



National Breast Cancer Foundation, Inc.

**Financial Statements
June 30, 2022 and 2021**

National Breast Cancer Foundation, Inc.

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Independent Auditors' Report

Board of Directors of
National Breast Cancer Foundation, Inc.

Opinion

We have audited the accompanying financial statements of National Breast Cancer Foundation, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of National Breast Cancer Foundation, Inc. as of June 30, 2022 and 2021, 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 (GAAP).

Basis For Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of National Breast Cancer Foundation, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with GAAP, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about National Breast Cancer Foundation, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 National Breast Cancer Foundation, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about National Breast Cancer Foundation, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.



A Limited Liability Partnership

Arlington, Texas
October 3, 2022

National Breast Cancer Foundation, Inc.
Statements of Financial Position
June 30, 2022 and 2021

	2022	2021
Assets		
Cash and cash equivalents	\$ 4,297,503	\$ 2,397,972
Investments	3,704,049	3,056,712
Contributions receivable	1,638,950	1,618,689
Royalties receivable	790,225	748,976
Other receivables	33,505	29,467
Prepaid expenses	215,793	206,717
Donated inventory	42,145	37,933
Property and equipment, net	104,526	134,472
Total assets	\$ 10,826,696	\$ 8,230,938
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$ 235,843	\$ 269,381
Paycheck Protection Program loan	-	645,139
Grants payable, net	-	127,041
Deferred rent	37,125	27,223
Total liabilities	272,968	1,068,784
Net assets:		
Without donor restrictions	9,016,538	5,767,369
With donor restrictions	1,537,190	1,394,785
Total net assets	10,553,728	7,162,154
Total liabilities and net assets	\$ 10,826,696	\$ 8,230,938

See notes to financial statements.

National Breast Cancer Foundation, Inc.
Statement of Activities
Year Ended June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support:			
Contributions of cash, financial assets, and royalties	\$ 12,199,520	\$ 118,312	\$ 12,317,832
Contributions of nonfinancial assets	8,087,577	1,404,398	9,491,975
Investment loss, net	(297,565)	-	(297,565)
Other income	33,856	-	33,856
Net assets released from restrictions	1,380,305	(1,380,305)	-
Total revenue and support	21,403,693	142,405	21,546,098
Expenses:			
Program services:			
Patient services	3,044,917	-	3,044,917
Education and outreach	3,306,777	-	3,306,777
Survivor support	8,503,237	-	8,503,237
Total program services	14,854,931	-	14,854,931
Supporting services:			
Management and general	2,172,672	-	2,172,672
Fundraising	1,770,603	-	1,770,603
Total supporting services	3,943,275	-	3,943,275
Total operating expenses	18,798,206	-	18,798,206
Excess of revenue and support over expenses	2,605,487	142,405	2,747,892
Non-operating gains and (loss):			
Gain on forgiveness of Paycheck Protection Program loan	645,139	-	645,139
Gain on disposal of property and equipment	1,385	-	1,385
Donation of inventory	(2,842)	-	(2,842)
Total non-operating gain and (loss)	643,682	-	643,682
Change in net assets	3,249,169	142,405	3,391,574
Net assets at beginning of year	5,767,369	1,394,785	7,162,154
Net assets at end of year	\$ 9,016,538	\$ 1,537,190	\$ 10,553,728

See notes to financial statements.

