

FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORTS

FORCE - FACING OUR RISK OF CANCER EMPOWERED, INC.

December 31, 2016 and 2015

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**RIVERO, GORDIMER & COMPANY, P.A.  
CERTIFIED PUBLIC ACCOUNTANTS**

Member  
American Institute of Certified Public Accountants  
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**INDEPENDENT AUDITORS' REPORT**

The Board of Directors  
FORCE - Facing Our Risk of Cancer Empowered, Inc.

We have audited the accompanying financial statements of FORCE - Facing Our Risk of Cancer Empowered, Inc. ("FORCE") (a nonprofit organization), which comprise the statements of financial position as of December 31, 2016 and 2015, and the related statements of activities and changes in net assets, cash flows and functional expenses for the years then ended, and the related notes to the financial statements.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**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 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 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.

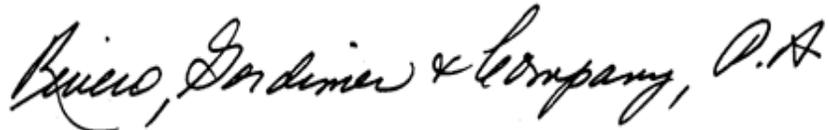
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of FORCE - Facing Our Risk of Cancer Empowered, Inc. at December 31, 2016 and 2015, 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.

## Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 4, 2017, on our consideration of FORCE'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 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 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 FORCE's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Bruce, Gardner & Company, P.A." The signature is written in a cursive, flowing style.

Tampa, Florida  
April 4, 2017

FORCE - Facing Our Risk of Cancer Empowered, Inc.

STATEMENTS OF FINANCIAL POSITION

December 31,

	<u>2016</u>	<u>2015</u>
<b>ASSETS</b>		
Cash and cash equivalents (note A3)	1,114,418	\$ 785,716
Accounts receivable	1,311	6,061
Pledges receivable (note A4 and B)	76,000	
Prepaid expenses	<u>13,843</u>	<u>9,824</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 1,205,572</u></u>	<u><u>\$ 801,601</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	<u>\$ 58,672</u>	<u>\$ 6,834</u>
<b>Total current liabilities</b>	<u>58,672</u>	<u>6,834</u>
<b>NET ASSETS (notes A5 and D)</b>		
Unrestricted	1,062,380	749,767
Temporarily restricted	<u>84,520</u>	<u>45,000</u>
<b>Total net assets</b>	<u>1,146,900</u>	<u>794,767</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 1,205,572</u></u>	<u><u>\$ 801,601</u></u>

The accompanying notes are an integral part of these statements.

FORCE - Facing Our Risk of Cancer Empowered, Inc.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

For the year ended December 31, 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>REVENUE AND SUPPORT</b>			
Contributions and private grants	\$ 857,010	\$ 54,520	\$ 911,530
Government grant	349,623	-	349,623
Conference income	538,602	-	538,602
Research and recruitment fees	103,766	-	103,766
Other revenue	4,085	-	4,085
Interest and dividends	145	-	145
	<u>1,853,231</u>	<u>54,520</u>	<u>1,907,751</u>
Total revenue and support			
Net assets released from restrictions	<u>15,000</u>	<u>(15,000)</u>	<u>-</u>
Total revenue, support, and net assets released from restrictions	<u>1,868,231</u>	<u>39,520</u>	<u>1,907,751</u>
<b>EXPENSES</b>			
Program expenses	<u>1,108,739</u>	<u>-</u>	<u>1,108,739</u>
Supporting services			
Management and general	251,866	-	251,866
Fundraising	195,013	-	195,013
Total supporting services	<u>446,879</u>	<u>-</u>	<u>446,879</u>
Total expenses	<u>1,555,618</u>	<u>-</u>	<u>1,555,618</u>
<b>CHANGE IN NET ASSETS</b>			
	312,613	39,520	352,133
Net assets at beginning of year	<u>749,767</u>	<u>45,000</u>	<u>794,767</u>
Net assets at end of year	<u>\$ 1,062,380</u>	<u>\$ 84,520</u>	<u>\$ 1,146,900</u>

The accompanying notes are an integral part of this statement.

