



**NATIONAL BREAST CANCER COALITION FUND**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2019**

NATIONAL BREAST CANCER COALITION FUND

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DECEMBER 31, 2019

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## **Independent Auditors' Report**

To the Board of Directors  
National Breast Cancer Coalition Fund  
Washington, D.C.

We have audited the accompanying financial statements of the National Breast Cancer Coalition Fund (NBCC) which comprise the statement of financial position as of December 31, 2019, and the related statements of activities, functional expenses, and cash flows for the year 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 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.

### ***Auditors' 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 auditors' 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 auditors consider 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 financial position of the National Breast Cancer Coalition Fund as of December 31, 2019, 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.

To the Board of Directors  
National Breast Cancer Coalition Fund

***Report on Summarized Comparative Information***

We have previously audited NBCC's 2018 financial statements, and we expressed an unmodified audit opinion on those financial statements in our report dated May 15, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Councilor, Buchanan + Mitchell, P.C.*

Washington, D.C.  
May 12, 2020

Certified Public Accountants

**NATIONAL BREAST CANCER COALITION FUND**

**STATEMENT OF FINANCIAL POSITION**

**DECEMBER 31, 2019**

**(WITH COMPARATIVE TOTALS AS OF DECEMBER 31, 2018)**

	2019	2018
<b>Assets</b>		
<b>Current Assets</b>		
Cash and Cash Equivalents	\$ 1,222,922	\$ 770,246
Pledges and Grants Receivable	479,366	651,073
Due from National Breast Cancer Coalition	50,963	51,134
Prepaid Expenses	157,025	102,467
Total Current Assets	1,910,276	1,574,920
<b>Pledges and Grants Receivable,</b> Net of Current Portion	79,961	244,491
<b>Property and Equipment</b>		
Furniture and Equipment	229,715	243,304
Software	20,702	20,702
Website	331,809	280,857
Leasehold Improvements	355,772	355,772
Equipment under Capital Lease	36,337	36,337
	974,335	936,972
Less Accumulated Depreciation and Amortization	(798,567)	(752,191)
Total Property and Equipment	175,768	184,781
<b>Deposits</b>	57,134	57,134
<b>Total Assets</b>	<b>\$ 2,223,139</b>	<b>\$ 2,061,326</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts Payable	\$ 86,493	\$ 133,693
Accrued Expenses	41,565	45,049
Deferred Rent	70,228	63,960
Obligation under Capital Lease	7,843	7,387
Total Current Liabilities	206,129	250,089
<b>Deferred Rent, Net of Current Portion</b>	96,220	166,448
<b>Obligation under Capital Lease,</b> Net of Current Portion	4,797	12,640
Total Liabilities	307,146	429,177
<b>Net Assets</b>		
<b>Without Donor Restrictions</b>	1,356,666	799,085
<b>With Donor Restrictions</b>		
Restrictions for Purpose	483,369	500,000
General Support Restricted for Future Periods	75,958	333,064
Total Net Assets With Donor Restrictions	559,327	833,064
Total Net Assets	1,915,993	1,632,149
<b>Total Liabilities and Net Assets</b>	<b>\$ 2,223,139</b>	<b>\$ 2,061,326</b>

*See accompanying Notes to Financial Statements.*

**NATIONAL BREAST CANCER COALITION FUND**

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2019  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2018)**

	Without Donor Restrictions	With Donor Restrictions	2019 Total	2018 Total
<b>Revenues</b>				
Events	\$ 1,167,116	\$ -	\$ 1,167,116	\$ 1,656,963
Less Costs of Direct Benefits to Donors	(437,763)	-	(437,763)	(340,679)
Grants and Contributions	2,386,844	261,836	2,648,680	1,589,775
In-Kind Contributions	38,844	-	38,844	17,427
Interest Income	3,376	-	3,376	2,210
Other Income	184	-	184	16
Net Assets Released from Restrictions	535,573	(535,573)	-	-
<b>Total Revenues</b>	<b>3,694,174</b>	<b>(273,737)</b>	<b>3,420,437</b>	<b>2,925,712</b>
<b>Expenses</b>				
<b>Programs</b>				
Education and Training	941,879	-	941,879	993,408
Public Information, Communication, and Outreach	297,841	-	297,841	332,947
Catalytic Research Projects and Collaborations	616,536	-	616,536	695,535
Public Policy	461,846	-	461,846	422,632
Grassroots Advocacy Field Network Development and Support	208,006	-	208,006	232,839
Other Programs	114,516	-	114,516	17,821
<b>Total Programs</b>	<b>2,640,624</b>	<b>-</b>	<b>2,640,624</b>	<b>2,695,182</b>
Management and General	196,766	-	196,766	238,717
Fundraising	299,203	-	299,203	332,352
<b>Total Expenses</b>	<b>3,136,593</b>	<b>-</b>	<b>3,136,593</b>	<b>3,266,251</b>
Change in Net Assets	557,581	(273,737)	283,844	(340,539)
Net Assets, Beginning of Year	799,085	833,064	1,632,149	1,972,688
<b>Net Assets, End of Year</b>	<b>\$ 1,356,666</b>	<b>\$ 559,327</b>	<b>\$ 1,915,993</b>	<b>\$ 1,632,149</b>

