

Miles of Hope Breast Cancer Foundation, Inc.
LaGrangeville, New York

Financial Statements
December 31, 2007

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MILES OF HOPE BREAST CANCER FOUNDATION, INC.
LAGRANGEVILLE , NEW YORK
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DECEMBER 31, 2007

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Independent Auditor's Report

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To the Board of Directors
Miles of Hope Breast Cancer Foundation, Inc.
LaGrangeville, New York

We have audited the accompanying statement of financial position of Miles of Hope Breast Cancer Foundation, Inc. (a nonprofit organization) as of December 31, 2007, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Miles of Hope Breast Cancer Foundation, Inc. as of December 31, 2007 and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the basic financial statement taken as a whole. The information included on the statement of functional expenses is presented for the purpose of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied to the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

September 17, 2008

MILES OF HOPE BREAST CANCER FOUNDATION, INC.
LAGRANGEVILLE , NEW YORK
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2007

ASSETS:

Current Assets:

Cash and Cash Equivalents	42,444
Promises to Give	3,954
Prepaid Insurance	692
Total Current Assets	<u>47,090</u>

Investments:

Endowment Funds (at market value)	<u>670,162</u>
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TOTAL ASSETS **\$717,252**

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LIABILITIES AND NET ASSETS:

Current Liabilities:

Accounts Payable	8,637
Deferred Income	26,400
Total Current Liabilities	<u>35,037</u>

NET ASSETS:

Unrestricted	667,215
Temporarily Restricted	15,000
Total Net Assets	<u>682,215</u>

TOTAL LIABILITIES AND NET ASSETS **\$717,252**

MILES OF HOPE BREAST CANCER FOUNDATION, INC.
LAGRANGEVILLE , NEW YORK
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2007

UNRESTRICTED NET ASSETS:

Revenue and Support:

Fundraising	261,803
Contributions	44,614
Investment income	16,890
Unrealized loss in fair market value of investments	(7,746)
Subtotal	315,561

Merchandise Sales	12,378
Cost of Sales	
Beads	2,670
Other Merchandise	5,023
Total Cost of Sales	7,693

Merchandise Sales - Net	4,685
Total Unrestricted Revenue and Support	320,246

Net Assets Released from Restrictions	48,100
TOTAL UNRESTRICTED SUPPORT	368,346

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Expenses:

Program Expenses	120,702
Administrative Expenses	123,132
Total Expenses	243,834

INCREASE IN UNRESTRICTED NET ASSETS 124,512

TEMPORARILY RESTRICTED NET ASSETS

Grants	63,100
Net assets released from restrictions	(48,100)

INCREASE IN TEMPORARILY RESTRICTED NET ASSETS 15,000

INCREASE IN NET ASSETS \$139,512

CHANGES IN NET ASSETS:

Unrestricted Net Assets	
Beginning balance, January 1,	542,703
Increase for year	124,512
Ending balance, December 31,	\$667,215

Temporarily Restricted Net Assets	
Beginning balance, January 1,	0
Increase for year	15,000
Ending balance, December 31,	\$15,000

The notes are an integral part of the financial statements.

MILES OF HOPE BREAST CANCER FOUNDATION, INC.
LAGRANGEVILLE , NEW YORK
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2007

Expenses:

Program expenses:

Hoops for Hope Event	3,409
Brunch Event	22,824
Goals for Hope Event	6,370
Walk for Hope Event	1,824
Elizabeth Berg Luncheon	2,110
Strikes for Hope Event	700
Golf for Hope Event	50
Healthy Lifestyles Calendar Program	7,000
Medical Gap Care Program	34,100
Peer to Peer Program	10,000
Scholarships Expense	8,000
Benedictine Hospital Grant	10,600
Felting Project	365
Healing Vibrations Program	13,350
Total program expenses	120,702

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Administrative Expenses

Salary Expense	65,435
Payroll Taxes	5,354
Professional Fees	16,152
Investment Fees	5,246
Dues	820
Bank & Credit Card Fees	1,375
State Filing Fee	150
Insurance	6,661
Advertising	895
Conferences & Meetings	2,794
Travel Expense	4,405
Website Expense	6,101
Telephone Expense	2,060
Office Expense	5,684
Total Administrative Expenses	123,132

