THE ULMAN CANCER FUND FOR YOUNG ADULTS
FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015
# Table of Contents

The Ulman Cancer Fund for Young Adults  
December 31, 2016 and 2015

<table>
<thead>
<tr>
<th>Section</th>
<th>Pages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Independent Auditors’ Report</td>
<td>1-2</td>
</tr>
<tr>
<td>Statements of Financial Position</td>
<td>3</td>
</tr>
<tr>
<td>Statements of Activities</td>
<td>4</td>
</tr>
<tr>
<td>Statements of Functional Expenses</td>
<td>5-6</td>
</tr>
<tr>
<td>Statements of Cash Flows</td>
<td>7</td>
</tr>
<tr>
<td>Notes to Financial Statements</td>
<td>8-17</td>
</tr>
</tbody>
</table>
INDEPENDENT AUDITORS’ REPORT

To the Board of Directors of
The Ulman Cancer Fund for Young Adults

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of The Ulman Cancer Fund for Young Adults (Organization), which comprise the Statement of Financial Position as of December 31, 2016, 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 auditors consider 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 the significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.
INDEPENDENT AUDITORS’ REPORT, CONTINUED

OPINION

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Ulman Cancer Fund for Young Adults as of December 31, 2016, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

PRIOR PERIOD FINANCIAL STATEMENTS

The financial statements of The Ulman Cancer Fund for Young Adults as of December 31, 2015 were audited by other auditors whose report dated November 2, 2016 expressed an unmodified opinion on those statements.

Ellin & Tucker
Certified Public Accountants

Baltimore, Maryland
December 15, 2017
## Asset Statements

### Current Assets
- **Cash and Cash Equivalents**
  - 2016: $1,054,839
  - 2015: $691,699
- **Current Portion of Unconditional Promises to Give (Note 4)**
  - 2016: 557,407
  - 2015: 215,748
- **Other Receivables**
  - 2016: 65,307
  - 2015: 17,000
- **Investments (Notes 3 and 4)**
  - 2016: 284,414
  - 2015: 214,663
- **Prepaid Expenses and Other Current Assets**
  - 2016: 47,739
  - 2015: 62,545

### Property and Equipment, Net (Note 2)
- **Unconditional Promises to Give, Net of Current Portion (Note 4)**
  - 2016: 458,991
  - 2015: 507,716
- **Deposits**
  - 2016: 2,292
  - 2015: 8,632

### Total Current Assets
- 2016: $2,009,706
- 2015: $1,201,655

### Property and Equipment, Net (Note 2)
- 2016: $367,649
- 2015: $96,750

### Total Other Assets
- 2016: $461,283
- 2015: $516,348

### Total Assets
- 2016: $2,838,638
- 2015: $1,814,753

## Current Liabilities
- **Accounts Payable and Accrued Expenses**
  - 2016: $74,720
  - 2015: $181,856
- **Deferred Revenue - Special Events**
  - 2016: 232,910
  - 2015: 342,580
- **Obligation Under Capital Leases, Current Portion (Note 7)**
  - 2016: 9,424
  - 2015: 2,915

### Total Current Liabilities
- 2016: $317,054
- 2015: $527,351

### Other Liabilities
- **Obligation Under Capital Leases, Net of Current Portion (Note 7)**
  - 2016: 27,598
  - 2015: -

### Total Liabilities
- 2016: $344,652
- 2015: $527,351

## Net Assets
- **Unrestricted**
  - 2016: 346,257
  - 2015: 99,262
- **Temporarily Restricted (Note 5)**
  - 2016: 2,147,729
  - 2015: 1,188,140

### Total Net Assets
- 2016: $2,493,986
- 2015: $1,287,402

### Total Liabilities and Net Assets
- 2016: $2,838,638
- 2015: $1,814,753

*(See Independent Auditors’ Report and Accompanying Notes)*
**STATEMENTS OF ACTIVITIES**
The Ulman Cancer Fund for Young Adults
For the Years Ended December 31, 2016 and 2015

