



NATIONAL BREAST CANCER COALITION FUND

FINANCIAL STATEMENTS

DECEMBER 31, 2022

NATIONAL BREAST CANCER COALITION FUND

TABLE OF CONTENTS
DECEMBER 31, 2022

	<u>Pages</u>
Independent Auditor's Report	3-4
Financial Statements	
Statement of Financial Position	5
Statement of Activities	6
Statement of Functional Expenses	7
Statement of Cash Flows	8
Notes to Financial Statements	9-18

Independent Auditor's Report

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

Opinion

We have audited the accompanying financial statements of National Breast Cancer Coalition Fund (NBCC), which comprise the statement of financial position as of December 31, 2022, 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 NBCC as of December 31, 2022, 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 NBCC 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 NBCC'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.

To the Board of Directors
National Breast Cancer Coalition Fund

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

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 NBCC'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 NBCC'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 NBCC's 2021 financial statements, and we expressed an unmodified audit opinion on those financial statements in our report dated August 5, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Councilor, Buchanan + Mitchell, P.C.

Bethesda, Maryland
October 19, 2023

Certified Public Accountants

NATIONAL BREAST CANCER COALITION FUND

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2022

(WITH COMPARATIVE TOTALS AS OF DECEMBER 31, 2021)

	2022	2021
Assets		
Cash and Cash Equivalents	\$ 1,310,862	\$ 3,033,626
Accounts Receivable	3,325	17,331
Pledges and Grants Receivable	1,248,246	1,465,157
Employee Retention Credit Receivable	36,716	-
Due from National Breast Cancer Coalition	-	4,111
Prepaid Expenses	178,046	257,998
Property and Equipment		
Furniture and Equipment	71,653	70,773
Software	2,550	20,702
Website	233,417	343,137
	307,620	434,612
Less Accumulated Depreciation and Amortization	(285,968)	(382,886)
Total Property and Equipment	21,652	51,726
Investments	3,166,525	-
Total Assets	\$ 5,965,372	\$ 4,829,949
Liabilities		
Accounts Payable	\$ 64,391	\$ 48,936
Accrued Expenses	82,250	68,579
Due to National Breast Cancer Coalition	31,141	-
Total Liabilities	177,782	117,515
Net Assets		
Without Donor Restrictions	3,734,983	3,199,364
With Donor Restrictions		
Restricted for Purpose	1,822,541	872,913
General Support Restricted for Future Periods	230,066	640,157
Total Net Assets With Donor Restrictions	2,052,607	1,513,070
Total Net Assets	5,787,590	4,712,434
Total Liabilities and Net Assets	\$ 5,965,372	\$ 4,829,949

See accompanying Notes to Financial Statements.

NATIONAL BREAST CANCER COALITION FUND

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2021)**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2022 Total</u>	<u>2021 Total</u>
Revenues				
Events	\$ 477,838	\$ 275,000	\$ 752,838	\$ 1,141,989
Less Costs of Direct Benefits to Donors	(176,810)	-	(176,810)	(121,289)
Grants and Contributions	2,595,484	1,341,811	3,937,295	3,250,370
Donated Services	27,652	-	27,652	47,720
Interest Income	17,751	-	17,751	39
Other Income	5,610	-	5,610	12,396
Net Assets Released from Restrictions	1,077,274	(1,077,274)	-	-
Total Revenues	4,024,799	539,537	4,564,336	4,331,225
Expenses				
Programs				
Education and Training	1,311,971	-	1,311,971	713,367
Public Information, Communication, and Outreach	262,789	-	262,789	260,360
Catalytic Research Projects and Collaborations	737,967	-	737,967	664,557
Public Policy	456,775	-	456,775	361,322
Grassroots Advocacy Field Network Development and Support	242,064	-	242,064	238,052
Other Programs	20,577	-	20,577	20,511
Total Programs	3,032,143	-	3,032,143	2,258,169
Management and General	210,667	-	210,667	231,073
Fundraising	246,370	-	246,370	300,821
Total Expenses	3,489,180	-	3,489,180	2,790,063
Change in Net Assets	535,619	539,537	1,075,156	1,541,162
Net Assets, Beginning of Year	3,199,364	1,513,070	4,712,434	3,171,272
Net Assets, End of Year	\$ 3,734,983	\$ 2,052,607	\$ 5,787,590	\$ 4,712,434

See accompanying Notes to Financial Statements.

