

FINANCIAL STATEMENTS



FOR THE YEAR ENDED JUNE 30, 2013

YOUNG SURVIVAL COALITION, INC.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Young Survival Coalition, Inc.
New York, New York

We have audited the accompanying financial statements of the Young Survival Coalition, Inc. (YSC), which comprise the statements of financial position as of June 30, 2013 and 2012, and the related statements of activities and change in net assets and cash flows for the year ended June 30, 2013, 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 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 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 audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of YSC as of June 30, 2013 and 2012, and the change in its net assets and its cash flows for the year ended June 30, 2013 in accordance with accounting principles generally accepted in the United States of America.

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MEMBER OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS' PRIVATE COMPANIES PRACTICE SECTION

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Functional Expenses on page 13 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in cursive script that reads "Gelman Rosenberg & Freedman".

December 7, 2013

YOUNG SURVIVAL COALITION, INC.
STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2013 AND 2012

ASSETS

	<u>2013</u>	<u>2012</u>
CURRENT ASSETS		
Cash and cash equivalents:		
Restricted	\$ 53,632	\$ 648,766
Operating	<u>340,672</u>	<u>340,630</u>
Total cash and cash equivalents	394,304	989,396
Contributions and grants receivable, net of allowance for doubtful accounts of \$3,949 in 2013	410,265	108,125
Prepaid expenses and other assets	<u>189,888</u>	<u>83,275</u>
Total current assets	<u>994,457</u>	<u>1,180,796</u>
FURNITURE, EQUIPMENT AND LEASEHOLD IMPROVEMENTS		
Furniture	45,652	45,652
Equipment	46,742	60,992
Leasehold improvements	12,358	12,358
Less: Accumulated depreciation	<u>(91,953)</u>	<u>(100,141)</u>
Net furniture, equipment and leasehold improvements	<u>12,799</u>	<u>18,861</u>
NONCURRENT ASSETS		
Restricted cash (Note 7)	200,000	200,000
Security deposits	<u>155,952</u>	<u>86,823</u>
Total noncurrent assets	<u>355,952</u>	<u>286,823</u>
TOTAL ASSETS	<u>\$ 1,363,208</u>	<u>\$ 1,486,480</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 144,904	\$ 169,191
Deferred rent abatement (Note 4)	<u>6,393</u>	<u>21,250</u>
Total current liabilities	151,297	190,441
NONCURRENT LIABILITIES		
Deferred rent abatement, net of current portion (Note 4)	<u>-</u>	<u>6,393</u>
Total liabilities	<u>151,297</u>	<u>196,834</u>
NET ASSETS		
Unrestricted	796,951	352,875
Temporarily restricted (Note 2)	214,960	736,771
Permanently restricted (Note 7)	<u>200,000</u>	<u>200,000</u>
Total net assets	<u>1,211,911</u>	<u>1,289,646</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,363,208</u>	<u>\$ 1,486,480</u>

See accompanying notes to financial statements.

YOUNG SURVIVAL COALITION, INC.

STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2013

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
SUPPORT AND REVENUE				
Contributions and grants	\$ 4,162,299	\$ 430,749	\$ -	\$ 4,593,048
Interest and investment income (Note 7)	103	22	-	125
In-kind contributions	40,880	-	-	40,880
Program service fees	3,250	-	-	3,250
Merchandise income	24,302	-	-	24,302
Other	9,033	-	-	9,033
Net assets released from donor restrictions (Note 3)	<u>952,582</u>	<u>(952,582)</u>	<u>-</u>	<u>-</u>
Total support and revenue	<u>5,192,449</u>	<u>(521,811)</u>	<u>-</u>	<u>4,670,638</u>
EXPENSES				
Program Services	<u>3,537,676</u>	<u>-</u>	<u>-</u>	<u>3,537,676</u>
Supporting Services:				
Management and General	651,221	-	-	651,221
Fundraising	<u>559,476</u>	<u>-</u>	<u>-</u>	<u>559,476</u>
Total supporting services	<u>1,210,697</u>	<u>-</u>	<u>-</u>	<u>1,210,697</u>
Total expenses	<u>4,748,373</u>	<u>-</u>	<u>-</u>	<u>4,748,373</u>
Change in net assets	444,076	(521,811)	-	(77,735)
Net assets at beginning of year	<u>352,875</u>	<u>736,771</u>	<u>200,000</u>	<u>1,289,646</u>
NET ASSETS AT END OF YEAR	<u>\$ 796,951</u>	<u>\$ 214,960</u>	<u>\$ 200,000</u>	<u>\$ 1,211,911</u>

