

**BREASTCANCER.ORG**  
**FINANCIAL STATEMENTS**  
**YEARS ENDED MAY 31, 2021 AND 2020**



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## 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, 2021 and 2020, 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.

Board of Directors  
Breastcancer.org

***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, 2021 and 2020, 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.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Plymouth Meeting, Pennsylvania  
April 1, 2022

**BREASTCANCER.ORG**  
**STATEMENTS OF FINANCIAL POSITION**  
**MAY 31, 2021 AND 2020**

	2021	2020
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 4,076,818	\$ 2,397,531
Pledges Receivable	230,989	329,965
Accounts Receivable, Other	301,297	263,213
Prepaid Expenses	28,146	10,287
Total Current Assets	4,637,250	3,000,996
<b>WEBSITE COSTS, PROPERTY, AND EQUIPMENT</b>	1,604,694	1,083,894
<b>OTHER ASSETS</b>		
Pledges Receivable, Net of Current Portion	183,197	337,008
Security Deposits	13,200	13,200
Total Other Assets	196,397	350,208
Total Assets	\$ 6,438,341	\$ 4,435,098
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable and Accrued Expenses	\$ 305,497	\$ 69,383
Note Payable, Current Portion	101,758	-
Deferred Revenue	791,180	-
PPP Loans	740,367	360,830
Total Current Liabilities	1,938,802	430,213
<b>LONG-TERM LIABILITIES</b>		
Deferred Rent	58,022	101,539
Note Payable, Less Current Maturities	273,586	-
Total Long-Term Liabilities	331,608	101,539
Total Liabilities	2,270,410	531,752
<b>NET ASSETS</b>		
Without Donor Restrictions:		
Undesignated	3,445,540	2,994,389
Board-Designated	54,574	54,567
Total Without Donor Restrictions	3,500,114	3,048,956
With Donor Restrictions	667,817	854,390
Total Net Assets	4,167,931	3,903,346
Total Liabilities and Net Assets	\$ 6,438,341	\$ 4,435,098

See accompanying Notes to Financial Statements.

**BREASTCANCER.ORG**  
**STATEMENTS OF ACTIVITIES**  
**YEARS ENDED MAY 31, 2021 AND 2020**

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE</b>						
Contributions and Grants:						
Corporate Grants	\$ 1,433,651	\$ 173,598	\$ 1,607,249	\$ 1,162,810	\$ 275,000	\$ 1,437,810
Foundation Grants	15,938		15,938	107,644	3,000	110,644
Individuals	947,517	70,845	1,018,362	837,581	81,015	918,596
Other	-	-	-	10,000	-	10,000
Website Monetization Revenue	2,148,191	-	2,148,191	1,801,392	-	1,801,392
Fundraisers and Special Events	138,735	-	138,735	612,668	-	612,668
In-Kind Contributions	579,449	-	579,449	539,698	-	539,698
Investment Income	1,088	-	1,088	4,362	-	4,362
Other Income	388	-	388	2,638	-	2,638
Net Assets Released from Restrictions	431,016	(431,016)	-	313,378	(313,378)	-
Total Support and Revenue	<u>5,695,973</u>	<u>(186,573)</u>	<u>5,509,400</u>	<u>5,392,171</u>	<u>45,637</u>	<u>5,437,808</u>
<b>EXPENDITURES</b>						
Program Services	4,116,720	-	4,116,720	3,725,114	-	3,725,114
Development	668,641	-	668,641	734,980	-	734,980
General and Administrative	459,454	-	459,454	361,790	-	361,790
Total Expenditures	<u>5,244,815</u>	<u>-</u>	<u>5,244,815</u>	<u>4,821,884</u>	<u>-</u>	<u>4,821,884</u>
<b>CHANGE IN NET ASSETS</b>	451,158	(186,573)	264,585	570,287	45,637	615,924
Net Assets – Beginning of Year	<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>
<b>NET ASSETS – END OF YEAR</b>	<u>\$ 3,500,114</u>	<u>\$ 667,817</u>	<u>\$ 4,167,931</u>	<u>\$ 3,048,956</u>	<u>\$ 854,390</u>	<u>\$ 3,903,346</u>

See accompanying Notes to Financial Statements.

