

The Ulman Cancer Fund For Young Adults

Financial Statements

For The Years Ended
December 31, 2014 And 2013



HERTZBACH
certified public accountants · consultants

The Ulman Cancer Fund For Young Adults

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Independent Auditor's Report

**To The Board Of Directors
The Ulman Cancer Fund For Young Adults**
921 E. Fort Avenue, Suite 325
Baltimore, Maryland 21230

We have audited the accompanying financial statements of The Ulman Cancer Fund For Young Adults which comprise the statements of financial position as of December 31, 2014 and 2013, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to 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 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 audits 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 the The Ulman Cancer Fund For Young Adults as of December 31, 2014 and 2013, 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.

Hertzbach & Company, P.A.

Owings Mills, Maryland
September 28, 2015

**FINANCIAL
STATEMENTS**

The Ulman Cancer Fund For Young Adults
Statements Of Financial Position

December 31,	2014	2013
ASSETS		
CURRENT ASSETS		
Cash And Cash Equivalents	\$ 744,573	\$ 422,582
Accounts Receivable	1,924	5,000
Other Receivables	1,650	23,432
Unconditional Promises To Give	-	8,500
Prepaid Expenses	86,269	23,701
Total Current Assets	834,416	483,215
PROPERTY AND EQUIPMENT, Net	67,551	72,699
OTHER ASSETS		
Investments	226,579	207,316
Security Deposit	8,632	6,340
Total Other Assets	235,211	213,656
TOTAL ASSETS	<u>\$ 1,137,178</u>	<u>\$ 769,570</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 35,794	\$ 37,134
Accrued Payroll Liabilities	78,061	57,438
Deferred Revenue - Special Events	403,839	275,480
Deferred Rent Expense	25,276	38,836
Obligation Under Capital Lease, Current Portion	2,960	3,300
Total Current Liabilities	545,930	412,188
NONCURRENT LIABILITIES		
Obligation Under Capital Lease, Net Of Current Portion	2,914	5,268
TOTAL LIABILITIES	548,844	417,456
NET ASSETS		
Unrestricted	456,155	228,879
Temporarily Restricted	132,179	123,235
TOTAL NET ASSETS	588,334	352,114
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,137,178</u>	<u>\$ 769,570</u>

See Independent Auditor's Report And Accompanying Notes To The Financial Statements

The Ulman Cancer Fund For Young Adults Statement Of Activities

For The Year Ended December 31, 2014

	Unrestricted	Temporarily Restricted	Total
CHANGES IN NET ASSETS			
Support, Gains, And Revenue			
Contributions - Cash	\$ 2,531,601	\$ 171,412	\$ 2,703,013
Contributions - In-Kind	13,998	-	13,998
Special Events - Revenue	247,089	-	247,089
Special Events - Cost	(154,228)	-	(154,228)
Interest And Dividends	3,763	-	3,763
Other Income	31,085	-	31,085
Realized Gain On Investments	14,093	-	14,093
Unrealized Gain On Investments	2,614	-	2,614
Net Assets Released From Restrictions	162,468	(162,468)	-
Total Support, Gains, And Revenue	<u>2,852,483</u>	<u>8,944</u>	<u>2,861,427</u>
Expenses And Losses			
Program Services	2,230,284	-	2,230,284
General And Administrative	121,519	-	121,519
Fundraising	273,404	-	273,404
Total Expenses And Losses	<u>2,625,207</u>	<u>-</u>	<u>2,625,207</u>
CHANGE IN NET ASSETS	227,276	8,944	236,220
Net Assets, Beginning Of Year	<u>228,879</u>	<u>123,235</u>	<u>352,114</u>
Net Assets, End Of Year	<u>\$ 456,155</u>	<u>\$ 132,179</u>	<u>\$ 588,334</u>

See Independent Auditor's Report And Accompanying Notes To The Financial Statements

