

**BREAST CANCER RESEARCH
FOUNDATION OF ALABAMA**

**Financial Statements
For the Year Ended
December 31, 2015**

**With Comparative Totals for the
Year Ended December 31, 2014**

BREAST CANCER RESEARCH FOUNDATION OF ALABAMA

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For the Year Ended December 31, 2015

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Breast Cancer Research Foundation of Alabama

We have audited the accompanying financial statements of the Breast Cancer Research Foundation of Alabama (the Foundation), which comprise the statement of financial position as of December 31, 2015, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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 the Foundation as of December 31, 2015, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Foundation's 2014 financial statements, and our report dated November 11, 2015, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Borland Benefield, P.C.
Birmingham, Alabama
August 18, 2016

BREAST CANCER RESEARCH FOUNDATION OF ALABAMA

Statement of Financial Position

At December 31, 2015

With Comparative Totals for the Year Ended December 31, 2014

	<u>2015</u>	<u>2014</u>
Assets		
Cash and cash equivalents		
Unrestricted	\$ 649,310	\$ 641,021
Restricted	151,929	-
Accounts receivable	35,534	2,871
Prepaid expenses	<u>5,974</u>	<u>2,417</u>
Total Assets	<u>\$ 842,747</u>	<u>\$ 646,309</u>
Liabilities and Net Assets		
Accounts payable	\$ -	\$ 2,307
Grants payable	651,933	580,000
Accrued liabilities	<u>1,228</u>	<u>1,228</u>
Total Liabilities	<u>653,161</u>	<u>583,535</u>
Net Assets		
Unrestricted	37,657	62,774
Temporarily restricted	<u>151,929</u>	<u>-</u>
Total Net Assets	<u>189,586</u>	<u>62,774</u>
Total Liabilities and Net Assets	<u>\$ 842,747</u>	<u>\$ 646,309</u>

See accompanying notes to financial statements.

BREAST CANCER RESEARCH FOUNDATION OF ALABAMA

**Statement of Activities
For the Year Ended December 31, 2015
With Comparative Totals for the Year Ended December 31, 2014**

Unrestricted	<u>Unrestricted</u>	<u>Restricted</u>	<u>2015 Total</u>	<u>2014 Total</u>
Support and Revenue				
Public donations	\$ 1,090,945	\$ 151,990	\$ 1,242,935	\$ 1,066,247
Gifts in kind	103,338	-	103,338	82,559
Interest and other investment income	2,492	5	2,497	405
Other income	3,103	-	3,103	24,179
Net assets released from restrictions	<u>65</u>	<u>(65)</u>	<u>-</u>	<u>-</u>
Total Support and Revenue	<u>1,199,944</u>	<u>151,929</u>	<u>1,351,873</u>	<u>1,173,390</u>
Expenses				
Breast cancer research and awareness program	1,127,460	-	1,127,460	1,011,406
General and administrative	67,894	-	67,894	58,110
Fundraising	<u>29,707</u>	<u>-</u>	<u>29,707</u>	<u>46,987</u>
Total Expenses	<u>1,225,061</u>	<u>-</u>	<u>1,225,061</u>	<u>1,116,503</u>
Change in Net Assets	(25,117)	151,929	126,812	56,887
Net Assets, Beginning of Year	<u>62,774</u>	<u>-</u>	<u>62,774</u>	<u>5,887</u>
Net Assets, End of Year	<u>\$ 37,657</u>	<u>\$ 151,929</u>	<u>\$ 189,586</u>	<u>\$ 62,774</u>

BREAST CANCER RESEARCH FOUNDATION OF ALABAMA

**Schedule of Functional Expenses
For the Year Ended December 31, 2015
With Summary Totals for 2014**

Expenses by Function	Breast Cancer			2015	2014
	Research Awareness Program	General and Administrative	Fundraising	Total Expenses	Total Expenses
Contributions to UAB Comprehensive					
Cancer Center	\$ 758,578	\$ -	\$ -	\$ 758,578	\$ 650,500
Personnel expense	121,448	40,482	-	161,930	139,924
In-kind expenses	103,338	-	-	103,338	82,559
Printing & copying	50,161	1,529	1,754	53,444	78,016
Meals & entertainment	44,937	1,678	1,037	47,652	41,172
Contract services	22,998	-	335	23,333	19,909
Tag marketing	-	-	20,073	20,073	24,673
Supplies	14,158	1,613	117	15,888	19,074
Postage	5,297	3,514	98	8,909	7,394
Professional fees	-	7,820	-	7,820	-
Advertising	4,085	210	479	4,774	23,060
Occupancy costs	1,000	3,102	344	4,446	4,784
Insurance	-	3,796	-	3,796	3,456
Fundraising fees	97	-	2,950	3,047	-
Processing fees	510	453	1,874	2,837	1,060
Other	300	2,508	646	3,454	3,296
Business expense	330	200	-	530	270
Meetings	43	415	-	458	-
Equipment rental and maintenance	131	248	-	379	-
Dues & subscriptions	-	198	-	198	-
Telephone	49	128	-	177	3,853
Conferences and Travel	-	-	-	-	13,503
Total Expenses by Function	\$ 1,127,460	\$ 67,894	\$ 29,707	\$ 1,225,061	\$ 1,116,503

See accompanying notes to financial statements.

