,481</u>
Net Assets at Beginning of Year	<u>524,141</u>	<u>-</u>	<u>524,141</u>
NET ASSETS AT END OF YEAR	<u>\$ 674,580</u>	<u>\$ 4,042</u>	<u>\$ 678,622</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

BREM FOUNDATION TO DEFEAT BREAST CANCER, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDING 31 DECEMBER 2017

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
FUNCTIONAL EXPENSES				
Salaries	\$ 77,027	\$ 15,405	\$ 61,622	\$ 154,054
Professional fees	37,841	7,568	30,272	75,681
Program expenses	397,814	-	31,850	429,664
Payroll costs	6,681	1,336	5,344	13,361
Office	2,187	437	1,750	4,374
Rent	4,019	803	3,215	8,037
Advertising	4,052	830	1,867	6,749
Printing	1,906	390	4,469	6,765
Supplies	672	138	1,926	2,736
Bank service charges	3,200	639	2,560	6,399
Liability insurance	682	136	546	1,364
Travel	1,757	351	1,405	3,513
Postage and delivery	927	190	588	1,705
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TOTAL FUNCTIONAL EXPENSES	\$ 538,765	\$ 28,223	\$ 147,414	\$ 714,402
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THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

BREM FOUNDATION TO DEFEAT BREAST CANCER, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDING 31 DECEMBER 2016

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
FUNCTIONAL EXPENSES				
Salaries	\$ -	\$ 129,683	\$ -	\$ 129,683
Professional fees	-	98,140	-	98,140
Program expenses	71,083	-	-	71,083
Payroll costs	-	10,704	-	10,704
Office	-	6,688	-	6,688
Advertising	-	3,488	-	3,488
Supplies	-	3,461	-	3,461
Bank service charges	-	2,363	-	2,363
Liability insurance	-	1,533	-	1,533
Travel	-	2,409	-	2,409
Postage and delivery	-	1,205	-	1,205
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TOTAL FUNCTIONAL EXPENSES	<u>\$ 71,083</u>	<u>\$ 259,674</u>	<u>\$ -</u>	<u>\$ 330,757</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

**BREM FOUNDATION TO DEFEAT BREAST CANCER
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED 31 DECEMBER 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (55,548)	\$ 154,481
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Change in operating assets and liabilities:		
Net increase in accounts receivable	(47,200)	(50,338)
Net decrease in prepaid expenses	104	13
Net increase (decrease) in accounts payable	328,691	(1,688)
Net increase (decrease) in accrued expenses	(6,057)	2,288
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>219,990</u>	<u>104,756</u>
NET INCREASE IN CASH	219,990	104,756
Cash, beginning of year	<u>640,467</u>	<u>535,711</u>
CASH, END OF YEAR	<u><u>\$ 860,457</u></u>	<u><u>\$ 640,467</u></u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

BREM FOUNDATION TO DEFEAT BREAST CANCER, INC.
NOTES TO FINANCIAL STATEMENTS
31 DECEMBER 2017 AND 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting policies which affect significant aspects of the Organization's activities, financial position, changes in net assets, and changes in cash flows are summarized herein.

Organization

Brem Foundation to Defeat Breast Cancer, Inc. (the Organization), was incorporated under the laws of the State of Maryland in 2005. The Organization's goal is to prevent deaths from breast cancer through education, access and physician training. The Organization educates women in the Washington DC metropolitan area about risk factors, screening options and the need to advocate for themselves. The Organization funds diagnostic breast exams for low-income or uninsured women. Additionally, the Organization funds the cost of two breast imaging fellows at The George Washington University School of Medicine & Health Sciences. The Organization is primarily supported through donor contributions.

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, under which revenues and support are recognized when earned and expenses are recognized when the related obligations are incurred.

Financial Statement Presentation

The Organization is required to report information regarding its financial position and activities according to three classes of net assets as provided in Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 *Not For Profit Entities*.

Unrestricted net assets are the net assets that are neither permanently restricted nor temporarily restricted by donor imposed stipulations and are available for operations.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Statement Presentation (Continued)

Temporarily restricted net assets result from contributions whose use is limited by donor-imposed stipulations that either expire by the passage of time or can be satisfied by actions of the Organization pursuant to donor stipulations. Net assets may be temporarily restricted for various purposes, such as use in future periods or for specific purposes.

Permanently restricted net assets, of which the Organization has none, result from contributions whose use by the Organization is limited by donor-imposed stipulations that require that they be maintained in perpetuity by the Organization. Generally, donors of these assets permit all or part of the income earned on any related investments to be used for general or specific purposes.

Contributions

The Organization reports contributions when received as unrestricted, temporarily restricted or permanently restricted depending upon the existence and/or nature of any donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities and changes as net assets released from restrictions. Unconditional promises to give are recognized as revenue in the year in which the contribution is promised. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Contributed Services

Contributions of donated services that create or enhance non-financial assets or that required specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation and are recorded at their fair value in the period received. See Note 2.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

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

Accounts Receivable

Accounts receivable are recorded at the amount the Organization expects to collect on balances outstanding at year-end. Differences between amounts due and amounts management expects to collect are reported in the results of operations for the year in which those differences are determined, with an offsetting entry to a valuation allowance for trade accounts receivable. In that the Organization believes all accounts receivable will be collected, no such valuation allowance was recorded.

Income Tax Status

The Organization is a not-for-profit organization generally exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and is classified as a private foundation. The Organization is subject to federal income taxes on unrelated business income. There was no unrelated business income for the years ended 31 December 2017 and 2016 and no provision for income tax has been included in the financial statements.

Advertising

The Organization expenses advertising costs as they are incurred. Advertising expense for the years ended 31 December 2017 and 2016 totaled \$16,575 and \$3,488 respectively.

Functional Allocation of Expenses

Expenses are charged directly to a program, management and general, and fundraising categories based on specific identification, when determinable. Accordingly, costs not specifically identifiable have been allocated among programs and management expenses.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Date of Management's Review

Subsequent events were evaluated through the date of this report, which is the date the financial statements were available to be issued.

NOTE 2 – CONTRIBUTED GOODS AND SERVICES

For the years ended 31 December 2017 and 2016, the Organization received non-cash contributions and contributed services as follows:

	<u>2017</u>	<u>2016</u>
Non-Cash Contributions:		
Other goods and supplies	<u>\$ 2,366</u>	<u>\$ -0-</u>
Contributed Services:		
Professional services	<u>\$ 40,423</u>	<u>\$ 90,793</u>

These amounts have been included in contributions on the statement of activities.

NOTE 3 – CONCENTRATIONS OF CREDIT RISKS

Federally Insured Limits

The Company maintains cash balances at one financial institution located in the Washington, DC metropolitan area. Accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000. At various times during 2017 and 2016, cash balances exceeded federally insured limits. The Company's bank account balances exceeded federally insured limits by \$610,574 and \$395,752 at 31 December 2017 and 2016 respectively.

Accounts Receivable

Accounts receivable include amounts due from two major contributors, which account for approximately forty-five percent of the Organization's receivables at 31 December 2017. Accounts receivable include amounts due from one major contributor, which account for approximately seventy-three percent of the Organization's receivables at 31 December 2016.

NOTE 3 – CONCENTRATIONS OF CREDIT RISKS (Continued)

Major Contributors

During the years ended 31 December 2017, approximately thirty-nine percent of contributions were received from four donors. During the year ended 31 December 2016, approximately thirty-eight percent of contributions were received from three donors.