

Breast Cancer Alliance, Inc.

Financial Statements

March 31, 2015



**Breast Cancer Alliance**

**Breast Cancer Alliance, Inc.**  
**March 31, 2015**

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## **Report of Independent Auditor**

To the Board of Directors  
Breast Cancer Alliance, Inc.

We have audited the accompanying financial statements of Breast Cancer Alliance, Inc. (a nonprofit organization), which comprise the statement of assets, liabilities, and net assets— modified cash basis as of March 31, 2015, and the related statements of revenues, expenses and changes in net assets – modified cash, functional expenses – modified cash basis and cash flows – modified cash basis for the three months 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 the modified cash basis of accounting as described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

### **Auditor’s 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 auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of Breast Cancer Alliance, Inc. as of March 31, 2015, and its support, revenue, and expenses for the three months then ended in accordance with the modified cash basis of accounting as described in Note 1.

### **Basis of Accounting**

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

***Knight Rolleri Sheppard CPAS, LLP***

Knight Rolleri Sheppard CPAS, LLP  
Fairfield, Connecticut  
August 18, 2015

**Breast Cancer Alliance, Inc.**  
**Statement of Assets, Liabilities and Net Assets - Modified Cash Basis**  
**March 31, 2015**

**Assets**

**Current assets:**

Cash and invested cash	\$ 469,213
Restricted cash for research grants	762,500
Other assets	12,000
Total assets	<u><u>\$ 1,243,713</u></u>

**Liabilities and Net Assets**

**Liabilities:**

Research grants payable	\$ 762,500
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**Net assets:**

Unrestricted - available for operations	<u>481,213</u>
Total liabilities and net assets	<u><u>\$ 1,243,713</u></u>

**See report of independent auditor and notes to financial statements.**

**Breast Cancer Alliance, Inc.**  
**Statement of Revenues, Expenses and Changes in Net Assets - Modified Cash Basis**  
**For the Three Months Ended March 31, 2015**

<b>Public support and revenues:</b>	
Annual benefit luncheon	\$ 5,124
Contributions and donations	99,434
Program income and special events	66,143
Interest income	92
Total public support and revenues	<u>170,793</u>
<b>Expenses:</b>	
Program services	30,066
Supporting services:	
Management and general	48,896
Fundraising	41,961
Total expenses	<u>120,923</u>
<b>Change in net assets</b>	<u>49,870</u>
<b>Net assets - beginning of year</b>	<u>431,343</u>
<b>Net assets - end of year</b>	<u><u>\$ 481,213</u></u>

**See report of independent auditor and notes to financial statements.**

**Breast Cancer Alliance, Inc.**  
**Statement of Functional Expenses - Modified Cash Basis**  
**For the Three Months Ended March 31, 2015**

	<u>Program Expenses</u>	<u>Supporting Services</u>		<u>Total Expenses</u>
		<u>Management and General</u>	<u>Fundraising</u>	
Salaries	\$ 8,425	\$ 15,300	\$ 27,775	\$ 51,500
Payroll taxes and insurance	2,082	3,905	7,029	13,016
Total salary and related expenses	<u>10,507</u>	<u>19,205</u>	<u>34,804</u>	<u>64,516</u>
Conferences and travel	-	9,335	-	9,335
Consulting	9,000	-	-	9,000
Credit card fees	-	1,960	-	1,960
Filing fees	-	25	-	25
Grants and allocations	239	-	-	239
Miscellaneous	-	895	-	895
Office supplies and equipment	-	1,441	-	1,441
Postage, printing and publications	10,320	3,407	2,720	16,447
Professional fees	-	3,456	-	3,456
Programs and events	-	-	4,437	4,437
Rent and related costs	-	8,364	-	8,364
Telephone and technology	-	808	-	808
 Total expenses	 <u>\$ 30,066</u>	 <u>\$ 48,896</u>	 <u>\$ 41,961</u>	 <u>\$ 120,923</u>

See report of independent auditor and notes to financial statements.

**Breast Cancer Alliance, Inc.**  
**Statement of Cash Flows - Modified Cash Basis**  
**For the Three Months Ended March 31, 2015**

Cash flows provided by (used in) operating activities	
Change in net assets	\$ 49,870
Adjustments to reconcile net assets to cash provided by (used in) operating activities:	
Decrease in investments	18,167
Board restricted cash released for grants	62,500
Decrease in research grants payable	<u>(62,500)</u>
Net cash provided by operating activities	68,037
Cash and cash equivalents - beginning of year	401,176
Cash and cash equivalents - end of year	<u><u>\$ 469,213</u></u>

**See report of independent auditor and notes to financial statements.**



**Breast Cancer Alliance, Inc.**  
**Notes to Financial Statements**  
**For the Three Months Ended March 31, 2015**  
**(See Report of Independent Auditor)**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Breast Cancer Alliance Inc. (the "Alliance") was organized in 1996 as a tax-exempt organization under section 501(c)(3) of the Internal Revenue Code. The mission and the program services of the Alliance is to raise funds for breast cancer research; support breast cancer-related activities in the Fairfield/Westchester County area and to educate women on the importance of early detection of breast cancer.

