



NATIONAL BREAST CANCER COALITION FUND

FINANCIAL STATEMENTS

DECEMBER 31, 2017

NATIONAL BREAST CANCER COALITION FUND

TABLE OF CONTENTS
DECEMBER 31, 2017

	<u>Pages</u>
Independent Auditors' Report.....	3-4
Financial Statements	
Statement of Financial Position	5
Statement of Activities.....	6
Statement of Functional Expenses.....	7
Statement of Cash Flows	8
Notes to Financial Statements.....	9-16



7910 WOODMONT AVENUE
SUITE 500
BETHESDA, MD 20814
(T) 301.986.0600
(F) 301.986.0432

2100 PENNSYLVANIA AVENUE, NW
SUITE 580
WASHINGTON, DC 20037
(T) 202.822.0717

Independent Auditors' Report

To the Board of Directors
National Breast Cancer Coalition Fund
Washington, D.C.

We have audited the accompanying financial statements of the National Breast Cancer Coalition Fund (NBCC) which comprise the statement of financial position as of December 31, 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.

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 auditors consider 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 audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the National Breast Cancer Coalition Fund as of December 31, 2017, 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.



To the Board of Directors
National Breast Cancer Coalition Fund

Report on Summarized Comparative Information

We have previously audited NBCC's 2016 financial statements, and we expressed an unmodified audit opinion on those financial statements in our report dated May 12, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Councilor, Buchanan + Mitchell, P.C.

Washington, D.C.
May 14, 2018

Certified Public Accountants

NATIONAL BREAST CANCER COALITION FUND

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2017

(WITH COMPARATIVE TOTALS AS OF DECEMBER 31, 2016)

	2017	2016
Assets		
Current Assets		
Cash and Cash Equivalents	\$ 572,550	\$ 597,122
Pledges and Grants Receivable	965,413	886,311
Due from National Breast Cancer Coalition	18,733	37,498
Prepaid Expenses	70,381	63,194
Total Current Assets	1,627,077	1,584,125
Pledges and Grants Receivable, Net of Current Portion	546,491	1,340,760
Property and Equipment		
Furniture and Equipment	264,935	250,922
Software	20,702	20,702
Website	280,857	280,857
Leasehold Improvements	355,772	355,772
Equipment under Capital Lease	36,337	36,337
	958,603	944,590
Less Accumulated Depreciation and Amortization	(713,408)	(652,429)
Total Property and Equipment	245,195	292,161
Deposits	57,134	57,134
Total Assets	\$ 2,475,897	\$ 3,274,180
Liabilities		
Current Liabilities		
Accounts Payable	\$ 138,841	\$ 172,470
Accrued Expenses	49,130	53,099
Deferred Rent	57,845	51,879
Obligation under Capital Lease	6,958	6,553
Total Current Liabilities	252,774	284,001
Deferred Rent, Net of Current Portion	230,408	288,253
Obligation under Capital Lease, Net of Current Portion	20,027	26,985
Total Liabilities	503,209	599,239
Net Assets		
Unrestricted Net Assets	585,350	474,631
Temporarily Restricted Net Assets		
Temporarily Restricted by Donor for Purpose	648,050	1,058,900
Temporarily Restricted, General Support for Future Periods	739,288	1,141,410
Total Temporarily Restricted Net Assets	1,387,338	2,200,310
Total Net Assets	1,972,688	2,674,941
Total Liabilities and Net Assets	\$ 2,475,897	\$ 3,274,180

See accompanying Notes to Financial Statements.

NATIONAL BREAST CANCER COALITION FUND

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2016)**

	Unrestricted	Temporarily Restricted	2017 Total	2016 Total
Revenues				
Events	\$ 1,130,548	\$ -	\$ 1,130,548	\$ 987,903
Less Costs of Direct Benefits to Donors	(333,295)	-	(333,295)	(301,030)
Grants and Contributions	1,668,615	45,908	1,714,523	2,121,622
In-Kind Contributions	53,521	-	53,521	20,750
Dues	10,100	-	10,100	9,700
Interest Income	1,558	-	1,558	1,397
Other Income	6,616	-	6,616	7,615
Net Assets Released from Restrictions	858,880	(858,880)	-	-
Total Revenues	3,396,543	(812,972)	2,583,571	2,847,957
Expenses				
Programs				
Education and Training	1,051,735	-	1,051,735	1,048,525
Public Information, Communication, and Outreach	284,338	-	284,338	346,695
Catalytic Research Projects and Collaborations	756,649	-	756,649	648,371
Public Policy	363,041	-	363,041	400,443
Grassroots Advocacy Field Network Development and Support	225,453	-	225,453	237,783
Other Programs	18,821	-	18,821	24,789
Total Programs	2,700,037	-	2,700,037	2,706,606
Management and General	211,447	-	211,447	182,282
Fundraising	374,340	-	374,340	347,870
Total Expenses	3,285,824	-	3,285,824	3,236,758
Change in Net Assets	110,719	(812,972)	(702,253)	(388,801)
Net Assets, Beginning of Year	474,631	2,200,310	2,674,941	3,063,742
Net Assets, End of Year	\$ 585,350	\$ 1,387,338	\$ 1,972,688	\$ 2,674,941