NATIONAL BREAST CANCER COALITION FUND

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2021)

	Education and Training	Public Information, and Outreach	Catalytic Research Projects and Collaborations	Public Policy	Grassroots Advocacy Field Network Development and Support	Other Programs	Total Programs	Management and General	Fundraising	2022 Total	2021 Total
Salaries	\$ 489,481	\$ 157,022	\$ 409,162	\$ 36,839	\$ 170,594	\$ 14,766	\$ 1,277,864	\$ 97,928	\$ 109,069	\$ 1,484,861	\$ 1,422,207
Payroll Taxes	37,113	11,891	31,012	2,785	12,896	1,116	96,813	7,413	8,261	112,487	109,821
Retirement Plan Contributions	9,956	5,120	11,101	971	8,740	447	36,335	3,634	4,061	44,030	41,563
Other Employee Benefits	42,149	16,040	33,007	3,525	16,865	1,293	112,879	5,621	12,510	131,010	120,052
Consultants	52,000	5,785	35,737	123,796	500	-	217,818	3,874	26,093	247,785	249,070
Legal Fees	344	-	428	-	-	-	772	806	-	1,578	6,572
Donated Services	-	-	11,061	-	-	-	11,061	16,591	-	27,652	46,220
Accounting Fees	-	-	-	-	-	-	-	29,400	-	29,400	27,000
Staff Development/Recruitment	1,185	10,822	759	62	2,208	31	15,067	15,211	3,221	33,499	72,990
Printing/Copying/Design/Graphic	13,608	5,042	2,783	12	10,326	181	31,952	2,244	19,323	53,519	68,894
Publications and Subscriptions	-	5,007	297	-	-	632	5,936	1,550	526	8,012	7,519
Postage	6,233	630	762	9	103	5	7,742	889	8,276	16,907	32,479
Office Supplies	2,783	571	1,278	87	541	44	5,304	2,656	384	8,344	8,374
Meetings and Events	545,422	1,469	148,720	-	-	98	695,709	2,663	-	698,372	93,201
Scholarships	19,286	400	-	-	-	-	19,686	-	-	19,686	1,200
Short-Term Lease Expense	23,391	8,814	14,314	1,832	7,532	715	56,598	2,460	8,132	67,190	43,651
Telecommunications	18,821	6,295	12,717	940	5,964	504	45,241	3,674	5,761	54,676	116,824
Depreciation and Amortization	10,540	3,589	7,243	541	3,412	279	25,604	2,064	3,285	30,953	45,344
Equipment	259	53	119	8	50	4	493	247	36	776	162
Travel	26,919	21,162	9,292	-	104	235	57,712	4,108	6	61,826	10,015
Insurance	3,578	1,227	2,433	185	1,057	131	8,611	139	1,115	9,865	10,420
Public Relations and Advertising	1,705	-	-	-	-	-	1,705	128	1,200	3,033	2,446
Dues and Fees	3,997	1,850	4,761	183	1,172	96	12,059	6,497	20,687	39,243	36,694
Grants and Honorarium	-	-	-	285,000	-	-	285,000	-	-	285,000	201,500
Bank Fees	3,201	-	981	-	-	-	4,182	870	14,424	19,476	15,845
Total Expenses	\$ 1,311,971	\$ 262,789	\$ 737,967	\$ 456,775	\$ 242,064	\$ 20,577	\$ 3,032,143	\$ 210,667	\$ 246,370	\$ 3,489,180	\$ 2,790,063

See accompanying Notes to Financial Statements.