**BREASTCANCER.ORG**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED MAY 31, 2021**

	Program Services	Supporting Services		Total
		Development	General and Administrative	2021
<b>COMPENSATION AND RELATED EXPENSES</b>				
Salaries	\$ 1,751,267	\$ 495,171	\$ 218,191	\$ 2,464,629
Payroll Taxes and Employee Benefits	220,986	62,484	27,532	311,002
Total Compensation and Related Expenses	<u>1,972,253</u>	<u>557,655</u>	<u>245,723</u>	<u>2,775,631</u>
<b>OTHER OPERATING EXPENSES</b>				
Accounting	27,840	4,522	93,422	125,784
Business Insurance	15,740	1,347	2,275	19,362
Conferences, Meetings, and Events	7,394	1,236	1,337	9,967
Depreciation	113,742	18,474	31,207	163,423
In-Kind Marketing	461,887	-	-	461,887
IT Support/Internet Connection	28,067	4,559	7,700	40,326
Legal	121,602	19,751	33,364	174,717
Marketing/Public Relations	5,107	13	-	5,120
Memberships/Dues/Subscriptions	20,206	2,092	1,772	24,070
Miscellaneous	2,936	452	674	4,062
Occupancy	111,342	18,084	30,549	159,975
Office Supplies	4,265	670	1,132	6,067
Postage	2,181	1,825	599	4,605
Printing/Brochures	-	7,103	-	7,103
Program Consultants	1,101,791	3,001	57	1,104,849
Service Charges	19,451	2,875	4,856	27,182
Software Licenses	59,899	24,764	4,334	88,997
Staff Recruitment	1,476	240	405	2,121
Travel	1,856	(22)	48	1,882
Website Maintenance and Development	37,685	-	-	37,685
Total Other Operating Expenses	<u>2,144,467</u>	<u>110,986</u>	<u>213,731</u>	<u>2,469,184</u>
Total Functional Expenses	<u>\$ 4,116,720</u>	<u>\$ 668,641</u>	<u>\$ 459,454</u>	<u>\$ 5,244,815</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**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED MAY 31, 2021 AND 2020**

	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Changes in Net Assets	\$ 264,585	\$ 615,924
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	163,423	126,321
(Increase) Decrease in Assets:		
Pledges Receivable	252,787	214,250
Accounts Receivable, Other	(38,084)	(9,435)
Prepaid Expenses	(17,859)	11,636
Increase (Decrease) in Liabilities:		
Accounts Payable and Accrued Expenses	236,114	(34,966)
Deferred Revenue	791,180	-
Deferred Rent	(43,517)	(40,744)
Net Cash Provided by Operating Activities	1,608,629	882,986
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Website Costs, Property, and Equipment	(684,223)	(530,041)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from Note Payable	375,344	-
Proceeds from PPP Loan	379,537	360,830
Net Cash Provided by Operating Activities	754,881	360,830
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	1,679,287	713,775
Cash and Cash Equivalents – Beginning of Year	2,397,531	1,683,756
<b>CASH AND CASH EQUIVALENTS – END OF YEAR</b>	\$ 4,076,818	\$ 2,397,531
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Cash Paid During the Year for Interest	\$ 967	\$ -

See accompanying Notes to Financial Statements.

**BREASTCANCER.ORG**  
**NOTES TO FINANCIAL STATEMENTS**  
**MAY 31, 2021 AND 2020**

**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 people make sense of the complex medical and personal 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. The Organization's website has over 1,500 pages of original, expert-reviewed content providing the most reliable, complete, and up-to-date breast health and breast cancer information available. Breastcancer.org also hosts a peer support community where people can connect with others to share experiences and advice. There have been more than 220,000 registered users of the Breastcancer.org discussion boards over time. 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, 2021 AND 2020**

**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 \$54,574 and \$54,567 as of May 31, 2021 and 2020, 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. As of May 31, 2021, the Organization deferred \$791,180, correspondingly, of revenue received in advance until the conditions of the contracts are met and the revenue can be recognized.

**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, 2021 AND 2020**

**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, 2021, 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, 2021 and 2020.

**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, 2021 and 2020.

**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. Leasehold improvements are depreciated over the shorter of the useful life of the asset or the lease term. 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, 2021 AND 2020**

**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.

**Subsequent Events**

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through April 1, 2022, the date the financial statements were available to be issued.

**NOTE 2 PLEDGES RECEIVABLE**

Pledges receivables are as follows as of May 31:

	2021	2020
Receivable in One Year or Less	\$ 230,989	\$ 329,965
Receivable in Two to Five Years	184,500	342,000
Total Pledges Receivable Before Discount	415,489	671,965
Less: Discount to Net Present Value	1,303	4,992
Total Pledges Receivable	414,186	666,973
Pledges Receivable, Current Portion	230,989	329,965
Pledges Receivable, Net of Current Portion	<u>\$ 183,197</u>	<u>\$ 337,008</u>

Rates ranging from 1.03% to 3.15% were used for discounting multi-year pledges received during the years ended May 31, 2021 and 2020 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:

		2021		
	Estimated Useful Life in Years	Cost	Accumulated Depreciation	Net Book Value
Computer, Office Equipment, and Furniture	3-5	\$ 309,181	\$ 287,795	\$ 21,386
Leasehold Improvements	7	312,205	245,302	66,903
Technology Upgrade	3	327,527	327,527	-
Website, Other Capitalized Costs	3-5	3,387,121	1,870,716	1,516,405
Total		<u>\$ 4,336,034</u>	<u>\$ 2,731,340</u>	<u>\$ 1,604,694</u>

**BREASTCANCER.ORG**  
**NOTES TO FINANCIAL STATEMENTS**  
**MAY 31, 2021 AND 2020**

**NOTE 3 WEBSITE COSTS, PROPERTY, AND EQUIPMENT (CONTINUED)**

	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		\$ 3,651,811	\$ 2,567,917	\$ 1,083,894

Depreciation expense for the years ended May 31, 2021 and 2020 was \$163,423 and \$126,321, respectively.