The Ulman Cancer Fund For Young Adults Statement Of Activities

For The Year Ended December 31, 2013

	Unrestricted	Temporarily Restricted	Total
CHANGES IN NET ASSETS			
Support, Gains, And Revenue			
Contributions - Cash	\$ 1,520,133	\$ 123,235	\$ 1,643,368
Contributions - In-Kind	19,460	-	19,460
Special Events - Revenue	630,032	-	630,032
Special Events - Cost	(159,996)	-	(159,996)
Interest And Dividends	6,333	-	6,333
Other Income	29,159	-	29,159
Net Assets Released From Restrictions	45,065	(45,065)	-
Total Support, Gains, And Revenue	<u>2,090,186</u>	<u>78,170</u>	<u>2,168,356</u>
Expenses And Losses			
Program Services	1,799,748	-	1,799,748
General And Administrative	86,904	-	86,904
Fundraising	179,098	-	179,098
Realized Loss On Investments	18	-	18
Unrealized Loss On Investments	8,754	-	8,754
Loss On Disposal Of Property And Equipment	4,363	-	4,363
Total Expenses And Losses	<u>2,078,885</u>	<u>-</u>	<u>2,078,885</u>
CHANGE IN NET ASSETS	11,301	78,170	89,471
Net Assets, Beginning Of Year	<u>217,578</u>	<u>45,065</u>	<u>262,643</u>
Net Assets, End Of Year	<u>\$ 228,879</u>	<u>\$ 123,235</u>	<u>\$ 352,114</u>

See Independent Auditor's Report And Accompanying Notes To The Financial Statements

The Ulman Cancer Fund For Young Adults Statement Of Functional Expenses

For The Year Ended December 31, 2014

	Program Services	General And Administrative	Fundraising	Total
Accounting And Legal Fees	\$ 1,308	\$ 22,599	\$ -	\$ 23,907
Advertising	12,919	-	-	12,919
Automobile Repairs	3,241	-	-	3,241
Bad Debt	3,500	-	-	3,500
Bank Charges	74,345	-	2,229	76,574
Community Outreach	891,491	-	106,148	997,639
Depreciation	-	18,941	-	18,941
Dues And Subscriptions	9,720	-	-	9,720
Employee Benefits	63,064	4,505	7,508	75,077
Insurance	32,390	3,820	-	36,210
Interest	206	986	-	1,192
Meetings And Conferences	23,118	44	-	23,162
Office Expenses	16,508	3,808	46	20,362
Payroll Taxes	54,863	3,919	6,531	65,313
Postage And Delivery	12,108	192	219	12,519
Printing And Publications	25,741	-	450	26,191
Rent	99,721	4,336	4,336	108,393
Salaries And Wages	771,194	55,573	91,321	918,088
Scholarships	22,500	-	45,000	67,500
Support Groups	4,369	-	-	4,369
Telephone	9,250	-	-	9,250
Travel	74,973	-	616	75,589
Utilities	1,095	-	-	1,095
Website	22,660	2,796	9,000	34,456
	<u>\$ 2,230,284</u>	<u>\$ 121,519</u>	<u>\$ 273,404</u>	<u>\$ 2,625,207</u>

See Independent Auditor's Report And Accompanying Notes To The Financial Statements

The Ulman Cancer Fund For Young Adults Statement Of Functional Expenses

For The Year Ended December 31, 2013

	Program Services	General And Administrative	Fundraising	Total
Accounting And Legal Fees	\$ 8,210	\$ 16,191	\$ -	\$ 24,401
Advertising	12,380	-	-	12,380
Automobile Repairs	3,584	-	-	3,584
Bad Debt	14,000	-	-	14,000
Bank Charges	102,455	318	2,600	105,373
Community Outreach	563,628	107	132,540	696,275
Depreciation	-	17,184	-	17,184
Dues And Subscriptions	9,909	-	-	9,909
Employee Benefits	43,457	1,889	1,889	47,235
Insurance	11,967	1,702	-	13,669
Interest	1,170	801	-	1,971
Meetings And Conferences	21,257	357	-	21,614
Office Expenses	5,181	8,144	42	13,367
Payroll Taxes	53,130	2,310	2,310	57,750
Postage And Delivery	12,000	192	444	12,636
Printing And Publications	18,665	319	1,943	20,927
Rent	114,419	4,975	4,975	124,369
Salaries And Wages	667,613	28,601	30,350	726,564
Scholarships	58,750	-	-	58,750
Support Groups	4,256	-	-	4,256
Telephone	7,891	-	-	7,891
Travel	52,389	-	2,005	54,394
Website	13,437	3,814	-	17,251
	<u>\$ 1,799,748</u>	<u>\$ 86,904</u>	<u>\$ 179,098</u>	<u>\$ 2,065,750</u>

See Independent Auditor's Report And Accompanying Notes To The Financial Statements

