

**BREASTCANCER.ORG**  
**FINANCIAL STATEMENTS**  
**YEARS ENDED MAY 31, 2020 AND 2019**



[CLAconnect.com](http://CLAconnect.com)

WEALTH ADVISORY  
OUTSOURCING  
AUDIT, TAX, AND  
CONSULTING

**BREASTCANCER.ORG  
TABLE OF CONTENTS  
YEARS ENDED MAY 31, 2020 AND 2019**

<b>INDEPENDENT AUDITORS' REPORT</b>	<b>1</b>
<b>FINANCIAL STATEMENTS</b>	
<b>STATEMENTS OF FINANCIAL POSITION</b>	<b>3</b>
<b>STATEMENTS OF ACTIVITIES</b>	<b>4</b>
<b>STATEMENTS OF FUNCTIONAL EXPENSES</b>	<b>5</b>
<b>STATEMENTS OF CASH FLOWS</b>	<b>7</b>
<b>NOTES TO FINANCIAL STATEMENTS</b>	<b>8</b>



## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Breastcancer.org  
Ardmore, Pennsylvania

We have audited the accompanying financial statements of Breastcancer.org (a nonprofit organization), which comprise the statements of financial position as of May 31, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years 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 audits. We conducted our audits 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 auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

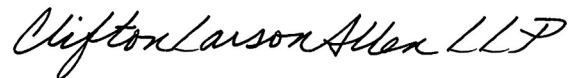
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Breastcancer.org as of May 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Change in Accounting Principle**

As discussed in Note 1 to the financial statements, the organization adopted Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)* and Accounting Standards Update (ASU) No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 958)*. Our opinion is not modified with respect to these matters.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

**CliftonLarsonAllen LLP**

Plymouth Meeting, Pennsylvania  
March 18, 2021

**BREASTCANCER.ORG**  
**STATEMENTS OF FINANCIAL POSITION**  
**MAY 31, 2020 AND 2019**

	2020	2019
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 2,397,531	\$ 1,683,756
Pledges Receivable	329,965	587,023
Accounts Receivable, Other	263,213	253,778
Prepaid Expenses	10,287	21,923
Total Current Assets	3,000,996	2,546,480
<b>WEBSITE COSTS, PROPERTY, AND EQUIPMENT</b>	1,083,894	680,175
<b>OTHER ASSETS</b>		
Pledges Receivable, Net of Current Portion	337,008	294,200
Security Deposits	13,200	13,200
Total Other Assets	350,208	307,400
Total Assets	\$ 4,435,098	\$ 3,534,055
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable and Accrued Expenses	\$ 69,383	\$ 104,350
PPP Loan	360,830	-
Total Current Liabilities	430,213	104,350
<b>DEFERRED RENT</b>	101,539	142,283
Total Liabilities	531,752	246,633
<b>NET ASSETS</b>		
Without Donor Restrictions:		
Undesignated	2,994,389	2,424,134
Board Designated	54,567	54,535
Total Without Donor Restrictions	3,048,956	2,478,669
With Donor Restrictions	854,390	808,753
Total Net Assets	3,903,346	3,287,422
Total Liabilities and Net Assets	\$ 4,435,098	\$ 3,534,055

See accompanying Notes to Financial Statements.