See accompanying Notes to Financial Statements.

NATIONAL BREAST CANCER COALITION FUND

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2017
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2016)**

	Education and Training	Public Information, and Outreach	Catalytic Research and Collaborations	Public Policy	Grassroots Advocacy Field Network Development and Support	Other Programs	Total Programs	Management and General	Fundraising	2017 Total	2016 Total
Salaries	\$ 419,492	\$ 134,570	\$ 350,657	\$ 31,571	\$ 146,201	\$ 12,654	\$ 1,095,145	\$ 83,926	\$ 93,473	\$ 1,272,544	\$ 1,131,529
Payroll Taxes	32,209	9,781	25,193	2,130	10,698	898	80,909	5,915	7,178	94,002	81,324
Retirement Plan Contributions	6,041	3,107	6,736	589	5,303	272	22,048	2,205	2,464	26,717	22,680
Other Employee Benefits	36,345	13,831	28,461	3,040	14,543	1,115	97,335	933	10,787	109,055	115,266
Consultants	71,566	9,233	36,190	16,628	2,700	-	136,317	22,685	108,714	267,716	349,420
Legal Fees	-	-	25,521	-	-	-	25,521	26,796	3,515	55,832	22,744
Accounting Fees	-	-	-	-	-	-	-	21,485	-	21,485	19,257
Staff Development/Recruitment	14,217	4,589	9,114	748	4,150	371	33,189	2,560	3,956	39,705	12,781
Printing/Copying/Design/Graphic	28,287	1,405	5,704	189	1,434	99	37,118	835	31,406	69,359	78,016
Publications and Subscriptions	-	-	252	-	-	-	252	1,150	5,500	6,902	6,644
Postage	7,145	1,016	1,708	21	1,064	12	10,966	64	12,462	23,492	21,421
Office Supplies	4,750	1,079	2,382	154	970	79	9,414	257	847	10,518	9,697
Meetings and Events	234,573	3,026	152,072	77	596	38	390,382	7,905	6,205	404,492	468,209
Scholarships	38,797	-	-	-	-	-	38,797	-	-	38,797	30,039
Occupancy	67,367	22,097	43,401	3,378	20,355	1,964	158,562	17,376	19,349	195,287	174,768
Telecommunications	23,828	38,605	24,852	2,645	7,730	510	98,170	7,459	28,197	133,826	143,385
Depreciation and Amortization	20,763	7,071	14,268	1,065	6,721	550	50,438	4,070	6,471	60,979	62,419
Equipment	1,468	453	944	65	464	29	3,423	281	405	4,109	4,789
Travel	37,736	31,280	23,671	419	595	26	93,727	1,198	635	95,560	112,530
Insurance	3,754	1,287	2,553	194	1,109	137	9,034	724	1,170	10,928	12,640
Public Relations and Advertising	-	1,050	-	-	-	-	1,050	-	-	1,050	5,045
Dues and Fees	2,509	858	2,930	128	820	67	7,312	1,009	9,025	17,346	16,578
Grants	-	-	-	300,000	-	-	300,000	-	-	300,000	300,000
Bad Debt Expense	-	-	-	-	-	-	-	-	2,500	2,500	15,027
Bank Fees	888	-	40	-	-	-	928	780	15,743	17,451	16,394
Direct Mail Expense	-	-	-	-	-	-	-	-	4,338	4,338	3,115
Interest	-	-	-	-	-	-	-	1,834	-	1,834	1,041
Total Expenses	\$ 1,051,735	\$ 284,338	\$ 756,649	\$ 363,041	\$ 225,453	\$ 18,821	\$ 2,700,037	\$ 211,447	\$ 374,340	\$ 3,285,824	\$ 3,236,758

See accompanying Notes to Financial Statements.

