

Breast Cancer Alliance, Inc.

Financial Statements

March 31, 2023



Breast Cancer Alliance, Inc.

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Rolleri & Sheppard CPAS, LLP
John M. Rolleri, CPA, CFE
Ryan C. Sheppard, CPA, CFF

REPORT OF INDEPENDENT AUDITOR

To the Board of Directors
of Breast Cancer Alliance, Inc.

Opinion

We have audited the accompanying financial statements of Breast Cancer Alliance, Inc. (a nonprofit organization), which comprise the statement of financial position as of March 31, 2023, and the related statements of activities, functional expenses and cash flows for the year 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 Breast Cancer Alliance, Inc. as of March 31, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Other Matter

As discussed in Note 2 to the financial statements, the Organization changed its method of accounting from the modified cash basis of reporting to accounting principles generally accepted in the United States of America.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, 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 Breast Cancer Alliance, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's 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 auditor's 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 generally accepted auditing standards 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 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 generally accepted auditing standards, 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 Breast Cancer Alliance, 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 Breast Cancer Alliance, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate 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.

Rolleri & Sheppard CPAS, LLP

Rolleri & Sheppard CPAS, LLP

Fairfield, Connecticut
September 27, 2023

Breast Cancer Alliance, Inc.
Statement of Financial Position
March 31, 2023

Assets

Current assets:

Cash and cash equivalents	\$	559,526
Certificate of deposit		126,563
Promises to give		75,000
Accounts receivable		7,900
Interest receivable		3,933
Prepaid assets		10,863
Total current assets		783,785

Other assets:

Board designated endowment		1,253,396
Promises to give		129,750
Office equipment and furniture		3,911
Operating right of use asset		95,722
Security deposit		1,000
Total other assets		1,483,780
Total assets	\$	2,267,565

Liabilities and Net Assets

Current liabilities:

Accounts payable	\$	36,099
Grants payable		600,000
Deferred revenue		64,435
Lease liability		31,959
Total current liabilities		732,493

Other liabilities:

Lease liability		65,838
Total other liabilities		65,838
Total liabilities		798,331

Net assets:

Net assets without donor restriction:

Board designated investment		1,253,396
Undesignated net assets		11,088
Total net assets without donor restrictions		1,264,483

Net assets with donor restriction:

Purpose restriction		204,750
Total net assets with donor restrictions		204,750
Total net assets		1,469,233
Total liabilities and net assets	\$	2,267,565

See report of independent auditor and notes to financial statements.

Breast Cancer Alliance, Inc.
Statement of Activities
For the Year Ended March 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Public Support and revenues:			
Annual benefit luncheon	\$ 1,017,663	\$ -	\$ 1,017,663
Contributions	635,029	13,500	648,529
Special events	575,384	-	575,384
Special events expenses	(450,893)	-	(450,893)
Interest and dividends	35,960	-	35,960
Realized and unrealized losses	(96,200)	-	(96,200)
In-kind services	4,000	-	4,000
In-kind materials	169,254	-	169,254
Net assets released from restriction	75,000	(75,000)	-
Total public support and revenues	1,965,197	(61,500)	1,903,697
Expenses			
Program services	1,569,490	-	1,569,490
Management and general	241,508	-	241,508
Fundraising	260,918	-	260,918
Total expenses	2,071,916	-	2,071,916
Change in net assets	(106,719)	(61,500)	(168,219)
Net assets prior to adoption of generally accepted accounting principles	2,083,801	-	2,083,801
Cumulative change in net assets from adoption of generally accepted accounting principles	(712,599)	266,250	(446,349)
Net assets after the adoption of generally accepted accounting principles	\$ 1,264,483	\$ 204,750	\$ 1,469,233

See report of independent auditor and notes to financial statements.

