



BREAST CANCER ALLIANCE, INC.

FINANCIAL STATEMENTS – MODIFIED CASH BASIS

FOR THE YEAR ENDED

MARCH 31, 2021

## CONTENTS

	<u>Page</u>
Independent Auditor's Report	1-2
Financial Statements:	
Statement of Assets, Liabilities, and Net Assets - Modified Cash Basis	3
Statement of Revenues, Expenses, and Change in Net Assets - Modified Cash Basis	4
Statement of Functional Expenses - Modified Cash Basis	5
Statement of Cash Flows - Modified Cash Basis	6
Notes to Financial Statements - Modified Cash Basis	7-14



## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Breast Cancer Alliance, Inc.  
Greenwich, Connecticut

We have audited the accompanying financial statements of Breast Cancer Alliance, Inc. (a nonprofit alliance), which comprise the statement of assets, liabilities, and net assets - modified cash basis as of March 31, 2021, and the related statements of revenues, expenses, and change in net assets - modified cash basis, functional expenses - modified cash basis, and cash flows - modified cash basis for the year then ended, and the related notes to the financial statements - modified cash basis.

### **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.

### **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 the net assets of Breast Cancer Alliance, Inc. as of March 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with the modified cash basis of accounting as described in Note 2.

**Basis of Accounting**

We draw attention to Note 2 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 this matter.



Berkow, Schechter & Company LLP

Stamford, Connecticut

July 15, 2021

BREAST CANCER ALLIANCE, INC.  
 STATEMENT OF ASSETS, LIABILITIES AND NET ASSETS - MODIFIED CASH BASIS  
 MARCH 31, 2021

	<u>2021</u>
<u>ASSETS:</u>	
Cash and cash equivalents	\$ 982,714
Investments (Note 6)	1,001,027
Other assets	8,000
	_____
Total assets (Note 4)	<u><u>\$ 1,991,741</u></u>
 <u>LIABILITIES AND NET ASSETS:</u>	
<u>Liabilities:</u>	
Credit card payable	\$ 750
	_____
Total liabilities	<u>750</u>
 <u>Net assets:</u>	
Without donor restrictions (Note 7)	1,990,991
With donor restrictions	-
	_____
Total net assets	<u>1,990,991</u>
Total liabilities and net assets	<u><u>\$ 1,991,741</u></u>

The accompanying notes to financial statements are integral part of the statements.

BREAST CANCER ALLIANCE, INC.  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
MODIFIED CASH BASIS  
FOR THE YEAR ENDED MARCH 31, 2021

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>2021 Total</b>
<u>Revenues, Gains and Other Support:</u>			
Annual benefit luncheon	\$ 989,496	\$ -	\$ 989,496
Contributions and donations	673,869	-	673,869
Special events revenue	324,980	-	324,980
Special events expenses	(73,564)	-	(73,564)
Investment income (Note 6)	251,360	-	251,360
Interest income (Note 6)	23,852	-	23,852
	<hr/>	<hr/>	<hr/>
Total revenues, gains and other support	2,189,993	-	2,189,993
<u>Functional Expenses:</u>			
Program services	1,712,806	-	1,712,806
Management & general	235,069	-	235,069
Fundraising	322,768	-	322,768
	<hr/>	<hr/>	<hr/>
Total expenses	2,270,643	-	2,270,643
Change in net assets	<hr/> (80,650)	<hr/> -	<hr/> (80,650)
Net assets, beginning of year	2,071,641	-	2,071,641
	<hr/>	<hr/>	<hr/>
Net assets, end of year	<u>\$ 1,990,991</u>	<u>\$ -</u>	<u>\$ 1,990,991</u>

The accompanying notes to financial statements are integral part of the statements.

BREAST CANCER ALLIANCE, INC.  
STATEMENT OF FUNCTIONAL EXPENSES - MODIFIED CASH BASIS  
FOR THE YEAR ENDED MARCH 31, 2021

