



**Miles of Hope Breast Cancer
Foundation, Inc.
Financial Statements
December 31, 2021**

Miles of Hope Breast Cancer Foundation, Inc.
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December 31, 2021

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Independent Accountant's Review Report

To the Board of Directors
Miles of Hope Breast Cancer Foundation, Inc.

Prager Metis CPAs, LLC

510 HAIGHT AVENUE
SUITE 201
POUGHKEEPSIE, NY 12603

T 845.473.7774

F 845.454.8485

www.pragermetis.com

We have reviewed the accompanying financial statements of Miles of Hope Breast Cancer Foundation, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of entity management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Miles of Hope Breast Cancer Foundation, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.





Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Prager Metis CPAs, LLC

Prager Metis CPAs, LLC
Poughkeepsie, New York
March 31, 2022

Miles of Hope Breast Cancer Foundation, Inc.
Statement of Financial Position
December 31, 2021

Assets

Cash and cash equivalents	\$ 148,899
Other receivables	750
Prepaid expenses	5,803
Beneficial interest in assets held at community foundations	<u>2,320,227</u>

Total assets \$ 2,475,679

Liabilities and net assets

Liabilities

Accounts payable	<u>\$ 5,237</u>
Total liabilities	<u>5,237</u>

Net assets

Without donor restrictions	132,667
Without donor restrictions, board designated	<u>2,187,391</u>
Total without donor restrictions	2,320,058
With donor restrictions	<u>150,384</u>
Total net assets	<u>2,470,442</u>

Total liabilities and net assets \$ 2,475,679

See accompanying notes and independent accountant's review report.

Miles of Hope Breast Cancer Foundation, Inc.
Statement of Activities
Year Ended December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, gains and support			
Fundraising and events	\$ 267,178	\$ -	\$ 267,178
Donated event items	31,646	-	31,646
Less: cost of direct benefits to donors	(66,647)	-	(66,647)
Net fundraising and events	<u>232,177</u>	<u>-</u>	<u>232,177</u>
Contributions and grants	68,101	56,738	124,839
Change in beneficial interest in assets held at community foundations	<u>333,909</u>	<u>-</u>	<u>333,909</u>
Total revenue, gains and support before net assets released from restrictions	<u>634,187</u>	<u>56,738</u>	<u>690,925</u>
Net assets released from restrictions	<u>29,720</u>	<u>(29,720)</u>	<u>-</u>
Total revenue, gains and support	<u>663,907</u>	<u>27,018</u>	<u>690,925</u>
Expenses			
Program	214,672	-	214,672
Management and general	121,587	-	121,587
Fundraising	69,406	-	69,406
Total expenses	<u>405,665</u>	<u>-</u>	<u>405,665</u>
Change in net assets	258,242	27,018	285,260
Net assets – beginning of year	<u>2,061,816</u>	<u>123,366</u>	<u>2,185,182</u>
Net assets – end of year	<u>\$ 2,320,058</u>	<u>\$ 150,384</u>	<u>\$ 2,470,442</u>

See accompanying notes and independent accountant's review report.

Miles of Hope Breast Cancer Foundation, Inc.
Statement of Functional Expenses
Year Ended December 31, 2021

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Medical gap care	\$ 127,500	\$ -	\$ -	\$ 127,500
Peer to peer hotline	15,000	-	-	15,000
Scholarships	27,500	-	-	27,500
Salary expense	26,881	73,614	51,833	152,328
Payroll taxes	2,284	6,257	4,406	12,947
Professional fees	-	8,756	-	8,756
Insurance	-	13,022	-	13,022
Advertising	4,174	-	600	4,774
Seminars	76	103	60	239
Travel expense	2,400	2,400	2,400	7,200
Website expense	4,948	11,545	-	16,493
Office expense	3,909	5,454	5,088	14,451
Event expenses	-	436	5,019	5,455
Total expenses	<u>\$ 214,672</u>	<u>\$ 121,587</u>	<u>\$ 69,406</u>	<u>\$ 405,665</u>

See accompanying notes and independent accountant's review report.

