

BREASTCANCER.ORG
FINANCIAL STATEMENTS
YEARS ENDED MAY 31, 2024 AND 2023



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YEARS ENDED MAY 31, 2024 AND 2023

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Breastcancer.org
Ardmore, Pennsylvania

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Breastcancer.org (a nonprofit organization), which comprise the statements of financial position as of May 31, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years 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 Breastcancer.org as of May 31, 2024 and 2023, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of Breastcancer.org and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 Breastcancer.org's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditors' 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 auditors' 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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, 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 Breastcancer.org'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 Breastcancer.org'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 audits.



CliftonLarsonAllen LLP

King of Prussia, Pennsylvania
December 17, 2024

BREASTCANCER.ORG
STATEMENTS OF FINANCIAL POSITION
MAY 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 1,291,547	\$ 1,956,362
Pledges Receivable	494,782	390,770
Accounts Receivable, Other	288,637	266,667
Prepaid Expenses	<u>38,932</u>	<u>19,614</u>
Total Current Assets	2,113,898	2,633,413
WEBSITE COSTS, PROPERTY, AND EQUIPMENT	2,597,885	3,335,729
OTHER ASSETS		
Pledges Receivable, Net of Current Portion	-	29,768
Security Deposits	<u>18,491</u>	<u>18,438</u>
Total Other Assets	<u>18,491</u>	<u>48,206</u>
Total Assets	<u><u>\$ 4,730,274</u></u>	<u><u>\$ 6,017,348</u></u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 133,645	\$ 201,731
Note Payable, Current Portion	<u>429,512</u>	<u>369,910</u>
Total Current Liabilities	563,157	571,641
LONG-TERM LIABILITIES		
Note Payable, Less Current Maturities	<u>1,422,079</u>	<u>1,781,433</u>
Total Long-Term Liabilities	<u>1,422,079</u>	<u>1,781,433</u>
Total Liabilities	1,985,236	2,353,074
NET ASSETS		
Without Donor Restrictions:		
Undesignated	2,249,564	3,096,447
Board-Designated	<u>54,677</u>	<u>54,625</u>
Total Without Donor Restrictions	2,304,241	3,151,072
With Donor Restrictions	<u>440,797</u>	<u>513,202</u>
Total Net Assets	<u>2,745,038</u>	<u>3,664,274</u>
Total Liabilities and Net Assets	<u><u>\$ 4,730,274</u></u>	<u><u>\$ 6,017,348</u></u>

See accompanying Notes to Financial Statements.

BREASTCANCER.ORG
STATEMENTS OF ACTIVITIES
YEARS ENDED MAY 31, 2024 AND 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE						
Contributions and Grants:						
Corporate Grants	\$ 1,572,416	\$ 625,000	\$ 2,197,416	\$ 1,843,903	\$ 665,000	\$ 2,508,903
Foundation Grants	88,182	-	88,182	44,887	-	44,887
Individuals	1,057,117	-	1,057,117	1,141,318	-	1,141,318
Website Monetization Revenue	1,600,000	-	1,600,000	1,778,649	-	1,778,649
Fundraisers and Special Events	675,976	-	675,976	434,842	-	434,842
In-Kind Contributions	512,968	-	512,968	577,717	-	577,717
Royalties and Product Sales, Net	127,043	-	127,043	77,118	-	77,118
Investment Income	42,197	-	42,197	6,140	-	6,140
Other Income	-	-	-	505,380	-	505,380
Net Assets Released from Restrictions	697,405	(697,405)	-	584,230	(584,230)	-
Total Support and Revenue	6,373,304	(72,405)	6,300,899	6,994,184	80,770	7,074,954
EXPENDITURES						
Program Services	5,815,334	-	5,815,334	6,493,738	-	6,493,738
Development	959,213	-	959,213	1,093,856	-	1,093,856
General and Administrative	445,588	-	445,588	522,923	-	522,923
Total Expenditures	7,220,135	-	7,220,135	8,110,517	-	8,110,517
CHANGE IN NET ASSETS	(846,831)	(72,405)	(919,236)	(1,116,333)	80,770	(1,035,563)
Net Assets – Beginning of Year	3,151,072	513,202	3,664,274	4,267,405	432,432	4,699,837
NET ASSETS – END OF YEAR	<u>\$ 2,304,241</u>	<u>\$ 440,797</u>	<u>\$ 2,745,038</u>	<u>\$ 3,151,072</u>	<u>\$ 513,202</u>	<u>\$ 3,664,274</u>

See accompanying Notes to Financial Statements.