	<i>Supporting Activities</i>			<b>TOTAL</b>
	<b>PROGRAM</b>	<b>MANAGEMENT &amp; GENERAL</b>	<b>FUNDRAISING</b>	
Personnel				
Salaries	\$ 47,435	\$ 88,943	\$ 160,097	\$ 296,475
Payroll taxes and benefits	7,540	14,137	25,446	47,123
Total Personnel Expenses	<u>54,975</u>	<u>103,080</u>	<u>185,543</u>	<u>343,598</u>
Other expenses				
Grants and allocations	1,549,754	-	-	1,549,754
Marketing	-	-	92,727	92,727
Programs and events	90,934	-	-	90,934
Professional fees	-	40,079	-	40,079
Credit card and bank fees	-	34,205	-	34,205
Rent and related costs	-	29,582	-	29,582
Postage, printing and publications	12,309	3,730	2,610	18,649
Administration	-	-	17,258	17,258
Donor cultivation	-	-	13,332	13,332
Telephone and technology	3,771	3,771	1,437	8,979
Investment fees	-	7,864	-	7,864
Miscellaneous	-	-	4,473	4,473
Insurance	-	4,063	-	4,063
Advertising	-	-	4,029	4,029
Data base and filing	-	3,912	-	3,912
Office supplies and equipment	-	3,302	-	3,302
Payroll	403	755	1,360	2,518
Professional development	-	726	-	726
Charitable donations	660	-	-	660
Total Other Expenses	<u>1,657,831</u>	<u>131,989</u>	<u>137,226</u>	<u>1,927,045</u>
<b>Total Functional Expenses</b>	<b><u><u>\$ 1,712,806</u></u></b>	<b><u><u>\$ 235,069</u></u></b>	<b><u><u>\$ 322,768</u></u></b>	<b><u><u>\$ 2,270,643</u></u></b>

The accompanying notes to financial statements are integral part of the statements.

BREAST CANCER ALLIANCE, INC.  
 STATEMENTS OF CASH FLOWS - MODIFIED CASH BASIS  
 FOR THE YEAR ENDED MARCH 31, 2021

	<u>2021</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Change in net assets	\$ (80,650)
Adjustments to reconcile change in net assets to net cash provided by/(used in) operating activities:	
Change in value of investments	555,416
Other assets	38,500
Credit card payable	<u>(3,315)</u>
Net Cash Provided By Operating Activities	<u>509,951</u>
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	<u>509,951</u>
Cash and cash equivalents, beginning of year	<u>472,763</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u><u>\$ 982,714</u></u>



BREAST CANCER ALLIANCE, INC.  
NOTES TO FINANCIAL STATEMENTS - MODIFIED CASH BASIS  
FOR THE YEAR ENDED MARCH 31, 2021

**NOTE 1 - NATURE OF OPERATIONS**

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 Alliance has its mission as to improve survival rates and quality of life for those impacted by breast cancer through better prevention, early detection, treatment and cure. To promote these goals, the Alliance invests in innovative research, breast surgery fellowships, regional education, dignified support and screening for the underserved. The following are four types of grants that the Alliance funds annually:

***Exceptional Project Research:*** Through this grant, the Alliance recognizes creative, unique and innovative research whose primary focus is breast cancer.

***Young Investigator Research:*** Through this grant, the Alliance funds those who are in their early stages of their research career. This helps them acquire the research requirements needed to apply for larger, longer term grants often with the National Institute of Health (NIH).

***Breast Surgery Fellowships:*** Through this grant, the Alliance funds society of surgical oncology accredited institutions that are located in New York, New Jersey or Connecticut.

***Education and Outreach:*** Through this grant, the Alliance supports programs directly related to outreach and breast cancer case management services that include education, counseling, and screening for the uninsured/underserved in Connecticut and Westchester County in New York.

The Alliance's primary source of support and revenue are through donations from the general public.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Accounting**

The financial statements have been prepared on the modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis differs from generally accepted accounting principles primarily because support and revenue and related assets are recognized when received rather than when earned. Expenses are recognized when paid rather than when incurred.

**Financial Statement Presentation**

The financial statement presentation follows the provisions of the Financial Accounting Standards

BREAST CANCER ALLIANCE, INC.  
NOTES TO FINANCIAL STATEMENTS - MODIFIED CASH BASIS  
FOR THE YEAR ENDED MARCH 31, 2021

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Board (FASB) Accounting Standards Codification (ASC) 958, *Non-for-Profit Entities*. The Alliance is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. Net assets, revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net assets without donor restrictions:* Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Alliance. The Alliance's board may designate assets without restrictions for specific operational purposes from time to time.

*Net assets with donor restrictions:* Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the nonprofit, Alliance, or by the passage of time. When a donor restriction expires, the net assets are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

**Revenue Recognition**

*Contributions:* All contributions are considered available for the general program of the Alliance, unless specifically restricted by the donor. The Alliance reports all monetary gifts as support with donor restrictions if they are received with donor stipulations that limit their use or are subject to time restrictions.

*Contributed Materials and Services:* The Alliance recognizes contributions of materials at their estimated fair value at the date of donation. The Alliance reports gifts of equipment and other nonmonetary contributions as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used.

Donated services are defined as services that require specialized skills that would otherwise have been purchased by the Alliance. No amounts have been reflected in the financial statements for donated services of volunteers because they do not meet the criteria for recognition in the financial statements in accordance with the modified cash basis of accounting as described in Note 2.

**Cash and Cash Equivalents**

For the purposes of the statement of cash flows, the Alliance considers all highly liquid investments available for current use with an initial maturity of three (3) months or less to be cash equivalents.