National Breast Cancer Foundation, Inc.
Statement of Activities
Year Ended June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support:			
Contributions of cash, financial assets, and royalties	\$ 7,705,255	\$ 237,364	\$ 7,942,619
Contributions of nonfinancial assets	9,772,074	1,157,421	10,929,495
Investment income, net	300,146	-	300,146
Special events, net of direct costs of \$118,916	17,345	-	17,345
Other income	24,007	-	24,007
Net assets released from restrictions	60,750	(60,750)	-
Total revenue and support	17,879,577	1,334,035	19,213,612
Expenses:			
Program services:			
Patient services	2,728,721	-	2,728,721
Education and outreach	8,040,694	-	8,040,694
Survivor support	3,172,998	-	3,172,998
Total program services	13,942,413	-	13,942,413
Supporting services:			
Management and general	2,023,174	-	2,023,174
Fundraising	1,499,579	-	1,499,579
Total supporting services	3,522,753	-	3,522,753
Total operating expenses	17,465,166	-	17,465,166
Excess of revenue and support over expenses	414,411	1,334,035	1,748,446
Non-operating gain and (losses):			
Gain on forgiveness of Paycheck Protection Program loan	648,300	-	648,300
Loss on disposal of property and equipment	(26,675)	-	(26,675)
Donation of inventory	(14,090)	-	(14,090)
Total non-operating gain and (loss)	607,535	-	607,535
Change in net assets	1,021,946	1,334,035	2,355,981
Net assets at beginning of year	4,745,423	60,750	4,806,173
Net assets at end of year	\$ 5,767,369	\$ 1,394,785	\$ 7,162,154

See notes to financial statements.

National Breast Cancer Foundation, Inc.
Statement of Functional Expenses
Year Ended June 30, 2022

	Program Services			Supporting Services			Total Expenses	
	Patient Services	Education and Outreach	Survivor Support	Total Program Services	Management and General	Fundraising		Total Supporting Services
Grants to others	\$ 2,597,229	\$ 53,500	\$ 250,946	\$ 2,901,675	\$ -	\$ -	\$ -	\$ 2,901,675
Donated goods, media and other	1,680	2,192,580	6,871,027	9,065,287	45,325	130,687	176,012	9,241,299
Salaries and benefits	340,178	681,885	854,708	1,876,771	1,571,311	922,022	2,493,333	4,370,104
Professional and outside services	21,780	39,693	100,282	161,755	117,336	147,716	265,052	426,807
Office expense	43,923	116,619	341,557	502,099	184,532	96,279	280,811	782,910
General and administrative	35,803	82,230	60,581	178,614	210,068	241,214	451,282	629,896
Sales and marketing	899	130,986	15,574	147,459	31,782	217,612	249,394	396,853
Travel	3,425	9,284	8,562	21,271	12,318	15,073	27,391	48,662
Total expense by function	\$ 3,044,917	\$ 3,306,777	\$ 8,503,237	\$14,854,931	\$ 2,172,672	\$ 1,770,603	\$ 3,943,275	\$18,798,206

See notes to financial statements.

National Breast Cancer Foundation, Inc.
Statement of Functional Expenses
Year Ended June 30, 2021

	Program Services			Total Program Services	Supporting Services		Total Supporting Services	Total Expenses
	Patient Services	Education and Outreach	Survivor Support		Management and General	Fundraising		
Grants to others	\$ 1,394,532	\$ -	\$ 132,150	\$ 1,526,682	\$ -	\$ -	\$ -	\$ 1,526,682
Donated goods, media and other	504	7,747,793	2,299,625	10,047,922	25,489	196,605	222,094	10,270,016
Salaries and benefits	1,048,147	112,686	436,992	1,597,825	1,458,308	878,987	2,337,295	3,935,120
Professional and outside services	49,519	25,481	70,443	145,443	104,122	110,529	214,651	360,094
Office expense	132,453	28,412	202,720	363,585	250,042	111,587	361,629	725,214
General and administrative	95,073	46,581	27,528	169,182	156,629	157,309	313,938	483,120
Sales and marketing	5,528	79,422	2,581	87,531	19,226	41,288	60,514	148,045
Travel	2,965	319	959	4,243	9,358	2,326	11,684	15,927
Special events	-	-	-	-	-	119,864	119,864	119,864
Total expense by function	2,728,721	8,040,694	3,172,998	13,942,413	2,023,174	1,618,495	3,641,669	17,584,082
Less: expenses included with revenues on the statement of activities -								
Direct costs of special events	-	-	-	-	-	(118,916)	(118,916)	(118,916)
Total expenses included in the operating expense section on the statement of activities	\$ 2,728,721	\$ 8,040,694	\$ 3,172,998	\$13,942,413	\$ 2,023,174	\$ 1,499,579	\$ 3,522,753	\$17,465,166

See notes to financial statements.