<table>
<thead>
<tr>
<th>SUPPORT AND REVENUE</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Unrestricted</td>
<td>Temporarily Restricted</td>
</tr>
<tr>
<td>Contributions</td>
<td>$1,961,945</td>
<td>$1,204,084</td>
</tr>
<tr>
<td>Special Events, Net of Direct Expenses of $57,543 and $133,675</td>
<td>329,489</td>
<td>-</td>
</tr>
<tr>
<td>In-Kind Contributions</td>
<td>192,163</td>
<td>-</td>
</tr>
<tr>
<td>Other Income</td>
<td>50,337</td>
<td>-</td>
</tr>
<tr>
<td>Gain on Disposal of Property and Equipment</td>
<td>18,497</td>
<td>-</td>
</tr>
<tr>
<td>Interest and Dividends</td>
<td>8,342</td>
<td>-</td>
</tr>
<tr>
<td>Realized Gain on Investments</td>
<td>43</td>
<td>-</td>
</tr>
<tr>
<td>Unrealized Gain (Loss) on Investments</td>
<td>9,312</td>
<td>-</td>
</tr>
<tr>
<td>Net Assets Released from Restrictions</td>
<td>244,495</td>
<td>(244,495)</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td>2,814,623</td>
<td>959,589</td>
</tr>
</tbody>
</table>

**EXPENSES**

<table>
<thead>
<tr>
<th>EXPENSES</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program Services</td>
<td>2,139,451</td>
<td>-</td>
</tr>
<tr>
<td>General and Administrative</td>
<td>135,429</td>
<td>-</td>
</tr>
<tr>
<td>Fundraising</td>
<td>292,748</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>2,567,628</td>
<td>-</td>
</tr>
<tr>
<td>Change in Net Assets</td>
<td>246,995</td>
<td>959,589</td>
</tr>
<tr>
<td><strong>NET ASSETS - BEGINNING OF YEAR</strong></td>
<td>99,262</td>
<td>1,188,140</td>
</tr>
</tbody>
</table>

| **NET ASSETS - END OF YEAR**    | 346,257 | $2,147,729 | $2,493,986 | 99,262 | $1,188,140 | $1,287,402 |

(See Independent Auditors’ Report and Accompanying Notes)
# Statement of Functional Expenses

**The Ulman Cancer Fund for Young Adults**

**For the Year Ended December 31, 2016**

(See Independent Auditors’ Report and Accompanying Notes)

<table>
<thead>
<tr>
<th>Program Services</th>
<th>General and Administrative</th>
<th>Fundraising</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounting and Legal Fees</td>
<td>$16,556</td>
<td>$22,900</td>
<td>$828</td>
</tr>
<tr>
<td>Advertising and Branding</td>
<td>27,217</td>
<td>53</td>
<td>15,329</td>
</tr>
<tr>
<td>Automobile Repairs</td>
<td>1,741</td>
<td>119</td>
<td>3,858</td>
</tr>
<tr>
<td>Bad Debt</td>
<td>-</td>
<td>6,903</td>
<td>-</td>
</tr>
<tr>
<td>Bank Charges</td>
<td>151</td>
<td>7,971</td>
<td>1,251</td>
</tr>
<tr>
<td>Community Outreach</td>
<td>782,805</td>
<td>-</td>
<td>112,862</td>
</tr>
<tr>
<td>Credit Card Processing Fees</td>
<td>41,353</td>
<td>567</td>
<td>5,499</td>
</tr>
<tr>
<td>Depreciation</td>
<td>17,612</td>
<td>754</td>
<td>739</td>
</tr>
<tr>
<td>Dues and Subscriptions</td>
<td>7,271</td>
<td>2,964</td>
<td>410</td>
</tr>
<tr>
<td>Employee Benefits</td>
<td>71,033</td>
<td>3,201</td>
<td>18,876</td>
</tr>
<tr>
<td>Insurance</td>
<td>35,513</td>
<td>6,644</td>
<td>14,400</td>
</tr>
<tr>
<td>Interest</td>
<td>181</td>
<td>3,344</td>
<td>-</td>
</tr>
<tr>
<td>Meetings and Conferences</td>
<td>16,004</td>
<td>491</td>
<td>309</td>
</tr>
<tr>
<td>Office Expenses</td>
<td>6,724</td>
<td>2,506</td>
<td>778</td>
</tr>
<tr>
<td>Payroll Taxes</td>
<td>29,198</td>
<td>4,212</td>
<td>4,865</td>
</tr>
<tr>
<td>Postage and Delivery</td>
<td>9,549</td>
<td>200</td>
<td>446</td>
</tr>
<tr>
<td>Printing and Publications</td>
<td>5,243</td>
<td>79</td>
<td>1,238</td>
</tr>
<tr>
<td>Rent</td>
<td>79,120</td>
<td>1,953</td>
<td>13,786</td>
</tr>
<tr>
<td>Salaries and Wages</td>
<td>836,225</td>
<td>68,667</td>
<td>95,531</td>
</tr>
<tr>
<td>Scholarships</td>
<td>51,981</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Support Groups</td>
<td>4,000</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Telephone</td>
<td>10,116</td>
<td>89</td>
<td>1,554</td>
</tr>
<tr>
<td>Travel</td>
<td>48,148</td>
<td>1,432</td>
<td>4,851</td>
</tr>
<tr>
<td>Utilities</td>
<td>10,086</td>
<td>174</td>
<td>2,120</td>
</tr>
<tr>
<td>Website</td>
<td>31,624</td>
<td>206</td>
<td>3,478</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th><strong>Total</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>$2,139,451</td>
<td>$135,429</td>
</tr>
</tbody>
</table>
## STATEMENT OF FUNCTIONAL EXPENSES

