

**BREAST CARE FOR WASHINGTON**

FINANCIAL STATEMENTS

DECEMBER 31, 2018



**BREAST CARE FOR WASHINGTON**

**FINANCIAL STATEMENTS**

**YEARS ENDED DECEMBER 31, 2018 AND 2017**

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7501 WISCONSIN AVENUE | SUITE 1200 WEST  
BETHESDA, MD 20814  
202.331.9880 PHONE | 202.331.9890 FAX

## **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 statements of financial position as of December 31, 2018 and 2017, and the related statements of activities, functional expenses and cash flows for the years 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 audits. We conducted our audits 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 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, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*CaliberCPAGroup, PLLC*

Bethesda, MD  
May 28, 2019

**BREAST CARE FOR WASHINGTON**  
**STATEMENTS OF FINANCIAL POSITION**  
DECEMBER 31, 2018 AND 2017

	2018	2017
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 324,951	\$ 182,396
Accounts receivable - Medicaid and other third parties, net	30,992	24,653
Contributions receivable	-	16,076
Grant receivable	52,500	67,000
Total current assets	408,443	290,125
<b>PROPERTY AND EQUIPMENT, NET</b>		
OF ACCUMULATED DEPRECIATION OF \$626,928 AND \$622,123	755,191	896,091
Total assets	\$ 1,163,634	\$ 1,186,216
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 49,184	\$ 19,231
Loan payable	12,314	-
Total current liabilities	61,498	19,231
<b>LONG-TERM LIABILITIES</b>		
Loan payable	25,693	-
Total liabilities	87,191	19,231
<b>NET ASSETS</b>		
Without donor restriction	1,005,609	1,012,901
With donor restriction	70,834	154,084
Total net assets	1,076,443	1,166,985
Total liabilities and net assets	\$ 1,163,634	\$ 1,186,216

See accompanying notes to financial statements.

**BREAST CARE FOR WASHINGTON**

**STATEMENT OF ACTIVITIES**

YEAR ENDED DECEMBER 31, 2018

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total</u>
<b>REVENUE</b>			
Public support			
Institutional grants	\$ 225,000	\$ 155,000	\$ 380,000
Individual contributions	189,449	-	189,449
Donated equipment and services	42,410	-	42,410
Medicaid, third party payments and other, net	299,818	-	299,818
Net assets released from restriction	238,250	(238,250)	-
Total revenue	<u>994,927</u>	<u>(83,250)</u>	<u>911,677</u>
<b>EXPENSES</b>			
Program services			
Clinical services	570,167	-	570,167
Patient navigation	95,619	-	95,619
Community outreach	77,776	-	77,776
Total program service	<u>743,562</u>	<u>-</u>	<u>743,562</u>
Supporting services			
Management and general	161,215	-	161,215
Development	97,442	-	97,442
Total expenses	<u>1,002,219</u>	<u>-</u>	<u>1,002,219</u>
CHANGE IN NET ASSETS	(7,292)	(83,250)	(90,542)
<b>NET ASSETS</b>			
Beginning of year	<u>1,012,901</u>	<u>154,084</u>	<u>1,166,985</u>
End of year	<u>\$ 1,005,609</u>	<u>\$ 70,834</u>	<u>\$ 1,076,443</u>

See accompanying notes to financial statements.

**BREAST CARE FOR WASHINGTON**

**STATEMENT OF ACTIVITIES**

YEAR ENDED DECEMBER 31, 2017

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total</u>
<b>REVENUE</b>			
Public support			
Institutional grants	\$ 120,000	\$ 265,000	\$ 385,000
Individual contributions	192,832	-	192,832
Donated equipment and services	28,853	-	28,853
Medicaid, third party payments and other, net	244,219	-	244,219
Net assets released from restriction	140,916	(140,916)	-
Total revenue	<u>726,820</u>	<u>124,084</u>	<u>850,904</u>
<b>EXPENSES</b>			
Program services			
Clinical services	532,698	-	532,698
Patient navigation	84,598	-	84,598
Community outreach	78,536	-	78,536
Total program service	695,832	-	695,832
Supporting services			
Management and general	100,783	-	100,783
Development	82,750	-	82,750
Total expenses	<u>879,365</u>	<u>-</u>	<u>879,365</u>
CHANGE IN NET ASSETS	(152,545)	124,084	(28,461)
<b>NET ASSETS</b>			
Beginning of year	<u>1,165,446</u>	<u>30,000</u>	<u>1,195,446</u>
End of year	<u>\$ 1,012,901</u>	<u>\$ 154,084</u>	<u>\$ 1,166,985</u>