*See accompanying Notes to Financial Statements.*

NATIONAL BREAST CANCER COALITION FUND

STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2019  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2018)

	Education and Training	Public Information, Communication, and Outreach	Catalytic Research Projects and Collaborations	Public Policy	Grassroots Advocacy Field Network Development and Support	Other Programs	Total Programs	Management and General	Fundraising	2019 Total	2018 Total
Salaries	\$ 281,523	\$ 112,150	\$ 292,236	\$ 26,312	\$ 121,844	\$ 78,626	\$ 912,691	\$ 69,943	\$ 77,900	\$ 1,060,534	\$ 1,155,533
Payroll Taxes	27,714	8,416	21,678	1,833	9,205	772	69,618	5,089	6,176	80,883	83,740
Retirement Plan Contributions	4,778	2,457	5,328	466	4,195	215	17,439	2,404	1,949	21,792	19,562
Other Employee Benefits	28,876	10,989	22,612	2,415	11,554	886	77,332	1,288	8,570	87,190	109,589
Consultants	57,324	39,050	46,282	118,400	9,238	6,141	276,435	9,300	54,077	339,812	390,943
Legal Fees	404	1,700	2,757	-	-	21	4,882	39,120	-	44,002	22,541
Accounting Fees	-	-	-	-	-	-	-	26,755	-	26,755	21,799
Staff Development/Recruitment	5,217	2,800	3,344	275	1,523	136	13,295	1,319	1,451	16,065	74,361
Printing/Copying/Design/Graphic	17,041	2,445	2,382	322	11,397	840	34,427	437	24,798	59,662	71,068
Publications and Subscriptions	-	150	776	-	-	-	926	1,699	5,590	8,215	8,106
Postage	5,779	1,807	2,129	47	306	208	10,276	237	11,041	21,554	22,216
Office Supplies	4,337	1,621	2,615	172	1,244	172	10,161	1,558	736	12,455	10,265
Meetings and Events	312,122	3,682	111,460	48	356	19,209	446,877	11,176	3,500	461,553	424,594
Scholarships	49,836	-	-	-	-	-	49,836	-	-	49,836	34,514
Occupancy	68,481	22,823	44,416	3,466	21,014	2,104	162,304	13,628	16,565	192,497	182,904
Telecommunications	23,574	41,655	30,496	1,086	6,891	1,758	105,460	4,485	44,757	154,702	132,127
Depreciation and Amortization	21,681	7,384	14,899	1,112	7,018	574	52,668	4,247	6,758	63,673	62,856
Equipment	1,031	357	744	51	366	23	2,572	221	320	3,113	4,854
Travel	25,635	34,843	8,241	530	-	2,610	71,859	1,091	42	72,992	79,567
Insurance	3,845	1,318	2,615	199	1,136	140	9,253	741	1,198	11,192	9,647
Public Relations and Advertising	-	1,212	-	-	-	-	1,212	-	-	1,212	718
Dues and Fees	2,587	982	1,526	112	719	79	6,005	1,621	20,907	28,533	26,727
Grants	-	-	-	305,000	-	-	305,000	-	-	305,000	300,000
Bad Debt Expense	-	-	-	-	-	-	-	-	-	-	385
Bank Fees	94	-	-	-	-	2	96	349	12,868	13,313	12,522
Direct Mail Expense	-	-	-	-	-	-	-	-	-	-	125
Interest	-	-	-	-	-	-	-	58	-	58	4,988
<b>Total Expenses</b>	<b>\$ 941,879</b>	<b>\$ 297,841</b>	<b>\$ 616,536</b>	<b>\$ 461,846</b>	<b>\$ 208,006</b>	<b>\$ 114,516</b>	<b>\$ 2,640,624</b>	<b>\$ 196,766</b>	<b>\$ 299,203</b>	<b>\$ 3,136,593</b>	<b>\$ 3,266,251</b>

See accompanying Notes to Financial Statements.