The Ulman Cancer Fund for Young Adults
For the Year Ended December 31, 2015

<table>
<thead>
<tr>
<th></th>
<th>Program Services</th>
<th>General and Administrative</th>
<th>Fundraising</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounting and Legal Fees</td>
<td>$37,332</td>
<td>$22,961</td>
<td>$28,000</td>
<td>$88,293</td>
</tr>
<tr>
<td>Advertising and Branding</td>
<td>12,252</td>
<td>-</td>
<td>671</td>
<td>12,923</td>
</tr>
<tr>
<td>Automobile Repairs</td>
<td>1,752</td>
<td>-</td>
<td>-</td>
<td>1,752</td>
</tr>
<tr>
<td>Bank Charges</td>
<td>67,608</td>
<td>419</td>
<td>1,449</td>
<td>69,476</td>
</tr>
<tr>
<td>Community Outreach</td>
<td>983,586</td>
<td>-</td>
<td>87,115</td>
<td>1,070,701</td>
</tr>
<tr>
<td>Depreciation</td>
<td>18,077</td>
<td>425</td>
<td>2,765</td>
<td>21,267</td>
</tr>
<tr>
<td>Dues and Subscriptions</td>
<td>7,668</td>
<td>930</td>
<td>3,973</td>
<td>12,571</td>
</tr>
<tr>
<td>Employee Benefits</td>
<td>85,397</td>
<td>751</td>
<td>3,032</td>
<td>89,180</td>
</tr>
<tr>
<td>Insurance</td>
<td>34,562</td>
<td>4,371</td>
<td>300</td>
<td>39,233</td>
</tr>
<tr>
<td>Interest</td>
<td>471</td>
<td>679</td>
<td>-</td>
<td>1,150</td>
</tr>
<tr>
<td>Meetings and Conferences</td>
<td>23,726</td>
<td>-</td>
<td>39</td>
<td>23,765</td>
</tr>
<tr>
<td>Office Expenses</td>
<td>12,916</td>
<td>2,087</td>
<td>457</td>
<td>15,460</td>
</tr>
<tr>
<td>Payroll Taxes</td>
<td>63,417</td>
<td>1,520</td>
<td>8,267</td>
<td>73,204</td>
</tr>
<tr>
<td>Postage and Delivery</td>
<td>11,860</td>
<td>277</td>
<td>166</td>
<td>12,303</td>
</tr>
<tr>
<td>Printing and Publications</td>
<td>22,972</td>
<td>-</td>
<td>1,375</td>
<td>24,347</td>
</tr>
<tr>
<td>Rent</td>
<td>141,523</td>
<td>-</td>
<td>-</td>
<td>141,523</td>
</tr>
<tr>
<td>Salaries and Wages</td>
<td>801,311</td>
<td>73,672</td>
<td>81,885</td>
<td>956,868</td>
</tr>
<tr>
<td>Scholarships</td>
<td>64,541</td>
<td>-</td>
<td>8,750</td>
<td>73,291</td>
</tr>
<tr>
<td>Support Groups</td>
<td>3,848</td>
<td>-</td>
<td>-</td>
<td>3,848</td>
</tr>
<tr>
<td>Telephone</td>
<td>10,339</td>
<td>585</td>
<td>1,300</td>
<td>12,224</td>
</tr>
<tr>
<td>Travel</td>
<td>90,115</td>
<td>699</td>
<td>3,460</td>
<td>94,274</td>
</tr>
<tr>
<td>Utilities</td>
<td>1,509</td>
<td>313</td>
<td>-</td>
<td>1,822</td>
</tr>
<tr>
<td>Website</td>
<td>21,217</td>
<td>6,365</td>
<td>4,581</td>
<td>32,163</td>
</tr>
</tbody>
</table>