NATIONAL BREAST CANCER COALITION FUND

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2021)

	2022	2021
Cash Flows from Operating Activities		
Change in Net Assets	\$ 1,075,156	\$ 1,541,162
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities		
Donated Securities Received	(39,273)	(17,492)
Proceeds from Sales of Donated Securities	40,025	65,118
Loss on Investments	3,496	-
Depreciation and Amortization	30,953	45,344
<u>(Increase) Decrease in Assets</u>		
Accounts Receivable	14,006	4,619
Pledges and Grants Receivable	216,911	(378,567)
Employee Retention Credit Receivable	(36,716)	-
Due from National Breast Cancer Coalition	4,111	3,234
Prepaid Expenses	79,952	(205,997)
Deposits	-	57,134
<u>Increase (Decrease) in Liabilities</u>		
Accounts Payable	15,455	(60,090)
Accrued Expenses	13,671	13,785
Due to National Breast Cancer Coalition	31,141	-
Deferred Rent	-	(12,298)
Net Cash Provided by Operating Activities	1,448,888	1,055,952
Cash Flows from Investing Activities		
Proceeds from Sale of Investments	1,000,000	-
Purchases of Investments	(4,170,773)	-
Purchases of Property and Equipment	(879)	(23,719)
Net Cash Used in Investing Activities	(3,171,652)	(23,719)
Cash Flows from Financing Activities		
Payments of Capital Lease Obligation	-	(4,797)
Net Cash Used in Financing Activities	-	(4,797)
Net (Decrease) Increase in Cash and Cash Equivalents	(1,722,764)	1,027,436
Cash and Cash Equivalents, Beginning of Year	3,033,626	2,006,190
Cash and Cash Equivalents, End of Year	\$ 1,310,862	\$ 3,033,626

See accompanying Notes to Financial Statements.

NATIONAL BREAST CANCER COALITION FUND

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022

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.

NBCC's mission is "to end breast cancer through the power of action and advocacy." NBCC designs and runs programs to educate, train, and inform advocates, policymakers, scientists, providers, and the public about breast cancer science, health care, and advocacy. NBCC collaborates with the research community on innovative research, effects change in the health care system to advance access to quality health care for all, and gives a powerful, effective voice to breast cancer advocates everywhere.

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[®], 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[®] prepares advocates for participation in the wide range of forums where breast cancer research decisions are made. Project LEAD[®] includes:

- Project LEAD[®] 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[®]: Ongoing educational and training sessions for advocates who excel in science and have successfully completed Project LEAD[®] focusing on enhancing critical thinking and research skills.
- Clinical Trials Project LEAD[®]: Advanced, intensive training for graduates of Project LEAD[®] in the key aspects of clinical trial design, implementation, and oversight.
- Project LEAD[®] 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.
- Continuing Education for Project LEAD[®] 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.

NATIONAL BREAST CANCER COALITION FUND

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

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

Programs of NBCC include: (Continued)

- 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[®] is centered around strategic summits, catalytic workshops, and collaborative efforts with a multi-disciplinary and diverse group of stakeholders. This advocate-led, 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[®] for a Preventive Breast Cancer Vaccine: A strategic plan for the development of a preventive in breast cancer.
- Artemis Project[®] 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.

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.

NATIONAL BREAST CANCER COALITION FUND

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

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

Programs of NBCC include: (Continued)

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.

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.

Investments

Equity investments are recorded at fair value using quotations on national exchanges. Debt securities are recorded at fair value using readily available pricing sources for comparable investments. Investment income, including realized and unrealized gains and losses, is included in the statement of activities.

Accounts Receivable and Pledges and Grants Receivable

Accounts receivable and pledges and grants receivable consist of amounts due 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 3.99%.

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 salaries, payroll taxes, retirement plan contributions, other employee benefits, 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.

NATIONAL BREAST CANCER COALITION FUND

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

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

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.

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.

NATIONAL BREAST CANCER COALITION FUND

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

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

Leases

The determination of whether an arrangement is a lease is made at the lease's inception. Under the Financial Accounting Standards Board's (FASB) Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*, a contract is (or contains) a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined under the standard as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset. Management only reassesses its determination if the terms and conditions of the contract are changed.

NBCC considers leases with initial terms of twelve months or less, and no option to purchase the underlying asset, to be short-term leases. Accordingly, short-term lease costs are expensed as payments when incurred.

Prior Year Information

The financial statements include certain prior year summarized comparative totals as of and for the year ended December 31, 2021. 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, 2021, 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 2021 have been reclassified for comparative purposes.