BREASTCANCER.ORG
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED MAY 31, 2024

	Program Services	Supporting Services		Total
		Development	General and Administrative	
COMPENSATION AND RELATED EXPENSES				
Salaries	\$ 2,796,304	\$ 670,902	\$ 273,066	\$ 3,740,272
Payroll Taxes and Employee Benefits	381,566	91,546	37,261	510,373
Total Compensation and Related Expenses	3,177,870	762,448	310,327	4,250,645
OTHER OPERATING EXPENSES				
Accounting	52,694	4,996	82,518	140,208
Business Insurance	12,002	1,669	1,634	15,305
Conferences, Meetings, and Events	13,483	18,116	846	32,445
Depreciation	937,131	1,174	1,149	939,454
In-Kind Marketing	437,801	-	-	437,801
Interest	57,543	9,548	9,351	76,442
IT Support/Internet Connection	35,962	5,968	5,844	47,774
Legal	62,032	10,293	10,080	82,405
Marketing/Public Relations	31,124	49,347	-	80,471
Memberships/Dues/Subscriptions	14,354	988	387	15,729
Miscellaneous	8,790	509	53	9,352
Occupancy	34,710	5,760	5,640	46,110
Office Supplies	7,364	1,408	1,192	9,964
Postage	2,879	5,595	467	8,941
Printing/Brochures	-	23,459	-	23,459
Program Consultants	714,411	4,179	3,123	721,713
Service Charges	42,443	6,696	6,556	55,695
Software Licenses	106,815	28,564	5,157	140,536
Travel	21,592	18,496	1,264	41,352
Website Maintenance and Development	44,334	-	-	44,334
Total Other Operating Expenses	2,637,464	196,765	135,261	2,969,490
Total Expenses by Function	<u>\$ 5,815,334</u>	<u>\$ 959,213</u>	<u>\$ 445,588</u>	<u>\$ 7,220,135</u>

See accompanying Notes to Financial Statements.

BREASTCANCER.ORG
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED MAY 31, 2023

	Program Services	Supporting Services		Total
		Development	General and Administrative	
COMPENSATION AND RELATED EXPENSES				
Salaries	\$ 2,422,399	\$ 761,261	\$ 325,931	\$ 3,509,591
Payroll Taxes and Employee Benefits	335,440	105,415	45,133	485,988
Total Compensation and Related Expenses	2,757,839	866,676	371,064	3,995,579
OTHER OPERATING EXPENSES				
Accounting	52,082	5,030	80,588	137,700
Business Insurance	16,848	1,441	1,492	19,781
Conferences, Meetings, and Events	11,840	11,333	1,123	24,296
Depreciation	872,114	1,123	1,162	874,399
In-Kind Marketing	481,512	-	-	481,512
Interest	45,111	7,625	7,895	60,631
IT Support/Internet Connection	26,871	4,542	4,703	36,116
Legal	80,777	13,654	14,137	108,568
Marketing/Public Relations	31,280	78,314	-	109,594
Memberships/Dues/Subscriptions	17,515	3,074	446	21,035
Miscellaneous	12,140	1,133	312	13,585
Occupancy	69,848	11,806	12,224	93,878
Office Supplies	8,508	1,738	1,405	11,651
Postage	2,927	4,961	512	8,400
Printing/Brochures	4,523	19,592	366	24,481
Program Consultants	1,662,906	6,446	4,132	1,673,484
Service Charges	41,872	6,880	7,006	55,758
Software Licenses	156,278	27,264	6,123	189,665
Staff Recruitment	37,695	6,371	6,597	50,663
Travel	20,742	14,853	1,636	37,231
Website Maintenance and Development	82,510	-	-	82,510
Total Other Operating Expenses	3,735,899	227,180	151,859	4,114,938
Total Expenses by Function	\$ 6,493,738	\$ 1,093,856	\$ 522,923	\$ 8,110,517

See accompanying Notes to Financial Statements.

BREASTCANCER.ORG
STATEMENTS OF CASH FLOWS
YEARS ENDED MAY 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in Net Assets	\$ (919,236)	\$ (1,035,563)
Adjustments to Reconcile Changes in Net Assets to		
Net Cash Used by Operating Activities:		
Depreciation	939,454	874,399
Forgiveness of PPP Loan	-	(379,537)
Increase (Decrease) in Assets:		
Pledges Receivable	(74,244)	(105,555)
Accounts Receivable, Other	(21,970)	(1,601)
Prepaid Expenses	(19,318)	(6,078)
Security Deposits	(53)	270
Increase (Decrease) in Liabilities:		
Accounts Payable and Accrued Expenses	(68,086)	(147,404)
Deferred Revenue	-	(944,402)
Net Cash Used by Operating Activities	<u>(163,453)</u>	<u>(1,745,471)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Website Costs, Property, and Equipment	(201,610)	(477,631)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Note Payable	68,415	563,976
Payments on Note Payable	<u>(368,167)</u>	<u>(310,875)</u>
Net Cash Provided (Used) by Financing Activities	<u>(299,752)</u>	<u>253,101</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(664,815)	(1,970,001)
Cash and Cash Equivalents – Beginning of Year	<u>1,956,362</u>	<u>3,926,363</u>
CASH AND CASH EQUIVALENTS – END OF YEAR	<u><u>\$ 1,291,547</u></u>	<u><u>\$ 1,956,362</u></u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash Paid During the Year for Interest	<u><u>\$ 76,442</u></u>	<u><u>\$ 60,631</u></u>

See accompanying Notes to Financial Statements.