|                                | $2,517,999       | $116,054                    | $237,585    | $2,871,638|

(See Independent Auditors’ Report and Accompanying Notes)
### OPERATING ACTIVITIES

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change in Net Assets</td>
<td>$1,206,584</td>
<td>$699,068</td>
</tr>
<tr>
<td><strong>Adjustments to Reconcile Change in Net Assets to</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Cash Provided by Operating Activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>25,275</td>
<td>21,267</td>
</tr>
<tr>
<td>Net Realized and Unrealized (Gain) Loss on Investments</td>
<td>(83,566)</td>
<td>26,171</td>
</tr>
<tr>
<td>(Loss) Gain on Sale of Property and Equipment</td>
<td>(18,497)</td>
<td>761</td>
</tr>
<tr>
<td>Donation of Property and Equipment</td>
<td>(192,163)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net Changes in:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unconditional Promises to Give</td>
<td>(292,934)</td>
<td>(721,814)</td>
</tr>
<tr>
<td>Other Receivables</td>
<td>(33,307)</td>
<td>(15,076)</td>
</tr>
<tr>
<td>Prepaid Expenses</td>
<td>14,806</td>
<td>23,724</td>
</tr>
<tr>
<td>Deposit</td>
<td>6,340</td>
<td>-</td>
</tr>
<tr>
<td>Accounts Payable and Accrued Expenses</td>
<td>(107,136)</td>
<td>68,001</td>
</tr>
<tr>
<td>Deferred Revenue - Special Events</td>
<td>(109,670)</td>
<td>(61,259)</td>
</tr>
<tr>
<td>Deferred Rent</td>
<td></td>
<td>(25,276)</td>
</tr>
<tr>
<td><strong>Net Cash Provided by Operating Activities</strong></td>
<td><strong>415,732</strong></td>
<td><strong>15,567</strong></td>
</tr>
</tbody>
</table>

### INVESTING ACTIVITIES

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchases of Property and Equipment</td>
<td>(80,295)</td>
<td>(51,227)</td>
</tr>
<tr>
<td>Proceeds from Sale of Property and Equipment</td>
<td>22,000</td>
<td>-</td>
</tr>
<tr>
<td>Proceeds from Sale of Investments</td>
<td>121,300</td>
<td>83,740</td>
</tr>
<tr>
<td>Purchases of Investments</td>
<td>(107,485)</td>
<td>(97,995)</td>
</tr>
<tr>
<td><strong>Net Cash Used in Investing Activities</strong></td>
<td><strong>(44,480)</strong></td>
<td><strong>(65,482)</strong></td>
</tr>
</tbody>
</table>

### FINANCING ACTIVITIES

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payments on Capital Lease Obligations</td>
<td>(8,112)</td>
<td>(2,959)</td>
</tr>
<tr>
<td><strong>Net Change in Cash</strong></td>
<td>363,140</td>
<td>(52,874)</td>
</tr>
</tbody>
</table>