**NATIONAL BREAST CANCER COALITION FUND**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2019  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2018)**

	<u>2019</u>	<u>2018</u>
<b>Cash Flows from Operating Activities</b>		
Change in Net Assets	\$ 283,844	\$ (340,539)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities		
Depreciation and Amortization	63,673	62,856
(Increase) Decrease in Assets		
Pledges and Grants Receivable	336,237	616,340
Due from National Breast Cancer Coalition	171	(32,401)
Prepaid Expenses	(54,558)	(32,086)
Increase (Decrease) in Liabilities		
Accounts Payable	(47,200)	(5,148)
Accrued Expenses	(3,484)	(4,081)
Deferred Rent	(63,960)	(57,845)
Net Cash Provided by Operating Activities	<u>514,723</u>	<u>207,096</u>
<b>Cash Flows from Investing Activities</b>		
Purchases of Property and Equipment	<u>(54,660)</u>	<u>(2,442)</u>
Net Cash Used in Investing Activities	<u>(54,660)</u>	<u>(2,442)</u>
<b>Cash Flows from Financing Activities</b>		
Borrowings on Line of Credit	-	150,000
Repayments of Line of Credit	-	(150,000)
Payments of Capital Lease Obligation	<u>(7,387)</u>	<u>(6,958)</u>
Net Cash Used in Financing Activities	<u>(7,387)</u>	<u>(6,958)</u>
Net Increase in Cash and Cash Equivalents	452,676	197,696
Cash and Cash Equivalents, Beginning of Year	<u>770,246</u>	<u>572,550</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u><u>\$ 1,222,922</u></u>	<u><u>\$ 770,246</u></u>
<b>Supplementary Disclosure of Cash Flow Information</b>		
Interest Paid	\$ 58	\$ 4,988

*See accompanying Notes to Financial Statements*



# NATIONAL BREAST CANCER COALITION FUND

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2019

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### 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### *Organization*

The National Breast Cancer Coalition Fund (NBCC) is a nonprofit organization incorporated under the laws of the Commonwealth of Pennsylvania on December 19, 1991. The purpose of the organization is to eradicate breast cancer through focusing national attention on breast cancer and by involving patients and others as advocates for action, advances, and change.

To renew the sense of urgency to its mission and to refocus global efforts on ending breast cancer and saving lives, the National Breast Cancer Coalition has set a deadline: Know how to end breast cancer by January 1, 2020, Breast Cancer Deadline 2020<sup>®</sup>. NBCC has a strategic plan of action to achieve the deadline. The plan focuses on primary prevention, stopping women from getting breast cancer, and understanding and preventing metastasis (the spread of cancer), which is responsible for most breast cancer deaths. The blueprint is designed around three goals: research needed to end breast cancer; global access to the necessary information and lifesaving interventions; and the influence of leaders everywhere in the strategies to end breast cancer.

#### *Programs of NBCC include:*

*Education and Training* - The Center for NBCC Advocacy Training supplies the education, tools, training, and action that enable breast cancer survivors and other advocates to understand complex medical and scientific information and to take leadership roles in clinical, scientific, funding, and policy decision-making that affect breast cancer.

The Advocate Leadership Summit is a three-day educational and strategy-building session to train and empower breast cancer survivors and other advocates by providing information and background about breast cancer as well as the tools and tactics necessary to take a leadership role in breast cancer advocacy.

