

**BREAST CANCER RESEARCH  
FOUNDATION OF ALABAMA**

**Financial Statements  
For the Year Ended  
December 31, 2023**

**With Summarized Totals for the  
Year Ended December 31, 2022**

**BREAST CANCER RESEARCH FOUNDATION OF ALABAMA**

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For the Year Ended December 31, 2023**

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BORLAND  
BENEFIELD

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Breast Cancer Research Foundation of Alabama

**Opinion**

We have audited the accompanying financial statements of Breast Cancer Research Foundation of Alabama ("the Foundation," a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Breast Cancer Research Foundation of Alabama as of December 31, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Responsibilities of Management for the Financial Statements**

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

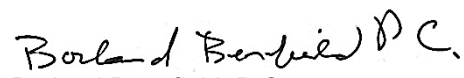
In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation'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 the Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

#### **Report on Summarized Comparative Information**

We have previously audited the Foundation's 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 1, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

  
Borland Benefield, P.C.  
Birmingham, Alabama  
January 16, 2025

**BREAST CANCER RESEARCH FOUNDATION OF ALABAMA**

**Statement of Financial Position**

**At December 31, 2023**

**With Comparative Totals as of December 31, 2022**

|   | <u>2023</u>       | <u>2022</u>       |
|---|-------------------|-------------------|
| <b>Assets</b>                           |                   |                   |
| Cash and cash equivalents               | \$ 390,339        | \$ 422,058        |
| Accounts receivable                     | 27,575            | 33,414            |
| Prepaid expenses                        | 10,859            | 13,509            |
| Right-of-use asset                      | <u>100,406</u>    | <u>287,115</u>    |
| <b>Total Assets</b>                     | <u>\$ 529,179</u> | <u>\$ 756,096</u> |
| <b>Liabilities and Net Assets</b>       |                   |                   |
| Liabilities                             |                   |                   |
| Grants payable                          | \$ 317,558        | \$ 208,930        |
| Accrued liabilities                     | 1,372             | 1,471             |
| Deferred revenue                        | 7,500             | 19,900            |
| Operating lease liability               | <u>100,406</u>    | <u>288,322</u>    |
| Total Liabilities                       | <u>426,836</u>    | <u>518,623</u>    |
| Net Assets                              |                   |                   |
| Without donor restrictions              | <u>102,343</u>    | <u>237,473</u>    |
| Total Net Assets                        | <u>102,343</u>    | <u>237,473</u>    |
| <b>Total Liabilities and Net Assets</b> | <u>\$ 529,179</u> | <u>\$ 756,096</u> |

*See accompanying notes to financial statements.*

**BREAST CANCER RESEARCH FOUNDATION OF ALABAMA**

**Statement of Activities**  
**For the Year Ended December 31, 2023**  
**With Comparative Totals for the Year Ended December 31, 2022**

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|                                      | <b><u>Without Donor<br/>Restrictions</u></b> | <b><u>2022<br/>Total</u></b> |
|--------------------------------------|--|------------------------------|
| <b>Support and Revenue</b>           |  |                              |
| Public donations                     | \$ 807,842                                   | \$ 839,099                   |
| Tag revenue                          | 585,703                                      | 597,591                      |
| Grant revenue                        | 217,883                                      | 154,063                      |
| In-kind donations                    | 304,706                                      | 159,558                      |
| Investment income, net               | <u>8,091</u>                                 | <u>666</u>                   |
| <b>Total Support and Revenue</b>     | <u>1,924,225</u>                             | <u>1,750,977</u>             |
| <b>Expenses</b>                      |  |                              |
| Program services                     | 1,840,109                                    | 1,655,285                    |
| Management and general               | 118,953                                      | 101,178                      |
| Fundraising                          | <u>100,293</u>                               | <u>90,443</u>                |
| <b>Total Expenses</b>                | <u>2,059,355</u>                             | <u>1,846,906</u>             |
| <b>Change in Net Assets</b>          | (135,130)                                    | (95,929)                     |
| <b>Net Assets, Beginning of Year</b> | <u>237,473</u>                               | <u>333,402</u>               |
| <b>Net Assets, End of Year</b>       | <u>\$ 102,343</u>                            | <u>\$ 237,473</u>            |

*See accompanying notes to financial statements*

**BREAST CANCER RESEARCH FOUNDATION OF ALABAMA**

**Statement of Functional Expenses  
For the Year Ended December 31, 2023  
With Comparative Totals for the Year Ended December 31, 2022**

|   | <u>Program<br/>Services</u> | <u>Management<br/>and General</u> | <u>Fundraising</u> | <u>2023<br/>Total</u> | <u>2022<br/>Totals</u> |
|---|-----------------------------|-----------------------------------|--------------------|-----------------------|------------------------|
| <b>Expenses</b>                                 |                             |                                   |                    |                       |                        |
| Contributions to Alabama Breast Cancer Research | \$ 1,252,302                | \$ -                              | \$ -               | \$ 1,252,302          | \$ 1,275,000           |
| In-kind donations                               | 297,577                     | 7,129                             | -                  | 304,706               | 159,558                |
| Personnel                                       | 192,190                     | 64,063                            | -                  | 256,253               | 208,669                |
| Special events                                  | 1,969                       | -                                 | 96,467             | 98,436                | 87,210                 |
| Occupancy                                       | 7,961                       | 23,885                            | -                  | 31,846                | 15,937                 |
| Credit loss                                     | 32,203                      |                                   |                    | 32,203                | -                      |
| Advertising and awareness                       | 30,809                      | 47                                | -                  | 30,856                | 36,462                 |
| Tag marketing                                   | 8,196                       | 9,458                             | 227                | 17,881                | 16,043                 |
| Telephone and telecommunications                | 12,567                      | 2,356                             | 785                | 15,709                | 17,288                 |
| Travel, meals and entertainment                 | 3,860                       | 241                               | 724                | 4,825                 | 3,228                  |
| Insurance                                       | -                           | 4,693                             | -                  | 4,693                 | 4,254                  |
| Office supplies                                 | -                           | 3,049                             | -                  | 3,049                 | 8,026                  |
| Postage and mailing service                     | -                           | 2,950                             | -                  | 2,950                 | 2,866                  |
| Credit card processing                          | 103                         | -                                 | 2,010              | 2,113                 | 3,279                  |
| Professional fees                               | 169                         | 959                               | -                  | 1,128                 | 7,559                  |
| Miscellaneous                                   | 203                         | 122                               | 80                 | 405                   | 1,527                  |
| <b>Total Expenses</b>                           | <u>\$ 1,840,109</u>         | <u>\$ 118,953</u>                 | <u>\$ 100,293</u>  | <u>\$ 2,059,355</u>   | <u>\$ 1,846,906</u>    |