See accompanying notes to financial statements.

## BREAST CARE FOR WASHINGTON

### STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2018

	Program Services			Total Program Services	Supporting Services		Total
	Clinical Services	Patient Navigation	Community Outreach		Management and General	Development	
Salaries and benefits	\$ 136,114	\$ 77,779	\$ 58,334	\$ 272,227	\$ 58,335	\$ 58,334	\$ 388,896
Depreciation	162,831	-	-	162,831	8,570	-	171,401
Loss on disposal of property and equipment	-	-	-	-	37,399	-	37,399
Accounting	-	-	-	-	8,213	-	8,213
Billing fees	2,892	-	-	2,892	-	-	2,892
Donated legal fees	-	-	-	-	34,220	-	34,220
Donated service fees	8,190	-	-	8,190	-	-	8,190
Events	-	-	577	577	-	2,310	2,887
Insurance	3,817	2,545	1,272	7,634	3,817	1,272	12,723
IT and other contract services	4,323	2,594	-	6,917	1,729	-	8,646
Lab fees	5,378	-	-	5,378	-	-	5,378
Marketing and advertising	-	-	3,784	3,784	-	3,784	7,568
Miscellaneous	4,669	-	265	4,934	4,996	-	9,930
Outside contract services	15,686	-	7,656	23,342	-	29,684	53,026
Patient supplies	11,302	-	-	11,302	-	-	11,302
Postage	2,507	-	-	2,507	140	139	2,786
Printing	-	143	784	927	356	143	1,426
Rent, utilities facility equipment	62,972	8,808	4,404	76,184	2,936	1,469	80,589
Software expenses	20,341	-	-	20,341	-	-	20,341
Supplies	2,762	1,178	589	4,529	392	196	5,117
TeleMammography services	124,980	-	-	124,980	-	-	124,980
Telephone	959	2,239	-	3,198	-	-	3,198
Travel and meetings	444	333	111	888	112	111	1,111
Total	\$ 570,167	\$ 95,619	\$ 77,776	\$ 743,562	\$ 161,215	\$ 97,442	\$ 1,002,219

See accompanying notes to financial statements.



## BREAST CARE FOR WASHINGTON

### STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2017

	Program Services			Total Program Services	Supporting Services		Total
	Clinical Services	Patient Navigation	Community Outreach		Management and General	Development	
Salaries and benefits	\$ 121,622	\$ 69,498	\$ 52,123	\$ 243,243	\$ 52,123	\$ 52,123	\$ 347,489
Depreciation	157,536	-	-	157,536	8,291	-	165,827
Accounting	-	-	-	-	7,000	-	7,000
Billing fees	7,393	-	-	7,393	-	-	7,393
Donated legal fees	-	-	-	-	21,443	-	21,443
Donated service fees	7,410	-	-	7,410	-	-	7,410
Events	-	-	1,252	1,252	-	5,010	6,262
Insurance	2,318	1,545	773	4,636	2,316	773	7,725
IT and other contract services	4,299	2,580	-	6,879	1,720	-	8,599
Lab fees	3,667	-	-	3,667	-	-	3,667
Mammography technicians	11,607	-	-	11,607	-	-	11,607
Marketing and advertising	-	-	1,719	1,719	-	1,718	3,437
Miscellaneous	4,395	-	-	4,395	3,881	-	8,276
Outside contract services	19,615	-	16,066	35,681	-	21,111	56,792
Patient supplies	8,837	-	-	8,837	-	-	8,837
Postage	2,707	-	-	2,707	150	150	3,007
Printing	-	268	1,472	1,740	668	268	2,676
Rent, utilities facility equipment	63,148	8,168	4,722	76,038	2,867	1,361	80,266
Software expenses	24,866	-	-	24,866	-	-	24,866
Supplies	2,298	521	260	3,079	174	87	3,340
TeleMammography services	89,709	-	-	89,709	-	-	89,709
Telephone	673	1,570	-	2,243	-	-	2,243
Travel and meetings	598	448	149	1,195	150	149	1,494
Total	<u>\$ 532,698</u>	<u>\$ 84,598</u>	<u>\$ 78,536</u>	<u>\$ 695,832</u>	<u>\$ 100,783</u>	<u>\$ 82,750</u>	<u>\$ 879,365</u>