BREAST CANCER RESEARCH FOUNDATION OF ALABAMA

Statement of Cash Flows

For the Year Ended December 31, 2015

With Comparative Totals for the Year Ended December 31, 2014

	<u>2015</u>	<u>2014</u>
Cash Flows From Operating Activities		
Change in net assets:	\$ 126,812	\$ 56,887
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Increase in grants receivable	(32,663)	(2,871)
Increase in prepaid expenses	(3,557)	3,232
Increase in accounts payable	69,626	81,506
Net Cash Provided by Operating Activities	<u>160,218</u>	<u>138,754</u>
Net Increase in Cash and Cash Equivalents	160,218	138,754
Cash and Cash Equivalents, Beginning of Year	<u>641,021</u>	<u>502,267</u>
Cash and Cash Equivalents, End of Year	<u>\$ 801,239</u>	<u>\$ 641,021</u>
Supplemental Disclosure of Cash Flows Information:		
Interest received	<u>\$ 4,849</u>	<u>\$ 405</u>

BREAST CANCER RESEARCH FOUNDATION OF ALABAMA

Notes to the Financial Statements For the Year ended December 31, 2015

Note 1 – Summary of Significant Accounting Policies

Organization and Nature of Activities – Breast Cancer Research Foundation (the Foundation) is a non-profit corporation that was incorporated in the state of Alabama in 1996. The purpose of the Foundation is to help find a cure for breast cancer by funding Breast Cancer Research and raising awareness and funding for that research. Primary funding is provided through individual and corporate donations.

Method of Accounting – The accompanying financial statements have been prepared on the accrual basis of accounting; revenues are recognized when they are earned and expenses are recognized when they are incurred.

Basis of Presentation – Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB), under which the Foundation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. *Permanently restricted net assets* are net assets subject to donor-imposed restrictions that they be maintained permanently by the Foundation. The Foundation had no permanently restricted net assets at December 31, 2015 and 2014. *Temporarily restricted net assets* are subject to donor-imposed stipulations that may or will be met by actions of the Foundation and/or the passage of time. *Unrestricted net assets* are not subject to donor-imposed stipulations.

Use of Estimates – The preparation of financial statements in accordance with *Generally Accepted Accounting Principles* requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash Equivalents – For purposes of the Statement of Cash Flows, the Foundation considers all highly liquid investments with maturities of three months or less to be cash equivalents.

Accounts Receivable – Receivables consist of outstanding amounts for t-shirt sales.

Management periodically assesses the collectability of any outstanding receivable balances and writes off those amounts that management believes will not be recovered. At December 31, 2015, management believes all accounts and pledges are collectible and there has been no valuation allowance needed.

Revenue Recognition – Contributions are recorded when received as unrestricted, temporarily restricted or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Interest and dividends are recorded when earned.

Contributions In-Kind – Many individuals and organizations have made significant non-cash donations of materials, services and use of facilities. These donations include accounting services, materials and supplies for fundraising events and miscellaneous other donations used to further the goals of the Foundation. The value of these donated services, materials and supplies that are included in the financial statements and the corresponding expenses totaled \$103,338 and \$82,559 as of December 31, 2015 and 2014, respectively.

Joint Costs of Activities that Include a Fundraising Appeal – During the years ended December 31, 2015 and 2014, the Foundation incurred joint costs of \$44,314 and \$48,405, respectively, for events that included fundraising appeals. The Foundation allocated \$29,707 and \$46,987 to fundraising expense and \$14,607 and \$1,418 to management and general expense.

See independent auditor's report.

BREAST CANCER RESEARCH FOUNDATION OF ALABAMA

Notes to Financial Statements (continued) For the Year Ended December 31, 2015

Note 1 – Summary of Significant Accounting Policies (continued)

Income Taxes – The Foundation is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code; consequently, no provision for income tax has been made.

As of December 31, 2015, the Foundation had no uncertain tax positions that qualify for disclosure in the financial statements. The Foundation files an annual Form 990 with the Internal Revenue Service.

Expense Allocations – The costs of providing various activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the supporting services benefited. Expenses related to more than one activity are charged to supporting services on the basis of periodic time and expense studies. Those studies consider the time devoted by the Foundation's personnel and the portion of its resources used in providing various services and other activities. Management and general expenses include those expenses that are not directly identifiable with any other specific function, but provide for the overall support and direction of the Foundation.

Note 2 – Cash and Cash Equivalents

The Foundation maintains accounts at four financial institutions. Cash totaled \$801,239 and \$641,021 at December 31, 2015 and 2014, respectively, which approximated the fair value. The accounts at each financial institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2015, the Foundation held non-insured amounts at Merrill Lynch and BBVA Compass in the total amount of \$51,948.

Note 3 – Temporarily Restricted Assets

Temporarily restricted net assets have been restricted by a donor to fund an Immunotherapy project lead by qualified physicians in the field. The restricted funds are maintained in a separate account with Merrill Lynch with a balance of \$151,929, as of December 31, 2015. The Foundation did not have any temporarily restricted assets as of December 31, 2014.

Note 4 – Grants Payable

The Foundation raises money throughout the year to help fund breast cancer research. At year-end, the board of directors reviews the financial position of the Foundation and determines an amount to give to the University of Alabama-Birmingham Comprehensive Cancer Center. Grants authorized but unpaid at year-end are reported as liabilities. As of December 31, 2015 and 2014, grants authorized to be paid to the center totaled \$651,933 and \$580,000, respectively.

Note 5 – Advertising Expense

The Foundation uses advertising to promote the sale of license plates to citizens of the State of Alabama. Advertising costs are expenses as incurred. Advertising expense totaled \$24,847 and \$47,733, as of December 31, 2015 and 2014, respectively.

Note 6 – Subsequent Events

The Foundation has evaluated subsequent events through August 18, 2016, the date the financial statements were available to be issued.

See independent auditor's report.