

**BREAST CARE FOR WASHINGTON**

FINANCIAL STATEMENTS

DECEMBER 31, 2014

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## REPORT OF INDEPENDENT AUDITORS

To the Board of Directors  
Breast Care for Washington

We have audited the accompanying financial statements of Breast Care for Washington (the Organization), which comprise the statement of financial position as of December 31, 2014, 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 about whether the financial statements are free of 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 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 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 Breast Care for Washington as of December 31, 2014, 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.

*Calibre CPA Group, PLLC*

Bethesda, MD  
June 25, 2015

**BREAST CARE FOR WASHINGTON**

**STATEMENT OF FINANCIAL POSITION**

DECEMBER 31, 2014

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 139,436
Accounts receivable - Medicaid and other third parties, net	6,660
Grant receivable	14,304
Prepaid expenses	<u>10,000</u>
Total current assets	170,400

PROPERTY AND EQUIPMENT, NET

OF ACCUMULATED DEPRECIATION OF \$127,682	<u>1,208,132</u>
Total assets	<u>\$ 1,378,532</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 4,487
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NET ASSETS

Unrestricted	<u>1,374,045</u>
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Total liabilities and net assets	<u>\$ 1,378,532</u>
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See accompanying notes to financial statements.

**BREAST CARE FOR WASHINGTON**

**STATEMENT OF ACTIVITIES**

YEAR ENDED DECEMBER 31, 2014

REVENUE	
Public support	
Institutional grants	\$ 199,299
Individual contributions	45,757
Donated equipment and services	1,395,960
Medicaid, third party payments and other, net	22,101
Total revenue	<u>1,663,117</u>
EXPENSES	
Program services	
Clinical services	261,996
Patient navigation	33,395
Community outreach	6,878
Total program service	<u>302,269</u>
Supporting services	
Management and general	125,873
Development	24,065
Total expenses	<u>452,207</u>
CHANGE IN NET ASSETS	1,210,910
UNRESTRICTED NET ASSETS	
Beginning of year	<u>163,135</u>
End of year	<u>\$ 1,374,045</u>

See accompanying notes to financial statements.

**BREAST CARE FOR WASHINGTON**

**STATEMENT OF FUNCTIONAL EXPENSES**

YEAR ENDED DECEMBER 31, 2014

	Program Services			Total Program Services	Supporting Services		Total
	Clinical Services	Patient Navigation	Community Outreach		Management and General	Development	
Accounting	\$ -	\$ -	\$ -	\$ -	\$ 7,478	\$ -	\$ 7,478
Depreciation	121,298	-	-	121,298	6,384	-	127,682
Donated legal fees	-	-	-	-	85,000	-	85,000
Equipment	6,148	-	-	6,148	-	-	6,148
Insurance	1,520	1,520	-	3,040	3,039	-	6,079
IT & other contract services	8,846	4,423	-	13,269	737	737	14,743
Lab fees	2,530	-	-	2,530	-	-	2,530
Mammography technicians	46,786	-	-	46,786	-	-	46,786
Marketing & advertising	-	-	6,583	6,583	-	5,386	11,969
Miscellaneous	8,939	-	-	8,939	999	-	9,938
Outside contract services	3,552	2,220	-	5,772	3,799	682	10,253
Patient supplies	9,572	-	-	9,572	-	-	9,572
Postage	352	163	-	515	27	-	542
Printing	-	225	-	225	899	-	1,124
Rent, utilities facility equipment	8,776	4,389	-	13,165	762	731	14,658
Salaries and benefits	12,800	19,200	-	32,000	16,000	16,000	64,000
Supplies	429	429	-	858	686	171	1,715
TeleMammography services	30,130	-	-	30,130	-	-	30,130
Telephone	318	826	-	1,144	63	63	1,270
Travel and meetings	-	-	295	295	-	295	590
<b>Total</b>	<b>\$ 261,996</b>	<b>\$ 33,395</b>	<b>\$ 6,878</b>	<b>\$ 302,269</b>	<b>\$ 125,873</b>	<b>\$ 24,065</b>	<b>\$ 452,207</b>

See accompanying notes to financial statements.