NATIONAL BREAST CANCER COALITION FUND

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2017
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2016)

	2017	2016
Cash Flows from Operating Activities		
Change in Net Assets	\$ (702,253)	\$ (388,801)
Adjustments to Reconcile Change in Net Assets to Net Cash Used in Operating Activities		
Gain on Disposal	-	(1,463)
Depreciation and Amortization	60,979	62,419
(Increase) Decrease in Assets		
Pledges and Grants Receivable	715,167	313,656
Due from National Breast Cancer Coalition	18,765	8,217
Prepaid Expenses	(7,187)	24,128
Increase (Decrease) in Liabilities		
Accounts Payable	(33,629)	24,309
Accrued Expenses	(3,969)	(521)
Deferred Rent	(51,879)	(46,059)
Net Cash Used in Operating Activities	(4,006)	(4,115)
Cash Flows from Investing Activities		
Purchases of Property and Equipment	(14,013)	-
Net Cash Used in Investing Activities	(14,013)	-
Cash Flows from Financing Activities		
Payments of Capital Lease Obligation	(6,553)	(6,227)
Net Cash Used in Financing Activities	(6,553)	(6,227)
Net Decrease in Cash and Cash Equivalents	(24,572)	(10,342)
Cash and Cash Equivalents, Beginning of Year	597,122	607,464
Cash and Cash Equivalents, End of Year	\$ 572,550	\$ 597,122
Supplementary Disclosure of Cash Flow Information		
Interest Paid	\$ 1,834	\$ 1,042

Noncash Transaction from Investing and Financing Activities

During the year ended December 31, 2016, NBCC entered into a capital lease agreement for office equipment valued at approximately \$36,000.

See accompanying Notes to Financial Statements.

NATIONAL BREAST CANCER COALITION FUND

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The National Breast Cancer Coalition Fund (NBCC) is a nonprofit organization incorporated under the laws of the Commonwealth of Pennsylvania on December 19, 1991. The purpose of the organization is to eradicate breast cancer through focusing national attention on breast cancer and by involving patients and others as advocates for action, advances, and change.

To renew the sense of urgency to its mission and to refocus global efforts on ending breast cancer and saving lives, the National Breast Cancer Coalition has set a deadline: Know how to end breast cancer by January 1, 2020, Breast Cancer Deadline 2020[®]. NBCC has a strategic plan of action to achieve the deadline. The plan focuses on primary prevention, stopping women from getting breast cancer, and understanding and preventing metastasis (the spread of cancer), which is responsible for most breast cancer deaths. The blueprint is designed around three goals: research needed to end breast cancer; global access to the necessary information and lifesaving interventions; and the influence of leaders everywhere in the strategies to end breast cancer.

Programs of NBCC include:

Education and training - NBCC's work to know how to end breast cancer by January 1, 2020, through the Breast Cancer Deadline 2020[®] initiative requires the involvement and leadership of educated breast cancer advocates. The Center for NBCC Advocacy Training is a leader in supplying the education, tools, training, and action that enable breast cancer survivors and other advocates to take leadership roles in clinical, scientific, policy and legislative decision making that affects breast cancer research. With the new focus and urgency of the Breast Cancer Deadline 2020[®] initiative, the Center for NBCC Advocacy Training plays a key role in training breast cancer advocates from across the country and around the world to work in their communities and side-by-side with scientists to change the conversation in breast cancer and focus research on key areas that will end the disease. The Center for NBCC Advocacy Training offers courses and other learning opportunities throughout the year, from introductory programs to advanced and continuing education.

The Annual Advocate Summit (formerly the Advocacy Training Conference) is an annual four-day event that brings together breast cancer advocates from across the country and around the world to share strategies, learn about recent research developments, and sharpen their advocacy skills.

At NBCC's Team Leader Training, NBCC's strongest and most involved advocates receive advanced training about the legislative process, the public policy priorities of NBCC, and the role of the advocates in achieving those priorities.

Project LEAD[®], NBCC's innovative science training course, is designed to help breast cancer activists influence research and public policy. An intensive two-to-five-day program, Project LEAD[®] prepares advocates for participation in the wide range of forums where breast cancer research decisions are made. All Project LEAD[®] graduates have access to LEADgrads Online, a Facebook group.

NATIONAL BREAST CANCER COALITION FUND

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Programs of NBCC include: (Continued)

Other continuing education opportunities for LEAD graduates include LEADcast journal article discussions, in-service programs at scientific meetings, and advanced workshops at the Annual Advocate Summit.