FORCE - Facing Our Risk of Cancer Empowered, Inc.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

For the year ended December 31, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>REVENUE AND SUPPORT</b>			
Contributions and private grants	\$ 1,124,761	\$ 45,000	\$ 1,169,761
Government grant	326,860	-	326,860
Conference income	534,841	-	534,841
Research and recruitment fees	119,375	-	119,375
Other revenue	14,434	-	14,434
Interest and dividends	71	-	71
	<u>2,120,342</u>	<u>45,000</u>	<u>2,165,342</u>
Total revenue and support			
Net assets released from restrictions	<u>130,000</u>	<u>(130,000)</u>	<u>-</u>
Total revenue, support, and net assets released from restrictions	<u>2,250,342</u>	<u>(85,000)</u>	<u>2,165,342</u>
<b>EXPENSES</b>			
Program expenses	<u>1,325,621</u>	<u>-</u>	<u>1,325,621</u>
Supporting services			
Management and general	218,635	-	218,635
Fundraising	<u>159,223</u>	<u>-</u>	<u>159,223</u>
Total supporting services	<u>377,858</u>	<u>-</u>	<u>377,858</u>
Total expenses	<u>1,703,479</u>	<u>-</u>	<u>1,703,479</u>
<b>CHANGE IN NET ASSETS</b>			
	546,863	(85,000)	461,863
Net assets at beginning of year	<u>202,904</u>	<u>130,000</u>	<u>332,904</u>
Net assets at end of year	<u>\$ 749,767</u>	<u>\$ 45,000</u>	<u>\$ 794,767</u>

The accompanying notes are an integral part of this statement.

FORCE - Facing Our Risk of Cancer Empowered, Inc.

STATEMENTS OF CASH FLOWS

For the year ended December 31,

	<u>2016</u>	<u>2015</u>
Cash flows from operating activities		
Change in net assets	\$ 352,133	\$ 461,863
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Increase in accounts receivable	(71,250)	(6,000)
Increase in prepaid expenses	(4,019)	(8,799)
Increase (decrease) in accounts payable	51,838	(6,594)
Total adjustments	<u>(23,431)</u>	<u>(21,393)</u>
Net cash provided by operating activities	328,702	440,470
Cash and cash equivalents at beginning of year	<u>785,716</u>	<u>345,246</u>
Cash and cash equivalents at end of year	<u>\$ 1,114,418</u>	<u>\$ 785,716</u>
Supplemental disclosures of cash flow information		
Cash paid during the year		
Interest	<u>\$ -</u>	<u>\$ -</u>
Taxes	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these statements.

FORCE - Facing Our Risk of Cancer Empowered, Inc.

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended December 31, 2016

	Program Expenses	Management and General	Fundraising and Development	Total
Bank fees	\$ -	\$ 7,525	\$ 1,773	\$ 9,298
Communications	9,435	1,452	2,300	13,187
Conference	122,263	-	-	122,263
Insurance	-	13,007	-	13,007
Miscellaneous	40	3,195	-	3,235
Office supplies	3,459	498	430	4,387
Outreach expenses	10,384	-	-	10,384
Personnel costs	627,053	120,257	111,667	858,977
Postage	22,376	1,179	1,725	25,280
Printing	27,595	89	7,032	34,716
Professional fees	161,428	90,580	34,413	286,421
Promotional	24,378	-	531	24,909
Software	18,437	2,806	18,279	39,522
Subscriptions	3,780	1,742	-	5,522
Travel	34,295	6,446	5,070	45,811
Website	43,816	3,090	11,793	58,699
	<u>\$ 1,108,739</u>	<u>\$ 251,866</u>	<u>\$ 195,013</u>	<u>\$ 1,555,618</u>

The accompanying notes are an integral part of this statement.

FORCE - Facing Our Risk of Cancer Empowered, Inc.

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended December 31, 2015

	Program Expenses	and General	and Development	Total
Bank fees	\$ -	\$ 5,107	\$ 74	\$ 5,181
Communications	8,113	1,363	45	9,521
Conference	378,168	-	-	378,168
Insurance	8,847	1,203	3,557	13,607
Miscellaneous	2,155	2,560	1,706	6,421
Office supplies	3,250	742	466	4,458
Outreach expenses	15,027	-	-	15,027
Personnel costs	606,295	116,854	111,411	834,560
Postage	13,224	1,255	113	14,592
Printing	33,500	1,528	629	35,657
Professional fees	173,844	56,950	29,292	260,086
Promotional	3,825	271	2,794	6,890
Software	14,303	8,831	982	24,116
Subscriptions	-	-	669	669
Taxes and licenses	-	7,463	-	7,463
Travel	20,507	12,062	1,014	33,583
Website	44,563	2,446	6,471	53,480
	<u>\$ 1,325,621</u>	<u>\$ 218,635</u>	<u>\$ 159,223</u>	<u>\$ 1,703,479</u>

The accompanying notes are an integral part of this statement.