The Ulman Cancer Fund For Young Adults Statements Of Cash Flows

For The Years Ended December 31,	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Change In Net Assets	\$ 236,220	\$ 89,471
Adjustments To Reconcile Change In Net Assets To Net		
Cash And Cash Equivalents Provided By Operating Activities:		
Depreciation	18,941	17,184
Net Realized And Unrealized (Gain) Loss On Investments	(16,707)	8,772
Loss On Disposal Of Property And Equipment	-	4,363
(Increase) Decrease In Operating Assets:		
Accounts Receivable	3,076	12,250
Other Receivables	21,782	(23,332)
Unconditional Promises To Give	8,500	21,934
Prepaid Expenses	(62,568)	(16,472)
Deposit	(2,292)	-
Increase (Decrease) In Operating Liabilities:		
Accounts Payable	(1,340)	(22,469)
Accrued Payroll Liabilities	20,623	21,419
Deferred Revenue - Special Events	128,359	102,698
Deferred Rent Expense	(13,560)	27,453
Net Cash And Cash Equivalents Provided By Operating Activities	<u>341,034</u>	<u>243,271</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds From Sale Of Property And Equipment	-	29,100
Purchases Of Property And Equipment	(13,793)	(52,795)
Proceeds From Sale Of Investments	60,642	2,383
Purchases Of Investments	<u>(63,198)</u>	<u>(2,401)</u>
Net Cash And Cash Equivalents Used In Investing Activities	<u>(16,349)</u>	<u>(23,713)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments On Capital Lease Obligation	<u>(2,694)</u>	<u>(2,549)</u>
Net Cash And Cash Equivalents Used In Financing Activities	<u>(2,694)</u>	<u>(2,549)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	321,991	217,009
Cash And Cash Equivalents, Beginning Of Year	<u>422,582</u>	<u>205,573</u>
Cash And Cash Equivalents, End Of Year	<u><u>\$ 744,573</u></u>	<u><u>\$ 422,582</u></u>
SUPPLEMENTAL INFORMATION:		
Cash Paid For Interest	<u><u>\$ 1,192</u></u>	<u><u>\$ 1,971</u></u>

See Independent Auditor's Report And Accompanying Notes To The Financial Statements

The Ulman Cancer Fund For Young Adults

Notes To Financial Statements

For The Years Ended December 31, 2014 And 2013

1. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION – The Ulman Cancer Fund For Young Adults (the Organization) provides support programs, education and resources, free of charge, to young adults affected by cancer and their families and friends. The Organization also promotes awareness and prevention of cancer through various programs and printed material.

BASIS OF ACCOUNTING AND PRESENTATION – The accompanying financial statements have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses. Actual results could differ from those estimates.

CASH & CASH EQUIVALENTS – The Organization considers all highly liquid investments purchased with an original maturity of three months or less and certificates of deposits to be cash equivalents.

CONTRIBUTIONS – Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is 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 reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

INVESTMENTS AND INVESTMENT INCOME – Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statements of financial position. Unrealized gains and losses on investments are reported in the statements of activities as increases or decreases in unrestricted net assets, unless their use is temporarily or permanently restricted by donor stipulation or by law.

Investment income and gains restricted by donors are reported as increases in unrestricted net assets if the restrictions are met in the reporting period in which the income and gains are recognized.

Investment income earned is used to support the ongoing operations of the Organization.

ACCOUNTS RECEIVABLE – Management is of the opinion that all of the Organization's accounts receivable are fully collectible and no allowance for doubtful accounts is required.

PROMISES TO GIVE – Unconditional promises to give are recognized as revenue in the period received as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Unconditional promises to give due in the next year are recorded at their net realizable value. Unconditional promises to give due in subsequent years are recorded at the present value of their net realizable value using risk-free interest rates applicable to the years in which the promises were received.

The Ulman Cancer Fund For Young Adults

Notes To Financial Statements

(Continued)

For The Years Ended December 31, 2014 And 2013

1. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

PROPERTY AND EQUIPMENT – Property and equipment are stated at cost. Depreciation is calculated on the straight-line method over the estimated useful lives of the assets. Donations of property and equipment are recorded as contributions-in-kind at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies the temporarily restricted net assets to unrestricted net assets at that time.

INCOME TAXES – The Organization is exempt from Federal and State income taxes under Internal Revenue Code §501(c)(3). Therefore, no provisions have been made for income taxes in the financial statements.