BREASTCANCER.ORG
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2024 AND 2023

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. To help people learn, connect, and share breast cancer experiences, the Organization engages and empowers people with research, expert information, and a dynamic peer-support community. The Organization is committed to addressing health equity and disparities in breast cancer care, improving health literacy to support informed decision-making, and providing solutions to improve quality of life during and after breast cancer. As a leading patient-focused resource for breast health and breast cancer education and support, the Organization offers its patient education resources and community support services at no cost. Breastcancer.org receives nearly one million visitors each month, reaches 100,000 followers on social media, and has touched 232 million people worldwide through its English and Spanish language sites since 2000.

The Organization's bylaws provide for a board of directors (the board), 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.

New Accounting Standard

Effective July 1, 2023, the Organization adopted FASB ASU 2016-13, *Financial Instruments –Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, as amended, which modifies the measurement of expected credit losses. The Organization adopted this new guidance utilizing the modified retrospective transition method. The adoption of this standard did not have a material impact on the Organization's financial statements, but did change how the allowance for credit losses is determined.

BREASTCANCER.ORG
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2024 AND 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 \$54,677 and \$54,625 as of May 31, 2024 and 2023, 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.

BREASTCANCER.ORG
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2024 AND 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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, 2024, 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.

BREASTCANCER.ORG
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2024 AND 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pledges Receivable (Continued)

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, 2024 and 2023.

Accounts Receivable

The allowance for credit losses is determined based on past collection experience as well as consideration of each individual receivable and current and future economic conditions. Receivables are estimated to be fully collectible by management and no allowance for credit losses has been recorded at May 31, 2024 and 2023. The beginning contract balance amounts were \$266,667 and \$265,066 for May 31, 2024 and 2023, respectively.

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.

Website Monetization Revenue

Website Monetization Revenue is recognized in the period when the banner display appears on the site. Website banners display educational information to Breastcancer.org's readers about various treatment options, medications, diagnostic tests and other products and services which are related to and help Breastcancer.org further its exempt purpose.

Royalties

Royalties are recognized in the period received and represent income from companies that have elected to enter a royalty agreement with Breastcancer.org. The royalty agreement gives the donor the right to use Breastcancer.org's logo for marketing purposes. All royalty payments received are considered unrestricted revenue.

Fundraisers and Special Events

Fundraising event revenue consists of registrations, sponsorships, and other contributions. The exchange element of the special event revenue was approximately \$-0- and \$-0- for the years ended May 31, 2024 and 2023, respectively. The portion that is considered to be exchange revenue is recognized as revenue when the performance obligations are met which is the occurrence of the event.

BREASTCANCER.ORG
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2024 AND 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Expenses

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries, taxes, and benefits, depreciation, interest, accounting, legal, marketing, office expenses, consultants, and occupancy, which are allocated based upon salaries and timesheets as well as percentage of directly identified costs in the category.

Leases

The Organization leases office space. The Organization determines if an arrangement is a lease at inception. Operating leases are included in operating right-of-use (ROU) assets, other current liabilities, and operating lease liabilities on the statements of financial position.

ROU assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent the Organization's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. The Organization has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or right of use assets on the statements of financial position.

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 December 17, 2024, the date the financial statements were available to be issued.

BREASTCANCER.ORG
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2024 AND 2023

NOTE 2 PLEDGES RECEIVABLE

Pledges receivable are as follows as of May 31:

	2024	2023
Receivable in One Year or Less	\$ 494,782	\$ 390,770
Receivable in Two to Five Years	-	30,000
Total Pledges Receivable Before Discount	494,782	420,770
Less: Discount to Net Present Value	-	232
Total Pledges Receivable	494,782	420,538
Pledges Receivable, Current Portion	494,782	390,770
Pledges Receivable, Net of Current Portion	<u>\$ -</u>	<u>\$ 29,768</u>

A rate of 1.58% was used for discounting multi-year pledges received during the years ended May 31, 2024 and 2023 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:

2024				
	Estimated Useful Life in Years	Cost	Accumulated Depreciation	Net Book Value
Computer, Office Equipment, and Furniture	3-5	\$ 333,716	\$ 314,221	\$ 19,495
Website, Other Capitalized Costs	3-5	6,533,549	3,955,159	2,578,390
Total		<u>\$ 6,867,265</u>	<u>\$ 4,269,380</u>	<u>\$ 2,597,885</u>