See accompanying notes to financial statements.

**BREAST CARE FOR WASHINGTON**

**STATEMENTS OF CASH FLOWS**

YEARS ENDED DECEMBER 31, 2018 AND 2017

	2018	2017
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (90,542)	\$ (28,461)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	171,401	165,827
Loss on disposal of property and equipment	37,399	-
Changes in assets and liabilities		
Accounts receivable -Medicaid and other third parties	(6,339)	11,039
Donations receivable	16,076	(5,274)
Grant receivable	14,500	(67,000)
Accounts payable	29,953	2,175
Net cash provided by operating activities	172,448	78,306
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of property and equipment	(67,900)	-
Net cash used for investing activities	(67,900)	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Loan payable proceeds	39,000	-
Payments made on loan payable	(993)	-
Net cash provided by financing activities	38,007	-
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	142,555	78,306
<b>CASH AND CASH EQUIVALENTS</b>		
Beginning of year	182,396	104,090
End of year	\$ 324,951	\$ 182,396

See accompanying notes to financial statements.

## BREAST CARE FOR WASHINGTON

### NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2018 AND 2017

#### 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** - The Organization 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. Revenue is recognized when earned and expenses are recognized when incurred.

**Basis of Presentation** - Financial statement presentation follows the recommendations of U.S. generally accepted accounting principles in accordance with Financial Accounting Standards Board Accounting Standards Codification, *Not-for-Profit Entities - Presentation of Financial Statements*. Under those principles, the Organization is required to report information regarding its financial position and activities according to two classes of net assets - net assets without donor restrictions and net assets with donor restrictions.

- Net assets without donor restrictions represent the portion of expendable funds that are available for support of the Organization's operations.
- Net assets with donor restrictions represent amounts that are restricted by donors for specific purposes and/or future use.

**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 statements 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.

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

**Donated Services and Equipment** - Donated services have been reflected in the financial statements for legal and medical services, which were donated in 2018 and 2017. On June 18, 2018 Breast Care for Washington and RAD-AID International signed a memorandum of understanding for a charitable donation of a vehicle, mammography unit, and certain related property with the aim of expanding the availability of mammography services to the low income and underserved residents of the District of Columbia. However, the vehicle is not yet in use as the necessary regulatory approvals need to be obtained and that necessary changes are made to vehicle.

**Volunteers** - The Organization is supported by a group of 30 volunteers who assist with patient intake, special events and community outreach.

**Contributions and Grants** - Contributions and grants received or unconditionally pledged are recorded as support in the year the unconditional pledges are received. The Organization uses the allowance methods to determine uncollectible unconditional contributions and grants receivable. The allowance is based on management's analysis of specific promises made. No allowance was considered necessary for the years ended December 31, 2018 and 2017.

**Functional Allocation of Expenses** - The costs of providing the various programs and supporting activities of the Organization have been summarized on a functional basis in the statements of activities and functional expenses. Costs that can be specifically identified with a final cost objective are charged directly to that activity. Other costs are allocated among the program and supporting services benefited based on management's best estimates.