BREAST CANCER ALLIANCE, INC.  
NOTES TO FINANCIAL STATEMENTS - MODIFIED CASH BASIS  
FOR THE YEAR ENDED MARCH 31, 2021

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Use of Estimates

The preparation of financial statements in conformity with a modified cash basis of accounting, 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.

Functional Allocation of Expenses

The statement of functional expenses presents expenses by program and supporting service function, and by natural classification. Functional expenses have been allocated between program services, and supporting services based upon actual costs and percentage of personnel time devoted to each area. Certain overhead costs have been allocated based upon analysis of aggregate charges within each functional area.

Fair Value Measurements

The Alliance follows FASB guidance on fair value, which, among other things, defines fair value, establishes a hierarchal framework for measuring fair value, and expands disclosure about fair value measurements. Fair value is defined 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 is organized into three levels based upon the assumptions (referred to as “inputs”) used in pricing the asset or liability, as follows:

*Level 1:* Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access the measurement date.

*Level 2:* Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, with fair value being determined through the use of models or other valuation methodologies.

*Level 3:* Inputs are observable for the asset or liability and are used to the extent that observable inputs do not exist. Level 3 inputs require significant management judgment and estimation. Factors considered include the purchase cost, prices of recent private placements of the same issuer, liquidity of the investment, changes in financial condition of the issuer, and valuations of similar companies.

BREAST CANCER ALLIANCE, INC.  
NOTES TO FINANCIAL STATEMENTS - MODIFIED CASH BASIS  
FOR THE YEAR ENDED MARCH 31, 2021

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Inputs generally refer to the assumptions that market participants use to make valuation decisions. The inputs or methods used for valuing investments are not necessarily an indication of the risk associated with those investments. The valuation methodologies used may involve a significant degree of judgement. Accordingly, the degree of judgment exercised by the Alliance in determining fair value is greatest for securities categorized in Level 3. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement in its entirety falls, is determined based on the lowest level input that is significant to the fair value measurement.

**Going Concern**

The financial statements have been prepared under the going concern basis of accounting. Under this presumption, the Alliance is reasonably expected to remain in existence and honor all its commitments for the foreseeable future.

**NOTE 3 - RISKS AND UNCERTAINTIES**

In March of 2020, the World Health Alliance (WHO), declared the outbreak of a novel coronavirus (Covid-19), a global pandemic. This highly contagious disease outbreak has adversely affected workforces, economies, and financial markets around the world. There is significant uncertainty around the breath and duration of business disruptions related to Covid-19 as well as its long term impact on the global economy.

As a result of the Covid-19 pandemic, the Alliance received a loan for the amount of \$83,582, under the Payment Protection Program established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act, March 2020. The loan was forgiven in accordance with provisions outlined in the CARES Act.

The board of directors have also evaluated the Alliance's ability to meet its obligations as they come due within one year. The board of directors have considered potential impacts on the Alliance's financial position and liquidity and determined that carrying amounts are not significantly impacted. At the time of preparing these financial statements, the board of directors have reasonable expectation that the Alliance has adequate resources to continue in operational existence for a period of at least 12 months from the date of these financial statements. Thus, the board of directors continue to adopt the going concern basis of accounting in preparing the financial statements.

BREAST CANCER ALLIANCE, INC.  
NOTES TO FINANCIAL STATEMENTS - MODIFIED CASH BASIS  
FOR THE YEAR ENDED MARCH 31, 2021

**NOTE 4 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The following reflects the Alliance's financial assets as of the balance sheet date, reduced by amounts not available for general use (if any) because of contractual or donor-imposed restrictions within one year of the balance sheet date.

Cash and cash equivalents	\$ 982,714
Investments	1,001,027
Prepaid expenses	<u>7,000</u>
Total	1,990,741
Financial assets not available to meet cash needs	-
Financial assets available to meet cash needs	
For general expenditure within one year	<u>\$ 1,990,741</u>

As part of its liquidity management, the Alliance structures its financial assets to be available to satisfy its general expenditures, current liabilities, and other obligations as they come due. The Alliance evaluates its net assets without donor restrictions position annually and ensures availability of cash and investments through a tiered portfolio structure. Tier I includes investments in cash and cash equivalents, which minimizes exposure to market risks and preserves constant dollar value.

Tier II serves as a longer term investment pool and is designed to provide moderate growth through a diversified allocation of equity, fixed income and alternative investments. The investments are overseen by the investment committee as well as an external investment advisor. Tier II components are intended to provide cash proceeds from investment returns to supplement the annual operating and capital budgets.

