

**BREAST CANCER RESEARCH  
FOUNDATION OF ALABAMA**

**Financial Statements  
For the Year Ended  
December 31, 2021**

**With Summarized Totals for the  
Year Ended December 31, 2020**

**BREAST CANCER RESEARCH FOUNDATION OF ALABAMA**

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For the Year Ended December 31, 2021**

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BORLAND  
BENEFIELD

## INDEPENDENT AUDITOR'S REPORT

The Board of Directors  
Breast Cancer Research Foundation of Alabama

**Opinion**

We have audited the accompanying financial statements of Breast Cancer Research Foundation of Alabama ("the Foundation," a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, 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 Research Foundation of Alabama as of December 31, 2021, 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 the Foundation 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.

**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 the Foundation'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 the Foundation'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 the Foundation'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.

#### **Report on Summarized Comparative Information**

We have previously audited the Foundation's 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 28, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Borland Benefield, P.C.

Birmingham, Alabama

November 28, 2022

**BREAST CANCER RESEARCH FOUNDATION OF ALABAMA**

**Statement of Financial Position**

**At December 31, 2021**

**With Comparative Totals as of December 31, 2020**

	<u>2021</u>	<u>2020</u>
<b>Assets</b>		
Cash and cash equivalents		
Unrestricted	\$ 290,155	\$ 443,336
Restricted	29,131	69,136
Accounts receivable	34,053	27,292
Pledge receivable	-	9,750
Prepaid expenses	5,307	19,792
<b>Total Assets</b>	<u>\$ 358,646</u>	<u>\$ 569,306</u>
<b>Liabilities and Net Assets</b>		
Accounts payable	\$ -	\$ 3,323
Grants payable	23,776	230,000
PPP Loan	-	21,000
Accrued liabilities	1,468	1,351
Deferred revenue	-	7,550
Total Liabilities	<u>25,244</u>	<u>263,224</u>
Net Assets		
Without donor restrictions	304,271	227,196
With donor restrictions	29,131	78,886
Total Net Assets	<u>333,402</u>	<u>306,082</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 358,646</u>	<u>\$ 569,306</u>

*See accompanying notes to financial statements.*

**BREAST CANCER RESEARCH FOUNDATION OF ALABAMA**

**Statement of Activities  
For the Year Ended December 31, 2021  
With Summary Totals for the Year Ended December 31, 2020**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2021 Total</u>	<u>2020 Total</u>
<b>Support and Revenue</b>				
Public donations	\$ 1,448,811	\$ -	\$ 1,448,811	\$ 1,162,691
Grant revenue	182,137	-	182,137	160,850
In-kind donations	148,938	-	148,938	171,067
Investment income, net	530	51	581	1,266
Net assets released from restrictions	<u>49,806</u>	<u>(49,806)</u>	<u>-</u>	<u>-</u>
<b>Total Support and Revenue</b>	<u>1,830,222</u>	<u>(49,755)</u>	<u>1,780,467</u>	<u>1,495,874</u>
<b>Expenses</b>				
Program services	1,577,696	-	1,577,696	1,276,018
Management and general	66,486	-	66,486	68,816
Fundraising	<u>108,965</u>	<u>-</u>	<u>108,965</u>	<u>65,855</u>
<b>Total Expenses</b>	<u>1,753,147</u>	<u>-</u>	<u>1,753,147</u>	<u>1,410,689</u>
<b>Change in Net Assets</b>	77,075	(49,755)	27,320	85,186
<b>Net Assets, Beginning of Year</b>	<u>227,196</u>	<u>78,886</u>	<u>306,082</u>	<u>220,896</u>
<b>Net Assets, End of Year</b>	<u>\$ 304,271</u>	<u>\$ 29,131</u>	<u>\$ 333,402</u>	<u>\$ 306,082</u>