### CASH - BEGINNING OF YEAR

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CASH - END OF YEAR</strong></td>
<td>$1,054,839</td>
<td>$691,699</td>
</tr>
</tbody>
</table>

### SUPPLEMENTAL CASH FLOW INFORMATION

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash Paid for Interest</td>
<td>$3,525</td>
<td>$1,150</td>
</tr>
<tr>
<td>Property and Equipment Acquired Under Capital Leases</td>
<td>$42,219</td>
<td>$-</td>
</tr>
</tbody>
</table>
NOTE 1  SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF OPERATIONS

The Ulman Cancer Fund for Young Adults (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.

ACCOUNTING STANDARDS CODIFICATION

All references in the financial statements to the Codification refer to the Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles (GAAP) issued by the Financial Accounting Standards Board. The Codification is the single source of authoritative GAAP in the United States.

BASIS OF ACCOUNTING AND PRESENTATION

The financial statements have been prepared on the accrual basis of accounting in accordance with GAAP. The financial statement presentation follows the reporting requirements of the Codification for not-for-profit organizations, under which the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted.

Unrestricted Net Assets

Unrestricted net assets represent economic resources of the Organization which are expendable for any purpose in performing the primary objectives of the Organization under the discretionary control of the Board of Directors.

Temporarily Restricted Net Assets

Temporarily restricted net assets include all contributions restricted for specific purposes by the donors or designated for use in a specific time period.

Permanently Restricted Net Assets

Permanently restricted net assets are contributions designated by the donors to be invested in perpetuity. There were no permanently restricted net assets at December 31, 2016 and 2015.

(See Independent Auditors’ Report)
USE OF ESTIMATES

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses. Actual results could differ from those estimates.

CASH AND CASH EQUIVALENTS

At times, the Organization may have bank deposits that exceed the federally insured limits. The Organization believes it is not exposed to any significant credit risk on cash and cash equivalents.

The Organization considers all highly liquid investments with original maturities of less than three months to be cash equivalents.

REVENUE RECOGNITION

Pledges and contributions are recorded when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions received and unconditional promises to give are measured at their fair values and reported as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and nature of any donor restrictions. All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction.

INVESTMENTS

Investments are reported at fair value in the Statements of Financial Position. Realized and unrealized gains and losses are included in the change in net assets. See Note 3 for a discussion of fair value measurements.

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 in-kind contributions at their estimated fair value.

INCOME TAXES

The Organization is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, the Internal Revenue Service has determined the Organization is not a private organization within the meaning of Section 509(a) of the Code.

(See Independent Auditors’ Report)
The Organization follows the provisions of Accounting for Uncertainty in Income Taxes under the Income Taxes Topic of the Codification. The Codification requires the evaluation of tax positions, which include maintaining its tax-exempt status and the taxability of any unrelated business income, and does not allow recognition of tax positions which do not meet a “more-likely-than-not” threshold of being sustained by the applicable tax authority. Management does not believe it has taken any tax positions that would not meet this threshold.

Advertising

The Organization expenses advertising costs as incurred. Advertising costs amounted to $42,599 and $12,923 for the years ended December 31, 2016 and 2015, respectively.

Donated Goods and Services

Donated 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. There were no donated services for the years ended December 31, 2016 and 2015.

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

Functional Expenses

Functional expenses have been allocated between program and supporting services based on an analysis of personnel time and space utilized for the related activities.

Reclassification

Certain prior year amounts have been reclassified to conform to the current year presentation.

Subsequent Events

The Organization has evaluated subsequent events and transactions for potential recognition or disclosure in the financial statements through December 15, 2017, the date the financial statements were available to be issued.