2. ADOPTION OF ACCOUNTING STANDARDS UPDATES

Adoption of Accounting Standards Update 2020-07

During the year ended December 31, 2022, NBCC adopted Financial Accounting Standards Board's (FASB) Accounting Standards Update (ASU) 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958)*. This guidance is intended to increase transparency of contributed nonfinancial assets for nonprofits through enhancements to presentation and disclosure. Specifically, the ASU addresses the lack of transparency surrounding

NATIONAL BREAST CANCER COALITION FUND

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

2. ADOPTION OF ACCOUNTING STANDARDS UPDATES (CONTINUED)

Adoption of Accounting Standards Update 2020-07 (Continued)

the measurement of contributed nonfinancial assets, as well as the amount of those contributions used in program and other activities. Management believes that the adoption of this ASU enhances the transparency of financial information among nonprofit entities. The change in accounting principle was applied on a retrospective basis.

Adoption of Accounting Standards Update 2016-02

During the year ended December 31, 2022, NBCC adopted the FASB ASU 2016-02, *Leases (Topic 842)*, which supersedes the leasing guidance in *Topic 840*. NBCC also adopted the following ASUs, which amend and clarify *Leases (Topic 842)*: ASU 2018-01, *Land Easement Practical Expedient for Transition to Topic 842*; ASU 2018-10, *Codification Improvements to Topic 842, Leases*; ASU 2018-11, *Leases (Topic 842): Targeted Improvements*; ASU 2018-20, *Narrow-scope Improvements for Lessors*; ASU 2019-01, *Leases (Topic 842): Codification Improvements*; ASU 2021-05, *Leases (Topic 842): Lessors - Certain Leases with Variable Lease Payments*; and ASU 2021-09, *Leases (Topic 842): Discount Rate for Lessees That Are Not Public Business Entities*.

NBCC adopted the leasing standards effective January 1, 2022, using the modified retrospective approach with January 1, 2022, as the initial date of application. Management has elected to apply all practical expedients available under the new guidance.

NBCC does not have any leases with terms in excess of twelve months. The short-term lease expense for the year ended December 31, 2022, was approximately \$67,000.

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 \$249,000 of reimbursable expenses paid on behalf of the Coalition during 2022. NBCC also made a grant of \$285,000 to the Coalition for the year ended December 31, 2022. The grant to the Coalition was used for direct 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 \$250,000. There is no outstanding balance as of December 31, 2022.

NATIONAL BREAST CANCER COALITION FUND

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

4. LIQUIDITY AND AVAILABILITY OF RESOURCES (CONTINUED)

As of December 31, 2022, the following financial assets and liquidity sources were available for general operating expenditures for the year ending December 31, 2023:

Financial Assets

Cash and Cash Equivalents	\$ 1,310,862
Accounts Receivable	3,325
Employee Retention Credit	36,716
Pledges and Grants Receivable Due in Less Than One Year	931,564
Investments	3,166,525
Less Donor Restricted Net Assets for Purpose	<u>(1,822,541)</u>
Financial Assets Available to Meet Cash Needs for General Expenditures within One Year	<u><u>\$ 3,626,451</u></u>

5. INVESTMENTS AND FAIR VALUE MEASUREMENTS

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels as follows:

Level 1 - inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets (examples include equity securities);

Level 2 - inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability other than quoted prices, either directly or indirectly, including inputs in markets that are not considered to be active (examples include corporate or municipal bonds);

Level 3 - inputs to the valuation methodology are unobservable and significant to the fair value measurement. The inputs to the determination of fair value require significant management judgment (examples include certain private equity securities).

The following table presents NBCC's assets measured at fair value as of December 31, 2022:

Description	Fair Value	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Mutual Funds	\$ 2,670,158	\$ 2,670,158	\$ -	\$ -
Fixed Income	496,367	496,367	-	-
Total	<u><u>\$ 3,166,525</u></u>	<u><u>\$ 3,166,525</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

6. DONATED SERVICES AND NONMONETARY TRANSACTIONS

During the year ended December 31, 2022, NBCC received donated services of approximately \$28,000, of which is included as expenses in the statement of functional expenses as follows for the year ended December 31, 2022:

Description	Research Projects and Collaborations	Management and General	Total
Legal Fees	\$ 11,061	\$ 16,591	\$ 27,652

NATIONAL BREAST CANCER COALITION FUND

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

6. DONATED SERVICES AND NONMONETARY TRANSACTIONS (CONTINUED)

Based on current market rates for these services, NBCC would have paid approximately \$28,000 for the year ended December 31, 2022. All donated services received by NBCC for the year ended December 31, 2022, were considered without donor restrictions and available to be used by NBCC by the Board of Directors and management.