YOUNG SURVIVAL COALITION, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2013

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ (77,735)
Adjustments to reconcile change in net assets to net cash used by operating activities:	
Depreciation	16,062
Change in allowance for bad debt	3,949
Deferred rent abatement	(21,250)
Increase in:	
Contributions and grants receivable	(306,089)
Prepaid expenses and other assets	(106,613)
Security deposits	(69,129)
Decrease in:	
Accounts payable and accrued liabilities	<u>(24,287)</u>
Net cash used by operating activities	<u>(585,092)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of furniture, equipment and leasehold improvements	<u>(10,000)</u>
Net cash used by investing activities	<u>(10,000)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from line of credit	750
Line of credit repayments	<u>(750)</u>
Net cash used by financing activities	<u>-</u>

Net decrease in cash and cash equivalents	(595,092)
Cash and cash equivalents at beginning of year	<u>989,396</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 394,304</u>

YOUNG SURVIVAL COALITION, INC.

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

Organization -

Young Survival Coalition, Inc. (YSC) is a non-profit organization, founded in 1998 and incorporated in the State of New York. YSC is the premier international, non-profit network of breast cancer survivors and supporters dedicated to the concerns and critical issues that are unique to young women and breast cancer. Through action, advocacy and awareness, YSC seeks to educate the medical, research, breast cancer and legislative communities and to persuade them to address breast cancer diagnosed in women ages 40 and under. YSC also serves as a point of contact for young women living with breast cancer.

Basis of presentation -

The accompanying financial statements are presented on the accrual basis of accounting, and in accordance with FASB ASC 958, *Not-for-Profit Entities*.

Cash and cash equivalents -

YSC considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents.

Bank deposit accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") up to a limit of \$250,000. At times during the year, YSC maintains cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal.

Contributions and grants receivable -

Contributions and grants receivable are recorded at their net realizable value, which approximates fair value. The allowance for doubtful accounts is determined based upon an annual review of account balances, including the age of the balance and the historical experience with the donor.

Furniture, equipment and leasehold improvements -

Furniture, equipment and leasehold improvements are stated at cost. Furniture, equipment and leasehold improvements with an acquisition value of \$2,500 and above, are depreciated on a straight-line basis over the estimated useful lives of the related assets, generally three to five years. The cost of maintenance and repairs is recorded as expenses are incurred. Depreciation expense for the year ended June 30, 2013 totaled \$16,062.

Income taxes -

YSC is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in the accompanying financial statements. YSC is not a private foundation.

Uncertain tax positions -

For the year ended June 30, 2013, YSC has documented its consideration of FASB ASC 740-10, *Income Taxes*, that provides guidance for reporting uncertainty in income taxes and has determined that no material uncertain tax positions qualify for either recognition or disclosure in the financial statements.

YOUNG SURVIVAL COALITION, INC.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION**
(Continued)

Uncertain tax positions (continued) -

The Federal 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.

Net asset classification -

The net assets are reported in three self-balancing groups as follows:

- **Unrestricted net assets** include unrestricted revenue and contributions received without donor-imposed restrictions. These net assets are available for the operation of YSC and include both internally designated and undesignated resources.
- **Temporarily restricted net assets** include revenue and contributions subject to donor-imposed stipulations that will be met by the actions of YSC and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities and Change in Net Assets as net assets released from restrictions.
- **Permanently restricted net assets** represent funds restricted by the donor to be maintained in-perpetuity by YSC. As of June 30, 2013, YSC had \$200,000 of permanently restricted contributions from donors to be invested in-perpetuity. Interest earned on permanently restricted contributions is recorded as temporarily restricted revenue (during the year earned) and can only be used for the purpose specified by the donor (Notes 2 and 7).

Contributions and grants -

Unrestricted and temporarily restricted contributions and grants are recorded as revenue in the year notification is received from the donor. Temporarily restricted contributions and grants are recognized as unrestricted support only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions. Such funds in excess of expenses incurred are shown as temporarily restricted net assets in the accompanying financial statements.