Project LEAD<sup>®</sup>, NBCC's innovative science training course, is designed to help breast cancer activists influence research and public policy. An intensive two-to-six-day program, Project LEAD<sup>®</sup> prepares advocates for participation in the wide range of forums where breast cancer research decisions are made. Project LEAD<sup>®</sup> includes:

- Project LEAD<sup>®</sup> Institute: Annual intensive six-day course in core science training for advocate leaders to learn the language and concepts of science with a focus on the biology of breast cancer, genetics, epidemiology, research design, and advocacy.
- Advanced Project LEAD<sup>®</sup>: Ongoing educational and training sessions for advocates who excel in science and have successfully completed Project LEAD<sup>®</sup> focusing on enhancing critical thinking and research skills.
- Clinical Trials Project LEAD<sup>®</sup>: Advanced, intensive training for graduates of Project LEAD<sup>®</sup> in the key aspects of clinical trial design, implementation, and oversight.
- Project LEAD<sup>®</sup> Workshop: Two-and-a-half-day, entry-level course in breast cancer science that teaches how to critically analyze research and evaluate breast information in the media.

# NATIONAL BREAST CANCER COALITION FUND

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2019

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### 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *Programs of NBCC include: (Continued)*

- Continuing Education for Project LEAD<sup>®</sup> Graduates: Continued scientific education and research involvement, including LEADgrads Online resources, Advanced Topics sessions at various scientific meetings, and LEADcasts - online webinars with well-known researchers.
- Online Center for Advocacy Training: NBCC's esteemed training experiences brought directly to advocates in a convenient and understandable digital format.
- Team Leader Training: Prepares grassroots leaders to understand the legislative process and to forward NBCC's annual public policy agenda.

*Public Information, Communications, and Outreach* - NBCC has undertaken an expansive effort to change the conversation around breast cancer to a dialogue about knowing how to end the disease.

- Breast Cancer Information Campaigns: The NBCC website and print and electronic communications help educate the public with facts about breast cancer. NBCC's expert staff analyze research studies and media coverage and present the truth behind the news.
- Global Influence: The NBCC executive team, Board of Directors, and advocate leadership represent the breast cancer community, advocating on its behalf and serving on scientific, medical, and research bodies at the national and international levels.

Through all of these programs, NBCC supports and facilitates the research needed to end breast cancer, global access to the necessary information and lifesaving interventions, and the influence of leaders everywhere in the strategies to end breast cancer.

#### *Catalytic Research Projects and Collaborations*

NBCC's Artemis Project<sup>®</sup> is centered around strategic summits, catalytic workshops, and collaborative efforts with a multi-disciplinary and diverse group of stakeholders. This advocated, innovative approach allows scientists, industry representatives, and regulators to work collaboratively with advocates to develop and implement strategic research plans that could have a significant impact on primary prevention and saving lives. Projects include:

- Artemis Project<sup>®</sup> for a Preventive Breast Cancer Vaccine: A strategic plan for the development of a preventive in breast cancer.
- Artemis Project<sup>®</sup> on the Preventive of Metastasis: Determining the process by which breast cancer spreads and becomes lethal, and how to intervene to stop it.
- Seed Grants for Research: NBCC has awarded seed grants to allow scientists to begin the research required in key areas identified in the collaborative research plans.

*Clinical Trials Initiative* - NBCC works with industry and the research community on clinical trials that meet the criteria of NBCC's Clinical Trial Project. We involve breast cancer activists in all aspects of clinical trial design, implementation, and oversight. We work to improve access to quality clinical trials and, thus, treatment and care for women with breast cancer and strategies for those at risk.

NATIONAL BREAST CANCER COALITION FUND

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019

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1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

*Programs of NBCC include: (Continued)*

*Public Policy* - Public policy plays a significant role in all aspects of breast cancer. NBCC focuses its public policy advocacy on priorities that will have a major impact on ending breast cancer, including those that will increase funding for meaningful breast cancer research, provide access to high-quality health care and clinical trials, and expand the influence of breast cancer advocates everywhere breast cancer decisions are made.

NBCC hosts a series of Congressional Forums on Capitol Hill designed to educate policymakers on issues vital to the breast cancer community. NBCC provides members of Congress and their staff up-to-date information about breast cancer and reports on research discoveries that affect policy and appropriations. NBCC leadership often testifies before Congressional committees on substantive breast cancer issues.

*Grassroots Advocacy Field Network Development and Support* - NBCC provides resources and support to member organizations nationwide and enhances education and training among diverse populations of breast cancer activists.

All organization and individual members of NBCC's National Action Network receive email alerts throughout the year, usually twice each month, with important information and timely actions for their advocacy. NBCC also convenes regular conference calls and webinars for the grassroots field network to provide individualized guidance, informational materials, and peer-to-peer support.