Breast Cancer Alliance, Inc.
Statement of Functional Expenses
For the Year Ended March 31, 2023

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Credit card and bank fees	\$ -	\$ 34,323	\$ -	\$ 34,323
Data base and filings	-	7,807	-	7,807
Depreciation	219	328	547	1,094
Donor cultivation	-	-	34,678	34,678
Grants and allocations	1,424,308	-	-	1,424,308
Insurance	862	1,293	2,155	4,309
Marketing and advertising	56,641	-	-	56,641
Miscellaneous	-	3,485	-	3,485
Office supplies and equipment	1,733	2,599	4,332	8,664
Payroll processing fees	307	461	768	1,536
Payroll taxes and benefits	5,721	8,582	14,303	28,606
Postage	-	-	2,906	2,906
Printing	-	-	1,983	1,983
Professional development	-	3,507	-	3,507
Professional fees	-	56,735	-	56,735
Rent and related costs	7,450	11,175	18,626	37,251
Salaries and wages	70,487	105,730	176,217	352,434
Telephone and technology	1,762	2,643	4,405	8,810
Travel	-	2,838	-	2,838
	<u>\$ 1,569,490</u>	<u>\$ 241,508</u>	<u>\$ 260,918</u>	<u>\$ 2,071,916</u>

See report of independent auditor and notes to financial statements.

Breast Cancer Alliance, Inc.
Statement of Cash Flows
For the Year Ended March 31, 2023

Cash flows from (used in) operating activities	
Decrease in net assets	\$ (168,219)
Adjustments to reconcile decrease in net assets to cash from (used in) operating activities	
Depreciation and amortization	1,094
Amortization of operating right of use asset	31,243
Decrease in promises to give	61,500
Increase in accounts receivable	(7,900)
Increase in interest receivable	(3,933)
Increase in prepaid assets	(7,750)
Increase in accounts payable	32,424
Decrease in grants payable	(62,500)
Increase in deferred revenue	64,435
Decrease in lease liability	(30,286)
Unrealized loss	96,200
Net cash provided by operating activities	<u>6,308</u>
 Cash flows from investing activities	
Purchase of investments	(1,060,036)
Purchase of certificate of deposit	(125,000)
Proceeds from sales of investments	707,013
Net cash used by investing activities	<u>(478,023)</u>
 Net decrease in cash, cash equivalents and restricted cash	<u>(471,715)</u>
 Cash, cash equivalents and restricted cash - beginning of year	1,031,241
 Cash, cash equivalents and restricted cash - end of year	<u><u>\$ 559,526</u></u>
 Reconciliation of cash to statement of financial position:	
Cash and equivalents	\$ 559,526
Restricted cash	-
	<u><u>\$ 559,526</u></u>

See report of independent auditor and notes to financial statements.

Breast Cancer Alliance, Inc.
Notes to Financial Statements
March 31, 2023
(See Report of Independent Auditor)

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 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.

NOTE 2 – ADOPTION OF GENERALLY ACCEPTED ACCOUNTING PRINCIPLES

The Alliance changed its method of accounting from the modified cash basis of reporting, which is considered a special purpose framework to generally accepted accounting principles in the United States of America (GAAP). As a result of this change opening net assets decreased by \$446,349. Accounting principles under GAAP follow the guidance under Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities.

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies has been provided to assist the reader of these financial statements.

Financial Statement Presentation

The financial statements of Breast Cancer Alliance, Inc. have been prepared in accordance with GAAP. Accordingly, the accounts of the Alliance are reported by net asset category. Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions.

Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Breast Cancer Alliance, Inc.
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Net Assets With Donor Restrictions - Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates those resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Contributions and Revenues

The Alliance reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

In June 2018, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2018-08: *Not-For-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, which clarifies and improves the scope and the accounting guidance for contributions received and contributions made. The amendments assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Accounting Standards Codification (“ASC”) Topic 958, Not-for-Profit Entities, or as exchange (reciprocal) transactions subject to other guidance and determining whether a contribution is conditional. The Alliance has not received any reciprocal donations.