National Breast Cancer Foundation, Inc.
Statements of Cash Flows
Years Ended June 30, 2022 and 2021

	2022	2021
Cash flows from operating activities:		
Change in net assets	\$ 3,391,574	\$ 2,355,981
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	64,509	74,897
Gain on forgiveness of Paycheck Protection Program loan	(645,139)	(648,300)
(Gain) loss on disposal of property and equipment	(1,385)	26,675
Realized investment gain	(1,081)	(62,174)
Unrealized investment (gain) loss	436,803	(145,057)
Change in discount on grants payable	-	9,119
Changes in assets and liabilities:		
Contributions receivable	(20,261)	(1,083,121)
Royalties receivable	(41,249)	(451,641)
Other receivables	(4,038)	(27,575)
Prepaid expenses	(9,076)	25,984
Donated inventory	(4,212)	12,667
Accounts payable and accrued expenses	(33,538)	35,849
Grants payable	(127,041)	(325,746)
Deferred rent	9,902	1,062
Net cash provided (used) by operating activities	3,015,768	(201,380)
Cash flows from investing activities:		
Purchases of property and equipment	(33,178)	(96,110)
Proceeds from sales of investments	2,012	1,122,417
Purchases of investments	(1,085,071)	(1,342,017)
Net cash used by investing activities	(1,116,237)	(315,710)
Cash flows from financing activities:		
Proceeds from issuance of Paycheck Protection Program loan	-	645,139
Change in cash and cash equivalents	1,899,531	128,049
Cash and cash equivalents at beginning of year	2,397,972	2,269,923
Cash and cash equivalents at end of year	\$ 4,297,503	\$ 2,397,972
Noncash financing activities:		
Forgiveness of Paycheck Protection Program loan	\$ 645,139	\$ 648,300

See notes to financial statements.

National Breast Cancer Foundation, Inc.

Notes to Financial Statements

1. Organization

The National Breast Cancer Foundation, Inc. (Organization) was incorporated April 25, 1991 as a Texas nonprofit corporation to save lives through early detection and to provide mammograms for those in need. The Organization's stated mission is: "Helping women now. Providing help and inspiring hope to those affected by breast cancer through early detection, education and support services." The Organization is primarily supported by contributions from individuals and other organizations.

2. Summary of Significant Accounting Policies

Basis of Accounting

The Organization prepares the financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

Basis of Presentation

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

Net assets without donor restrictions - Net assets not subject to donor-imposed stipulations. Net assets without donor restrictions may be designated for specific purposes by action of the board of directors.

Net assets with donor restrictions - Net assets subject to donor stipulations that will be met by actions of the Organization and/or the passage of time.

Some net assets with donor restrictions include a stipulation that assets provided be maintained permanently (perpetual in nature) while permitting the Organization to expend the income generated by the assets in accordance with the provisions of additional donor-imposed stipulations or a board of directors approved spending policy. As of June 30, 2022 and 2021, no such net asset restrictions existed.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as contributions without donor restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation

National Breast Cancer Foundation, Inc.

Notes to Financial Statements

or by law. Expirations of net assets with donor restrictions (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

Cash and Cash Equivalents

Cash and cash equivalents consist of highly liquid investments with original maturities of three months or less.

Investments

Investments in marketable securities are stated at fair value. Realized and unrealized gains and losses, as well as related investment income, are reflected in the statements of activities.

Contributions and Royalties Receivable

All contributions and royalties receivables are expected to be collected in a term of less than one year. Based on management's assessment of collectability, no allowance for doubtful accounts has been recorded as of June 30, 2022 and 2021.