**BREAST CARE FOR WASHINGTON**

**STATEMENT OF CASH FLOWS**

YEAR ENDED DECEMBER 31, 2014

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ 1,210,910
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Donated equipment	(1,310,960)
Depreciation	127,682
Changes in assets and liabilities	
Accounts receivable -Medicaid and other third parties	(6,660)
Grant receivable	(14,304)
Prepaid expenses	(10,000)
Accounts payable	<u>4,487</u>
Net cash provided by operating activities	1,155
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of property and equipment	<u>(24,854)</u>
NET DECREASE IN CASH	(23,699)
CASH	
Beginning of year	<u>163,135</u>
End of year	<u>\$ 139,436</u>

See accompanying notes to financial statements.



## BREAST CARE FOR WASHINGTON

### NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014

#### NOTE 1. DESCRIPTION OF ORGANIZATION AND NATURE OF ACTIVITIES

**Mission** - Breast Care for Washington (the Organization) was formed in 2012. The mission of the organization is to reduce breast cancer mortality in the Washington, D.C. area by promoting access to breast cancer screening, diagnostics, and treatment to all women regardless of their ability to pay.

**Services** - Breast Care for Washington provides screening and diagnostic mammograms using 3D technology, breast ultrasound and minimally invasive breast biopsies.

#### NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Basis of Accounting** - The financial statements of the Organization are prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other assets and liabilities.

**Basis of Presentation** - Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) in its Accounting Standards Codification (ASC) topic, *Financial Statements of Not-for-Profit Organizations*. Under this topic, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. As of December 31, 2014, all of the Organization's net assets are unrestricted.

**Use of Estimates** - The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts and disclosures. Actual results could differ from those estimates.

**Cash and Cash Equivalents** - For purposes of the statement of cash flows, the Organization considers cash in banks and money market funds to be cash and cash equivalents.

**Property and Equipment** - Property and equipment are recorded at cost and consist of office equipment, participant database and related software. Depreciation is computed using the straight-line method over the estimated useful life of the related assets.

**Donated Services and Equipment** - Donated services and equipment have been reflected in the financial statements for legal services, a 3D mammography machine and patient tracking software.

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Volunteers** - Breast Care of Washington is supported by a group of 20 volunteers who assist with patient intake, special events and community outreach.

**NOTE 3. INCOME TAX STATUS**

Breast Care for Washington is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code under a ruling issued by the Internal Revenue Service (IRS) dated January 31, 2013. In addition, the Organization is not a private foundation and, accordingly, no provision for income taxes is included in the financial statements.

The Organization adheres to the authoritative guidance relating to accounting for uncertainty in income taxes included in Accounting Standards Codification (ASC) Topic *Income Taxes*. These provisions provide consistent guidance for the accounting for uncertainty in income taxes recognized in an entity's financial statements and prescribe a threshold of "more likely than not" for recognition and derecognition of tax positions taken or expected to be taken in a tax return. The Organization performed an evaluation of uncertain tax positions for the year ended December 31, 2014 and determined that there were no matters that would require recognition in the financial statements or that may have an effect on its tax-exempt status. As of December 31, 2014, the statute of limitations for tax years 2012 and 2013 remain open with the U.S. Federal Jurisdiction in which the organization files returns.

**NOTE 4. PROPERTY AND EQUIPMENT**

The Organization's property and equipment consist of the following at December 31, 2014:

Medical equipment	\$ 1,126,965
Software	203,995
Computer equipment	<u>4,854</u>
Total	1,335,814
Less: accumulated depreciation	<u>(127,682)</u>
Net property equipment	<u><u>\$ 1,208,132</u></u>

The Organization recognized depreciation expense of \$127,682 for the year ended December 31, 2014.

**NOTE 5. COMMITMENTS**

The Organization has entered into a three year usage agreement for office space, equipment and services, expiring April 30, 2017. The following is a summary of future minimum usage payments required under the agreement:

Year Ending December 31,	
2015	\$ 14,820
2016	14,820
2017	<u>4,920</u>
	<u>\$ 34,560</u>

The total expense related to this agreement for the year ended December 31, 2014 was \$9,880.

**NOTE 6. SUBSEQUENT EVENTS**

Subsequent events have been evaluated through June 25, 2015, which is the date the financial statements were available to be issued. This review and evaluation revealed no new material event or transaction which would require an additional adjustment to or disclosure in the accompanying financial statements.