

5 UNDER 40 FOUNDATION CORP.

Financial Statements
(Together with Independent Accountants' Review Report)

Year Ended December 31, 2016

M A R K S P A N E T H

ACCOUNTANTS & ADVISORS

5 UNDER 40 FOUNDATION CORP.
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

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M A R K S P A N E T H
ACCOUNTANTS & ADVISORS

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Trustees of 5 Under 40 Foundation Corp.

We have reviewed the accompanying financial statements of 5 Under 40 Foundation Corp. (a nonprofit 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. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Marks Paneth LLP

New York, NY
November 13, 2017

5 UNDER 40 FOUNDATION CORP.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2016

	<u>2016</u>
ASSETS	
<u>Current Assets</u>	
Cash and cash equivalents	\$ 166,551
TOTAL CURRENT ASSETS	166,551
PROPERTY AND EQUIPMENT, NET	<u>3,903</u>
TOTAL ASSETS	<u>\$ 170,454</u>
LIABILITIES AND NET ASSETS	
<u>Current Liabilities</u>	
Accounts payable and accrued expenses	\$ 16,291
TOTAL CURRENT LIABILITIES	<u>16,291</u>
TOTAL LIABILITIES	<u>16,291</u>
<u>Net Assets</u>	
Unrestricted	<u>154,163</u>
TOTAL NET ASSETS	<u>154,163</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 170,454</u>

See independent accountants' review report and notes to financial statements.

5 UNDER 40 FOUNDATION CORP.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>2016</u>
UNRESTRICTED NET ASSETS	
<u>Support and Revenues</u>	
Fundraising support	\$ 367,378
Direct public support	96,649
Donated goods and services	<u>11,400</u>
TOTAL SUPPORT AND REVENUES	<u>475,427</u>
<u>Expenses</u>	
Program services	220,002
Support services	<u>141,914</u>
TOTAL EXPENSES	<u>361,916</u>
INCREASE IN UNRESTRICTED NET ASSETS	113,511
Net assets at beginning of year	<u>40,652</u>
NET ASSETS AT END OF YEAR	<u><u>\$ 154,163</u></u>

See independent accountants' review report and notes to financial statements.

5 UNDER 40 FOUNDATION CORP.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>SUPPORT SERVICES</u>				<u>Total Expenses</u>
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>	
Fundraising expense	\$ -	\$ -	\$ 87,003	\$ 87,003	\$ 87,003
Donated goods and services expense	-	-	11,400	11,400	11,400
Program expenses: consultants	48,851	-	-	-	48,851
Program expenses: events	17,695	-	-	-	17,695
Program expenses: meetups	10,650	-	-	-	10,650
Program expenses: providers	88,263	-	-	-	88,263
Program expenses: wigs	54,543	-	-	-	54,543
Computer expense	-	1,638	-	1,638	1,638
Design	-	4,026	-	4,026	4,026
Depreciation	-	434	-	434	434
Education	-	3,337	-	3,337	3,337
Reimbursements	-	646	-	646	646
Flowers	-	345	-	345	345
Gifts	-	1,000	-	1,000	1,000
Liability Insurance	-	1,274	-	1,274	1,274
Meals	-	112	-	112	112
Messenger	-	73	-	73	73
Office expense	-	3,504	-	3,504	3,504
Postage mailing services	-	548	-	548	548
Printing and copying	-	3,978	-	3,978	3,978
Social media	-	3,117	-	3,117	3,117
Software	-	181	-	181	181
Supplies	-	691	-	691	691
Web development	-	3,250	-	3,250	3,250
Advertising	-	5,165	-	5,165	5,165
Books, subscriptions, reference	-	2,642	-	2,642	2,642
Legal fees	-	50	-	50	50
Accounting fees	-	7,500	-	7,500	7,500
TOTAL EXPENSES	<u>\$ 220,002</u>	<u>\$ 43,511</u>	<u>\$ 98,403</u>	<u>\$ 141,914</u>	<u>\$ 361,916</u>

See independent accountants' review report and notes to financial statements.

5 UNDER 40 FOUNDATION CORP.
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>2016</u>
<u>Cash Flows From Operating Activities</u>	
Increase in unrestricted net assets	\$ 113,511
Adjustments to reconcile increase in net assets to net cash used in operating activities:	
Depreciation and amortization	434
Decrease in prepaid expenses	14,708
Increase in accounts payable and accrued expenses	16,291
Decrease in deferred revenue	<u>(181,355)</u>
Total Adjustments	<u>(149,922)</u>
NET CASH USED IN OPERATING ACTIVITIES	<u>(36,411)</u>
<u>Cash Flows From Investing Activities</u>	
Acquisition of property and equipment	<u>(4,337)</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(4,337)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(40,748)
Cash and cash equivalents at beginning of year	<u>207,299</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$ 166,551</u></u>

See independent accountants' review report and notes to financial statements.

**5 UNDER 40 FOUNDATION CORP.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

Note 1 - Summary of Significant Accounting Policies

Nature of Organization and Purpose:

5 Under 40 Foundation Corp. ("the Organization") is organized as a New York State not-for-profit organization. The Organization is funded primarily from outside contributions. The Organization provides funding for medical, wellness and beauty services to women who have been diagnosed with breast cancer, or have tested positive for the BRCA mutation under the age of 40. The Organization sponsors various programs and special events to help pay for the services it provides. All services provided are free of charge to the recipients.

Basis of Presentation:

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

The financial statement presentation follows the requirements of the Financial Accounting Standards Board's Accounting Standards Codification ("ASC") 958-205, "Financial Statements of Not-for-Profit Organizations." Under ASC 958-205, the Organization is required to report information regarding its financial position and activities in three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

The Organization reports gifts of cash and other assets as unrestricted net assets unless they are received with donor stipulations that limit the use of the donated assets, in which case they are reported as temporarily or permanently restricted support

Cash and Cash Equivalents:

At December 31, 2016, cash and cash equivalents consisted of money held in the checking account totaling \$166,551.

Property and Equipment:

Property and equipment are stated at cost. Depreciation is computed using the straight line method based on the estimated useful life of the asset which is five years for equipment. Repairs and maintenance costs are expensed as incurred.

Note 1 - Summary of Significant Accounting Policies (continued)

Use of 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 during the reporting period. Actual results could differ from those estimates.

Federal Income Taxes:

The Organization is exempt from federal income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code and is not a private foundation. There was no unrelated business income for the year ended December 31, 2016.

The Organization adheres to the provisions of Financial Accounting Standards Board's ASC 740, "Accounting for Uncertainties in Income Taxes," which provides standards for establishing and classifying any tax provisions for uncertain tax positions. The Organization is no longer subject to federal or state and local income tax examinations by tax authorities for years before 2013.

Functional Allocation of Expenses:

The costs of providing various programs and other activities have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Donated Goods and Services:

Contribution revenue and program expenses for those goods were measured and recognized based on the fair value of those goods and amounted to \$11,400, for the year ended December 31, 2016.

Subsequent Events:

Management has evaluated, for potential recognition and disclosure, events subsequent to the date of the balance sheet through November 13, 2017, the date the financial statements were available to be issued.

5 UNDER 40 FOUNDATION CORP.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

Note 2 - Special Events

On January 28, 2016, the Organization held a benefit at Capitale, NYC. The benefit raised \$367,378 with direct costs of \$98,403.