*Other Programs* - Through the Clinical Trials Initiative, NBCC works with the research community to involve breast cancer activists in all aspects of clinical trial design, implementation and oversight and increase the number of high-quality trials conducted. NBCC's acclaimed publication, Guide to Quality Breast Cancer Care, is available free of charge on the NBCC website. The Guide provides information for patients to use when evaluating the quality of their health care and developing strategies for getting the best care available.

The operations of NBCC are primarily funded by grants, contributions, and special events.

*Cash and Cash Equivalents*

NBCC considers all short-term investments with an original maturity of three months or less to be cash equivalents, excluding amounts held as investments.

*Pledges and Grants Receivable*

Pledges and grants receivable consist of amounts due for contributions from donors which were not received by NBCC at year end. The management of NBCC believes that all such amounts are fully collectible and no reserve for doubtful accounts has been established. Amounts receivable due in more than one year are discounted at 1.69%.

NATIONAL BREAST CANCER COALITION FUND

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019

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1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

*Property and Equipment*

NBCC capitalizes all property and equipment acquisitions in excess of \$1,000. Property and equipment are recorded at cost, if purchased, or at fair value, at date of donation, if contributed. Depreciation of property and equipment is provided using the straight-line method over the estimated life of the asset.

*Allocation of Functional Expenses*

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. These expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include compensation, benefits, occupancy, depreciation and amortization, and other office related expenses, which are allocated on the basis of estimates of time and effort by employees. Expenses directly identifiable to specific programs and supporting activities are allocated accordingly.

*Use of Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported amounts of revenues and expenses. Actual results could differ from those estimates.

*Basis of Accounting*

The accompanying financial statements are presented on the accrual basis of accounting. Consequently, revenue is recognized when earned and expenses when incurred.

*Financial Statement Presentation*

The financial statements of NBCC have been prepared in accordance with U.S. generally accepted accounting principles (U.S. GAAP), which requires NBCC to report information regarding its financial position and activities according to the following net asset classifications:

*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 NBCC. These net assets may be used at the discretion of NBCC's management and the Board of Directors.

*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 NBCC or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

NATIONAL BREAST CANCER COALITION FUND

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019

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1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

*Revenue and Support*

NBCC 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. Unconditional contributions with donor restrictions for which the restrictions are met in the year received are considered net assets without donor restrictions for financial statement purposes. Contributions received with donor-imposed conditions and restrictions that are met in the same reporting period are reported as support without donor restrictions. When a donor 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. Event revenue is recognized in the period the event occurs.

*In-Kind Contributions*

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, and are performed by people with those skills, and would otherwise be purchased by NBCC. During the year ended December 31, 2019, NBCC received donated legal fees and other services of approximately \$39,000 which is related to management and general services.

*Prior Year Information*

The financial statements include certain prior year summarized comparative totals as of and for the year ended December 31, 2018. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the financial statements for the year ended December 31, 2018, from which the summarized information was derived.

*Income Taxes*

NBCC is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the Code) and has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the Code.

NBCC 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. NBCC does not believe its financial statements include, or reflect, any uncertain tax positions.

NBCC’s Form 990, *Return of Organization Exempt from Income Tax*, is subject to examination by the Internal Revenue Service generally for three years after it is filed.

*Reclassifications*

Certain amounts for 2018 have been reclassified for comparative purposes.

NATIONAL BREAST CANCER COALITION FUND

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019

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**2. ADOPTION OF NEW ACCOUNTING STANDARDS**

*Adoption of Accounting Standards Update 2018-08*

During the year ended December 31, 2019, NBCC adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The ASU provides additional guidance in (1) evaluating whether transactions should be accounted for as contributions (within the scope of ASC 958) or as exchange (reciprocal) transactions (subject to ASC 606); and (2) distinguishing between conditional and unconditional contributions. Management believes that the adoption of this ASU enhances the comparability of financial information among not-for-profit entities. This change in accounting principle was adopted on a modified prospective basis in 2019. As a result, there was no cumulative-effect adjustment to opening net assets without donor restrictions or opening net assets with donor restrictions as of January 1, 2019. The impact of adoption was not material to the financial statements.