Miles of Hope Breast Cancer Foundation, Inc.
Statement of Cash Flows
Year Ended December 31, 2021

Cash flows from operating activities	
Change in net assets	\$ 285,260
Adjustments to reconcile change in net assets to net cash used in operating activities	
Net investment income from beneficial interest in assets held at community foundations	(333,909)
Annual endowment distribution from beneficial interest in assets held at community foundations	67,604
Net distribution from beneficial interest in assets held at community foundations	(60,000)
Change in operating assets and liabilities	
Other receivables	2,250
Prepaid expenses	(3,961)
Accounts payable	2,965
Deferred revenue	(2,500)
Net cash used in operating activities	<u>(42,291)</u>
Net decrease in cash and cash equivalents	(42,291)
Cash and cash equivalents – beginning	<u>191,190</u>
Cash and cash equivalents – ending	<u><u>\$ 148,899</u></u>

See accompanying notes and independent accountant's review report.

Note 1 Nature of Organization

Miles of Hope Breast Cancer Foundation, Inc. (the “Foundation”) is a New York not-for-profit corporation that was formed on May 28, 2004. It provides funding to non-profit organizations for support services and outreach for people affected by breast cancer in the Hudson Valley, New York area. The Foundation is supported mainly through fundraising events and contributions.

The Foundation’s major programs consist of the following:

- Medical Gap Care program for individuals who are faced with life emergencies and/or costs not covered by health insurance while they are undergoing treatment for breast cancer.
- Complementary Medicine program to fund massage therapy; acupuncture; music and dance therapies; sports, exercise yoga and art therapies to enhance recovery.
- Peer to Peer program uniting recently diagnosed breast cancer patients with trained survivors.
- Scholarships for area high school seniors whose lives have been affected by breast cancer.

Note 2 Summary of Significant Accounting Policies

Basis of Accounting and Presentation

The accompanying financial statements of the Foundation have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“GAAP”).

Net Asset Classification

The Foundation maintains its net assets under the following two net asset classes:

Net assets without donor restrictions – Net assets without donor restrictions represents amounts that are available to support the Foundation’s programs and operations over which the Board of Directors (the “Board”) has discretionary control.

Net assets with donor restrictions – Net assets subject to donor restrictions represents amounts whose use by the Foundation is limited by donor-imposed stipulations as well as amounts received subject to donor-imposed stipulations that they be maintained permanently.

Use of Estimates

The preparation of financial statements in conformity with GAAP 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 those estimates.

Cash Equivalents

For purposes of the statement of cash flows, the Foundation considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Note 2 Summary of Significant Accounting Policies (continued)

Beneficial Interest in Assets Held at a Community Foundation

In accordance with GAAP, the Foundation accounts for the value of reciprocal transfers to organizations raising or holding contributions for others, such as community foundations, as assets in its financial statements. The assets held are carried at fair value with the related changes in fair value reported in the statement of activities. Distributions to the Foundation from these funds reduce the Foundation's beneficial interest in assets held by community foundations.

Computer Equipment

The Foundation capitalizes the acquisition of assets at cost if purchased, or at its estimated fair value on the date received if donated. The Foundation capitalizes assets purchases over \$2,500 with an estimated useful life over one year. Expenditures for repairs and maintenance are charged to expense, and renewals and replacements are capitalized. Depreciation is provided for using the straight-line method over the estimated useful lives of the assets, 3 years. Computer equipment with a cost of \$1,698 was fully depreciated at December 31, 2021.

Revenue Recognition

Contributions are recognized when the donor makes a promise to give to the Foundation that is, in substance, unconditional. Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, that is when a stipulated 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 restriction.

The Foundation recognizes revenue from exchange transactions related to fundraising events when the fundraising event has been held and collectability is assured. Revenue received for future events is deferred and recognized as revenue when the event is held.

Contributed Services

A substantial number of individuals volunteer their time and perform a variety of tasks that assist the Foundation in accomplishing its mission; however, these services are not recognized in the financial statements because they do not meet the criteria for recognition provided by GAAP.

