

**FLORIDA BREAST CANCER COALITION  
RESEARCH FOUNDATION, INC.  
D/B/A FLORIDA BREAST CANCER FOUNDATION, INC.**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2018**

**FLORIDA BREAST CANCER COALITION  
RESEARCH FOUNDATION, INC.  
D/B/A FLORIDA BREAST CANCER FOUNDATION, INC.**

**CONTENTS**

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**Independent Auditors' Report**..... 1-2

**Financial Statements**

Statement of Financial Position .....3  
Statement of Activities.....4  
Statement of Functional Expenses .....5  
Statement of Cash Flows .....6

**Notes to Financial Statements**..... 7-17

**Compliance Section**

Independent Auditors' Report on Internal Control Over Financial Reporting and on  
Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards*..... 18-19

**INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of  
**Florida Breast Cancer Coalition Research Foundation, Inc.**  
**d/b/a Florida Breast Cancer Foundation, Inc.**

***Report on the Financial Statements***

We have audited the accompanying financial statements of Florida Breast Cancer Coalition Research Foundation, Inc. d/b/a Florida Breast Cancer Foundation, Inc. (the "Foundation"), which comprise the statement of financial position as of June 30, 2018, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 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 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 the Foundation as of June 30, 2018, 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.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 7, 2019 on our consideration of the Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Foundation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control over financial reporting and compliance.

*Marcum LLP*

Miami, FL  
January 7, 2019

**FLORIDA BREAST CANCER COALITION  
RESEARCH FOUNDATION, INC.  
D/B/A FLORIDA BREAST CANCER FOUNDATION, INC.**

**STATEMENT OF FINANCIAL POSITION**

**JUNE 30, 2018**

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**Assets**

Cash	\$ 2,076,243
Investments	61,131
Accounts receivable	63,705
Prepaid expenses and other assets	<u>20,866</u>

**Total Assets** \$ 2,221,945

**Liabilities and Net Assets**

**Liabilities**

Accounts payable and accrued expenses	\$ 34,992
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**Total Liabilities** 34,992

**Net Assets**

Unrestricted	1,110,183
Temporarily restricted	<u>1,076,770</u>

**Total Net Assets** 2,186,953

**Total Liabilities and Net Assets** \$ 2,221,945

*The accompanying notes are an integral part of these financial statements.*

**FLORIDA BREAST CANCER COALITION  
RESEARCH FOUNDATION, INC.  
D/B/A FLORIDA BREAST CANCER FOUNDATION, INC.**

**STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDED JUNE 30, 2018**

	Unrestricted	Temporarily Restricted	Total
<b>Revenue and Other Support</b>			
License plate revenues	\$ 107,228	\$ 505,784	\$ 613,012
Thrift shop revenues	739,126	--	739,126
Donations	244,024	--	244,024
Special events revenue	57,987	--	57,987
Interest income	1,781	5,375	7,156
Investment income	1,106	--	1,106
<b>Total Revenue and Other Support</b>	<u>1,151,252</u>	<u>511,159</u>	<u>1,662,411</u>
<b>Net Assets Released from Restrictions - Expiration and Fulfillment of Restrictions</b>	<u>527,910</u>	<u>(527,910)</u>	<u>--</u>
<b>Total Revenue and Other Support and Net Assets Released from Restriction</b>	<u>1,679,162</u>	<u>(16,751)</u>	<u>1,662,411</u>
<b>Expenses</b>			
Program services	<u>1,427,206</u>	<u>--</u>	<u>1,427,206</u>
Supporting services:			
General and administrative	85,861	--	85,861
Fundraising	93,286	--	93,286
Total supporting services	<u>179,147</u>	<u>--</u>	<u>179,147</u>
<b>Total Expenses</b>	<u>1,606,353</u>	<u>--</u>	<u>1,606,353</u>
<b>Change in Net Assets</b>	72,809	(16,751)	56,058
<b>Net Assets - Beginning</b>	<u>1,037,374</u>	<u>1,093,521</u>	<u>2,130,895</u>
<b>Net Assets - Ending</b>	<u>\$ 1,110,183</u>	<u>\$ 1,076,770</u>	<u>\$ 2,186,953</u>