*See accompanying notes to financial statements*

**BREAST CANCER RESEARCH FOUNDATION OF ALABAMA**

**Statement of Functional Expenses  
For the Year Ended December 31, 2021**

**With Comparative Totals for the Year Ended December 31, 2020**

	<b>Program Services</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>2021 Total</b>	<b>2020 Totals</b>
<b>Expenses</b>					
Contributions to Alabama Breast Cancer Research	\$ 1,273,942	\$ -	\$ -	1,273,942	960,277
Personnel	122,861	40,953	-	163,814	148,365
In-kind donations	148,938	-	-	148,938	171,067
Special events	2,119	-	84,151	86,270	54,589
Advertising & Awareness	22,597	21	-	22,618	15,348
Tag marketing	-	-	16,039	16,039	19,940
Miscellaneous	3,757	2,486	1,198	7,441	5,171
Health insurance benefit	-	6,253	-	6,253	6,211
Telephone and telecommunications	1,125	369	3,600	5,094	7,811
IRA matching	-	4,320	-	4,320	3,682
Professional fees	-	4,000	-	4,000	4,000
Insurance	-	3,857	-	3,857	3,711
Postage and mailing service	1,073	844	1,284	3,201	4,193
Supplies	1,236	1,631	-	2,867	2,652
Credit card processing	48	-	2,693	2,741	1,909
Rent, parking and utilities	-	1,752	-	1,752	1,762
<b>Total Expenses</b>	<b><u>\$ 1,577,696</u></b>	<b><u>\$ 66,486</u></b>	<b><u>\$ 108,965</u></b>	<b><u>\$ 1,753,147</u></b>	<b><u>\$ 1,410,688</u></b>

*See accompanying notes to financial statements.*

**BREAST CANCER RESEARCH FOUNDATION OF ALABAMA**

**Statement of Cash Flows**  
**For the Year Ended December 31, 2021**  
**With Comparative Totals for the Year Ended December 31, 2020**

	<u>2021</u>	<u>2020</u>
<b>Cash Flows From Operating Activities</b>		
Cash received from contributions and grants	\$ 1,572,060	\$ 1,367,507
Cash received from interest	581	1,266
Cash paid in donations	(1,480,166)	(730,252)
Cash paid to suppliers and employees	(318,988)	(293,453)
<b>Net Cash Provided/(Used) by Operating Activities</b>	<u>(226,513)</u>	<u>345,068</u>
 <b>Cash Flows From Financing Activities</b>		
Proceeds from PPP Loan	33,327	17,000
Proceeds from EIDL	-	4,000
<b>Net Cash Provided by Financing Activities</b>	<u>33,327</u>	<u>21,000</u>
 <b>Net Change in Cash and Cash Equivalents</b>	(193,186)	366,068
 <b>Cash, Cash Equivalents and Restricted Cash, Beginning of Year</b>	<u>512,472</u>	<u>146,404</u>
 <b>Cash, Cash Equivalents and Restricted Cash, End of Year</b>	<u>\$ 319,286</u>	<u>\$ 512,472</u>
 <b>Cash Flows from Operating Activities</b>		
Adjustments to reconcile change in net assets	\$ 27,320	\$ 85,186
to net cash flows from operating activities:		
Forgiveness of PPP and EIDL loans	(54,327)	-
Changes in Assets and Liabilities:		
Accounts receivable	(6,761)	22,417
Pledges receivable	9,750	14,000
Prepaid expenses	14,484	(15,459)
Accounts payable	(3,323)	688
Grants payable	(206,223)	230,000
Accrued liabilities	117	686
Deferred revenue	(7,550)	7,550
<b>Net Cash Provided/(Used) by Operating Activities</b>	<u>\$ (226,513)</u>	<u>\$ 345,068</u>
 <b>Reconciliation of Cash</b>		
Unrestricted	\$ 290,155	\$ 443,336
Restricted	29,131	69,136
<b>Total</b>	<u>\$ 319,286</u>	<u>\$ 512,472</u>

*See accompanying notes to financial statements*



## BREAST CANCER RESEARCH FOUNDATION OF ALABAMA

### Notes to the Financial Statements For the Year Ended December 31, 2021

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#### Note 1 – Summary of Significant Accounting Policies

Organization and Nature of Activities – Breast Cancer Research Foundation of Alabama (the Foundation) is a non-profit corporation that was incorporated in the State of Alabama in 1996. The purpose of the Foundation is to help find a cure for breast cancer by funding breast cancer research and raising awareness and funding for that research. Primary funding is provided through individual and corporate donations.

Method of Accounting – The accompanying financial statements have been prepared on the accrual basis of accounting; revenues are recognized when they are earned, and expenses are recognized when they are incurred.