**New Accounting Pronouncement** - During the year ended December 31, 2018, the Organization adopted the requirements of Accounting Standards Update 2016-14, *Not-for-Profit Entities: Presentation of Financial Statements of Not-for-Profit Entities* (the Update). The Update amends the reporting model for not-for-profit organizations and enhances required disclosures. The major changes include: requiring the presentation of only two classes of net assets - those with donor restrictions and those without donor restrictions; requiring all not-for-profits to present an analysis of expenses by both function and nature in a single location, generally as a separate financial statement or by disclosure in the notes, and to provide additional information about the methods used to allocate costs across functional reporting categories; requiring disclosure of both quantitative and qualitative information about liquidity and the availability of financial resources.

**Reclassification** - Certain amounts previously reported for the year ended December 31, 2017 were reclassified to conform to the 2018 presentation.

### NOTE 3. LIQUIDITY AND AVAILABILITY OF RESOURCES

As part of the Organization’s liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Organization invests cash in excess of its current requirements to maximize long-term earnings with acceptable risk to investment principle.

The following table represents the Organization’s financial assets available to meet cash needs for general expenditures within one year of December 31, 2018.

Total assets at end of year	\$ 1,163,634
Less non-financial assets	
Net property and equipment	<u>755,191</u>
Total financial assets at end of year	408,443
Less amounts not available to meet general expenditures coming due within one year	
Net assets subject to donor restriction	<u>70,834</u>
Financial assets available for general expenditures within one year	<u><u>\$ 337,609</u></u>

### NOTE 4. INCOME TAX STATUS

The Organization is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code (IRC) 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, 2018 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, 2018, the statute of limitations for tax years 2015 through 2017 remain open with the U.S. Federal Jurisdiction in which the Organization files returns.

**NOTE 5. PROPERTY AND EQUIPMENT**

The Organization's property and equipment consist of the following at December 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Medical equipment	\$ 1,194,865	\$ 1,126,965
Software	182,400	386,395
Computer equipment	<u>4,854</u>	<u>4,854</u>
Total	1,382,119	1,518,214
Less: accumulated depreciation	<u>(626,928)</u>	<u>(622,123)</u>
Net property equipment	<u>\$ 755,191</u>	<u>\$ 896,091</u>

The Organization recognized depreciation expense of \$171,401 and \$165,827 for the years ended December 31, 2018 and 2017.

**NOTE 6. COMMITMENTS**

The Organization entered into a three-year usage agreement for office space, equipment and services, expiring January 1, 2019. Subsequent to the year end, the Organization continued to pay the same monthly rent though there is no formal renewal agreement made.

The total expense related to this agreement for the year ended December 31, 2018 and 2017 was \$29,361 and \$27,225, respectively.

**NOTE 7. NET ASSETS WITH TEMPORARY DONOR RESTRICTIONS**

Net assets with temporary donor restrictions result from contributions of cash or other assets with donor imposed restrictions that require that such resource be used in a later period after a specified date or that the resource be used for a specific purpose. Net assets with temporary donor restrictions are released from restrictions when the specified date passes or amounts are expended for the purpose specified. Net assets with temporary donor restrictions at December 31, 2018 and 2017 were restricted for specific purposes in the following categories:

	<u>2018</u>	<u>2017</u>
Time restricted	<u>\$ 70,834</u>	<u>\$154,084</u>

The following net assets were released from net assets with temporary donor restrictions for the year ended December 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Time restricted	<u>\$238,250</u>	<u>\$140,916</u>

**NOTE 8. LOAN PAYABLE**

On November 2, 2018, the Organization negotiated a loan for \$39,000 from Revere Bank, at a fixed interest rate of 5.96%, payable over three years for the purpose of financing the purchase of the Picture Archiving and Communications System (PACS).

Principal payments are due as follows:

Year Ending December 31	
2019	\$ 12,314
2020	13,068
2021	<u>12,625</u>
Total	<u>\$ 38,007</u>

**NOTE 9. SUBSEQUENT EVENTS**

Subsequent events have been evaluated through May 28, 2019, 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 adjustment to or disclosure in the accompanying financial statements.