(See Independent Auditors’ Report)
NOTE 2  PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of December 31, 2016 and 2015:

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land and Buildings</td>
<td>$279,113</td>
<td>$44,314</td>
</tr>
<tr>
<td>Computer Equipment</td>
<td>51,402</td>
<td>48,960</td>
</tr>
<tr>
<td>Vehicles</td>
<td>23,245</td>
<td>34,628</td>
</tr>
<tr>
<td>Race Equipment</td>
<td>9,141</td>
<td>36,534</td>
</tr>
<tr>
<td>Furniture and Fixtures</td>
<td>42,473</td>
<td>10,388</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>405,374</strong></td>
<td><strong>174,824</strong></td>
</tr>
<tr>
<td>Less: Accumulated Depreciation</td>
<td>$37,725</td>
<td>$78,074</td>
</tr>
<tr>
<td><strong>Property and Equipment</strong></td>
<td><strong>$367,649</strong></td>
<td><strong>$96,750</strong></td>
</tr>
</tbody>
</table>

Depreciation expense on property and equipment was $19,105 and $21,267 for the years ended December 31, 2016 and 2015, respectively.

NOTE 3  INVESTMENTS

Cost and fair value of investments consisted of the following at December 31, 2016 and 2015:

<table>
<thead>
<tr>
<th></th>
<th>2016 Cost</th>
<th>2016 Fair Value</th>
<th>2015 Cost</th>
<th>2015 Fair Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mortgage Backed Securities</td>
<td>$12,263</td>
<td>$15,336</td>
<td>$12,263</td>
<td>$15,571</td>
</tr>
<tr>
<td>Common Stocks and Mutual Funds</td>
<td>206,617</td>
<td>214,505</td>
<td>158,478</td>
<td>168,770</td>
</tr>
<tr>
<td>Master Limited Partnerships</td>
<td>52,734</td>
<td>54,573</td>
<td>34,449</td>
<td>30,322</td>
</tr>
<tr>
<td>Total Investments</td>
<td>$271,614</td>
<td>$284,414</td>
<td>$205,190</td>
<td>$214,663</td>
</tr>
</tbody>
</table>

The Fair Value Measurements and Disclosures Topic of the Codification establishes a framework for measuring fair value. That framework provides a fair value hierarchy which 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 are described below:

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.

(See Independent Auditors’ Report)
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.

The asset’s 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 Stocks: Valued at the closing price reported on the active market on which the individual securities are traded.

Mutual Funds: Valued at the net asset value (NAV) of shares held at period end. NAV is based on the value of the underlying assets owned by the fund, minus its liabilities, and then divided by the number of shares outstanding. NAV is a quoted price in an active market.

Mortgage Backed Securities: Certain bonds and government securities are valued at the closing price reported in the market in which they are traded. Other bonds and government securities are valued based on yields currently available on comparable bonds of issuers with similar credit ratings.

Master Limited Partnerships: Valued at quoted market prices in an active market.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while 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.

*(See Independent Auditors’ Report)*
The following table sets forth by level, within the fair value hierarchy, the Organization’s investment assets at fair value as of December 31, 2016:

<table>
<thead>
<tr>
<th>Level 1</th>
<th>Level 2</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mortgage Backed Securities</td>
<td>$ -</td>
<td>$ 15,336</td>
</tr>
</tbody>
</table>

**Common Stocks:**

<table>
<thead>
<tr>
<th>Category</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer</td>
<td>20,956</td>
<td>-</td>
<td>20,956</td>
</tr>
<tr>
<td>Communication Services</td>
<td>13,333</td>
<td>-</td>
<td>13,333</td>
</tr>
<tr>
<td>Financial Services</td>
<td>36,354</td>
<td>-</td>
<td>36,354</td>
</tr>
<tr>
<td>Healthcare</td>
<td>16,680</td>
<td>-</td>
<td>16,680</td>
</tr>
<tr>
<td>Technology</td>
<td>9,702</td>
<td>-</td>
<td>9,702</td>
</tr>
</tbody>
</table>

**Total Common Stocks**

<table>
<thead>
<tr>
<th>Level 1</th>
<th>Level 2</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>97,025</td>
</tr>
</tbody>
</table>