**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, 2021). There were no borrowings outstanding under the line of credit as of May 31, 2021 and 2020.

**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 24 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 (SBA). 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.

On July 28, 2021, the Organization received notice from WSFS Bank that the loan had been forgiven in full by the SBA. Based on this full forgiveness determination, the Organization will recognize the funds from the SBA as revenue in 2022.

**BREASTCANCER.ORG**  
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**NOTE 5 PPP LOAN (CONTINUED)**

The SBA may review funding eligibility and usage of funds in compliance with the program based on dollar thresholds and other factors. The amount of liability, if any, from potential noncompliance cannot be determined with certainty; however, management is of the opinion that any review will not have a material adverse impact on the Company's financial position.

On February 13, 2021, the Organization received a second PPP loan in the amount of \$379,537 subject to the same terms as the first loan.

**NOTE 6 NOTE PAYABLE**

On January 27, 2021, the Organization entered into a loan agreement with WSFS Bank for a total borrowed amount up to \$2,000,000. Beginning February 27, 2021, interest only payments are due at a rate of 3.11% on the unpaid principal balance for 12 months. Beginning February 27, 2022, monthly payments of principal and interest in the amount of \$30,524 are due through January 27, 2028. The balance on the loan at May 31, 2021 was \$375,344.

Future minimum principal payments as of May 31, 2021 are as follows:

<u>Year Ending May 31.</u>	<u>Amount</u>
2022	\$ 101,758
2023	273,586
Total	<u>\$ 375,344</u>

**NOTE 7 RESTRICTIONS ON NET ASSETS**

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

	2021	2020
Clinical Trials	\$ 158,597	\$ 50,000
Core	-	25,000
Reconstruction Content	296,023	389,868
Owned Content	-	36,250
COVID-19	-	135,264
Time Restriction	213,197	218,008
Total	\$ 667,817	\$ 854,390

**BREASTCANCER.ORG**  
**NOTES TO FINANCIAL STATEMENTS**  
**MAY 31, 2021 AND 2020**

**NOTE 7 RESTRICTIONS ON NET ASSETS (CONTINUED)**

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

	<u>2021</u>	<u>2020</u>
Educational Content and Technology	\$ -	\$ 84,009
Podcast	-	30,000
Clinical Trials	50,000	-
Reconstruction Content	93,846	28,892
Editorial	25,000	-
Metastatic	-	10,000
Owned Content	36,250	13,750
COVID-19	161,019	72,079
Time Restriction	64,901	74,648
Total	<u>\$ 431,016</u>	<u>\$ 313,378</u>

**NOTE 8 IN-KIND CONTRIBUTIONS**

For the years ended May 31, 2021 and 2020, the Organization recorded the following contributed services in the statements of activities as in-kind contributions and related expenses:

	<u>2021</u>	<u>2020</u>
AdWord Grant	\$ 461,887	\$ 476,096
Legal Services	107,562	63,602
Total	<u>\$ 579,449</u>	<u>\$ 539,698</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 9 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 \$58,022 and \$101,539 as of May 31, 2021 and 2020, respectively.

Rent expense was \$132,888 and \$132,839 for all office leases for the years ended May 31, 2021 and 2020, respectively. The Organization records periodic rental expense over the life of the lease.



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**NOTE 9 OPERATING LEASES (CONTINUED)**

The Organization also leases office equipment under two operating leases. Rental expense on leased equipment for the years ended May 31, 2021 and 2020 was \$7,385 and \$7,467, respectively.

Scheduled future minimum rental payments on all operating leases as of May 31, 2021 are as follows:

<u>Year Ending May 31,</u>	<u>Amount</u>
2022	\$ 176,096
2023	58,212
Total	<u>\$ 234,308</u>

**NOTE 10 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, 2021 and 2020, in the amount of \$107,562 and \$63,602, respectively.

**NOTE 11 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 12 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 \$24,434 and \$21,003 were made for the years ended May 31, 2021 and 2020, respectively.

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**NOTE 13 LIQUIDITY**

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

	<u>2021</u>	<u>2020</u>
Cash	\$ 4,076,818	\$ 2,397,531
Pledges Receivable	230,989	329,965
Accounts Receivable	<u>301,297</u>	<u>263,213</u>
Subtotal	4,609,104	2,990,709
Less: Restrictions	<u>(667,817)</u>	<u>(854,390)</u>
Total	<u><u>\$ 3,941,287</u></u>	<u><u>\$ 2,136,319</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.