*The accompanying notes are an integral part of these financial statements.*

**FLORIDA BREAST CANCER COALITION  
RESEARCH FOUNDATION, INC.  
D/B/A FLORIDA BREAST CANCER FOUNDATION, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES**

**FOR THE YEAR ENDED JUNE 30, 2018**

	Program Services	Supporting Services		Total
		General and Administrative	Fundraising	
Grants and awards	\$ 827,909	\$ --	\$ --	\$ 827,909
Salaries and benefits	339,123	69,505	50,199	458,827
Marketing/awareness	91,199	1,389	14,435	107,023
Advocacy/education	60,620	--	--	60,620
Rent	34,682	4,955	9,909	49,546
Professional fees	29,778	4,254	8,508	42,540
Other	16,222	4,224	5,001	25,447
Events	14,100	--	1,645	15,745
Office furniture/equipment	3,381	483	966	4,830
Telecommunications	3,017	431	862	4,310
Supplies	2,101	300	600	3,001
Community relations	2,829	--	--	2,829
Printing	1,879	268	537	2,684
Postage and delivery	366	52	624	1,042
<b>Total</b>	<u>\$ 1,427,206</u>	<u>\$ 85,861</u>	<u>\$ 93,286</u>	<u>\$ 1,606,353</u>

*The accompanying notes are an integral part of these financial statements.*

**FLORIDA BREAST CANCER COALITION  
RESEARCH FOUNDATION, INC.  
D/B/A FLORIDA BREAST CANCER FOUNDATION, INC.**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED JUNE 30, 2018**

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<b>Cash Flows From Operating Activities</b>		
Change in net assets		\$ 56,058
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Net unrealized gain on investments	\$ (1,006)	
(Increase) decrease in:		
Accounts receivable	(9,078)	
Prepaid expenses and other assets	10,844	
Increase (decrease) in:		
Accounts payable and accrued expenses	<u>20,141</u>	
Total Adjustments		<u>20,901</u>
<b>Net Cash Provided by Operating Activities</b>		<u>76,959</u>
<b>Cash Flows From Investing Activities</b>		
Acquisition of certificate of deposit	(20,000)	
Purchase of investments	<u>(30,000)</u>	
<b>Net Cash Used in Investing Activities</b>		<u>(50,000)</u>
<b>Net Increase in Cash</b>		26,959
<b>Cash - Beginning</b>		<u>2,049,284</u>
<b>Cash - Ending</b>		<u><u>\$ 2,076,243</u></u>

*The accompanying notes are an integral part of these financial statements.*



**FLORIDA BREAST CANCER COALITION  
RESEARCH FOUNDATION, INC.  
D/B/A FLORIDA BREAST CANCER FOUNDATION, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2018**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***THE ORGANIZATION***

The Florida Breast Cancer Coalition Research Foundation, Inc. d/b/a Florida Breast Cancer Foundation, Inc. (the "Foundation") has as its mission to end breast cancer through advocacy, education and research. It achieves its mission by raising public awareness regarding breast cancer through providing community education and providing resource materials and information to the Florida community. The Foundation also awards grants to qualifying Foundations in the State of Florida. All funding raised is used solely in the State of Florida.

***RESEARCH AWARDS AND GRANTS***

The Foundation awards funds to support grassroots educational programs as well as breast cancer research programs at major institutions throughout Florida. The Foundation is the only organization in the State of Florida that receives funds from the sale of the End Breast Cancer specialty license plates from which 80% of the funds received are restricted for grant purposes and 20% are unrestricted and available to be used for operational/administrative expenses. The Foundation also receives funds from the voluntary checkoff program from which all funds received are restricted for grant purposes. All grant awards by the Foundation are provided only to organizations within the State of Florida.

***BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION***

The Foundation follows the standards of accounting and financial reporting for not-for-profit Foundations as prescribed by the Financial Accounting Standards Board ("FASB"). The 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 assets, revenues and expenses are classified based on the existence or absence of donor-imposed restrictions as follows:

***Unrestricted***

Net assets which are free of donor-imposed restrictions; all revenues, expenses, gains, and losses that are not changes in temporarily or permanently restricted net assets are considered to be unrestricted net assets.

**FLORIDA BREAST CANCER COALITION  
RESEARCH FOUNDATION, INC.  
D/B/A FLORIDA BREAST CANCER FOUNDATION, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2018**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***BASIS OF ACCOUNTING AND PRESENTATION (CONTINUED)***

***Temporarily Restricted***

Net assets which use by the Foundation is limited by donor-imposed stipulations that either expire by passage of time or that can be fulfilled or removed by actions of the Foundation pursuant to those stipulations.

***Permanently Restricted***

Net assets which use by the Foundation is limited by donor-imposed stipulations that neither expire with the passage of time nor can be fulfilled or otherwise removed by actions of the Foundation. The Foundation did not have any permanently restricted net assets as of June 30, 2018.

***INVESTMENTS AND INVESTMENT INCOME***

The Foundation's investments are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between willing market participants at the measurement date. Purchases and sales of securities are recorded on a trade-date basis. Dividends are recorded on the ex-dividend date. See Note 3 for discussion of fair value measurements.

Investment income or loss (including realized and unrealized gains and losses on investments, interest and dividends) is included in the statement of activities as an increase or decrease in unrestricted net assets unless income or loss is restricted by donor or law. Restricted gains and investment income, where the restrictions are met in the same reporting period as the income earned, are recorded as unrestricted support.

***THRIFT STORE REVENUE***

Thrift store revenue is recognized as revenue when the funds have been earned in accordance with the provisions of the respective agreement.

**FLORIDA BREAST CANCER COALITION  
RESEARCH FOUNDATION, INC.  
D/B/A FLORIDA BREAST CANCER FOUNDATION, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2018**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***CONTRIBUTIONS***

Contributions are recognized when the donor makes a promise to give to the Foundation that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are transferred to unrestricted net assets.

***FUND-RAISING ACTIVITIES***

The Foundation's financial statements are presented in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 958 "Accounting for Costs of Activities of Not-for-Profit Foundations and State and Local Government Entities that Included Fund Raising". FASB ASC 958 establishes criteria for accounting and reporting for any entity that solicits contributions.

***FUNCTIONAL ALLOCATION OF EXPENSES***

The costs of providing the various programs and other activities have been detailed in the statement of functional expenses and are summarized on a functional basis in the statement of activities. Salaries and other expenses, which are associated with a specific program, are charged directly to that program. Salaries and other expenses, which benefit more than one program, are allocated to the various programs based on the time spent.

***INCOME TAXES***

The Foundation is a non-profit corporation as defined by Section 501(c)(3) of the U.S. Internal Revenue Code and as such is subject to state and federal income taxes only on unrelated business taxable income. There were no income taxes resulting from unrelated business income during the year ended June 30, 2018.

**FLORIDA BREAST CANCER COALITION  
RESEARCH FOUNDATION, INC.  
D/B/A FLORIDA BREAST CANCER FOUNDATION, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2018**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***INCOME TAXES (CONTINUED)***

The Foundation follows the provisions of FASB ASC Topic 740-10 and related subsections for the recognition, measurement, classification, and disclosure in the financial statements of uncertain tax positions taken or expected to be taken in the Foundation's tax returns. As a result of implementing this guidance, management has determined that the Foundation does not have any uncertain tax positions and associated unrecognized benefits that materially impact the financial statements or related disclosures.

Since tax matters are subject to some degree of uncertainty, there can be no assurance that the Foundation's tax returns will not be challenged by the taxing authorities and that the Foundation will not be subject to additional tax, penalties, and interest as a result of such challenge. If the Foundation were to incur an income tax liability in the future, interest would be reported as interest expense and penalties would be reported as income taxes. Generally, the Foundation's tax returns remain open for federal income tax examination for three years from the date of filing.

***VOLUNTEER SERVICES***

The Foundation utilizes the services of volunteers in their advocacy work and programs. Because there is no objective means of valuing such services, no amounts for such services are recorded in the accompanying financial statements.