COMPENSATED ABSENCES – Employees of the Organization are entitled to compensated absences depending on job classification, length of service, and other factors. As of December 31, 2014 and 2013, accrued compensated absences were \$13,205 and \$10,269, respectively. The balances are included in accrued payroll liabilities on the statements of financial position at December 31, 2014 and 2013.

ADVERTISING – The Organization expenses the costs of advertising when the advertising takes place. Advertising costs amounted to \$12,919 and \$12,380 for the years ended December 31, 2014 and 2013, respectively.

DONATED SERVICES, MATERIALS AND FACILITIES – The Organization records various types of in-kind contributions. Contributed services are recognized at fair value if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. The Organization recognized \$13,998 of contributed electrical services provided during the year ended December 31, 2014. There were no donated services for the year ended December 31, 2013.

Contributions of tangible assets or use of facilities are recognized at fair value when received. The amounts reflected in the accompanying financial statements as in-kind contributions are offset by like amounts included in expenses or additions to property and equipment.

In addition, a number of volunteers have donated many hours to the Organization's program and support services. These contributions in-kind are not reflected in the financial statements since these services do not meet the criteria for recognition.

FUNCTIONAL ALLOCATION OF EXPENSES – The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on specific identification when determinable. A reasonable allocation is made for costs not specifically identifiable. Although these allocation estimates are reasonable, actual expense by function may differ.

RECLASSIFICATIONS – Certain reclassifications have been made to the prior year financial statements in order for them to be in conformity with the current year presentation. These reclassifications had no effect on previously reported change in net assets.

The Ulman Cancer Fund For Young Adults
Notes To Financial Statements
(Continued)

For The Years Ended December 31, 2014 And 2013

2. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of December 31, 2014 and 2013:

	2014	2013
Computer Equipment	\$ 46,803	\$ 40,979
Vehicles	34,628	34,628
Race Equipment	36,534	28,565
Furniture And Fixtures	6,478	6,977
Website Development	-	11,561
	124,443	122,710
Less : Accumulated Depreciation	56,892	50,011
	\$ 67,551	\$ 72,699

Depreciation expense on property and equipment was \$18,941 and \$17,184 for the years ended December 31, 2014 and 2013, respectively. Fully depreciated property and equipment with a cost of \$12,060 was disposed of during the year ended December 31, 2014.

3. INVESTMENTS

Investments consisted of the following as of December 31, 2014 and 2013:

	2014		
	Cost	Unrealized Gains (Losses)	Fair Market Value
Fixed Income	\$ 51,482	\$ 20,092	\$ 71,574
Stocks And Mutual Funds	122,947	(5,458)	117,489
Master Limited Partnerships	33,342	4,174	37,516
Total Investments	\$ 207,771	\$ 18,808	\$ 226,579
	2013		
	Cost	Unrealized Gains (Losses)	Fair Market Value
Fixed Income	\$ 51,482	\$ 16,057	\$ 67,539
Stocks And Mutual Funds	122,998	3,082	126,080
Master Limited Partnerships	7,578	6,119	13,697
Total Investments	\$ 182,058	\$ 25,258	\$ 207,316

The Ulman Cancer Fund For Young Adults

Notes To Financial Statements

(Continued)

For The Years Ended December 31, 2014 And 2013

4. FAIR VALUE MEASUREMENTS

Financial Accounting Standards Board (FASB) Accounting Standard Codification (ASC) 820, *Fair Value Measurements and Disclosures*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are described as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

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 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.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

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

Common Stock

Valued at the closing price reported on the active market on which the individual securities are traded.

Mortgage Backed Securities, Government Sponsored Enterprise Securities (GSE)

Valued using a market approach, including a pricing model with observable inputs.

Mutual Funds, Master Limited Partnerships

Valued at quoted market prices in an exchange and active market.

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 Organization 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.

There have been no changes in the methodology used at December 31, 2014 and 2013.