**Mutual Funds:**

<table>
<thead>
<tr>
<th>Category</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exchange Traded Funds</td>
<td>80,525</td>
<td>-</td>
<td>80,525</td>
</tr>
<tr>
<td>Precious Metals</td>
<td>15,426</td>
<td>-</td>
<td>15,426</td>
</tr>
<tr>
<td>Specialty</td>
<td>21,529</td>
<td>-</td>
<td>21,529</td>
</tr>
</tbody>
</table>

**Total Mutual Funds**

<table>
<thead>
<tr>
<th>Level 1</th>
<th>Level 2</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>117,480</td>
</tr>
</tbody>
</table>

**Master Limited Partnerships**

<table>
<thead>
<tr>
<th>Level 1</th>
<th>Level 2</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>54,573</td>
</tr>
</tbody>
</table>

**Total**

<table>
<thead>
<tr>
<th>Level 1</th>
<th>Level 2</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>269,078</td>
<td>15,336</td>
<td>284,414</td>
</tr>
</tbody>
</table>

The following table sets forth by level, within the fair value hierarchy, the Organization’s investment assets at fair value as of December 31, 2015:

<table>
<thead>
<tr>
<th>Level 1</th>
<th>Level 2</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mortgage Backed Securities</td>
<td>$ -</td>
<td>$ 15,571</td>
</tr>
</tbody>
</table>

**Common Stocks:**

<table>
<thead>
<tr>
<th>Category</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic Materials</td>
<td>3,647</td>
<td>-</td>
<td>3,647</td>
</tr>
<tr>
<td>Consumer</td>
<td>8,913</td>
<td>-</td>
<td>8,913</td>
</tr>
<tr>
<td>Communication Services</td>
<td>4,622</td>
<td>-</td>
<td>4,622</td>
</tr>
<tr>
<td>Energy</td>
<td>3,018</td>
<td>-</td>
<td>3,018</td>
</tr>
<tr>
<td>Financial Services</td>
<td>24,045</td>
<td>-</td>
<td>24,045</td>
</tr>
<tr>
<td>Healthcare</td>
<td>13,739</td>
<td>-</td>
<td>13,739</td>
</tr>
<tr>
<td>Industrials</td>
<td>8,389</td>
<td>-</td>
<td>8,389</td>
</tr>
<tr>
<td>Technology</td>
<td>8,147</td>
<td>-</td>
<td>8,147</td>
</tr>
</tbody>
</table>

**Total Common Stocks**

<table>
<thead>
<tr>
<th>Level 1</th>
<th>Level 2</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>74,520</td>
<td>-</td>
<td>74,520</td>
</tr>
</tbody>
</table>

*(See Independent Auditors’ Report)*
NOTES TO FINANCIAL STATEMENTS, CONTINUED
The Ulman Cancer Fund for Young Adults

<table>
<thead>
<tr>
<th>Mutual Funds:</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exchange Traded Funds</td>
<td>60,661</td>
<td>-</td>
<td>60,661</td>
</tr>
<tr>
<td>Fixed Income</td>
<td>15,062</td>
<td>-</td>
<td>15,062</td>
</tr>
<tr>
<td>Precious Metals</td>
<td>3,770</td>
<td>-</td>
<td>3,770</td>
</tr>
<tr>
<td>Specialty</td>
<td>14,756</td>
<td>-</td>
<td>14,756</td>
</tr>
<tr>
<td><strong>Total Mutual Funds</strong></td>
<td>94,249</td>
<td>-</td>
<td>94,249</td>
</tr>
<tr>
<td>Master Limited Partnerships</td>
<td>30,323</td>
<td>-</td>
<td>30,323</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$199,092</td>
<td>$15,571</td>
<td>$214,663</td>
</tr>
</tbody>
</table>

NOTE 4 UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give at December 31, 2016 are as follows:

- Due in Less than One Year: $410,750
- Due in One to Five Years: $698,405
- Less: Discount to Net Present Value: $92,757

Unconditional Promises to Give - Net:

$1,016,398

Unconditional promises to give due in more than one year are reflected at the present value of estimated future cash flows using a discount rate of 4%.