In-kind contributions -

YSC receives contributions of professional services (pro-bono) considered "in-kind", all in furtherance of its programmatic purposes. During the year ended June 30, 2013, contributions of \$40,880, representing the fair value of these contributions, have been included in current year revenue (and program services expense) in the accompanying Statement of Activities and Change in Net Assets. YSC also receives additional in-kind contributions for which an estimate of fair value is not determinable.

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 at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

YOUNG SURVIVAL COALITION, INC.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION**
(Continued)

Functional allocation of expenses -

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

2. **TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets consisted of the following at June 30, 2013:

Atlanta Programs	\$	8,270
Research Think Tank		22,087
Resourcelink/SurvivorLink		59,548
Tour de Pink		22,472
Annual Conference		9,945
Earnings on permanently restricted net assets		5,831
Affiliate and Outreach Activities		36,807
Sync Fund		<u>50,000</u>
	\$	<u>214,960</u>

3. **NET ASSETS RELEASED FROM RESTRICTIONS**

The following temporarily restricted net assets were released from donor restrictions by incurring expenses which satisfied the restricted purposes specified by the donors:

Atlanta Programs	\$	93,924
Komen Columbus		49,511
Kansas City Programs		9,864
Philadelphia Programs		32,539
Houston Programs		2,311
Research Think Tank		102,913
Resourcelink/SurvivorLink		190,953
Tour de Pink		24,739
Annual Conference		132,300
Affiliate Conference		35,000
Net uses of (losses on) endowment earnings		150
Affiliate and Outreach Activities		237,251
Minority Outreach		8,085
New Jersey Programs		3,278
Phoenix Programs		4,764
Time restricted		<u>25,000</u>
	\$	<u>952,582</u>

YOUNG SURVIVAL COALITION, INC.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

4. LEASE COMMITMENTS

On March 22, 2006, YSC entered into an 87-month operating lease agreement for its principal office space in New York City commencing on June 30, 2006. As a part of the agreement, YSC was not obligated to pay rent for the first three months of occupancy. In addition, YSC is obligated to pay an annual three percent escalation and its pro-rata share of the building's operating expenses and real estate taxes. As the lease agreement includes an annual escalation and also provides for three months free rent, generally accepted accounting principles require that the total rent commitment should be recognized on a straight-line basis over the term of the lease. Accordingly, the difference between the actual monthly payments and the rent expense being recognized for financial statement purposes is being deferred (amortized over the term of the lease agreement). As of June 30, 2013, the deferred rent liability aggregated \$6,393.

On June 19, 2013, YSC entered into an 127-month operating lease agreement (new principal office space in New York City) commencing on September 25, 2013 (the actual possession date). As a part of the agreement, YSC is not obligated to pay rent for the first five months of occupancy (beginning on the possession date); further, YSC will not be obligated to pay rent for two additional months beginning on the first anniversary of the lease possession date. In addition, YSC is obligated to pay an annual escalation (approximately 2.3%) and its pro-rata share of the building's operating expenses and real estate taxes. As the lease agreement includes an annual escalation and also provides for seven months free rent, generally accepted accounting principles require that the total rent commitment should be recognized on a straight-line basis over the term of the lease. Accordingly, the difference between the actual monthly payments and the rent expense being recognized for financial statement purposes will be deferred (in the upcoming fiscal year) by amortizing the difference over the term of the lease agreement.

YSC also leases office space in Atlanta and Indianapolis under agreements expiring between May 31, 2015 and October 31, 2016.

Following is a schedule of future minimum lease payments required under all office leases:

<u>Year Ending June 30,</u>	
2014	\$ 177,878
2015	232,788
2016	246,475
2017	234,126
2018	230,521
Thereafter	<u>1,557,096</u>
	<u>\$ 2,678,884</u>

During the year ended June 30, 2013, occupancy expense totaled \$266,768.

5. LINE OF CREDIT

YSC maintains a \$150,000 line of credit with a local financial institution. The line of credit bears interest of 6.00% and matures in January 2014. The line of credit is secured by YSC's cash, receivables and capital assets. As of June 30, 2013, there were no outstanding borrowings.

YOUNG SURVIVAL COALITION, INC.