Functional Allocation of Expenses

The cost of providing the programs and supporting services has been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and the supporting services in reasonable ratios determined by management that are consistently applied. All direct expenses related to a program are allocated fully to the program as incurred.

Advertising Costs

The Foundation expenses the costs of advertising in the period they are incurred.

Note 2 Summary of Significant Accounting Policies (continued)

Income Taxes

The Foundation is a not-for-profit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes.

Management evaluates tax positions taken by the Foundation and recognizes a tax liability if the Foundation has taken an uncertain tax position that more likely than not will not be sustained upon examination by the Internal Revenue Service. Management has concluded that as of December 31, 2021, there are no uncertain tax positions taken, or expected to be taken, that would require recognition of a liability or disclosure in the financial statements. The Foundation is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. In the event that the Foundation incurs any interest and/or penalties, the Foundation will present interest as a component of interest expense and penalties as a component of office expense in the year they are incurred.

Note 3 Information on Liquidity and Availability of Resources

The Foundation meets cash needs for expenditures with contributions and grants received throughout the year. The Foundation regularly monitors liquidity to ensure it can meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds.

The Foundation's financial assets that could readily be made available within one year of the statement of financial position date to meet general expenditures as of December 31, 2021 consist of the following:

Financial assets

Cash and cash equivalents	\$ 148,899
Other receivables	750
Board designated endowment distribution for 2021	<u>70,000</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 219,649</u>

In addition to the financial assets available for general expenditure within one year, the Foundation's board designated net assets of approximately \$2,117,000 could be made available for current operations, with Board approval, if necessary.

Note 4 Beneficial Interest in Assets Held at Community Foundations

The Foundation transferred funds to the Community Foundations of the Hudson Valley (“CFHV”) and the Community Foundation of Orange and Sullivan (“CFOS”, collectively the “Community Foundations”) and specified itself as the beneficiary of the funds. The Community Foundations maintain variance power over the funds in order to assure their continued use for similar work in the event that the Foundation should cease to exist. The Foundation accounts for the value of reciprocal transfers to organizations raising or holding contributions for others, such as community foundations, as assets in its financial statements. The CFHV currently holds a board designated endowment fund, two pass-through funds for scholarship and grant making, five donor restricted scholarship funds, and a board designated fund for complementary care. The CFOS currently holds a board designated endowment fund which was formed during the year ended December 31, 2021.

Changes in the funds for the year ended December 31, 2021 are as follows:

Balance at January 1, 2021	\$ 1,993,922
Amounts transferred to the funds	230,000
Grants made out of the funds	(142,500)
Scholarships made out of the funds	(27,500)
Investment performance, net	333,909
Distribution received from board designated endowment	(67,604)
Balance at December 31, 2021	<u>\$ 2,320,227</u>

The beneficial interest in assets held at community foundations is presented at fair value using the Foundation’s share of the Community Foundations’ investment pool at the measurement date. The Community Foundations value securities and other financial instruments on a fair value basis of accounting. The estimated fair values of investments at the Community Foundations are determined by management of the Community Foundations and may not reflect amounts that could be realized upon immediate sale, nor amounts that ultimately may be realized. Accordingly, the estimated fair values may differ from the values that would have been used had a ready market existed for these investments. The CFHV community foundation investment pool has a target allocation of 70 percent equities and 30 percent fixed income. The CFOS investment pool consists mainly of equity and fixed income investments and the allocation between investment types is determined and managed by CFOS.

Note 5 Board Designated Endowments

The Foundation’s endowment funds consist of funds designated by the Board to function as an endowment and are held at the CFHV and the CFOS. Since the endowments resulted from an internal designation and are not donor-restricted, they are classified as net assets without donor restrictions. Annually, distributions from the endowment funds are paid to the Foundation according to the Community Foundations’ spending policies. Principal may be distributed at the Foundation’s discretion. Distributions received from CFHV are available to support the general operations of the Foundation. Distributions received from CFOS are available to support program services in Orange and Sullivan counties.