NOTE 5 TEMPORARILY RESTRICTED NET ASSETS

The Organization’s net assets were restricted for the following programs at December 31, 2016 and 2015:

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scholarships</td>
<td>$70,858</td>
<td>$15,211</td>
</tr>
<tr>
<td>Shearer Fund</td>
<td>118,802</td>
<td>165,321</td>
</tr>
<tr>
<td>Housing Project</td>
<td>94,029</td>
<td>125,665</td>
</tr>
<tr>
<td>Capital Campaign</td>
<td>1,840,616</td>
<td>881,943</td>
</tr>
<tr>
<td>Other</td>
<td>23,424</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$2,147,729</td>
<td>$1,188,140</td>
</tr>
</tbody>
</table>

(See Independent Auditors’ Report)
NOTE 6  ALLOCATION OF JOINT COSTS

The Organization incurred joint costs of $8,439 and $19,922 for the years ended December 31, 2016 and 2015, respectively, relating to several special events. The following amounts were allocated to the respective functions:

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education and Advocacy Program</td>
<td>$2,342</td>
<td>$2,604</td>
</tr>
<tr>
<td>Fundraising</td>
<td>$6,097</td>
<td>$17,318</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$8,439</strong></td>
<td><strong>$19,922</strong></td>
</tr>
</tbody>
</table>

NOTE 7  CAPITAL LEASES

The Organization entered into capital leases for a copier and furniture. The assets are being depreciated over their useful lives. The following is a summary of property held under capital leases:

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property under Capital Leases</td>
<td>$50,556</td>
<td>$14,285</td>
</tr>
<tr>
<td>Less: Accumulated Depreciation</td>
<td>(9,771)</td>
<td>(12,857)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$40,785</td>
<td>$1,428</td>
</tr>
</tbody>
</table>

Future minimum lease payments under capital lease obligations as of December 31, 2016 are as follows:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$12,119</td>
<td>10,110</td>
<td>10,110</td>
<td>10,110</td>
<td>1,299</td>
</tr>
<tr>
<td></td>
<td>43,748</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less: Amount Representing Interest</td>
<td>6,726</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$37,022</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(See Independent Auditors’ Report)
**NOTE 8  OPERATING LEASES**

The Organization leases office facilities under operating leases which expire through March 2021.

Future minimum rentals due under these arrangements are as follows:

<table>
<thead>
<tr>
<th>Year Ending December 31</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$140,559</td>
<td>$145,069</td>
<td>$145,534</td>
<td>$135,078</td>
<td>$33,977</td>
</tr>
</tbody>
</table>

Total rent expense for office facilities was $94,859 and $141,427 for the years ended December 31, 2016 and 2015, respectively.

The Organization subleases a portion of office space to a tenant under an operating lease expiring in 2018. At December 31, 2016, future minimum lease payments to be received under the lease agreement are approximately as follows:

<table>
<thead>
<tr>
<th>Year Ending December 31</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$46,812</td>
<td>$47,982</td>
</tr>
</tbody>
</table>

Sublease income was $45,662 and $30,000 for the years ended December 31, 2016 and 2015, respectively.

**NOTE 9  COMMITMENTS AND CONTINGENCIES**

In 2016, the Organization purchased five houses from East Baltimore Development Inc. (EBDI) for the purpose of rehabilitating the houses for use by cancer patients receiving treatment and their families. As part of that transaction, an in-kind contribution was recorded for the difference between the purchase price and estimated fair value based on appraisals. In addition, the Organization has an agreement with EBDI in which EBDI has certain rights to the houses until rehabilitation of the properties is completed. In connection with the rehabilitation of the properties, in July 2017, the Organization obtained a $945,000 construction loan.

The Organization has a contract with a local hospital to provide funding for a portion of hospital employees’ salaries who assist with certain of the Organization’s programs. The contract provides for payment up to $25,000 per year, based on the level of services provided, for a three-year period.

*(See Independent Auditors’ Report)*
NOTE 10  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 will receive a matching contribution of an amount up to 3% of the employee’s salary. For the years ended December 31, 2016 and 2015, retirement plan expenses were $26,020 and $20,906, respectively.

(See Independent Auditors’ Report)