**NOTE 5 - TAX STATUS**

The Alliance qualifies as a tax-exempt Organization under Section 501(c)(3) of the Internal Revenue Code, and is not subject to federal income taxes. The Alliance is required to file a Return of Organization Exempt from Income Tax (Form 990) annually, with the IRS. In addition, the entity is subject to income tax on net income that is derived from business activities that are

BREAST CANCER ALLIANCE, INC.  
 NOTES TO FINANCIAL STATEMENTS - MODIFIED CASH BASIS  
 FOR THE YEAR ENDED MARCH 31, 2021

**NOTE 5 - TAX STATUS (CONTINUED)**

unrelated to its exempt purposes. The entity has determined it has no activities subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS, for the year ended March 31, 2021.

Generally, federal and state authorities may examine the Alliance's informational tax returns for up to three (3) years from date of filing. Consequently, income tax returns for years prior to 2018 are no longer subject to examination by tax authorities.

**NOTE 6 - INVESTMENTS**

The Alliance reports investment income and gains and losses as increases or decreases in net assets without donor restrictions in the Statements of Activities and Change in Net Assets unless a donor or law temporarily or permanently restricts their use. Restricted gains and investment income whose restrictions are met in the same year are reported as increases in net assets without donor restrictions.

Investments at fair market value at March 31, 2021 was \$1,001,027

The following schedule summarizes the Alliance's return on investments and its classification in the statement of activities for the year ended March 31, 2021.

	<b><u>Without Donor</u></b>	<b><u>With Donor</u></b>
	<b><u>Restrictions</u></b>	<b><u>Restrictions</u></b>
Interest and dividend income	\$ 23,852	\$ -
Net realized and unrealized gains	<u>251,360</u>	<u>-</u>
Total Investment Income	<u>\$ 275,212</u>	<u>\$ -</u>

Investment income or loss (including realized and unrealized gains and losses on investments, interest, and dividend), is reflected in the statement of activities net of fees. Investments fees for the year ended March 31, 2021 was \$7,864.

BREAST CANCER ALLIANCE, INC.  
NOTES TO FINANCIAL STATEMENTS - MODIFIED CASH BASIS  
FOR THE YEAR ENDED MARCH 31, 2021

**NOTE 6 - INVESTMENTS (CONTINUED)**

The following table presents information about the Alliance’s investments measured at fair value on a recurring basis as of March 31, 2021, and indicates the fair value hierarchy of the valuation techniques used.

Asset	Fair value measurements at reporting date using			Balance March 31, 2021
	Level 1	Level 2	Level 3	
Equities:				
Domestic	\$ 395,387	\$ -	\$ -	\$ 395,387
International	195,583	-	-	195,583
Fixed income:				
Domestic	156,040	-	-	156,040
International	<u>254,017</u>	-	-	<u>254,017</u>
Total Investments	<u>\$ 1,001,027</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,001,027</u>

**NOTE 7 - ENDOWMENT**

The Alliance’s endowment program consists of an endowment fund that does not have explicit donor restrictions. It is held in an endowment fund, and is recorded at fair market value as determined by published valuations. See note 2 on accounting policy regarding fair market value. Absent explicit donor stipulations to the contrary, the funds have been designated by the Board of Directors to function as an endowment fund that generates a predictable stream of income that include interest and dividend income. The interest and dividend income is used to award research grants, in line with the Alliance’s mission.

The investments consists of equity and fixed income investments. The equity investments provide appreciation of principal, growth of investments income, as well as current income. The fixed income investments provide highly predictable and dependable source of income. Refer to note 6 for the breakdown of the investments.

BREAST CANCER ALLIANCE, INC.  
NOTES TO FINANCIAL STATEMENTS - MODIFIED CASH BASIS  
FOR THE YEAR ENDED MARCH 31, 2021

**NOTE 8 - ADVERTISING COSTS**

Advertising costs are expensed as incurred. During the year ended March 31, 2021 the Alliance expensed \$4,029 for advertising costs.

**NOTE 9 - CONCENTRATION OF RISK**

Credit Risk

Cash and cash equivalents are insured up to \$250,000 by the Federal Deposit Insurance Corporation (the “FDIC”). The Securities Investors Protection Corporation (SIPC), insures the money market fund up to \$500,000. At times cash and cash equivalent amounts may be in excess of that amount. However, the Alliance maintains its cash and cash equivalents at a high-credit, quality financial institution. The Alliance also regularly monitors the financial condition of the banking institutions along with their cash balances and endeavors to keep potential risk at a minimum.

Concentration Risk

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

**NOTE 10 - SUBSEQUENT EVENTS**

In accordance with ASC 855, the Alliance evaluated subsequent events through July 15, 2021 the date these financial statements were available to be issued. There are no material subsequent events that have occurred subsequent to the financial position date through, July 15, 2021 that required recognition or additional disclosure in these financial statements.