**BREASTCANCER.ORG**  
**STATEMENTS OF ACTIVITIES**  
**YEARS ENDED MAY 31, 2020 AND 2019**

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE</b>						
Contributions and Grants:						
Corporate Grants	\$ 1,162,810	\$ 275,000	\$ 1,437,810	\$ 2,009,201	\$ 175,000	\$ 2,184,201
Foundation Grants	107,644	3,000	110,644	(5,900)	25,000	19,100
Individuals	837,581	81,015	918,596	950,127	55,503	1,005,630
Other	10,000	-	10,000	-	-	-
Website Monetization Revenue	1,801,392	-	1,801,392	1,403,889	-	1,403,889
Fundraisers and Special Events	612,668	-	612,668	758,774	-	758,774
In-Kind Contributions	539,698	-	539,698	492,494	-	492,494
Investment Income	4,362	-	4,362	3,364	-	3,364
Other Income	2,638	-	2,638	2,685	-	2,685
Net Assets Released from Restrictions	313,378	(313,378)	-	285,312	(285,312)	-
Total Support and Revenue	<u>5,392,171</u>	<u>45,637</u>	<u>5,437,808</u>	<u>5,899,946</u>	<u>(29,809)</u>	<u>5,870,137</u>
<b>EXPENDITURES</b>						
Program Services	3,725,114	-	3,725,114	4,253,267	-	4,253,267
Development	734,980	-	734,980	778,984	-	778,984
General and Administrative	361,790	-	361,790	359,828	-	359,828
Total Expenditures	<u>4,821,884</u>	<u>-</u>	<u>4,821,884</u>	<u>5,392,079</u>	<u>-</u>	<u>5,392,079</u>
<b>CHANGE IN NET ASSETS</b>	570,287	45,637	615,924	507,867	(29,809)	478,058
Net Assets – Beginning of Year	<u>2,478,669</u>	<u>808,753</u>	<u>3,287,422</u>	<u>1,970,802</u>	<u>838,562</u>	<u>2,809,364</u>
<b>NET ASSETS – END OF YEAR</b>	<u>\$ 3,048,956</u>	<u>\$ 854,390</u>	<u>\$ 3,903,346</u>	<u>\$ 2,478,669</u>	<u>\$ 808,753</u>	<u>\$ 3,287,422</u>

See accompanying Notes to Financial Statements.

**BREASTCANCER.ORG**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED MAY 31, 2020**

	Program Services	Supporting Services		Total
		Development	General and Administrative	2020
<b>COMPENSATION AND RELATED EXPENSES</b>				
Salaries	\$ 1,592,533	\$ 488,542	\$ 189,532	\$ 2,270,607
Payroll Taxes and Employee Benefits	200,817	61,605	23,900	286,322
Total Compensation and Related Expenses	<u>1,793,350</u>	<u>550,147</u>	<u>213,432</u>	<u>2,556,929</u>
<b>OTHER OPERATING EXPENSES</b>				
Accounting	28,353	5,496	83,664	117,513
Business Insurance	15,159	1,375	1,539	18,073
Conferences, Meetings, and Events	58,008	89,517	673	148,198
Depreciation	102,852	14,417	9,052	126,321
In-Kind Marketing	476,096	-	-	476,096
IT Support/Internet Connection	35,139	6,812	7,623	49,574
Legal	64,420	11,567	12,944	88,931
Marketing/Public Relations	11,852	2,517	189	14,558
Memberships/Dues/Subscriptions	13,325	1,566	475	15,366
Miscellaneous	989	169	145	1,303
Occupancy	112,634	21,835	24,435	158,904
Office Supplies	8,445	1,876	1,808	12,129
Postage	2,321	1,153	504	3,978
Printing/Brochures	678	5,075	-	5,753
Program Consultants	819,601	3,238	2	822,841
Service Charges	18,098	3,219	3,588	24,905
Software Licenses	71,544	10,014	1,436	82,994
Staff Recruitment	23,449	103	115	23,667
Travel	34,398	4,884	166	39,448
Website Maintenance and Development	34,403	-	-	34,403
Total Other Operating Expenses	<u>1,931,764</u>	<u>184,833</u>	<u>148,358</u>	<u>2,264,955</u>
Total Functional Expenses	<u>\$ 3,725,114</u>	<u>\$ 734,980</u>	<u>\$ 361,790</u>	<u>\$ 4,821,884</u>

See accompanying Notes to Financial Statements.

**BREASTCANCER.ORG**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED MAY 31, 2019**

	Program Services	Supporting Services		Total
		Development	General and Administrative	2019
<b>COMPENSATION AND RELATED EXPENSES</b>				
Salaries	\$ 1,474,618	\$ 474,462	\$ 194,921	\$ 2,144,001
Payroll Taxes and Employee Benefits	192,669	61,992	25,468	280,129
Total Compensation and Related Expenses	<u>1,667,287</u>	<u>536,454</u>	<u>220,389</u>	<u>2,424,130</u>
<b>OTHER OPERATING EXPENSES</b>				
Accounting	29,225	5,353	86,665	121,243
Business Insurance	18,100	1,295	1,311	20,706
Conferences, Meetings, and Events	53,473	143,158	392	197,023
Depreciation	174,775	16,329	7,714	198,818
In-Kind Marketing	431,864	-	-	431,864
IT Support/Internet Connection	26,218	4,802	4,864	35,884
Legal	152,420	9,974	10,104	172,498
Marketing/Public Relations	6,107	897	-	7,004
Memberships/Dues/Subscriptions	5,418	725	365	6,508
Miscellaneous	2,263	353	103	2,719
Occupancy	117,391	21,500	21,781	160,672
Office Supplies	8,771	1,606	1,627	12,004
Postage	2,382	1,372	438	4,192
Printing/Brochures	-	6,317	-	6,317
Program Consultants	1,364,788	7,243	-	1,372,031
Service Charges	17,609	4,821	2,992	25,422
Software Licenses	74,483	9,918	836	85,237
Staff Recruitment	356	165	66	587
Travel	51,492	4,952	181	56,625
Website Maintenance and Development	48,845	1,750	-	50,595
Total Other Operating Expenses	<u>2,585,980</u>	<u>242,530</u>	<u>139,439</u>	<u>2,967,949</u>
Total Functional Expenses	<u>\$ 4,253,267</u>	<u>\$ 778,984</u>	<u>\$ 359,828</u>	<u>\$ 5,392,079</u>