A new component of the Project LEAD® program is Advanced Project LEAD. NBCC is committed to further educating and training small groups of advocates who demonstrate an understanding of the science at a high level. The Advanced Project LEAD® curriculum has been pilot tested for two years. The program was designed to enhance the advocates' critical thinking and research skills by applying the research process, getting feedback, and receiving faculty support. Selected advocates engaged in three months of researching a topic in depth, developing a proposal, and presenting it at a meeting. Advanced Project LEAD® provides ongoing educational and training sessions. The advocates conduct literature reviews and analysis, attend scientific meetings, and complete a report on the sessions. Vital to NBCC's mission is continued engagement and training for advocates who have a deep interest in and propensity for taking leadership roles in breast cancer research advocacy.

Another component of NBCC's extensive education programs is the Online Center for Advocacy Training. The Online Center for Advocacy Training brings NBCC's training experiences directly to advocates in a convenient and understandable digital format. Beginners and advanced learners alike can watch the sought-after speakers and provocative thinkers on breast cancer research and public policy discuss fascinating and controversial topics.

Public information, communications, and outreach - In tandem with the launch of Breast Cancer Deadline 2020®, NBCC has undertaken an expansive effort to change the conversation around breast cancer to a dialogue about knowing how to end the disease by 2020. The NBCC website, print and electronic communications introduce Breast Cancer Deadline 2020® and NBCC's programs and goals to individuals with an interest in breast cancer, educating and activating thousands of new advocates each year. NBCC regularly provides public education through monthly e-newsletters, frequent email alerts, a print newsletter, updates to the website (www.BreastCancerDeadline2020.org), periodic blog entries on *Huffington Post*, content on social media outlets and other communication efforts. In order to change the conversation in breast cancer from the status quo to a focus on ending the disease, the public must be fully educated about the facts about breast cancer. NBCC's 31 Truths About Breast Cancer campaign and other informational resources provide the public with evidence-based factual guidance on issues related to breast cancer.

NBCC's expert staff analyze research studies and media coverage, and present the truth behind the news in order to educate the general public about the facts about breast cancer. In addition, NBCC leadership represents the breast cancer community, advocating on its behalf, serving on scientific, medical, and research bodies at the national and international levels.

NATIONAL BREAST CANCER COALITION FUND

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Programs of NBCC include: (Continued)

Catalytic Research Projects and Collaborations - NBCC's Breast Cancer Deadline 2020[®], is centered around strategic summits, catalytic workshops, and collaborative efforts with a multi-disciplinary and diverse group of stakeholders. This innovative approach challenges scientists to look at the disease in new ways and work collaboratively with advocates to develop strategic research plans that could have a significant impact on prevention and saving lives. The focus is on areas that have received inadequate attention by the research community.

NBCC has convened a number of summits on the catalytic Artemis Project[®] that focus on the topics of preventing metastasis and primary prevention. At these summits, participants articulate major issues that are ripe for further work and that would have a significant impact on breast cancer. Reports from these summits have set the stage for Artemis Projects and strategic plans. The plans will ensure that the appropriate research takes place, is translated to the clinic, and results in an end to breast cancer.

NBCC's first catalytic Artemis Project[®] is centered on a preventive vaccine for breast cancer. NBCC has brought together renowned experts in epidemiology, immunology, clinical cancer care, biotechnology and product development, advocacy, and the federal drug approval and regulatory processes. Participants have created a five-year strategic plan for a preventive vaccine in breast cancer.

The second Artemis Project[®] is examining the causes and prevention of metastasis with a focus on tumor dormancy, with an emphasis on determining which disseminated tumor cells result in lethal metastasis and the strategy to pursue once they are identified.

Public policy - NBCC focuses its public policy advocacy on priorities that will increase funding for breast cancer research; provide access to high quality health care and clinical trials; and expand the influence of breast cancer advocates everywhere breast cancer decisions are made. NBCC works to be sure that policy decisions are based on scientific evidence and action that is most likely to further the mission of eradicating breast cancer and achieve Breast Cancer Deadline 2020[®] - knowing how to end breast cancer by January 1, 2020.

NBCC provides members of Congress and their staff up-to-date information about breast cancer and reports on research discoveries that impact policy and appropriations. Periodic Congressional forum focus on a specific breast cancer topic, present the science that drives the need for policy and give a constituent perspective.