FORCE - Facing Our Risk of Cancer Empowered, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2016 and 2015

NOTE A - DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the organization's significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

1. Description of the Organization

Facing our Risk of Cancer Empowered, Inc. (FORCE) is a nonprofit organization with exempt status, as described in Section 501(c)(3) under the Internal Revenue Code, effective since July 1, 1999. FORCE is headquartered in Hillsborough County, Florida with outreach community groups located throughout the United States and in other countries.

FORCE is the only national nonprofit organization devoted to hereditary breast and ovarian cancer. FORCE's mission is to improve the lives of individuals and families affected by hereditary breast, ovarian and related cancers.

FORCE has eight mission objectives:

- To provide women with resources to determine whether they are at high risk for breast and ovarian cancer due to specific predisposition, family history, or other factors.
- To provide information about options for managing and living with these risk factors.
- To provide support for women as they pursue these options.
- To provide support for families facing these risks.
- To raise awareness of hereditary breast and ovarian cancer.
- To present the concerns and interest of our high-risk constituency to the cancer advocacy community, the scientific and medical community, the legislative community, and the general public.
- To promote research specific to hereditary cancer.
- To reduce disparities among underserved populations by promoting access to information, resources and clinical trials specific to hereditary breast and ovarian cancer.

2. Basis of Accounting

FORCE follows the provisions of the Financial Accounting Standards Board Accounting Standards Codification ("FASB ASC") and the standards of financial reporting for not-for-profit organizations as described in the American Institute of Certified Public Accountants' *Industry Guide for Not-for-Profit Organizations*. Accordingly, the financial statements are prepared on an accrual basis of accounting. The financial statements of FORCE are the representation of management and include estimates of amounts and judgments it believes are reasonable under the circumstances.

FORCE - Facing Our Risk of Cancer Empowered, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2016 and 2015

NOTE A - DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

FASB ASC 958-205 establishes standards for general purpose external financial statements of not-for-profit organizations and requires a statement of financial position, a statement of activities and changes in net assets, and a statement of cash flows.

FASB ASC 958-605 requires FORCE to distinguish between contributions that increase permanently restricted net assets, temporarily restricted net assets, and unrestricted net assets. It also requires recognition of contributed services meeting certain criteria at fair value. These financial statements have been prepared to focus on FORCE as a whole and to present balances and transactions according to the existence or absence of donor-imposed restrictions. Accordingly, net assets of FORCE and changes therein are classified and reported as follows:

- Unrestricted net assets - not subject to donor-imposed restrictions or the donor-imposed restrictions have expired.
- Temporarily restricted net assets - subject to donor-imposed stipulations that may or will be fulfilled by actions of FORCE to meet the stipulations or become unrestricted by the passage of time.
- Permanently restricted net assets - subject to donor-imposed stipulations that they be retained and invested permanently by FORCE. Currently FORCE has no permanently restricted net assets.

3. Cash Equivalents

Cash equivalents consist of highly liquid short-term money instruments with a maturity of three months or less when purchased and were approximately \$186,400 and \$120,700 at December 31, 2016 and 2015, respectively.

4. Pledges Receivable

Pledges receivable represent unconditional promises to give by donors. The fair value of pledges receivable is estimated by discounting expected net future cash flows using a rate of return based on the yield of a U.S. Treasury Security with a maturity date similar to the expected collection period. Management believes all pledges receivable to be fully collectable. As such, no provision for uncollected amounts is included at December 31, 2016 in the accompanying financial statements.

FORCE - Facing Our Risk of Cancer Empowered, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2016 and 2015

NOTE A - DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

5. Net Asset Classification

Temporarily restricted net assets contain donor-imposed restrictions that expire upon the passage of time or once specific actions are undertaken by FORCE. The net assets are then released and reclassified to unrestricted support when these restrictions are satisfied. There was approximately \$84,500 and \$45,000 of temporarily restricted net assets at December 31, 2016 and 2015, respectively (see Note C for further discussion).