***USE OF ESTIMATES***

Accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of financial statements, and revenues and expenses during the period reported. Estimates and assumptions are reviewed periodically and the effects of revisions are reflected in the financial statements in the period they are determined to be necessary. Actual results could differ from those estimates.

**FLORIDA BREAST CANCER COALITION  
RESEARCH FOUNDATION, INC.  
D/B/A FLORIDA BREAST CANCER FOUNDATION, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2018**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***RECENT ACCOUNTING PRONOUNCEMENTS***

In August 2016, the FASB issued Accounting Standards Updated (“ASU”) 2016-14, “*Presentation of Financial Statements of Not-for-Profit Entities*”, representing the completion of the first phase of a two-phase project to amend not-for-profit financial reporting requirements as set out in FASB ASC 958, *Not-for-Profit Entities*. The ASU eliminates the distinction between resources with permanent restrictions and those with temporary restrictions from the face of not-for-profit financial statements by reducing the current three net asset classes (unrestricted, temporarily restricted, and permanently restricted) to two classes: net assets with donor restrictions and net assets without donor restrictions. Further, the ASU requires enhanced disclosures and also allows not-for-profits to present operating cash flows on the statement of cash flows using either the direct method or the indirect method. The ASU will be effective for the Foundation for fiscal years starting after December 15, 2017, and the interim periods within. Reporting entities should apply the ASU retrospectively to all periods presented. Earlier application is permitted, however, the Foundation did not early adopt the ASU. Management has evaluated the ASU for the potential impact on its financial statements upon adoption and noted there will be changes to the financial statement presentation and disclosures for the upcoming year.

On June 21, 2018, the FASB issued ASU 2018-08, “*Not-for-Profit Entities (Topic 958) Clarifying the scope and the Accounting Guidance for Contributions Received and Contributions Made*”. This ASU applies to all entities, including business entities that receive or make contributions of cash and other assets (except for transfers of assets from government entities to business entities). This ASU provides guidance on determining whether a transaction should be accounted for as a contribution or as an exchange transaction. A primary aspect of this determination is whether the two parties receive and sacrifice commensurate value. Making this determination is important because distinguishing between contributions and exchange transactions determines which guidance is applied. For contributions, an entity should follow the guidance in FASB ASC 958-605, *Not-for-Profit Entities – Revenue Recognition*, whereas, for exchange transactions, an entity should follow other guidance. This ASU is applicable for the Foundation for its annual reporting period beginning on July 1, 2019. Earlier application is permitted, however, the Foundation did not early adopt the ASU. Management is in the process of evaluating the ASU for the potential impact on its financial statements upon adoption

**FLORIDA BREAST CANCER COALITION  
RESEARCH FOUNDATION, INC.  
D/B/A FLORIDA BREAST CANCER FOUNDATION, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2018**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***SUBSEQUENT EVENTS***

Management has evaluated subsequent events to determine if events or transactions occurring through January 7, 2019, which was the date the financial statements were available to be issued, require adjustment to or disclosure in the financial statements.

**NOTE 2 – CONCENTRATION OF CREDIT RISK**

Financial instruments that potentially subject the Foundation to concentrations of credit risk consist principally of cash and accounts receivable.

***Cash***

From time to time, the Foundation maintains its cash in deposit accounts at financial institutions that exceed the Federal Deposit Insurance Corporation (“FDIC”) limits. The Foundation maintains these balances in what it believes to be high quality financial institutions, which it believes limits its risk.

***Accounts Receivable***

Accounts receivable consist principally of amounts due from the thrift store and grantor agencies pursuant to the terms of the respective agreements. Accounts receivable are stated at net realizable value. Allowances are provided for amounts estimated to be uncollectible based on historical experience and any specific collection issues that the Foundation has identified. It is the Foundation’s policy to charge uncollectible receivables against the allowance when management determines that the related balance will not be collected. Management determined that an allowance for doubtful accounts was not necessary at June 30, 2018.