Grassroots advocacy field network development and support - NBCC provides resources and support to member organizations nationwide and enhances education and training among diverse populations of breast cancer activists. Through NBCC's support of its membership and local networks, many more advocates are engaged in Breast Cancer Deadline 2020[®] and NBCC's work to end breast cancer. This expansive global network of activists plays a key role in educating and involving communities to ensure that the goals of Breast Cancer Deadline 2020[®] are achieved. NBCC's Emerging Leaders Initiative is aimed at engaging and training the next generation of breast cancer activists, ages 20 to 35, through online networking tools, webcasts, and conference calls.

NATIONAL BREAST CANCER COALITION FUND

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Programs of NBCC include: (Continued)

Other programs - Through the Clinical Trials Initiative, NBCC works with the research community to involve breast cancer activists in all aspects of clinical trial design, implementation and oversight and increase the number of high quality trials conducted. NBCC's acclaimed publication, Guide to Quality Breast Cancer Care, is available free of charge on the NBCC website. The Guide provides information for patients to use when evaluating the quality of their health care and developing strategies for getting the best care available.

The operations of NBCC are primarily funded by grants, contributions, and special events.

Cash and Cash Equivalents

NBCC considers all short-term investments with an original maturity of three months or less to be cash equivalents, excluding amounts held as investments.

Pledges and Grants Receivable

Pledges and grants receivable consist of amounts due for contributions from donors which were not received by NBCC at year end. The management of NBCC believes that all such amounts are fully collectible and no reserve for doubtful accounts has been established. Amounts receivable due in more than one year are discounted at 1.75%.

Property and Equipment

NBCC capitalizes all property and equipment acquisitions in excess of \$1,000. Property and equipment are recorded at cost, if purchased, or at fair value, at date of donation, if contributed. Depreciation of property and equipment is provided using the straight-line method over the estimated life of the asset.

Contributions

NBCC 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. Restricted contributions for which the restrictions are met in the year received are considered unrestricted for financial statement purposes. When a donor restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

In-Kind Contributions

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, and are performed by people with those skills, and would otherwise be purchased by NBCC. During the year ended December 31, 2017, NBCC received donated legal fees and other services of approximately \$54,000, of which approximately \$26,000 is related to the Catalytic Research and Collaborations program, approximately \$3,000 is related to the Education and Training program, and approximately \$25,000 is related to management and general services.

NATIONAL BREAST CANCER COALITION FUND

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

NBCC is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the Code) and has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the Code.

NBCC requires that a tax position be recognized or derecognized based on a “more-likely-than-not” threshold. This applies to positions taken or expected to be taken in a tax return. NBCC does not believe its financial statements include, or reflect, any uncertain tax positions.

NBCC’s Form 990, *Return of Organization Exempt from Income Tax*, is subject to examination by the Internal Revenue Service generally for three years after it is filed.

Allocation of Functional Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Prior Year Information

The financial statements include certain prior year summarized comparative totals as of and for the year ended December 31, 2016. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the financial statements for the year ended December 31, 2016, from which the summarized information was derived.

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 the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported amounts of revenues and expenses. Actual results could differ from those estimates.

Reclassifications

Certain amounts for 2016 have been reclassified for comparative purposes.

2. RELATED PARTY TRANSACTIONS

NBCC shares staff and board members with the National Breast Cancer Coalition (the Coalition), a nonprofit organization exempt under Internal Revenue Code Section 501(c)(4). NBCC is reimbursed by the Coalition for certain personnel, office expenses, and combined bills. NBCC incurred approximately \$280,000 of reimbursable expenses paid on behalf of the Coalition during 2017. NBCC made a grant of \$300,000 to the Coalition for the year ended December 31, 2017. The grant to the Coalition was used for general lobbying expenses. The grant was made in accordance with NBCC’s 501(h) election for the year.

NATIONAL BREAST CANCER COALITION FUND

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

3. PLEDGES AND GRANTS RECEIVABLE

Unconditional promises to give at December 31, 2017, are as follows:

Description	Amount
Pledges and Grants Receivable in Less Than One Year	\$ 965,413
Pledges and Grants Receivable in One to Five Years	561,000
Total Pledges and Grants Receivable	1,526,413
Less Discount to Present Value	(14,509)
Net Contributions and Grants Receivable	\$ 1,511,904

4. LINE OF CREDIT AGREEMENT

NBCC maintains a \$150,000 revolving line of credit from a local bank. The line of credit expires on December 30, 2018. Substantially all of the assets of NBCC are used as collateral for the line of credit. The line of credit contains certain restrictive covenants. Interest is payable monthly based on the *Wall Street Journal's* minimum prime rate plus 2% with a floor of 6%. NBCC did not have any funds outstanding on the line of credit at December 31, 2017.