The Ulman Cancer Fund For Young Adults
Notes To Financial Statements
(Continued)

For The Years Ended December 31, 2014 And 2013

4. FAIR VALUE MEASUREMENTS (CONTINUED)

The following tables set forth by level, within the fair value hierarchy, the Organization's investment assets at fair value as of December 31, 2014:

	Assets At Fair Value As Of December 31, 2014			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Fixed Income:				
Mortgaged Back Securities	\$ -	\$ 15,760	\$ -	\$ 15,760
GSE	-	55,814	-	55,814
	<u>-</u>	<u>71,574</u>	<u>-</u>	<u>71,574</u>
Equities:				
Common Stock	37,624	-	-	37,624
Master Limited Partnerships	37,516	-	-	37,516
Mutual Funds:				
Exchange Traded Funds	18,711	-	-	18,711
Fixed Income	42,235	-	-	42,235
Precious Metals	4,065	-	-	4,065
Speciality	14,854	-	-	14,854
	<u>79,865</u>	<u>-</u>	<u>-</u>	<u>79,865</u>
Total	<u>\$ 155,005</u>	<u>\$ 71,574</u>	<u>\$ -</u>	<u>\$ 226,579</u>

	Assets At Fair Value As Of December 31, 2013			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Fixed Income:				
Mortgaged Back Securities	\$ -	\$ 13,965	\$ -	\$ 13,965
GSE	-	53,574	-	53,574
	<u>-</u>	<u>67,539</u>	<u>-</u>	<u>67,539</u>
Equities:				
Common Stock	35,184	-	-	35,184
Master Limited Partnerships	13,697	-	-	13,697
Mutual Funds:				
Exchange Traded Funds	5,064	-	-	5,064
Fixed Income	61,487	-	-	61,487
Precious Metals	9,864	-	-	9,864
Speciality	14,481	-	-	14,481
	<u>90,896</u>	<u>-</u>	<u>-</u>	<u>90,896</u>
Total	<u>\$ 139,777</u>	<u>\$ 67,539</u>	<u>\$ -</u>	<u>\$ 207,316</u>

The Ulman Cancer Fund For Young Adults
Notes To Financial Statements
(Continued)

For The Years Ended December 31, 2014 And 2013

4. FAIR VALUE MEASUREMENTS (CONTINUED)

All assets have been valued using a market approach.

5. UNCONDITIONAL PROMISES TO GIVE

As of December 31, 2014 and 2013, the Organization had total unconditional promises to give of \$0 and \$8,500, respectively. The expected future collections of these unconditional promises to give as of December 31, 2013 was recognized at their net present value in the amount of \$8,500.

During the year ended December 31, 2014 and 2013, the Organization wrote off pledges deemed uncollectible totaling \$3,500 and \$10,000, respectively.

6. RESTRICTED NET ASSETS

Temporarily restricted net assets (TRNA) at December 31, 2014 and 2013 consisted of the following:

	<u>12/31/13 TRNA</u>	<u>Contributions</u>	<u>Releases</u>	<u>12/31/14 TRNA</u>
Patient Navigator	\$ 9,800	\$ 11,700	\$ (21,500)	\$ -
Scholarships	21,560	36,077	(57,637)	-
Shearer Fund	91,875	104,635	(83,331)	113,179
Housing Project	-	19,000	-	19,000
	<u>\$ 123,235</u>	<u>\$ 171,412</u>	<u>\$ (162,468)</u>	<u>\$ 132,179</u>

There were no permanently restricted net assets at December 31, 2014 and 2013.

7. ALLOCATION OF JOINT COSTS

The Organization incurred joint costs of \$234,069 and \$476,317 for the years ended December 31, 2014 and 2013, respectively, relating to several special events. The following amounts were allocated to the respective functions:

	<u>2014</u>	<u>2013</u>
Program: Education And Advocacy	\$ 197,390	\$ 384,555
Fundraising	36,679	91,762
	<u>\$ 234,069</u>	<u>\$ 476,317</u>

The Ulman Cancer Fund For Young Adults
Notes To Financial Statements
(Continued)

For The Years Ended December 31, 2014 And 2013

8. CAPITAL LEASE

The Organization leases equipment under a capital lease expiring in 2016. The asset and liability under capital lease are recorded at the lower of the present value of the minimum lease payments or the fair value of the asset. The asset is depreciated over the lower of its related lease term or its estimated productive life. Depreciation of the asset under capital lease is included in depreciation expense. The following is a summary of property held under capital lease:

	<u>2014</u>	<u>2013</u>
Copier	\$ 14,285	\$ 14,285
Less: Accumulated Depreciation	<u>(10,000)</u>	<u>(7,143)</u>
	<u>\$ 4,285</u>	<u>\$ 7,142</u>