**FLORIDA BREAST CANCER COALITION  
RESEARCH FOUNDATION, INC.  
D/B/A FLORIDA BREAST CANCER FOUNDATION, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2018**

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**NOTE 3 – FAIR VALUE MEASUREMENTS**

The Foundation follows ASC 820-10 “*Fair Value Measurement and Disclosure*” for measuring fair value. This guidance defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. This standard establishes a three-level hierarchy for fair value measurements based upon the significant inputs used to determine fair value. Observable inputs are those which are obtained from market participants external to the Foundation while unobservable inputs are generally developed internally, utilizing management’s estimates, assumptions, and specific knowledge of the assets/liabilities and related markets. The hierarchy is broken down into three levels based on the reliability of inputs as follows:

***Level 1***

Inputs to the valuation methodology are unadjusted quoted market prices for identical assets or liabilities in active markets that the Foundation has the ability to access at the measurement date.

***Level 2***

Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or by other means.

If the asset or liability has specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

***Level 3***

Valuation is based on unobservable inputs for an asset or liability. Unobservable inputs are used to measure fair value to the extent that observable inputs are not available. However, the fair value measurement objective remains the same, that is, an exit price from the perspective of a market participant. Therefore, unobservable inputs reflect the assumptions that market participants would use in valuing the asset or liability, including assumptions about risk. Unobservable inputs are developed based on the best information available in the circumstances, which might include information provided by the Foundation’s investment manager. The data used to develop unobservable inputs are adjusted if information is reasonable available without undue cost and effort that indicates market participants would use different assumptions. Investment types which have been valued using this approach general include investments in investee funds that have lockups that are greater than 3 months.

**FLORIDA BREAST CANCER COALITION  
RESEARCH FOUNDATION, INC.  
D/B/A FLORIDA BREAST CANCER FOUNDATION, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2018**

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**NOTE 3 – FAIR VALUE MEASUREMENTS (CONTINUED)**

The following is a description of the valuation methodologies used for assets measured at fair value, on a recurring basis.

***Certificate of Deposit:*** Consists of a certificate of deposit that has a remaining maturity of one year or less. Certificates of deposit are recorded at amortized cost, which approximates fair value.

***Investments held at Miami Foundation, Inc.:*** The values of the assets invested at Miami Foundation, Inc. are determined by calculating the Foundation’s net asset value (“NAV”) in the pool. The Foundation has the ability to observe the inputs to the valuation and redeem the investment at NAV upon request and are reported as Level 2 investments as the investment pool has a readily determinable fair value. The investment held at Miami Foundation, Inc. is invested in a balanced pool and principally include fixed income and equity investment funds. The investments held at Miami Foundation, Inc. have no unfunded commitments as of June 30, 2018. Additionally, other than a 1 day notice and bi-monthly redemption frequency, there are no explicit restrictions on the redemption of such investments.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.



**FLORIDA BREAST CANCER COALITION  
RESEARCH FOUNDATION, INC.  
D/B/A FLORIDA BREAST CANCER FOUNDATION, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2018**

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**NOTE 3 – FAIR VALUE MEASUREMENTS (CONTINUED)**

The following table sets forth by level, within the fair value hierarchy, the Foundation’s assets at fair value as of June 30, 2018:

	Fair Value Measurement at June 30, 2018			
	Level 1	Level 2	Level 3	Total
Investments held at Miami Foundation, Inc.	\$ --	\$ 41,131	\$ --	\$ 41,131
<b>Total Investments at Fair Value</b>	<b>\$ --</b>	<b>\$ 41,131</b>	<b>\$ --</b>	<b>41,131</b>
<b>Investments Measured at Amortized Cost*</b>				<b>20,000</b>
<b>Total Investments</b>				<b>\$ 61,131</b>

\* Certain investments that are measured at amortized cost have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the investment line item presented in the accompanying Statement of Financial Position.