Inventory

The Organization maintains inventory consisting of different program products and awareness items for distribution. The majority of this inventory is donated and is accounted for on the first-in, first out method based on the original cost, if purchased, or estimated fair value, if donated.

Property and Equipment

Property and equipment purchased by the Organization are recorded at cost or if acquired by gift, at the fair value at the date of the gift. The Organization follows the practice of capitalizing all expenditures for property and equipment in excess of \$1,000; the fair value of donated fixed assets is similarly capitalized. Depreciation is calculated using the straight-line method based upon the estimated useful lives of 3 to 10 years, except for leasehold improvements which are amortized over the lesser of the useful life of the asset or the term of the lease.

The Organization reports gifts of property and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

National Breast Cancer Foundation, Inc.

Notes to Financial Statements

Grants Payable

Grant expense is recognized in the period the grant is approved by management, provided the grant is not subject to significant future conditions. Conditional grants are recognized as grant expense and as grant payable in the period in which the grantee meets the terms of the conditions. Grants payable that are expected to be paid in future years are recorded at the present value of expected future payments. At June 30, 2021, no discount was necessary due to the balance being payable within one year. During the year ended June 30, 2021, grants payable from prior years totaling \$337,500 were written off as a decrease to grant expense due to a change in agreement with the grantee, under which the Organization was no longer liable to pay the grant. At June 30, 2022, there were no grants payable.

Deferred Rent

The Organization records rental expense on a straight-line basis over the term of the lease agreement. The difference between payments made and rental expense is reflected as deferred rent.

Revenue Recognition

The Organization recognizes contributions when cash, securities or other assets or an unconditional promise to give is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of the amounts expected to be collected. All contributions are considered available for unrestricted use unless specifically restricted by the donor.

Donated materials are reflected as contributions at their estimated fair values at date of receipt. The Organization recognizes contribution revenue for certain services received at the fair value of those services, provided those services create or enhance non-financial assets or require specialized skills which are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

The Organization enters into licensing agreements with sponsors, whereby it grants the sponsor use of its name and logo. Where these agreements provide for a guaranteed minimum royalty over the term of the agreement, the Organization recognizes the minimum royalty per the licensing agreement at the time of the contract and once assets have been released for use. Additional income is recognized when received at a point in time. Where these agreements do not provide for a guaranteed minimum royalty, income is recognized when received at a point in time.

National Breast Cancer Foundation, Inc.

Notes to Financial Statements

Functional Expenses

The costs of providing the programs and supporting activities have been summarized on a functional basis in the financial statements. Costs are allocated between program services and support services based on management's judgment considering space used, time spent or direct relation to the program or support service benefited. Costs specifically identifiable to only one function are charged 100% to that function. Expenses not directly chargeable to one functional category are allocated based upon percentage of time, purpose, or square footage.

Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimated.

Income Taxes

The Organization is exempt from federal income taxes under Section 501(a) of the Internal Revenue Code (IRC) as an organization described in IRC Section 501(c)(3), except to the extent it has unrelated business income. In addition, the Organization has been determined by the Internal Revenue Service (IRS) not to be a private foundation within the meaning of Section 509(a) of the IRC. The Organization did not have a material unrelated business income tax liability as of June 30, 2022 and 2021. Accordingly, no tax provision or liability has been reported in the accompanying financial statements.

GAAP requires the evaluation of tax positions taken in the course of preparing the Organization's tax return and recognition of a tax liability (or asset) if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. Management has analyzed the tax positions taken by the Organization, and has concluded that as of June 30, 2022 and 2021, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements.

Reclassification

Reclassifications related to the treatment of money market funds as cash and cash equivalents and the regrouping of donated financial assets referenced in the Accounting Pronouncements Adopted section have been made to the June 30, 2021 financial statements to be consistent with the June 30, 2022 presentation.

National Breast Cancer Foundation, Inc.