7. LINE OF CREDIT AGREEMENT

NBCC maintains a \$250,000 revolving line of credit from a local bank. The line of credit expires on May 30, 2024. Substantially all of the assets of NBCC are used as collateral for the line of credit. The line of credit contains certain restrictive covenants. Interest is payable monthly based on the *Wall Street Journal's* prime rate plus 1% with a floor of 5%. NBCC did not have any funds outstanding on the line of credit as of December 31, 2022.

8. PLEDGES AND GRANTS RECEIVABLE

Unconditional promises to give at December 31, 2022, are as follows:

Pledges and Grants Receivable in Less Than One Year	\$ 931,564
Pledges and Grants Receivable in One to Five Years	<u>335,833</u>
Total Pledges and Grants Receivable	1,267,397
Less Discount to Present Value	<u>(19,151)</u>
Net Contributions and Grants Receivable	<u><u>\$ 1,248,246</u></u>

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, 2022, was approximately \$48,000. NBCC's portion of the contribution was approximately \$44,000. NBCC was reimbursed by the Coalition for the remaining \$4,000 of the contribution.

10. NET ASSETS WITH DONOR RESTRICTIONS

As of December 31, 2022, net assets with donor restrictions consisted of the following:

Artemis Project	\$ 1,439,439
Center for Advocacy Training	25,000
Clinical Trials and Research	58,102
Future Events	275,000
Project LEAD	25,000
Time Restriction - General Support for Future Periods	<u>230,066</u>
Total Net Assets With Donor Restrictions	<u><u>\$ 2,052,607</u></u>

NATIONAL BREAST CANCER COALITION FUND

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

10. NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

Net assets released from restrictions for the year ended December 31, 2022, were as follows:

Artemis Project	\$ 410,560
Advocacy Conference	50,000
Clinical Trials and Research	14,811
Future Events	100,000
Time Restriction - General Support for Future Periods	<u>501,903</u>
Total Releases from Donor Restrictions	<u>\$ 1,077,274</u>

11. COMMITMENTS AND CONTINGENCIES

NBCC has entered into agreements for services to provide accommodations for its events to be held in the future. The agreements contain clauses whereby NBCC is liable for liquidated damages in the event of cancellation. Management does not believe any cancellations under these contracts will occur.

12. CONCENTRATIONS

As of December 31, 2022, two donors comprised approximately 89% of total pledges and grants receivable. For the year ended December 31, 2022, approximately 35% 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.

NBCC invests in various investment securities. Investment securities are exposed to various risks such as interest rates, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying financial statements.

13. JOINT COST ALLOCATION

NBCC incurred joint costs in 2022 for informational materials that included fundraising appeals. The costs were allocated as follows:

Program Services	\$ 16,145
Fundraising and Development	4,209
Administration	<u>5,246</u>
Total	<u>\$ 25,600</u>

14. LEASES

During April 2022, NBCC signed a nine-month lease for office space in Washington, D.C. In November 2022, NBCC signed a twelve-month lease for the office space beginning January 1, 2023. Short-term lease expense was approximately \$67,000 for the year ended December 31, 2022.

NATIONAL BREAST CANCER COALITION FUND

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

15. EMPLOYEE RETENTION CREDIT

The Employee Retention Credit (ERC) was created as part of the CARES Act in response to COVID-19 and provides employers a refundable tax credit against certain employment taxes after March 12, 2020. The Taxpayer Certainty and Disaster Tax Relief Act of 2020 extended the ERC through September 30, 2021. During 2022, NBCC retroactively applied for ERC for calendar year 2020 in the amount of approximately \$37,000. The ERC is included in employee retention credit receivable and contributions for the year ended December 31, 2022.

16. SUBSEQUENT EVENTS

Subsequent events were evaluated through October 19, 2023, which is the date the financial statements were available to be issued.