TOTAL EXPENSES

243,834

MILES OF HOPE BREAST CANCER FOUNDATION, INC.
LAGRANGEVILLE, NEW YORK
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2007

CASH FLOWS FROM OPERATING ACTIVITIES :

Change in Net Assets \$139,512

Adjustments to Reconcile Change in Net Assets
to Net Cash Provided By Operating Activities :

Unrealized Loss in Fair Market Value of Investments 7,746

Changes in Assets and Liabilities:

Promises to Give (3,954)

Prepaid Insurance (627)

Accounts Payable 8,637

Deferred Support (23,600)

Total Adjustments (11,798)

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Net Cash Provided By Operating Activities 127,714

CASH FLOWS FROM INVESTING ACTIVITIES :

Change in Endowment Fund Investments (126,669)

CASH FLOWS FROM FINANCING ACTIVITIES :

0

NET INCREASE IN CASH

1,045

CASH - BEGINNING

41,399

CASH - ENDING

\$42,444

SUPPLEMENTARY DISCLOSURES:

Cash Paid For:

Interest 0

Income Taxes 0

MILES OF HOPE BREAST CANCER FOUNDATION, INC.
LAGRANGEVILLE, NEW YORK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Miles of Hope Breast Cancer Foundation, Inc. (the Organization) is a New York not-for-profit corporation that was formed on May 28, 2004. It provides funding to non-profit organizations for support services and outreach for people affected by breast cancer in the Hudson Valley, New York area. The organization is supported mainly through fundraising events, contributions, and sales of merchandise.

Basis of Accounting

The accompanying financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles, and accordingly, reflect all significant receivables, payables, and other liabilities.

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Financial Statement Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. Under SFAS No. 117, 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. The Organization does not have any permanently restricted net assets at this time.

Revenue Recognition

All contributions and grants received are recorded as unrestricted or temporarily restricted support, depending on the existence and/or nature of any donor restrictions. Support that is not restricted by the donor is reported as an increase in unrestricted net assets. The organization has not received any support that would be classified as permanently restricted.

All donor-restricted support is reported as an increase in temporarily restricted net assets. When a restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Cash and Cash Equivalents

For purposes of the statement of cash flow, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Donated Materials, Services, and Facilities

During the year ended December 31, 2007, the value of contributed materials, services, and facilities meeting the requirements for recognition in the financial statements was not material and has not been recorded.

Concentration of Credit Risk

The Organization maintains demand deposits with financial institutions. From time to time, cash balances in these accounts may exceed federally insured limits.

**NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES -
CONT'D**

Promises to Give

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All promises to give at December 31, 2007 are unrestricted and are receivable within a year.

The Organization uses the allowance method to determine uncollectible unconditional promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made. There was no allowance for uncollectible promises to give at December 31, 2007.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 during the reporting period. Actual results could differ from those estimates.

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Fair Value of Financial Instruments

The Organization has a number of financial instruments, none of which are held for trading purposes. The Organization estimates that the fair value of all financial instruments at December 31, 2007 does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying statement of financial position. The estimated fair value amounts have been determined by the Organization using available market information and appropriate valuation methodologies. Considerable judgment is necessarily required in interpreting market data to develop the estimates of fair value, and, accordingly, the estimates are not necessarily indicative of the amounts that the Organization could realize in a current market exchange. The Organization's financial instruments, principally cash equivalents, investments, promises to give, and accounts payable, are carried at cost which approximates fair value due to the short-term maturity of these instruments.

Deferred Revenue

Deferred revenue represents advance support for program events happening subsequent to December 31, 2007.

Income Tax Status

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

Functional Expenses

Functional expenses include direct expenses incurred by programs. All other expenses are deemed to be administrative.

**NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES -
CONT'D**

Programs

The Organization's major programs consist of the following:

- Healing Vibrations – providing a classical chamber ensemble at the Dyson Center for Cancer Care at Vassar Brothers Medical Center for patients receiving chemotherapy and radiation treatment.
- Scholarships for area high school seniors whose lives have been affected by breast cancer.
- Medical Gap Care Fund for individuals who are faced with life emergencies and/or costs not covered by health insurance while they are undergoing treatment for breast cancer.
- Peer to Peer – a program uniting recently diagnosed breast cancer patients with trained survivors.
- Healthy Lifestyles Calendar - a grant for an educational calendar regarding breast cancer risk reduction and healthy lifestyles.
- Benedictine Hospital Grant - a grant to the hospital for an Arts in Wellness program for people diagnosed with breast cancer.

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NOTE 2 – ENDOWMENT FUNDS

The Organization follows FASB Statement No. 136, *Transfers of Assets to a Not-For-Profit Organization or Charitable Trust That Raises or Holds Contributions for Others*, which requires that if a not-for-profit organization transfers assets to a recipient organization and is the specified beneficiary, or if a not-for-profit organization has the unconditional right to receive all or a portion of the specified cash flows from an identifiable pool of assets, then the not-for-profit organization should recognize its rights to the assets held by the recipient organization or the identifiable pool of assets.

The effect of FASB Statement No. 136 is to recognize the organization's beneficial interest in the Miles of Hope Breast Cancer Foundation Fund and the Miles of Hope - Robin's Fund held by The Area Fund, d/b/a The Community Foundation of Dutchess County.

The Organization established two Board restricted endowments funds: The Miles of Hope Breast Cancer Foundation Fund and the Miles of Hope – Robin's Fund as part of an agreement in 2002 and subsequently amended in 2005, with The Area Fund, d/b/a The Community Foundation of Dutchess County to administer and invest charitable funds and grants and to assist in matching community resources with the community needs. The agreement with The Area Fund, d/b/a The Community Foundation of Dutchess County limits the distribution of income to be paid at least annually to support the general charitable, cultural, or educational purposes of the Organization. The Organization may make additions to the funds which are added to the principal of the respective funds. The Organization may invade the principal of the funds only in accordance with procedures that have been adopted by the board of trustees.

The organization's endowment funds consist of both unrestricted and temporarily restricted net assets for financial statements presentation purposes. Investments are recorded at market value as supplied by the trustee of the endowment funds and consist primarily of pooled investment funds and income and equity securities. The funds are primarily used for scholarships, medical gap care, peer to peer counseling, arts in wellness programs and other such programs.

NOTE 2 – ENDOWMENT FUNDS - CONT'D

The individual fund balances at fair market value were as follows at December 31, 2007:

Miles of Hope Breast Cancer Foundation Fund	\$636,545
Miles of Hope – Robin’s Fund	<u>\$33,617</u>
Total Endowment Funds	\$670,162

Investment income, which consists of interest, dividends, and realized gains on sale of investments, was as follows for the year ended December 31, 2007:

Miles of Hope Breast Cancer Foundation Fund	\$16,252
Miles of Hope – Robin’s Fund	<u>\$638</u>
Total Investment Income	\$16,890

Unrealized loss in the Fair Market Value of Investments in the endowment fund was as follows for the year ended December 31, 2007:

Miles of Hope Breast Cancer Foundation Fund	\$7,738
Miles of Hope – Robin’s Fund	<u>\$8</u>
Total Unrealized Loss in Fair Market Value of Investments	\$7,746

NOTE 3 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets of \$15,000 are available at December 31, 2007 for Medical Gap Care.

Net assets were released from donor restrictions by incurring expenses satisfying the purpose or time restrictions specified by the donors as follows:

Healing Vibrations	DRAFT SUBJECT TO CHANGE	\$6,000
Scholarships		\$8,000
Medical Gap Care		<u>\$34,100</u>
Total Net Assets Released From Restrictions		\$48,100

NOTE 4 – MERCHANDISE SALES

The Organization sells beads, bracelets, and other related items for the awareness of breast cancer and its survivors.