Notes to Financial Statements

Accounting Pronouncements Adopted

The Organization adopted ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* (ASU 2020-07). ASU 2020-07 increases transparency of contributed nonfinancial assets for not-profit (NFP) entities through enhancements to presentation and disclosure. The amendments in ASU 2020-07 address stakeholders' concerns about the lack of transparency about the measurement of contributed nonfinancial assets recognized by NFPs, as well as the amount of those contributions used in an NFP's programs and other activities. ASU 2020-07 requires NFPs to present contributed nonfinancial assets (gifts-in-kind) as a separate line item in the statement of activities. The Organization has adopted this ASU on the retrospective basis as of and for the year ended June 30, 2022.

Analysis of various provisions of this standard resulted in no significant changes in the way the Organization recognizes gifts-in-kind, and therefore, no changes were required to net assets as of July 1, 2020. The presentation and disclosures of gifts-in-kind have been enhanced in accordance with the standard.

New Accounting Pronouncement

Changes to GAAP are established by the Financial Accounting Standards Board (FASB) in the form of accounting standards updates (ASUs) to the FASB's Accounting Standards Codification.

The Organization considers the applicability and impact of all ASUs. ASUs not listed below were assessed and determined to be either not applicable or are expected to have minimal impact on the Organization's financial position and changes in net assets.

In 2016, the FASB issued its leasing standard in ASU 2016-02, *Leases*, for both lessees and lessors. Under its core principle, a lessee will recognize right-of-use assets and related lease liabilities on the statement of financial position for all lease arrangements with terms longer than 12 months. The pattern of expense recognition in the statement of activities will depend on a lease's classification. For not-for-profit organizations, the standard takes effect for fiscal years beginning after December 15, 2021.

The Organization is currently assessing the impact that adopting this new guidance will have on the financial statements.

National Breast Cancer Foundation, Inc.

Notes to Financial Statements

3. Investments

The Organization records financial instruments at estimated fair value. Fair value accounting defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

- Level 1 Quoted prices in active markets for identical assets or liabilities as of the reporting date;
- Level 2 Observable inputs other than Level 1 prices, such as quoted prices in active markets for similar assets or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets;
- Level 3 Unobservable inputs that are supported by little or no market activity and the reporting entity makes estimates or assumptions related to the pricing of the asset or liability including assumptions regarding risk.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The following is a description of the valuation methodologies used for instruments measured at fair value, including the general classification of such instruments pursuant to the valuation hierarchy:

Mutual funds: Valued at the net asset value (NAV) of shares held by the Organization at year end. The NAV is a quoted price in an active market.

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

Exchange-Traded Funds: Exchange-traded funds traded on a national securities exchange are stated at the last reported sales price on the day of valuation. To the extent these securities are actively traded and valuation adjustments are not applied, they are categorized in Level 1 of the fair value hierarchy.

The investments held by the Organization are measured using Level 1 inputs.

National Breast Cancer Foundation, Inc.

Notes to Financial Statements

The following table sets forth the Organization's investments at cost and fair value for the years ended June 30:

	2022		2021	
	Cost	Fair Value	Cost	Fair Value
Large cap mutual funds	\$ 1,150,666	\$ 1,102,312	\$ 1,828,635	\$ 2,050,165
Fixed income mutual funds	1,677,035	1,559,022	518,856	500,544
Stocks and ETFs	1,029,837	1,042,715	411,267	506,003
Total investments	\$ 3,857,538	\$ 3,704,049	\$ 2,758,758	\$ 3,056,712

4. Property and Equipment

Property and equipment consist of the following at June 30:

	2022	2021
Furniture and equipment	\$ 107,410	\$ 107,410
Software	317,707	317,707
Computer equipment	292,026	275,851
Production equipment	167,943	198,790
Office equipment	66,881	76,893
Leasehold improvements	85,408	63,623
	1,037,375	1,040,274
Less accumulated depreciation and amortization	(932,849)	(905,802)
Total property and equipment, net	\$ 104,526	\$ 134,472

Depreciation and amortization expense for the years ended June 30, 2022 and 2021 totaled \$64,509 and \$74,897, respectively.