6. Noncash Contributions

Donated materials and services are recorded as contributions at their estimated values at the date of receipt. No amounts have been recorded for donated materials since no materials were donated in the current year. Also, no amounts have been recorded for volunteer services since no objective basis is available to measure the value of such services. However, a substantial number of volunteers have donated significant time in the services of FORCE.

7. Advertising

Advertising costs (direct mail) are expensed when incurred.

8. Functional Expenses

FORCE allocates its expenses on a functional basis among its various programs and services. Expenses that can be identified with a specific revenue and support service are allocated directly according to their natural expenditure classification.

9. Reclassifications

Certain reclassifications of the prior year's comparative balances have been made to conform to the current year presentation.

NOTE B - PLEDGES RECEIVABLE

Pledges receivable are summarized as follows at December 31, 2016:

Total unconditional pledges	\$ 76,000
Less discount for present value	-
Less allowance for uncollectable pledges	-
Total pledges receivable, net	<u>\$ 76,000</u>

FORCE expects to collect all pledge receivables in the upcoming year.

FORCE - Facing Our Risk of Cancer Empowered, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2016 and 2015

NOTE C - INCOME TAXES

FORCE has been recognized as exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and Chapter 220.13 of the Florida Statutes, respectively. Accordingly, no provision for income taxes has been presented in these financial statements. FORCE has not reported any unrelated business income; however, such status is subject to final determination upon examination, if any, of the related income tax returns by the appropriate taxing authorities.

FORCE is not aware of any tax positions it has taken that are subject to a significant degree of uncertainty. Tax years after 2013 remain subject to examination by federal and state taxing authorities.

NOTE D - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets contain donor-imposed restrictions that expire upon the passage of time or once specific actions are undertaken by the Organization. The net assets are then released and reclassified to unrestricted support when these restrictions are satisfied.

Temporarily restricted net assets consisted of the following balances at December 31,:

	<u>2016</u>	<u>2015</u>
Hereditary Cancer Conference	\$ 40,000	\$ 30,000
Research Advocate Training Program	15,000	10,000
Peer Navigator Program	15,000	5,000
Clinical Research Matching Tool	<u>14,520</u>	<u>-</u>
Total	<u>\$ 84,520</u>	<u>\$ 45,000</u>

NOTE E - CONCENTRATIONS OF CREDIT RISK

Cash balances are maintained in financial institutions. Occasionally, deposits exceed amounts insured by the Federal Deposit Insurance Corporation.

NOTE F - RETIREMENT PLAN

FORCE participates in a tax-deferred retirement plan whose assets are held by an investment company as trustee. Discretionary contributions to the plan are based on a percentage of eligible employees' compensation as defined by the plan. FORCE employees participated in the plan for the years ended December 31, 2016 and 2015, however, no matching contributions were made.

FORCE - Facing Our Risk of Cancer Empowered, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2016 and 2015

NOTE G - SUBSEQUENT EVENTS

FORCE has evaluated events and transactions occurring subsequent to December 31, 2016 as of April 4, 2017 which is the date the financial statements were available to be issued.

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*

FORCE - FACING OUR RISK OF CANCER EMPOWERED, INC.

December 31, 2016 and 2015



**RIVERO, GORDIMER & COMPANY, P.A.**  
**CERTIFIED PUBLIC ACCOUNTANTS**

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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  
FORCE - Facing Our Risk of Cancer Empowered, 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 FORCE - Facing Our Risk of Cancer Empowered, Inc. ("FORCE") (a nonprofit organization), which comprise the statement of financial position as of December 31, 2016, and the related statements of activities and changes in net assets, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated April 4, 2017.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered FORCE'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 FORCE's internal control. Accordingly, we do not express an opinion on the effectiveness of FORCE'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.

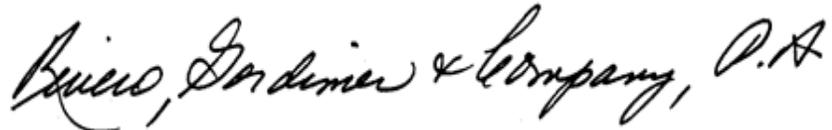
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not 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 FORCE'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 FORCE'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Buco, Gardner & Company, P.A." The signature is written in a cursive, flowing style.

Tampa, Florida  
April 4, 2017