See accompanying Notes to Financial Statements.



**BREASTCANCER.ORG**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED MAY 31, 2020 AND 2019**

	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Changes in Net Assets	\$ 615,924	\$ 478,058
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	126,321	198,818
(Increase) Decrease in Assets:		
Pledges Receivable	214,250	41,891
Accounts Receivable, Other	(9,435)	(37,111)
Prepaid Expenses	11,636	(11,487)
Increase (Decrease) in Liabilities:		
Accounts Payable and Accrued Expenses	(34,966)	50,386
Deferred Rent	(40,744)	(35,201)
Net Cash Provided by Operating Activities	882,986	685,354
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Website Costs, Property, and Equipment	(530,041)	(19,520)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from PPP Loan	360,830	-
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	713,775	665,834
Cash and Cash Equivalents – Beginning of Year	1,683,756	1,017,922
<b>CASH AND CASH EQUIVALENTS – END OF YEAR</b>	\$ 2,397,531	\$ 1,683,756

See accompanying Notes to Financial Statements.

**BREASTCANCER.ORG**  
**NOTES TO FINANCIAL STATEMENTS**  
**MAY 31, 2020 AND 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Operations**

Breastcancer.org (the Organization) is a nonprofit organization incorporated on May 21, 2001, in accordance with the provisions of the Pennsylvania Nonprofit Corporation Law of December 21, 1988, P.L. 1444, No. 177. The Organization's mission is to help women and their loved ones make sense of the complex medical, personal, and practical information about breast health and breast cancer, so they can make the best decisions for their lives. The Organization is dedicated to providing the most reliable, complete, and up-to-date medical information and on-line community support. Information is disseminated through Breastcancer.org's 4,000+ page website, including Research News articles, discussion boards, social media channels, and educational booklets. The Organization also has a Spanish-language version of its website.

The Organization's bylaws provide for a board of directors, consisting of one or more directors elected for three-year terms by class (term commencement year), and until their successors are elected and qualified, each class represents one-third of the board.

The organization's primary funding comes from individuals, corporations, website monetization revenue, special events, and charitable foundations.

**Basis of Presentation**

The Organization follows ASU No. 2016-14 – *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. The standard is intended to improve net asset classification requirements and the information present in the financial statements and notes about the Organization's liquidity, financial performance, and cash flows. The standard requires the Organization to classify its net assets into two categories: net asset without donor restrictions and net assets with donor restrictions.

It also requires recognition of underwater endowment funds as a reduction of net assets with donor restrictions, which is not applicable to the Organization. In addition, the guidance requires enhanced disclosures about governing board designations; composition of net assets with donor restrictions; the Organization's liquidity; and expenses by both their natural and functional classification.

**Classification of Net Assets**

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

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

**BREASTCANCER.ORG**  
**NOTES TO FINANCIAL STATEMENTS**  
**MAY 31, 2020 AND 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Classification of Net Assets (Continued)**

*Net Assets With Donor Restrictions* – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as donor restricted revenue when received and released from donor restrictions when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

The Organization had no net assets held in perpetuity.

The board of trustees designated \$54,567 and \$54,535 as of May 31, 2020 and 2019, respectively, to be used for the Lisa Kabnick Fund. The purpose of this fund is to provide continuing operating support for the work of the Organization.

**Contributions With Donor Restrictions and Without Donor Restrictions**

Contributions, including unconditional promises to give, are recognized as revenue in the period received. Contributions received are recorded as increases in net assets with or without restrictions, depending on the existence and/or nature of any donor restrictions. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose of restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, 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. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promise becomes unconditional.