**NOTE 4 – CONCENTRATIONS**

***REVENUE***

The Foundation received approximately 37% of their revenue from the State of Florida, Department of Highway Safety and Motor Vehicles (the “Department”) for the year ended June 30, 2018. The Foundation also received approximately 44% of their revenue from the Thrift Store (see Note 6). As the revenue from the Department and the Thrift Store are significant to the overall operations of the Foundation, any significant reduction or loss of funding from the Department or Thrift Store may affect the Foundation’s ability to operate in its present form.

**FLORIDA BREAST CANCER COALITION  
RESEARCH FOUNDATION, INC.  
D/B/A FLORIDA BREAST CANCER FOUNDATION, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2018**

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**NOTE 5 - GRANT COMMITMENTS**

The Foundation provides resources to different institutions to conduct research related to breast cancer. The projects include clinical research and education, in order to improve health and find a cure for breast cancer.

For the year ended June 30, 2018, the Foundation dispersed approximately \$528,000 and \$300,000 in grants and awards, respectively. Grant are given to Florida based organizations and are exclusively funded through restricted State of Florida funds. Such activity is reflected as net assets released from restriction in temporarily restricted net assets in the accompanying Statement of Activities. Awards represent funds awarded to Florida based organizations with the use of unrestricted funds. As of June 30, 2018, the Foundation does not have any unconditional or conditional promises to give to any organizations.

**NOTE 6 - THRIFT STORE**

On November 27, 2012, the Foundation executed a 10 year agreement with a thrift store operator in which items (clothes, furniture, etc.) are donated to the Foundation and are sold by the thrift store operator at local thrift stores. On March 1, 2016, the Foundation amended and restated the agreement through June 2028. The Foundation earns a fee to help fund efforts toward breast cancer advocacy, education and research based on the contract terms. Revenues related to the thrift store were approximately \$739,000 for the year ended June 30, 2018.

**NOTE 7 - TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets consist of license plate revenues and donations from the voluntary checkoff program. These amounts are restricted for grant awards to be provided for breast cancer research and education.

Research and education funding can be made available for:

- Basic, clinical, and translational breast cancer research, with priority given to Young Investigator
- Epidemiological studies of breast cancer
- Research on possible links between breast cancer and the environment
- Psychoimmunological research
- Innovative awards and idea grants

**FLORIDA BREAST CANCER COALITION  
RESEARCH FOUNDATION, INC.  
D/B/A FLORIDA BREAST CANCER FOUNDATION, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2018**

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**NOTE 7 - TEMPORARILY RESTRICTED NET ASSETS (CONTINUED)**

For the year ended June 30, 2018, temporarily restricted contributions include state grant revenues and related interest income totaling \$511,159. For the fiscal year ended June 30, 2018, \$527,910 was released from restriction (funds awarded to other organizations). The Foundation had temporarily restricted net assets of \$1,076,770 as of June 30, 2018.

**NOTE 8 - COMMITMENTS AND CONTINGENCIES**

Effective January 15, 2015, the Foundation entered into a lease agreement for its office beginning February 2015 and expiring in February 2020.

Future minimum annual rentals on noncancelable operating leases are approximately as follows:

For the Year Ending June 30,	Amount
2019	\$ 52,000
2020	<u>29,000</u>
<b>Total</b>	<b><u>\$ 81,000</u></b>

For the year ended June 30, 2018, the Foundation recorded rent expense in the amount of approximately \$50,000.

The Foundation participates in state and local programs that are subject to audit by the respective agencies. Any disallowed funds received or to be received under these programs may constitute a liability in the amount of the disallowed funds. Management does not believe that any potential disallowed funds would have a significant effect on the financial statements.

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## **COMPLIANCE SECTION**

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Directors

**Florida Breast Cancer Coalition Research Foundation, Inc.  
d/b/a Florida Breast Cancer Foundation, Inc.**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Florida Breast Cancer Coalition Research Foundation, Inc. d/b/a Florida Breast Cancer Foundation, Inc. (the "Foundation"), which comprise the statement of financial position as of June 30, 2018, and the related statements of activities, functional expenses, and cash flows for the year then ended, and have issued our report thereon dated January 7, 2019.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Foundation's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Foundation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### ***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Foundation's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Marcum LLP*

Miami, FL  
January 7, 2019