The Alliance elected to change from a calendar year end to a fiscal year end with a date of March 31. The change was made to reflect and coincide with the natural operating levels of the organization.

**Basis of Financial Statement Presentation and Accounting**

The financial statements have been prepared using the modified cash basis of accounting. This differs from generally accepted accounting principles in that the transactions are recorded when cash is received or expended, with some assets and liabilities recorded rather than when the transactions occur.

The Alliance prepares its financial statements using guidelines established under Statement on Financial Accounting Standard Codification 958. This standard requires that a non-profit organization provide information regarding the net assets of the organization based on the existence or absence of donor-imposed restrictions. The types of restrictions are described as follows:

Permanently restricted net assets - The part of the net assets of a not for profit organization resulting from contributions and other inflows of assets whose use by the organization is limited by donor imposed stipulations that neither expire by the passage of time nor can be fulfilled or otherwise removed by the actions of the organization.

Temporarily restricted net assets - The part of the net assets of a not for profit organization resulting from contributions and other inflows of assets whose use by the organization is limited by donor imposed stipulations that either expire by the passage of time or can be fulfilled or otherwise removed by the actions of the organization.

Unrestricted net assets - The part of net assets of a not-for-profit organization that are available to support operations. The only limits on the use of unrestricted net assets are the broad limits resulting from the nature of the organization, the environment in which it operates, and the purposes specified in its corporate documents and its application for tax exempt status..

As of March 31, 2015 the Alliance had met all restrictions on temporarily restricted funds. The Alliance does not maintain any permanently restricted funds.

**Donated Assets and Services**

No amounts have been recognized in the statement of activities because the criteria for recognition under Statement of Financial Accounting Standard Codification 958 have not been satisfied. However, a substantial number of volunteers have donated significant amounts of their time to the organization.

**Breast Cancer Alliance, Inc.**  
**Notes to Financial Statements**  
**For the Three Months Ended March 31, 2015**  
**(See Report of Independent Auditor)**

**Use of Estimates**

The preparation of financial statements in conformity with the modified cash basis of accounting requires management to use numerous estimates and assumptions. Actual results could differ from those estimates.

**Revenue Recognition**

Revenue is recognized when contributions or donations have been received.

**Concentration of Credit Risk**

The Alliance maintains its cash balances at one financial institution. Accounts at these institutions are insured by the Federal Deposit Insurance Corporation up to \$250,000. Uninsured balances are approximately \$935,000 at March 31, 2015. The Alliance monitors its balances with the financial institution during the course of the year and believes it is not exposed to any significant risk in maintaining accounts with this financial institution.

**Functional and Allocated Expenses**

The Alliance allocates the salaries of its employees to certain expense categories. In 2015 \$27,775 of these types of expenses was allocated to fundraising, \$15,300 to administration and \$8,425 to program services.

**Cash equivalents**

For the purpose of the statement of cash flows, the Alliance considers all highly liquid debt instruments with a maturity of three months or less to be cash equivalents.

**Tax Exempt Status**

The Alliance is a nonprofit entity exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code. The Alliance has adopted the provisions of FASB ASC 740, Income Taxes, which requires that a tax position be recognized or derecognized based on a "more likely than not" threshold. This applies to positions taken or expected to be taken in a tax return.

**NOTE 2 – OTHER ASSETS**

Other assets consist of the \$12,000 security deposit for the 2015 annual benefit lunch and golf fundraising events.

**NOTE 3 - CONTRIBUTIONS**

The Annual Benefit Luncheon amount in the statement of revenues, expenses and changes in net assets includes contributions of approximately \$5,124.

**Breast Cancer Alliance, Inc.**  
**Notes to Financial Statements**  
**For the Three Months Ended March 31, 2015**  
**(See Report of Independent Auditor)**

**NOTE 4 – RISK CONCENTRATION**

The Alliance receives the majority of its public support from business and individual donors located in communities within Connecticut and New York.

**NOTE 5 – COMMITMENTS AND CONTINGENCIES**

The Alliance is obligated under three year lease for office space that expires in August of 2015. Aggregate annual payments under the leases are as follows:

2016	\$ 13,050
2017	-
2018	-
2019	-
2020	-
Thereafter	-
Total	<u>\$ 13,050</u>

Rent expense was \$8,364 for the three month ended March 31, 2015.

**NOTE 6 – SUBSEQUENT EVENTS**

In accordance with FASB Accounting Standards Codification 855, Subsequent Events, the Alliance has evaluated subsequent events to the Statement of Financial Position date of March 31, 2015 through August 18, 2015, which is the date the financial statements were available to be issued. Management has determined that there are no subsequent events that require disclosure.