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

6. RETIREMENT PLAN

On January 1, 2006, YSC established a retirement plan (the Plan) under IRS Section 401(k) of the Internal Revenue Code. Participation in the Plan is available to all employees who have completed six months of service and have attained 21 years in age. YSC provides a match for all employee contributions to the Plan on a discretionary basis. During the year ended June 30, 2013, YSC contributed \$7,818 to the Plan.

7. ENDOWMENT

YSC's endowment consists of donor-restricted endowment funds. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, YSC classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by YSC in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, YSC considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund;
- The purpose of YSC and the donor-restricted endowment fund;
- General economic conditions and the possible effect of inflation and deflation;
- The expected total return from income and the appreciation of any investments; and
- Investment policies of YSC.

Endowment net asset composition by type of fund as of June 30, 2013:

	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>
TOTAL FUNDS	\$ <u>5,831</u>	\$ <u>200,000</u>
Endowment net assets at fair value, beginning of year	\$ 5,959	\$ 200,000
Net investment (loss) income, net of fees and releases	(150)	22
Transfer of net investment income (loss)	<u>22</u>	<u>(22)</u>
ENDOWMENT NET ASSETS, END OF YEAR	\$ <u>5,831</u>	\$ <u>200,000</u>

YOUNG SURVIVAL COALITION, INC.

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

7. ENDOWMENT (Continued)

Funds with Deficiencies -

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the organization to retain as fund of perpetual duration. In accordance with GAAP, deficiencies of this nature are reported in unrestricted net assets (there were no deficiencies as of June 30, 2013).

Return Objectives and Risk Parameters -

YSC has not adopted investment and spending policies for its endowment assets; its goal is simply to preserve the endowment asset corpus. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity or for a donor-specified period(s) as well as Board-designated funds. As approved by the Board of Directors, the endowment assets are invested conservatively in money market funds in order to ensure minimal or no exposure to market fluctuation. YSC expects its endowment funds, over time, to provide a minimal rate of return; actual returns in any given year may vary from expectation, depending on market conditions.

Spending Policy and How the Investment Objectives Relate to Spending Policy -

YSC does not have a policy of appropriating distributions; until such time when a policy is established, the funds will continue to grow at a minimal level while maintaining the endowment corpus.

8. SUBSEQUENT EVENTS

In preparing these financial statements, YSC has evaluated events and transactions for potential recognition or disclosure through December 7, 2013, the date the financial statements were issued.

SUPPLEMENTAL INFORMATION

YOUNG SURVIVAL COALITION, INC.

SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2013

	Supporting Services			Total Supporting Services	Total Expenses
	Program Services	Management and General	Fundraising		
Salaries and related benefits	\$ 1,812,102	\$ 317,304	\$ 178,837	\$ 496,141	\$ 2,308,243
Printing and production	43,341	1,146	5,710	6,856	50,197
Professional fees	81,117	138,963	25,171	164,134	245,251
Occupancy	168,131	45,320	53,317	98,637	266,768
Insurance	8,503	2,295	2,700	4,995	13,498
Depreciation	10,119	2,731	3,212	5,943	16,062
Telecommunications	34,372	8,708	10,781	19,489	53,861
Travel, meals and entertainment	181,003	25,757	12,377	38,134	219,137
Consulting fees	254,354	63,803	37,365	101,168	355,522
Postage and delivery	35,702	2,189	13,156	15,345	51,047
Supplies	14,313	2,994	3,640	6,634	20,947
Subscriptions and publications	15,051	220	1,091	1,311	16,362
Advertising and promotion	251	195	29	224	475
Conferences, meetings and events	709,559	257	182,234	182,491	892,050
Bank, credit card and payroll processing fees	66,079	5,899	21,678	27,577	93,656
Interest expense	897	242	285	527	1,424
Equipment and rental	14,701	3,501	4,119	7,620	22,321
Grants, gifts and scholarships	70,898	120	156	276	71,174
Sales tax	1,258	339	399	738	1,996
Cost of goods sold/distributed	9,945	-	1,321	1,321	11,266
Uncollectible pledges	-	27,393	-	27,393	27,393
Licenses, registrations and permits	5,980	1,845	1,898	3,743	9,723
TOTAL	\$ 3,537,676	\$ 651,221	\$ 559,476	\$ 1,210,697	\$ 4,748,373