National Breast Cancer Foundation, Inc.

Notes to Financial Statements

5. Net Assets With Donor Restrictions

Net assets with donor restrictions consist of amounts restricted by donors for the following purposes at June 30:

	2022	2021
Patient Point	\$ 936,398	\$ 1,157,421
HOPE Kits	468,000	217,364
Outreach events	80,000	-
Metastatic retreat	36,548	-
Podcast and media equipment	14,480	20,000
Health kits	1,764	-
	\$ 1,537,190	\$ 1,394,785

6. Contributions of Nonfinancial Assets

The Organization received the following contributions of nonfinancial assets during the year ended June 30, 2022:

	Program Services	Management and General	Fundraising	Assets	Total
Goods	\$ 6,900,327	\$ -	\$ 602	\$ 19,485	\$ 6,920,414
Services	-	510,608	-	-	510,608
Media	2,060,953	-	-	-	2,060,953
	\$ 8,961,280	\$ 510,608	\$ 602	\$ 19,485	\$ 9,491,975

The Organization received the following contributions of nonfinancial assets during the year ended June 30, 2021:

	Program Services	Management and General	Fundraising	Assets	Total
Goods	\$ 2,367,323	\$ -	\$ 50,930	\$ 2,680	\$ 2,420,933
Services	-	30,969	-	-	30,969
Media	8,523,812	-	-	-	8,523,812
	\$ 10,891,135	\$ 30,969	\$ 50,930	\$ 2,680	\$ 10,975,714

Included in the fundraising amount above is \$46,219 of in-kind contributions related to special events, which is shown as special event revenue on the accompanying statements of activities.

National Breast Cancer Foundation, Inc.

Notes to Financial Statements

Goods

Contributed goods are reported at fair value using retail prices or fair value information obtained from the donor. If fair market value information is unavailable, value is calculated using retail value obtained from suppliers having comparable goods.

Services

Contributed services are valued and reported at the standard invoice rate offered by the donor.

Media

Nonfinancial assets are valued proportionally to the amount of media exposure received as a result of the gift. Thorough details are provided by the donor.

During the year ended June 30, 2022 \$468,000 of donated goods were restricted by the donor for use in HOPE Kits. During the years ended June 30, 2022 and 2021 the Organization received donated media with implied time restrictions totaling \$936,398 and \$1,157,421, respectively.

7. Retirement Programs

The Organization sponsors a variable deferred compensation plan administered by a national insurance company. The plan allows for a discretionary employer contribution with certain limits. The Organization also sponsors a 401(k) plan with an employer match of employee contributions not to exceed four percent of the employee's annual compensation. During the years ended June 30, 2022 and 2021, the Organization contributed \$240,455 and \$97,518, respectively, to the plans.

8. Lease Commitment

The Organization entered into a three year lease for office space on January 1, 2021. The lease was extended in December 2021 through May 31, 2027. The lease includes free rent incentives and fixed rent escalations, which are amortized and recorded over the lease term on a straight-line basis. Total rent expense for the office leases for the years ended June 30, 2022 and 2021 was \$346,241 and \$355,415, respectively.

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Future minimum lease payments under the office lease agreement for the years ending June 30 are as follows:

2023	\$	342,445
2024		319,547
2025		354,657
2026		360,763
2027		335,830

During the year ended June 30, 2018, the Organization entered into a non-cancellable operating lease agreement for office equipment expiring in February 2023. Total rent expense for the equipment lease for the years ended June 30, 2022 and 2021 was \$46,801 and \$44,818, respectively.

Future minimum lease payments under the equipment lease agreement for the year ending June 30, 2023 totals \$24,083.