2023				
	Estimated Useful Life in Years	Cost	Accumulated Depreciation	Net Book Value
Computer, Office Equipment, and Furniture	3-5	\$ 330,746	\$ 304,351	\$ 26,395
Website, Other Capitalized Costs	3-5	6,334,910	3,025,576	3,309,334
Total		<u>\$ 6,665,656</u>	<u>\$ 3,329,927</u>	<u>\$ 3,335,729</u>

Depreciation expense for the years ended May 31, 2024 and 2023 was \$939,454 and \$874,399, 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 automatically extends by the bank each year. The current expiration date is December 1, 2024. 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* (8.25% at May 31, 2024). There were no borrowings outstanding under the line of credit as of May 31, 2024 and 2023.

BREASTCANCER.ORG
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2024 AND 2023

NOTE 5 PPP LOAN

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. On June 28, 2022, the Organization received notice that the loan had been forgiven in full by the SBA. Based on this full forgiveness determination, the Organization recognized the funds from the SBA as revenue in 2023.

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 Organization's financial position.

NOTE 6 NOTES 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 were 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, 2024 and 2023 was \$1,266,664 and \$1,587,367, respectively.

On November 9, 2022, the Organization entered into another loan agreement with WSFS Bank for \$650,000. Beginning December 9, 2022, interest only payments are due at a rate of 4.99% on the unpaid principal balance for 12 months. Beginning December 9, 2023, monthly payments of principal and interest in the amount of \$10,487 are due through November 9, 2029. The balance on the loan at May 31, 2024 and 2023 was \$584,927 and \$563,976, respectively.

Under the agreements with WSFS Bank, the Organization is required to maintain a debt service coverage ratio of not less than 1.1 to 1. In addition, the Organization will maintain a minimum unencumbered liquid assets of not less the \$900,000. At May 31, 2024, the Organization was in compliance with these requirements.

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NOTE 6 NOTES PAYABLE (CONTINUED)

Future minimum principal payments on both loans as of May 31, 2024 are as follows:

<u>Year Ending May 31,</u>	<u>Amount</u>
2025	\$ 429,512
2026	445,201
2027	461,492
2028	355,812
2029	120,458
Thereafter	39,116
Total	<u>\$ 1,851,591</u>

NOTE 7 RESTRICTIONS ON NET ASSETS

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

	<u>2024</u>	<u>2023</u>
Clinical Trials	\$ -	\$ 82,500
News Hub	80,000	-
Educational Content and Technology	48,608	-
Recurrence	-	273,424
Reconstruction Content	104,326	47,510
Pillar Program	37,302	-
Video	165,561	-
Event	-	60,000
Content	-	10,000
Education and Awareness Campaigns	-	5,000
Time Restriction	5,000	34,768
Total	<u>\$ 440,797</u>	<u>\$ 513,202</u>

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>2024</u>	<u>2023</u>
Clinical Trials	\$ 82,500	\$ 7,500
Educational Content and Technology	1,392	-
Recurrence	273,424	71,576
Reconstruction Content	93,184	424,588
Pillar Program	62,698	-
Video	79,439	-
Event	60,000	-
Content	-	5,000
Editorial	10,000	35,000
Education and Awareness Campaigns	5,000	-
Time Restriction	29,768	40,566
Total	<u>\$ 697,405</u>	<u>\$ 584,230</u>

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NOTE 8 IN-KIND CONTRIBUTIONS

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

	Revenue Recognized 2024	Revenue Recognized 2023	Utilization in Programs/ Activities	Donor Restrictions	Valuation Techniques and Inputs
AdWord Grant	\$ 437,801	\$ 481,512	General Use	None	Fair Value Provided by Donor
Legal Services	75,167	96,205	General Use	None	Fair Value Provided by Donor
Total	<u>\$ 512,968</u>	<u>\$ 577,717</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

The Organization has month-to-month leases for office space at two locations at a monthly rate of \$1,947.

Rent expense was \$34,757 and \$60,630 for all office leases for the years ended May 31, 2024 and 2023, respectively. The Organization records periodic rental expense over the life of the lease.

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 \$64,305 and \$65,134 were made for the years ended May 31, 2024 and 2023, respectively.

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NOTE 12 LIQUIDITY

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

	<u>2024</u>	<u>2023</u>
Cash	\$ 1,291,547	\$ 1,956,362
Pledges Receivable	494,782	390,770
Accounts Receivable	<u>288,637</u>	<u>266,667</u>
Subtotal	2,074,966	2,613,799
Less: Restrictions	<u>(440,797)</u>	<u>(513,202)</u>
Total	<u><u>\$ 1,634,169</u></u>	<u><u>\$ 2,100,597</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.