Basis of Presentation – Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB), under which the Foundation is required to report information regarding its financial position and activities according to two classes of net assets based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net asset with donor restrictions.

Net assets without donor restrictions are resources available to support operations. The only limits on the use of net assets without donor restrictions are the board limits resulting from the nature of the Foundation, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Use of Estimates – The preparation of financial statements in accordance with *Generally Accepted Accounting Principles* requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash Equivalents – For purposes of the Statement of Cash Flows, the Foundation considers all highly liquid investments with maturities of three months or less to be cash equivalents.

Accounts Receivable – Receivables consist of outstanding amounts for t-shirt sales and donations that are expected to be received within one year.

Management periodically assesses the collectability of any outstanding receivable balances and writes off those amounts that management believes will not be recovered. At December 31, 2021, management believes all accounts and pledges are collectible and there has been no valuation allowance needed.

Revenue Recognition – Contributions are recorded when received as net asset without restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor restrictions. Interest and dividends are recorded when earned.

Promises to Give – Conditional promises to give are not recognized in the financial statements until the conditions are substantially met. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in more than one year are recorded at fair value, which is measured as the present value of cash flows. Management has determined the discounts on the unconditional promise to give is immaterial.

*See independent auditor's report.*

## BREAST CANCER RESEARCH FOUNDATION OF ALABAMA

### Notes to Financial Statements (continued) For the Year Ended December 31, 2021

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#### Note 1 – Summary of Significant Accounting Policies (continued)

Donations In-Kind – Many individuals and organizations have made significant non-cash donations of materials, services, and use of the facilities. These donations include accounting services, materials, and supplies for fundraising events, and miscellaneous other donations used to further the goals of the Foundation. The value of these donated services, materials, and supplies that are included in the financial statements and the corresponding expenses totaled \$148,938 and \$171,067 as of December 31, 2021 and 2020, respectively.

Joint Costs of Activities that Include a Fundraising Appeal – During the years ended December 31, 2021 and 2020, the Foundation incurred joint costs of \$6,426 and \$10,921, respectively, for events that included fundraising appeals. The Foundation allocated \$5,083 and \$7,097 to fundraising expense and \$1,343 and \$3,824 to management and general expense.

Income Taxes – The Foundation is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code; consequently, no provision for income tax has been made.

As of December 31, 2021, the Foundation had no uncertain tax positions that qualify for disclosure in the financial statements. The Foundation files an annual Form 990 with the Internal Revenue Service and its tax returns for the year 2018 and subsequent years remain subject to examination by tax authorities.

Expense Allocations – The costs of providing various activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the supporting services benefited. Expenses related to more than one activity are charged to supporting services on the basis of periodic time and expense studies. Those studies consider the time devoted by the Foundation's personnel, and the portion of its resources used in providing various services and other activities. Management and general expenses include those expenses that are not directly identifiable with any other specific function, but provide for the overall support and direction of the Foundation.

Comparative Financial Information – The financial statements include certain prior-year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Foundation's financial statements for the year ended December 31, 2020, from which the summarized information was derived.

Reclassifications – Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements. These reclassifications did not have an effect on net assets.

New Accounting Pronouncements - In February 2016, the Financial Accounting Standards Board ("FASB" or "the Board") issued a new leasing standard in ASU 2016-02 ("Topic 842" or "the new standard") for both lessees and lessors. Under its core principle, a lessee will recognize right-of-use ("ROU") assets and related lease liabilities on the balance sheet for all arrangements with terms longer than 12 months. The pattern of expense recognition in the income statement will depend on a lease's classification. The provisions of this update are effective for fiscal years beginning after December 15, 2021. Management is evaluating the effects of the the new accounting principle as of December 31, 2021.

*See independent auditor's report.*

## BREAST CANCER RESEARCH FOUNDATION OF ALABAMA

### Notes to Financial Statements (continued) For the Year Ended December 31, 2021

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#### Note 2 – Cash and Cash Equivalents

The Foundation maintains accounts at four financial institutions. Cash totaled \$319,286 and \$512,472 at December 31, 2021 and 2020, respectively, which approximated the fair value. The accounts at each financial institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2021, all cash account balances were covered by FDIC insurance.