Note 5 Board Designated Endowments (continued)

Return Objectives

The Foundation has adopted investments for its board designated endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Under this policy, as approved by the Board, the endowment assets are held by third parties who invest the assets in a manner that is intended to produce results that exceed the price and yield results of respective industry benchmarks while assuming a moderate level of investment risk. The Foundation has no formal expectations for its endowment funds' performance, but it is anticipated to achieve a stable and healthy rate of return from year to year. The CFHV endowment assets are invested in the Community Foundation Endowment Pool which has a target allocation of 70 percent equities and 30 percent fixed income. The CFOS investment pool consists mainly of equity and fixed income investments and the allocation between investment types is determined and managed by CFOS.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Foundation's distribution policy is subject to the Community Foundations' spending policy. Change in board designated endowment net assets for the year ended December 31, 2021 consisted of the following:

Endowment net assets, beginning of year	\$ 1,783,965
Amounts transferred to the funds	30,000
Distributions	(67,604)
Investment performance – net	308,404
Endowment net assets – end of year	<u><u>\$ 2,054,765</u></u>

Note 6 Fair Value Measurement and Disclosures

The Foundation reports certain assets at fair value in the financial statements. GAAP establishes a framework for measuring fair value and provides a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted market prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The inputs to the three levels of the fair value hierarchy under GAAP are described as follows:

Level 1 – Unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.

Level 2 – Quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in inactive markets; inputs other than quoted market prices that are observable for the asset or liability; and inputs derived principally from, or corroborated by, observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Miles of Hope Breast Cancer Foundation, Inc.

Notes to Financial Statements

December 31, 2021

Note 6 Fair Value Measurement and Disclosures (continued)

Level 3 – Unobservable and significant to the fair value measurement.

The following table presents assets measured at fair value on a recurring basis at December 31, 2021:

Assets	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Beneficial interest in assets held at community foundations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,320,227</u>	<u>\$ 2,320,227</u>

The fair value of the beneficial interest in assets held at a community foundation is based on the fair value of the fund investments as reported by the Community Foundations. These are considered Level 3 investments.

The following is a reconciliation of the beginning and ending balance of assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the year ended December 31, 2021:

Balance – beginning of year	\$ 1,993,922
Transfers in	230,000
Investment performance, net	333,909
Distributions	<u>(237,604)</u>
Balance– end of year	<u>\$ 2,320,227</u>

The summary of changes in fair value of Level 3 assets has been prepared to reflect the activity in the same categories as those provided by the Community Foundations. Net investment performance includes realized and unrealized gains (losses) on investments, investment income, and administrative fees and is included in change in value of beneficial interest in assets held at community foundations in the statement of activities. Typically, distributions decrease the Foundation’s respective financial assets and increase cash and cash equivalents at the time of distribution.

Note 7 Net Assets with Donor Restrictions

Net assets with donor restrictions at December 31, 2021 consist of the following:

Betty Howard Scholarship Fund	\$ 23,406
Michael Benecke Scholarship Fund	14,136
Betty Benecke Scholarship Fund	19,225
Dana Efron Scholarship Fund	42,089
Paulette Petterossi Scholarship Fund	22,216
Adele Bayer Scholarship Fund	29,212
Robin's Fund for Complementary Medicine	100
Total net assets with donor restrictions	<u>\$ 150,384</u>

Note 8 Board Designated Net Assets

Board designated net assets are available for the following purposes at December 31, 2021:

Board designated endowments	\$ 2,054,765
Grants	77,014
Complementary medicine	17,927
Scholarships	37,685
Total board designated net assets	<u>\$ 2,187,391</u>

Note 9 Concentrations, Risks and Uncertainties

The Foundation maintains its cash accounts in financial institutions within New York which at times may exceed federally insured limits. The Foundation has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk.

Note 10 Subsequent Events

These financial statements have been evaluated through March 31, 2022, the date the financial statements were available to be issued.