In May 2014, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2014-09: *Revenue from Contracts with Customers*, which clarifies the principles for recognizing revenue. This guidance includes the required steps to achieve the core principle that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The primary source of revenue is from fundraising events. The income is earned on the day the event is held and is reflected in the financial statements pursuant to this method. Sponsorships that are for multiple events are allocated to that event and are recognized the day the event is held.

The Alliance recognizes contributions when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest 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 substantially met.

Donated and In-Kind Materials and Services

The Alliance receives significant in-kind contributions of time and pro bono services from members of the community and volunteers related to special events and fund-raising activities. Donated services are recognized as contributions if the services create or enhance nonfinancial assets or require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Alliance.

The Alliance recognizes in-kind contribution revenue and corresponding expense in an amount approximating the estimated fair value at the time of the donation.

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(See Report of Independent Auditor)

The Alliance receives auction and raffle items to be sold or raffled at its various fundraising events and it is their policy to record the donated auction items at the value of the gross selling price.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. These assumptions include depreciable lives of long-lived assets, allowances for uncollectible promises to give and receivables, to name a few. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Alliance considers all highly liquid debt instruments purchased with maturity of three months or less to be cash equivalents. The Organization maintains its cash accounts at various financial institutions across the State of Connecticut. Accounts are guaranteed by the FDIC up to \$250,000 per financial institution. As of March 31, 2023, the Organization had \$1,250,069 of uninsured cash balances. Cash equivalents held in money market funds are not insured under the FDIC program. The Alliance has not experienced any losses in such accounts and believes it is not exposed to any significant risk in maintaining accounts with financial institutions.

Receivables and Credit Policies

Accounts receivable consist primarily of noninterest-bearing amounts due from fundraising events. The Alliance determines the allowance for uncollectable accounts receivable based on historical experience, an assessment of economic conditions, and a review of subsequent collections. As of March 31, 2023 the Alliance believes that all accounts receivable are fully collectable.

Receivables from contracts with customers are reported as accounts receivable in the accompanying statement of financial position. Contract liabilities are reported as deferred revenue in the accompanying statement of financial position.

Unconditional promises to give that are expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statement of activities. We determine the allowance for uncollectable promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectable. At March 31, 2023, the Alliance believes that a reserve is not warranted based upon historical results.

Donated Securities

It is the policy of the Alliance to sell donated securities upon their receipt.

Fair Value of Financial Instruments

The Alliance follows guidance as set forth in the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2018-13, Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement, which modifies the disclosure requirements for fair value measurements. That framework provides a fair value hierarchy that prioritizes the inputs to valuation

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techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of fair value hierarchy under FASB ASC 820 are described as follows:

Fair value measurement – the Alliance determines fair value based on assumptions that market participants would use pricing an asset or liability in the principal or most advantageous market. The Alliance follows the fair value hierarchy when distinguishing assumptions in fair value measurement as outlined in the FASB “Accounting Standards Codification (ASC) 820, Fair Value Measurements and Disclosures”.

- Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Alliance has the ability to access.
- Level 2 – Observable inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly and include:
 - Quoted prices for similar assets or liabilities in active markets.
 - Quoted prices for identical or similar assets or liabilities in inactive markets.
 - Market prices for similar instruments.
 - Inputs other than quoted prices that are observable for the asset or liability.
 - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

- Level 3 – Inputs to the valuation methodology are unobservable and significantly to the fair value measurement.

The availability of valuation techniques and observable inputs can vary from investment to investment and are impacted by factors such as investment type, whether the investment is new and not established in a marketplace, the liquidity of markets, and other transaction characteristics. To the extent the valuation is based on models or inputs that are less observable or unobservable in the market, determining fair value requires more judgment. Because of the inherent uncertainty of valuation, estimated values may be materially higher or lower than the values that would have been used had a ready market for the investment existed. Therefore, the degree of judgment used by the Alliance in determining fair value is greatest for investments categorized in level 3. Inputs used to measure fair value might be categorized within different levels of fair value hierarchy and are categorized based upon the lowest level of input that is significant to the fair value measurement.