*Adoption of Accounting Standards Codification Topic 606*

During the year ended December 31, 2019, NBCC adopted Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 606, *Revenue from Contracts with Customers*. Management believes that the adoption of this standard provides better consistency and comparability across non-profit and for-profit entities. The standard requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The updated standard replaces most existing revenue recognition guidance in U.S. GAAP. This change in accounting principle was adopted on a modified prospective basis in 2019. Analysis of the various provisions of this standard resulted in no significant changes in the way NBCC recognizes revenue; however, the presentation and disclosure of revenue has been enhanced.

**3. RELATED PARTY TRANSACTIONS**

NBCC shares staff and board members with the National Breast Cancer Coalition (the Coalition), a nonprofit organization exempt under Internal Revenue Code Section 501(c)(4). NBCC is reimbursed by the Coalition for certain personnel, office expenses, and combined bills. NBCC incurred approximately \$305,000 of reimbursable expenses paid on behalf of the Coalition during 2019. NBCC made a grant of \$305,000 to the Coalition for the year ended December 31, 2019. The grant to the Coalition was used for general lobbying expenses. The grant was made in accordance with NBCC's 501(h) election for the year.

**4. LIQUIDITY AND AVAILABILITY OF RESOURCES**

NBCC's cash flows have seasonal variations due to the timing of contributions and a concentration of contributions in the first half of the year. NBCC manages its liquidity to meet general expenditures, liabilities, and other obligations as they become due. To meet unanticipated or seasonal needs, NBCC maintains a line of credit with a bank for \$150,000. There is no outstanding balance as of December 31, 2019.

**NATIONAL BREAST CANCER COALITION FUND**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**4. LIQUIDITY AND AVAILABILITY OF RESOURCES (CONTINUED)**

As of December 31, 2019, the following financial assets and liquidity sources were available for general operating expenditures in the year ending December 31, 2020:

*Financial Assets*

Cash and Cash Equivalents	\$ 1,222,922
Pledges and Grants Receivable Due in Less Than One Year	479,366
Less Donor Restricted Net Assets for Purpose	<u>(483,369)</u>
Total Financial Assets Available within One Year	1,218,919

Other Liquidity Resources

Available Line of Credit	<u>150,000</u>
Total Financial Assets and Liquid Resources Available within One Year	<u><u>\$ 1,368,919</u></u>

**5. LINE OF CREDIT AGREEMENT**

NBCC maintains a \$150,000 revolving line of credit from a local bank. The line of credit expires on May 30, 2020. Substantially all of the assets of NBCC are used as collateral for the line of credit. The line of credit contains certain restrictive covenants. Subsequent to year end, NBCC has requested a waiver of covenants. Interest is payable monthly based on the *Wall Street Journal's* minimum prime rate plus 2% with a floor of 6%. NBCC did not have any funds outstanding on the line of credit at December 31, 2019.

**6. CAPITAL LEASE**

NBCC is the lessee of certain office equipment under a capital lease with a term of 60 months. NBCC is obligated under this lease through 2021. The asset and liability under the lease are recorded at the present value of the minimum lease payments. The asset is amortized over the lesser of the estimated useful life or the lease term. Amortization of the asset under the lease is included in depreciation expense. The accumulated amortization as of December 31, 2019, was approximately \$25,000.

Minimum future lease payments under the lease as of December 31, 2019, are as follows:

For the Years Ending December 31,

2020	\$ 8,388
2021	<u>4,893</u>
Total Minimum Lease Payments	13,281
Less Amount Representing Interest	<u>(641)</u>
Present Value of Total Minimum Lease Payments	<u><u>\$ 12,640</u></u>

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**7. PLEDGES AND GRANTS RECEIVABLE**

Unconditional promises to give at December 31, 2019, are as follows:

Pledges and Grants Receivable in Less Than One Year	\$ 479,366
Pledges and Grants Receivable in One to Five Years	<u>82,064</u>
Total Pledges and Grants Receivable	561,430
Less Discount to Present Value	<u>(2,103)</u>
Net Contributions and Grants Receivable	<u><u>\$ 559,327</u></u>

**8. OPERATING LEASE**

During 2014, NBCC entered into a lease (the Lease) for office space and is obligated under the Lease through 2021. Under the terms of the Lease, the base rent increases annually based on scheduled increases provided for in the Lease. The Lease included incentives of approximately 3.5 months of free rent and approximately \$373,000 to build out the office space. Under accounting principles generally accepted in the United States of America (GAAP), all rental payments, including fixed rent increases, are recognized on a straight-line basis over the term of the lease. Lease incentives are amortized over the life of the lease on a straight-line basis as an offset to rent expense. The difference between the GAAP rent expense and the required lease payments, as well as any unamortized lease incentives, are reflected as deferred rent in the accompanying statement of financial position.