**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 and disclosures of contingent assets and liabilities as of the date of the financial statements, as well as the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

**Cash and Cash Equivalents**

The Organization considers money market funds and all highly liquid investments with an original maturity date of 90 days or less to be cash equivalents. Cash equivalents are stated at cost, which approximates market value.

**BREASTCANCER.ORG**  
**NOTES TO FINANCIAL STATEMENTS**  
**MAY 31, 2020 AND 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Pledges Receivable**

Contributions are recognized when a donor makes a pledge to give the Organization that is, in substance, unconditional. Unconditional pledges are recorded as revenues or gain in the period received and as assets, decreases of liabilities, or expenses, depending on the form of the contributions received. Conditional pledges to give are recognized when the conditions on which they depend are substantially met. At May 31, 2020, there were no conditional pledges that were not yet recognized.

Pledges receivable (i.e., a promise dependent only on passage of time or demand by the donee for performance), with payments due to future periods, are required to be recorded as restricted support unless explicit donor stipulations or circumstances surrounding the receipt of a promise make it clear that the donor intended their contribution to be used to support activities within the current period. Unconditional pledges to give cash in future years generally increase net assets with donor restrictions.

The Organization records unconditional pledges to give at the estimated present value of the future cash flows, net of allowances to include net realizable value based upon management's analysis of specific pledges made (see Note 2). No allowance for uncollectible pledges was warranted at May 31, 2020 and 2019.

**Accounts Receivable**

The allowance for doubtful accounts is determined based on past collection experience as well as consideration of each individual receivable. Receivables are estimated to be fully collectible by management and no allowance for bad debts has been recorded at May 31, 2020 and 2019.

**Website Costs, Property and Equipment, and Depreciation**

Website costs, property, and equipment are stated at cost, except for donated assets which are stated at fair value at the date of the gift. Depreciation is recorded using the straight-line method over the estimated useful life of the related assets. Maintenance, repairs, and minor replacements are expensed as incurred. Replacements and betterments with a cost in excess of \$1,000 which increase the service capacity or prolong the service life beyond that originally contemplated are capitalized.

**Donated Services**

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, and would otherwise be purchased by the Organization. Donated services that met the requirements for recognition have been recognized in income and the related expenses.

**Functional Expenses**

Functional expenses are charged directly to program, development or management and general expense categories based on specific identification. Indirect costs are allocated based upon salaries and timesheets as well as percentage of directly identified costs in the category.

**BREASTCANCER.ORG**  
**NOTES TO FINANCIAL STATEMENTS**  
**MAY 31, 2020 AND 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Income Taxes**

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC), as an organization, contributions to which are deductible under Section 170(c) of the IRC; and as an organization that is not a private foundation as defined in Section 509(a) of the IRC. The Organization follows the income tax standard for uncertain tax positions. The application of this standard had no impact on the Organization's financial statements.

The Organization is not aware of any activities that would jeopardize its tax-exempt status.

**New Accounting Pronouncements**

In 2019, the Organization adopted FASB ASU No. 2018-08, *Not-for-Profit Entities (Topic 958), Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The new guidance is intended to clarify and improve accounting guidance for contributions received and contributions made. The amendments in this ASU should assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. No changes were made to previously reported net assets.

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*. Subsequent to May 2014, the FASB issued six ASUs to clarify certain matters related to Topic 606. Topic 606 supersedes the revenue recognition requirements in FASB ASC 605, *Revenue Recognition*, and requires the recognition of revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. The updates address the complexity of revenue recognition and provide sufficient information to enable financial statements users to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The organization's financial statements reflect the application of ASC 606 guidance beginning in 2020. No cumulative-effect adjustment in net assets was recorded because the adoption of ASU 2014-09 did not significantly impact the organization's reported historical revenue.

**Subsequent Events**

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through March 18, 2021, the date the financial statements were available to be issued.

**BREASTCANCER.ORG**  
**NOTES TO FINANCIAL STATEMENTS**  
**MAY 31, 2020 AND 2019**

**NOTE 2 PLEDGES RECEIVABLE**

Pledges receivables are as follows as of May 31:

	2020	2019
Receivable in One Year or Less	\$ 329,965	\$ 587,023
Receivable in Two to Five Years	342,000	305,000
Total Pledges Receivable Before Discount	671,965	892,023
Less: Discount to Net Present Value	4,992	10,800
Total Pledges Receivable	666,973	881,223
Pledges Receivable, Current Portion	329,965	587,023
Pledges Receivable, Net of Current Portion	<u>\$ 337,008</u>	<u>\$ 294,200</u>

Rates ranging from 1.44% to 3.15% were used for discounting multi-year pledges received during the years ended May 31, 2020 and 2019 to net present value.