The following is a description of the valuation methodologies used for assets measured at fair value:

Mutual funds and equities – Equities include domestic and foreign investment held in separate accounts or in mutual funds that are traded on public exchanges and are priced daily. This investment class may also hold commodities via a mutual fund structure.

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Tax Exempt Status

The Alliance has been granted tax-exempt status by the Internal Revenue Service under Internal Revenue Code Section 501(c)(3). Accordingly, no provision for federal or state income taxes has been recorded in the accompanying financial statements.

The Alliance's information returns for the past three fiscal years remain subject to examination by the appropriate taxing jurisdictions.

Description of Programs

Each year the Alliance holds various events to generate funds to be used to fund various research organizations, fund fellowships and outreach grants. The primary fund-raising event is their annual luncheon benefit. This benefit is supplemented by various other events during the year.

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.

Grants and Allocations

Funds available for granting are based on the net proceeds from the fund-raising activities.

Advertising

The Alliance's policy is to expense advertising costs as incurred.

NOTE 4 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

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

Cash and equivalents	\$ 559,526
Certificate of deposit	126,563
Accounts receivable	7,900
Interest receivable	3,933
Investments	<u>1,253,396</u>
	<u>\$ 1,951,318</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.

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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 – REVENUE FROM CONTRACTS WITH CUSTOMERS

The Alliance includes all revenues from fundraising activities on the statement of activities as revenues with contracts from customers. The disaggregation of this revenue is as follows:

Annual benefit luncheon	\$ 1,017,663
Holiday boutique	10,472
Golf invitational	87,673
Get fit for hope	40,489
Kids for a cause	11,649
Poker night	20,039
Junior events	16,821
Go for pink	377,789
Other	10,453
	\$ 1,593,047

Accounts (“Contract”) receivable as of March 31, 2023 and 2022 were \$7,900 and \$0, respectively. Contract assets as of March 31, 2023 and 2022 were \$5,000 and \$0, respectively. Contract liabilities as of March 31, 2023 and 2022 were \$64,435 and \$0, respectively.

The following provides information about significant changes in contract liabilities for the year ended March 31, 2023:

Deferred revenue, beginning of year	\$ -
Revenue recognized that was included in deferred revenue at beginning of year	-
Increase in deferred revenue due to cash received during year	64,435
Deferred revenue, end of year	\$ 64,435

Breast Cancer Alliance, Inc.
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NOTE 6 – PROMISES TO GIVE

Unconditional promises to give are estimated to be collected as follows as of March 31, 2023:

Balance - beginning of year	\$ 266,250
New promises	-
Collections	(75,000)
Discount (accretion) and allowance	<u>13,500</u>
Balance - end of year	<u><u>\$ 204,750</u></u>

As of March 31, 2023, contributors to the Alliance have unconditionally promised \$225,000. Long-term promises have been discounted at 4.5%, which the Alliance considers their risk-free rate of return. The promised contributions are due as follows:

Within one year	\$ 75,000
One to five years	150,000
More than five years	-
Subtotal	<u>225,000</u>
Less: present value component	(20,250)
Less: allowance for doubtful accounts	-
Promises to give, net	<u><u>\$ 204,750</u></u>

There is a single promise to give which has been restricted for use by the donor for a fellowship.

NOTE 7 - 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.

The following table presents information about the Alliance's investments measured at fair value on a recurring basis as of March 31, 2023, and indicates the fair value hierarchy of the valuation techniques used.