Future minimum lease payments under capital lease as of December 31, 2014 are as follows:

<u>Years Ending December 31,</u>	
2015	\$ 3,300
2016	<u>3,025</u>
Total Minimum Lease Payments	6,325
Less: Amount Representing Interest	<u>451</u>
Obligations Under Capital Lease	5,874
Less: Current Portion	<u>2,960</u>
	<u>\$ 2,914</u>

9. OPERATING LEASE

The Organization has a five-year lease for office space in Baltimore. The lease was effective August 1, 2011 and expires on July 31, 2016. The Organization's monthly rent amount started at \$2,642 and increases in yearly escalating amounts of 3%. During 2013, the Organization added additional square footage to its lease space in Baltimore. The amended lease was effective January 1, 2013 and expires on July 31, 2016. The Organization's monthly rent amount on the additional space started at \$927 and increases in yearly escalating amounts of 3%.

The Organization had a lease for office space in Columbia. The Organization's monthly rent called for \$1,152 through July 31, 2014.

On July 1, 2014, the Organization entered a three-year lease for office space in Columbia. The Organization's monthly rent amount is \$2,292.

The Ulman Cancer Fund For Young Adults
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For The Years Ended December 31, 2014 And 2013

9. OPERATING LEASE (CONTINUED)

Future minimum lease payments related to the operating leases are as follows:

<u>Years Ending December 31,</u>	
2015	\$ 123,798
2016	76,367
2017	<u>13,750</u>
	<u>\$ 213,915</u>

Rent expense was \$108,393 and \$124,369 for the years ended December 31, 2014 and 2013, respectively.

Related Party Transaction

The Organization subleased a portion of its office space in Baltimore to one of its board members. The lease agreement expired on December 31, 2014, and is now on a month-to-month basis. Rental income earned by the Organization for the lease was \$30,000 and \$29,000 for the years ended December 31, 2014 and 2013, respectively. The income is included in Other Income on the Statement of Activities.

10. REAL ESTATE PURCHASE OPTION

During 2014, the Organization entered into a real estate purchase option agreement with an unrelated party expiring on May 31, 2015. Under the agreement, the Organization can purchase three real properties for \$1 each. The agreement was subsequently amended to extend the expiration date to December 31, 2015.

11. ASSET TRANSFER

During 2014, the Organization entered into an asset transfer agreement with the Columbia Triathlon Association, Inc. (CTA). CTA transferred all of CTA's rights to the Organization to own and operate the Columbia Triathlon and the Iron Girl Columbia Triathlon in 2014 and subsequent years, deposits in the amount of \$175,000 for future events, and other personal property with no fair market value. The deposits were included in contributions on the statement of activities for the year ended December 31, 2014.

12. RETIREMENT PLAN

The Organization maintains a defined contribution retirement plan for eligible employees. Participants who elect to contribute a percentage of their salary to the plan on a pretax basis will receive a dollar-for-dollar matching contribution of an amount up to three percent of the employee's salary. For the years ended December 31, 2014 and 2013, retirement plan expenses were \$13,023 and \$12,399, respectively.

13. CONCENTRATION OF CREDIT RISK

The Organization maintains cash balances at various financial institutions located in the Baltimore Metropolitan area and, at times, balances may exceed federally insured limits. The Organization has never experienced any losses related to these balances. Accounts at each institution are secured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2014, cash balances exceeded the insured amounts by \$313,113.

14. LINE OF CREDIT

The Organization had available a line of credit from Howard Bank which permitted the Organization to borrow up to \$175,000 at the Bank's prime rate with a 3% floor. The line was closed during 2014.

The Ulman Cancer Fund For Young Adults
Notes To Financial Statements
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For The Years Ended December 31, 2014 And 2013

15. SUBSEQUENT EVENTS

Effective March 9, 2015, the Organization entered into an asset transfer agreement with Ride Across Maryland Foundation, Inc. (RAM). In accordance with the agreement, RAM shall transfer to the Organization all of RAM's assets as defined by the agreement along with rights to operate events held under RAM.

Effective July 2015, the Organization amended the real estate purchase option agreement to extend the agreement through December 31, 2015.

Management has evaluated events and transactions subsequent to the statement of financial position date for potential recognition or disclosure through the independent auditor's report date, the date the financial statements were available to be issued. Except as noted above, there were no events that required recognition or disclosure in the financial statements.