**NOTE 3 WEBSITE COSTS, PROPERTY, AND EQUIPMENT**

Website costs, property, and equipment and corresponding estimated useful lives are as follows as of May 31:

	2020			
	Estimated Useful Life in Years	Cost	Accumulated Depreciation	Net Book Value
Computer, Office Equipment, and Furniture	3-5	\$ 299,646	\$ 276,469	\$ 23,177
Leasehold Improvements	7	312,205	200,702	111,503
Technology Upgrade	3	327,527	327,527	-
Website, Other Capitalized Costs	3-5	2,712,433	1,763,219	949,214
Total		<u>\$ 3,651,811</u>	<u>\$ 2,567,917</u>	<u>\$ 1,083,894</u>

	2019			
	Estimated Useful Life in Years	Cost	Accumulated Depreciation	Net Book Value
Computer, Office Equipment, and Furniture	3-5	\$ 288,780	\$ 262,205	\$ 26,575
Leasehold Improvements	1.5	312,205	156,101	156,104
Technology Upgrade	3	327,527	327,527	-
Website, Other Capitalized Costs	3-5	2,193,258	1,695,762	497,496
Total		<u>\$ 3,121,770</u>	<u>\$ 2,441,595</u>	<u>\$ 680,175</u>

**NOTE 4 LINE OF CREDIT**

In December 2010, the Organization obtained a \$200,000 line of credit from Beneficial Mutual Savings Bank (now WSFS). The maturity date of that line of credit was extended by the bank to December 1, 2022. The line of credit is secured by all of the assets of the Organization. Interest on borrowings is at the prime rate as reported by the Wall Street Journal (3.25% at May 31, 2020). There were no borrowings outstanding under the line of credit as of May 31, 2020 and 2019.

**BREASTCANCER.ORG**  
**NOTES TO FINANCIAL STATEMENTS**  
**MAY 31, 2020 AND 2019**

**NOTE 5 PPP LOAN**

On April 24, 2020 the Organization received a loan from WSFS Bank in the amount of \$360,830 to fund payroll, rent, utilities, and interest on mortgages and existing debt through the Paycheck Protection Program (the “PPP Loan”). The original loan agreement was written prior to the PPP Flexibility Act of 2020 (June 5) and was due over twenty-four months deferred for six months. Subsequent to this, the law changed the loan deferral terms retroactively. The PPP Flexibility Act and subsequent regulations supersede the loan agreement. The PPP Loan bears interest at a fixed rate of 1.0% per annum, with the first six months of interest deferred, has a term of two years, and is unsecured and guaranteed by the U.S. Small Business Administration. Payment of principal and interest is deferred until the date on which the amount of forgiveness is remitted to the lender or, if the Organization fails to apply for forgiveness within 10 months after the covered period, then payment of principal and interest shall begin on that date. These amounts may be forgiven subject to compliance and approval based on the timing and use of these funds in accordance with the program. To the extent that all or part of the PPP Loan is not forgiven, the Organization will be required to pay interest on the PPP Loan at a rate of 1.0% per annum.

**NOTE 6 RESTRICTIONS ON NET ASSETS**

Net assets with donor restrictions were available for the following purposes or periods as of May 31:

	<u>2020</u>	<u>2019</u>
Clinical Trials	\$ 50,000	\$ -
Core	25,000	-
Educational Content and Technology	-	84,009
Podcast	-	30,000
Reconstruction Content	389,868	418,760
Metastatic	-	10,000
Owned Content	36,250	50,000
COVID-19	135,264	-
Time Restriction	218,008	215,984
Total	<u>\$ 854,390</u>	<u>\$ 808,753</u>

**BREASTCANCER.ORG**  
**NOTES TO FINANCIAL STATEMENTS**  
**MAY 31, 2020 AND 2019**

**NOTE 6 RESTRICTIONS ON NET ASSETS (CONTINUED)**

Net assets released from donor restrictions by incurring expenses satisfying purpose or time restrictions specified by donors during the years ended May 31, 2020 and 2019 were as follows:

	<u>2020</u>	<u>2019</u>
Educational Content and Technology	\$ 84,009	\$ 25,991
Podcast	30,000	23,584
Research News	-	35,000
Reconstruction Content	28,892	75,572
Transformation	-	50,000
Metastatic	10,000	15,000
Owned Content	13,750	-
COVID-19	72,079	-
Time Restriction	74,648	60,165
Total	<u>\$ 313,378</u>	<u>\$ 285,312</u>

**NOTE 7 IN-KIND CONTRIBUTIONS**

For the years ended May 31, 2020 and 2019, the Organization recorded the following contributed services in the statements of activities as in-kind contributions and related expenses:

	<u>2020</u>	<u>2019</u>
AdWord Grant	\$ 476,096	\$ 431,863
Legal Services	63,602	60,631
Total	<u>\$ 539,698</u>	<u>\$ 492,494</u>

No other amounts have been recorded for donated services since the value of such time is not susceptible to objective measurement and does not meet the criteria necessary for financial statement recognition.

**NOTE 8 OPERATING LEASES**

In February 2015, the Organization entered into a new lease beginning September 11, 2015, for new permanent office space. In conjunction with this lease, leasehold improvements were made to the office space, \$253,440 of which was paid by the landlord. Consequently, a deferred rent obligation in this amount is being amortized over the accounting term of the lease which is 88 months. Deferred rent was \$101,539 and \$142,283 as of May 31, 2020 and 2019, respectively.

Rent expense was \$132,839 and \$131,596 for all office leases for the years ended May 31, 2020 and 2019, respectively. The Organization records periodic rental expense over the life of the lease.



**BREASTCANCER.ORG**  
**NOTES TO FINANCIAL STATEMENTS**  
**MAY 31, 2020 AND 2019**

**NOTE 8 OPERATING LEASES (CONTINUED)**

The Organization also leases office equipment under two operating leases. Rental expense on leased equipment for the years ended May 31, 2020 and 2019 was \$7,467 and \$6,868, respectively.

Scheduled future minimum rental payments on all operating leases as of May 31, 2020 are as follows:

<u>Year Ending May 31.</u>	<u>Amount</u>
2021	\$ 180,476
2022	176,096
2023	58,212
Total	<u>\$ 414,784</u>

**NOTE 9 RELATED PARTY TRANSACTIONS**

An attorney who sits on the board of directors is of counsel in a law firm which donated legal services during the years ended May 31, 2020 and 2019, in the amount of \$63,602 and \$60,631, respectively.

**NOTE 10 CONCENTRATIONS OF CREDIT RISK**

The Organization maintains all of its cash balances in a financial institution, which at times exceed \$250,000 Federal Deposit Insurance Corporation (FDIC) insured limits.

**NOTE 11 PENSION PLAN**

The Organization maintains a defined contribution retirement plan under Section 403(b) of the IRC covering all eligible employees. Employees may contribute a percentage of their eligible gross wages to the plan. The Organization also may make discretionary contributions to the plan based principally on employee compensation. Contributions in the amount of \$21,003 and \$22,486 were made for the years ended May 31, 2020 and 2019, respectively.

**BREASTCANCER.ORG**  
**NOTES TO FINANCIAL STATEMENTS**  
**MAY 31, 2020 AND 2019**

**NOTE 12 LIQUIDITY**

The Organization's assets available for general expenditure within one year of the statement of financial position date are as follows:

	<u>2020</u>	<u>2019</u>
Cash	\$ 2,397,531	\$ 1,683,756
Pledges Receivable	666,973	881,223
Accounts Receivable	<u>263,213</u>	<u>253,778</u>
Subtotal	3,327,717	2,818,757
Less: Restrictions	<u>(854,390)</u>	<u>(292,053)</u>
Total	<u><u>\$ 2,473,327</u></u>	<u><u>\$ 2,526,704</u></u>

As more fully described in Note 4, the Organization also has a committed line of credit in the amount of \$200,000 which it could draw upon in the event of an unanticipated liquidity need.

**NOTE 13 RISKS AND UNCERTAINTIES**

The Coronavirus Disease 2019 (COVID-19) has recently affected global markets, supply chains, employees of companies, and our communities. Specific to the Organization, COVID-19 may impact various parts of its 2021 operations and financial results including cancellation of events and reduced contributions. Management believes the Organization is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as of May 31, 2020.