Breast Cancer Alliance, Inc.
Notes to Financial Statements
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(See Report of Independent Auditor)

<u>Description</u>	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Mutual Funds and ETFS:				
U.S. large cap equities	\$ 314,953	\$ 314,953	\$ -	\$ -
EAFE equities	89,221	89,221	-	-
European equities	35,711	35,711	-	-
Japan equities	26,330	26,330	-	-
Asian equities - ex Japan	17,203	17,203	-	-
Fixed income - U.S.	108,512	108,512	-	-
Fixed income - non-U.S.	257,634	257,634	-	-
	-			
Money funds Money market fund	403,832	403,832	-	-
	<u>\$ 1,253,396</u>	<u>\$ 1,253,396</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE 8 – BOARD DESIGNATED 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 3 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 includes interest and dividend income. The interest and dividend income are used to award research grants, in line with the Alliance’s mission.

The investments consist of equity and fixed income investments. The equity investments provide appreciation of principal, growth of investments income, as well as current income. Fixed income investments provide highly predictable and dependable source of income. Refer to note 7 for the breakdown of the investments.

Board restricted assets - beginning of year	\$ 1,058,323
Contributions and designations	755,312
Investment return	(50,432)
Distributions and fees	<u>(509,807)</u>
Board restricted assets - end of year	<u>\$ 1,253,396</u>

NOTE 9 – RESTRICTED ASSETS

Net assets with donor restrictions are restricted for the following purposes as of March 31, 2023:

Funds restricted for fellowships	<u>\$ 204,750</u>
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For the year ended March 31, 2023, \$75,000 was released from restriction.

Breast Cancer Alliance, Inc.
Notes to Financial Statements
March 31, 2023
(See Report of Independent Auditor)

NOTE 10 - PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of March 31, 2023:

Office equipment	\$	3,253
Furniture and fixtures		9,930
Total property and equipment		13,183
Less: accumulated depreciation		(9,272)
Total, net of accumulated depreciation	\$	3,911

The Alliance depreciates its assets over their useful life which are from 3 to 7 years. A capitalization threshold of \$1,000 and greater is used. Depreciation expense for the year ended March 31, 2023 was \$1,094.

NOTE 11 - LEASES

The Alliance leases its office facility under a long-term non-cancelable operating lease agreement. The lease expires on February 28, 2026. The Alliance has determined the right-of-use asset and lease liability under this agreement. The operating lease provides for increases in future minimum annual rental payments. The weighted-average discount rate is based on the discount rate implicit in the lease. We have elected the option to use the risk-free rate determined using a period comparable to the lease terms as the discount rate for leases where the implicit rate is not readily determinable.

The Alliance has elected the short-term lease exemption for all leases with a term of 12 months or less for both existing and ongoing operating leases to not recognize the asset and liability for these leases. Lease payments for short-term leases are recognized on straight-line basis.

Total lease costs for the year ended March 31, 2023 were \$34,032.

The following table summarizes supplemental cash flow information for the year ended March 31, 2023:

Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	\$	30,250
Weighted-average remaining lease term in years for operating leases		3
Weighted-average discount rate for operating leases		2.50%

The future minimum lease payments under noncancelable operating leases with terms greater than one year are listed below as of March 31, 2023:

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2024		\$ 33,970
2025		34,805
2026		32,560
2027		-
2028		-
Thereafter		-
		101,335
Less: interest		(3,538)
Present value of lease liability		\$ 97,797

NOTE 12 - CONCENTRATION OF RISK

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

NOTE 13 – IN-KIND MATERIALS AND SERVICES

The Alliance received the following contributions of nonfinancial assets for the year ended March 31, 2023:

Auction and raffle items		\$ 169,254
In-kind services		4,000
		\$ 173,254

The contributed services are valued and are reported at the estimated fair value in the financial statements based on current rates for similar professional services at the date of donation and are reported as unrestricted support unless explicit donor stipulations specify how donated assets must be used.

The Alliance receives in-kind materials for auction and raffle items to be sold at various fundraising events. These are recognized in the statement of activities at the gross selling price.

NOTE 14 - SUBSEQUENT EVENTS

In accordance with ASC 855, the Alliance evaluated subsequent events through September 27, 2023 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 September 27, 2023 that required recognition or additional disclosure in these financial statements.