#### Note 3 – Donor Restricted Net Assets

Net assets have been restricted by donors to fund an immunotherapy project led by qualified physicians in the field. Restricted cash amounts are maintained in a separate account with Merrill Lynch with a balance of \$29,131 and \$69,136, as of December 31, 2021 and 2020, respectively.

	<u>2021</u>	<u>2020</u>
Restricted cash	\$ 29,131	\$ 69,136
Restricted pledge receivable	<u>-</u>	<u>9,750</u>
Total Net Assets with Donor Restrictions	<u>\$ 29,131</u>	<u>\$ 78,886</u>

#### Note 4 – Grants Payable

The Foundation raises money throughout the year to help fund breast cancer research. At year-end, the board of directors reviews the financial position of the Foundation and determines an amount to give to various breast cancer research entities across Alabama. Grants authorized, but unpaid at year-end are reported as liabilities. As of December 31, 2021 and 2020, grants authorized, but not yet paid to the center totaled \$23,776 and \$230,000, respectively.

#### Note 5 – Advertising Expense

The Foundation uses advertising to promote the sale of license plates to citizens of the State of Alabama. The expenses for this promotion totaled \$16,039 and \$19,940 in 2021 and 2020, respectively. Other advertising costs are for the promotion of various events and awareness of the Foundation and totaled \$22,618 and \$15,348 in 2021 and 2020, respectively. All advertising is expensed when incurred.

#### Note 6 – Retirement Plan

The Foundation has implemented a Simple IRA retirement plan for all eligible employees during the previous year. An eligible employee is an individual who earns more than \$5,000 annually in the current and prior year. The Foundation matches dollar for dollar up to 3% of the employees' compensation. As of December 31, 2021 and 2020, the Foundation recognized a total plan expense of \$4,320 and \$3,682, respectively.

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*See independent auditor's report.*

## BREAST CANCER RESEARCH FOUNDATION OF ALABAMA

### Notes to Financial Statements (continued) For the Year Ended December 31, 2021

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#### Note 7 – Liquidity and Availability of Financial Assets

The following reflects the Foundation's financial assets as of the balance sheet date, reduced by amounts not available for general use because of contractual restrictions within one year of the balance sheet date. Total financial assets available consists of cash and accounts receivable. Amounts not available include amounts set aside for grants previously awarded.

	<u>2021</u>	<u>2020</u>
Total financial assets available	\$ 353,338	\$ 549,514
Less: Restricted cash	(29,131)	(69,136)
Less: Restricted pledges receivable	-	(9,750)
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 324,207</u>	<u>\$ 470,628</u>

#### Note 9 – SBA Payroll Protection Program and Economic Injury Disaster Loan

On April 11, 2020, the Foundation received loan proceeds in the amount of \$17,000 under the Paycheck Protection Program ("PPP"). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The loans and accrued interest are forgivable after twenty-four weeks as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the twenty-four week period.

On June 1, 2021, the Foundation received forgiveness for the full amount of the Payroll Protection Program loan administered by the Small Business Association (SBA) in the amount of \$17,000.

On January 21, 2021, the Foundation applied for and received additional Payroll Protection Program funding as well as two additional Economic Injury Disaster Advances. The Payroll Protection Program funds totaled \$33,327 and were forgiven in full in September 2021. The Foundation received Economic Injury Disaster funds in the form of a Targeted Advance of \$6,000 and a Supplemental Targeted Advance of \$5,000 during May 2021, neither of which are required to be repaid.

The Foundation also received \$4,000 in the form of an Economic Injury Disaster Loan (EIDL) under a pre-existing Small Business Administration loan program. The amount came as an advance and has been forgiven.

**BREAST CANCER RESEARCH FOUNDATION OF ALABAMA**

**Notes to Financial Statements (continued)  
For the Year Ended December 31, 2021**

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**Note 10 – Contributions In-Kind**

The Foundation records various types of in-kind contributions. Contributed services are recognized at fair value if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at fair value when received. The amounts reflected in the accompanying financial statements as in-kind contributions are offset by like amounts included in expenses. Contributions in-kind consist of both goods and services for the year ended December 31, 2021:

Public service announcements	\$	140,204
Gift cards and beverages		<u>8,734</u>
	\$	<u>148,938</u>

**Note 11 – Subsequent Events**

Subsequent events have been evaluated through November 28, 2022, the date the financial statements were available to be issued.

*See independent auditor's report.*