5. RETIREMENT PLAN

NBCC maintains a 401(k) plan (the Plan). NBCC may elect to make an annual safe harbor contribution for all eligible employees. In addition, NBCC may make discretionary contributions. To be eligible employees must have attained age 21 and completed one year of service. Participants may elect to make voluntary contributions to the Plan. The total contribution under the Plan for the year ended December 31, 2017, was approximately \$31,000. NBCC's portion of the contribution was approximately \$27,000. NBCC was reimbursed by the Coalition for the remaining \$4,000 of the contribution.

6. CAPITAL LEASE

NBCC is the lessee of certain office equipment under a capital lease with a term of 60 months. NBCC is obligated under this lease through 2021. The asset and liability under the lease are recorded at the present value of the minimum lease payments. The asset is amortized over the lesser of the estimated useful life or the lease term. Amortization of the asset under the lease is included in depreciation expense. The accumulated amortization as of December 31, 2017, was approximately \$7,000.

Minimum future lease payments under the lease as of December 31, 2017, are as follows:

<u>For the Years Ending December 31,</u>	
2018	\$ 8,388
2019	8,388
2020	8,388
2021	4,893
Total Minimum Lease Payments	30,057
Less Amount Representing Interest	(3,072)
Present Value of Total Minimum Lease Payments	\$ 26,985

NATIONAL BREAST CANCER COALITION FUND

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

7. OPERATING LEASE

During 2014, NBCC entered into a lease (the Lease) for office space and is obligated under the Lease through 2022. Under the terms of the Lease, the base rent increases annually based on scheduled increases provided for in the Lease. The Lease included incentives of approximately 6.5 months of free rent and approximately \$355,000 to build out the office space. Under accounting principles generally accepted in the United States of America (GAAP), all rental payments, including fixed rent increases, are recognized on a straight-line basis over the term of the lease. Lease incentives are amortized over the life of the lease on a straight-line basis as an offset to rent expense. The difference between the GAAP rent expense and the required lease payments, as well as any unamortized lease incentives, are reflected as deferred rent in the accompanying statement of financial position.

The following is a schedule of future minimum lease payments required under the above operating lease as of December 31, 2017:

For the Years Ending December 31,

2018	\$ 244,605
2019	250,721
2020	256,989
2021	263,413
2022	<u>66,257</u>
Total	<u>\$ 1,081,985</u>

Rent expense totaled approximately \$185,000 for the year ended December 31, 2017.

8. COMMITMENTS

NBCC has entered into agreements for services to provide accommodations for its events to be held through March 2019. The agreements contain clauses whereby NBCC is liable for liquidated damages in the event of cancellation. As of May 14, 2018, management of NBCC has estimated that the maximum possible amount of liquidated damages is approximately \$273,000. Management does not believe any cancellations under these contracts will occur.

NBCC has entered into a non-cancelable service contract with an internet services company through 2019. The future estimated commitment under this contract is approximately \$127,000 and is payable in quarterly installments.

9. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets as of December 31, 2017, are available for the following purposes:

<u>Description</u>	<u>Amount</u>
Artemis Project	\$ 648,050
Time Restriction - General Support for Future Periods	<u>739,288</u>
Total Temporarily Restricted	<u>\$ 1,387,338</u>

NATIONAL BREAST CANCER COALITION FUND

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

9. TEMPORARILY RESTRICTED NET ASSETS (CONTINUED)

Net assets released from restrictions for the year ended December 31, 2017, were as follows:

<u>Description</u>	<u>Amount</u>
Advocacy Conference	\$ 25,000
Grassroots	25,000
Artemis Project	360,850
Time Restriction - General Support for Future Periods	<u>448,030</u>
Total Releases	<u>\$ 858,880</u>

10. CONCENTRATIONS

As of December 31, 2017, three donors comprised approximately 79% of total pledges and grants receivable. Two events, the New York Gala and LA Cabaret, made up approximately 40% of total revenue for the year ended December 31, 2017. For the year ended December 31, 2017, approximately 30% of total revenue was received from two donors.

NBCC maintains a bank account at a financial institution located in Washington, D.C., which at times during the year exceeded the Federal Deposit Insurance Corporation limit. Management believes the risk in these situations to be minimal.

11. SUBSEQUENT EVENTS

Subsequent events were evaluated through May 14, 2018, which is the date the financial statements were available to be issued.