The following is a schedule of future minimum lease payments required under the above operating lease as of December 31, 2019:

For the Years Ending December 31,

2020	\$ 256,989
2021	<u>263,413</u>
Total	<u><u>\$ 520,402</u></u>

Rent expense totaled approximately \$185,000 for the year ended December 31, 2019.

**9. RETIREMENT PLAN**

NBCC maintains a 401(k) plan (the Plan). NBCC may elect to make an annual safe harbor contribution for all eligible employees. In addition, NBCC may make discretionary contributions. To be eligible, employees must have attained age 21 and completed one year of service. Participants may elect to make voluntary contributions to the Plan. The total contribution under the Plan for the year ended December 31, 2019, was approximately \$25,000. NBCC's portion of the contribution was approximately \$22,000. NBCC was reimbursed by the Coalition for the remaining \$3,000 of the contribution.



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**10. COMMITMENTS**

NBCC has entered into agreements for services to provide accommodations for its events to be held through July 2020. The agreements contain clauses whereby NBCC is liable for liquidated damages in the event of cancellation. Due to the uncertainty surrounding the ongoing coronavirus pandemic management will continue to assess the situation and weigh their options. Should the environment improve NBCC will move forward as planned.

NBCC has entered into a non-cancelable service contract with an internet services company through 2020. The future estimated commitment under this contract is approximately \$43,000 and is payable in quarterly installments.

**11. NET ASSETS WITH DONOR RESTRICTIONS**

As of December 31, 2019, net assets with donor restrictions consisted of the following:

Artemis Project	\$ 300,000
Center for Advocacy Training	183,369
Time Restriction - General Support for Future Periods	<u>75,958</u>
Total Net Assets With Donor Restrictions	<u><u>\$ 559,327</u></u>

Net assets released from restrictions for the year ended December 31, 2019, were as follows:

Artemis Project	\$ 200,000
Time Restriction - General Support for Future Periods	<u>335,573</u>
Total Releases from Donor Restrictions	<u><u>\$ 535,573</u></u>

**12. CONCENTRATIONS**

As of December 31, 2019, two donors comprised approximately 82% of total pledges and grants receivable. Two events, the New York Gala and LA Cabaret, made up approximately 23% of total revenue for the year ended December 31, 2019. For the year ended December 31, 2019, approximately 34% of total revenue was received from two donors.

NBCC maintains a bank account at a financial institution located in Washington, D.C., which at times during the year exceeded the Federal Deposit Insurance Corporation limit. Management believes the risk in these situations to be minimal.

**13. JOINT COST ALLOCATION**

NBCC incurred joint costs in 2019 for informational materials that included fundraising appeals. The costs were allocated as follows:

Program Services	\$ 15,464
Fundraising and Development	4,421
Administration	<u>1,299</u>
Total	<u><u>\$ 21,184</u></u>

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**14. SUBSEQUENT EVENTS**

The spread of COVID-19 (coronavirus disease) has had a disruptive impact on the daily life and operations of individuals, businesses, and companies around the world. There is uncertainty about financial and economic impacts in all sectors of the economy. The financial markets have experienced significant volatility, and this may continue for an extended period of time. In light of these circumstances, management continues to assess how best to adapt to changed circumstances.

NBCC has received a Small Business Administration (SBA) loan under the Paycheck Protection Program (PPP) in the amount of approximately \$221,000. PPP provides up to eight weeks of cash-flow assistance through 100% federally guaranteed loans to eligible recipients to maintain payroll during the COVID-19 public health emergency and cover certain other expenses. The first loan payment is deferred for six months. If NBCC maintains its workforce and meets certain requirements, up to 100% of the loan is forgivable by the SBA if the loan proceeds are used to cover the first eight weeks of payroll, and certain other expenses. The Treasury Department anticipates that no more than 25% of the forgiven amount may be for non-payroll costs. Also, if NBCC does not retain its entire workforce, the level of forgiveness is reduced by the percentage of the decrease. Loans under PPP have an interest rate of 1% and a maturity of two years.

Subsequent events were evaluated through May 12, 2020, which is the date the financial statements were available to be issued.