9. Concentrations and Credit and Market Risk

Financial instruments which are potentially subject to concentrations of credit and market risk consist principally of cash and cash equivalents, investments, and royalties and contributions receivable. Cash and cash equivalents are placed with high credit quality financial institutions, which at times may exceed federally insured limits. At June 30, 2022, cash balances exceeded federally insured limits by \$2,680,118. The Organization has not experienced any loss on such accounts.

Investments are exposed to a variety of uncertainties, including interest rate, market and credit risks. Due to the level of risk associated with certain investments, it is possible that changes in the values of these instruments could occur in the near term. Such changes could materially affect the amounts reported in the financial statements of the Organization. Management is of the opinion that the diversification of its invested assets among the various asset classes should mitigate the impact of changes. At June 30, 2022 and 2021, three investment funds account for 69% and 83% of total investments, respectively.

Three sponsors accounted for approximately 46% and 52% of the total royalties receivable balance at June 30, 2022 and 2021, respectively.

The balance due from one pledge totaled approximately 57% and 72% of total contributions receivable at June 30, 2022 and 2021, respectively.

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10. Related Party Transactions

During the years ended June 30, 2022 and 2021, the Organization awarded COVID-19 Patient Relief and Patient Navigator Program Grants in the amounts of \$114,240 and \$118,300, respectively, to a hospital for which a member of the board of directors is also a director.

During the year ended June 30, 2022, the Organization purchased event services totaling \$53,500 from an organization whose president is a member of the board of directors. No such purchases occurred during the year ended June 30, 2021.

The Chief Executive Officer and Chief Operating Officer/President for the Organization are related. Management believes the terms of the related party transactions for employment are more favorable to the Organization than could be attained from non-affiliated parties.

11. Paycheck Protection Program Loan

On April 10, 2020, the Organization entered into an unsecured loan (PPP loan) in the aggregate amount of \$648,300 with a bank pursuant to the Paycheck Protection Program (PPP), which is sponsored by the Small Business Administration, and is part of the Coronavirus Aid, Relief and Economic Security Act, as amended by the Paycheck Protection Program Flexibility Act of 2020. The PPP loan is shown as gain on forgiveness of debt in the accompanying statement of activities for the year ended June 30, 2021.

On January 28, 2021 the Organization received \$645,139 under the second iteration of the PPP loan, which has similar terms as the original. The Organization received formal forgiveness on October 18, 2021. Accordingly, the forgiveness of the PPP loan is shown as gain on forgiveness of debt in the accompanying statement of activities for the year ended June 30, 2022.

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12. Liquidity and Availability of Resources

The Organization's financial assets available for general expenditure within one year of the statement of financial position date are as follows at June 30:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 4,297,503	\$ 2,397,972
Investments	3,704,049	3,056,712
Contributions receivable	1,638,950	1,618,689
Royalties receivable	790,225	748,976
Other receivables	<u>33,505</u>	<u>29,467</u>
Total financial assets available to meet cash needs for general expenditures within one year	10,464,232	7,851,816
Less amounts not available for general expenditures within one year		
Contributions receivable of nonfinancial assets	(1,404,398)	(1,157,421)
Restricted by donors for specified purposes	<u>(132,792)</u>	<u>(237,364)</u>
Total financial assets not available for general expenditures within one year	<u>(1,537,190)</u>	<u>(1,394,785)</u>
Total financial assets available to meet cash needs for general expenditures within one year	<u>\$ 8,927,042</u>	<u>\$ 6,457,031</u>

The Organization manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide future continuity and financial stability with the ability to draw upon in the event of an unanticipated liquidity need. The Organization has a liquidity policy to maintain current financial assets less current liabilities at a minimum of 30 days operating expenses. To achieve these targets, the Organization forecasts its future cash flows and monitors its reserves and liquidity weekly. During the years ended June 30, 2022 and 2021, the level of liquidity and reserves was managed within the policy requirements.

13. Subsequent Events

The Organization evaluated subsequent events through the date the financial statements were available to be issued and concluded that no additional disclosures are required.