*See accompanying notes to financial statements.*

**BREAST CANCER RESEARCH FOUNDATION OF ALABAMA**

**Statement of Cash Flows**  
**For the Year Ended December 31, 2023**  
**With Comparative Totals for the Year Ended December 31, 2022**

|   | <u>2023</u>           | <u>2022</u>           |
|---|-----------------------|-----------------------|
| <b>Cash Flows From Operating Activities</b>   |                       |                       |
| Cash received from contributions and grants   | \$ 1,604,867          | \$ 1,611,292          |
| Cash received from interest   | 8,091                 | 666                   |
| Cash paid in donations  | (1,143,274)           | (1,089,846)           |
| Cash paid to suppliers and employees  | (501,403)             | (419,339)             |
| <b>Net Cash Provided/(Used) by Operating Activities</b>                                       | <u>(31,719)</u>       | <u>102,773</u>        |
| <br><b>Net Change in Cash and Cash Equivalents</b>  | <br>(31,719)          | <br>102,773           |
| <br><b>Cash, Cash Equivalents and Restricted Cash, Beginning of Year</b>                      | <br><u>422,058</u>    | <br><u>319,285</u>    |
| <br><b>Cash, Cash Equivalents and Restricted Cash, End of Year</b>                            | <br><u>\$ 390,339</u> | <br><u>\$ 422,058</u> |
| <br><b>Cash Flows from Operating Activities</b>   |                       |                       |
| Adjustments to reconcile change in net assets<br>to net cash flows from operating activities: | \$ (135,130)          | \$ (95,929)           |
| Changes in assets and liabilities:  |                       |                       |
| Accounts receivable   | 5,839                 | 639                   |
| Right-of-use asset  | 186,709               | (287,115)             |
| Prepaid expenses  | 2,651                 | (8,201)               |
| Lease liability   | (187,916)             | 288,322               |
| Grants payable  | 108,628               | 185,154               |
| Accrued liabilities   | (100)                 | 3                     |
| Deferred revenue  | (12,400)              | 19,900                |
| <b>Net Cash Provided/(Used) by Operating Activities</b>                                       | <u>\$ (31,719)</u>    | <u>\$ 102,773</u>     |

*See accompanying notes to financial statements*



## BREAST CANCER RESEARCH FOUNDATION OF ALABAMA

### Notes to the Financial Statements For the Year Ended December 31, 2023

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#### Note 1 – Summary of Significant Accounting Policies

Organization and Nature of Activities – Breast Cancer Research Foundation of Alabama (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 two classes of net assets based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net asset with donor restrictions.

Net assets without donor restrictions are resources available to support operations. The only limits on the use of net assets without donor restrictions are the board limits resulting from the nature of the Foundation, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

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 and donations that are expected to be received within one year.

Management periodically assesses the collectability of any outstanding receivable balances and writes off those amounts that management believes will not be recovered. As of December 31, 2023, management believes all accounts and pledges are collectible and there has been no valuation allowance needed.

Revenue Recognition – Contributions are recorded when received as net assets without restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor restrictions. Interest and dividends are recorded when earned.

Promises to Give – Conditional promises to give are not recognized in the financial statements until the conditions are substantially met. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in more than one year are recorded at fair value, which is measured as the present value of cash flows. Management has determined the discounts on the unconditional promises to give are immaterial.

*See independent auditor's report.*

## BREAST CANCER RESEARCH FOUNDATION OF ALABAMA

### Notes to Financial Statements (continued) For the Year Ended December 31, 2023

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#### Note 1 – Summary of Significant Accounting Policies (continued)

Deferred Revenue – Deferred revenue that will be recognized during the succeeding 12-month period is recognized as current deferred revenue and the remaining portion is recognized as non-current deferred revenue included in Deferred Revenue on the Statement of Financial Position. As of December 31, 2023, \$7,500 is expected to be recognized as revenue from remaining performance obligations.

Donations In-Kind – Many individuals and organizations have made significant non-cash donations of materials, services, and use of the 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 \$304,706 and \$159,558 as of December 31, 2023 and 2022, respectively.

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, 2023, 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 and its tax returns for the year 2020 and subsequent years remain subject to examination by tax authorities.

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.

Comparative Financial Information – The financial statements include certain prior-year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Foundation's financial statements for the year ended December 31, 2022, from which the summarized information was derived.

Reclassifications – Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements. These reclassifications did not have an effect on net assets.

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*See independent auditor's report.*

## BREAST CANCER RESEARCH FOUNDATION OF ALABAMA

### Notes to Financial Statements (continued) For the Year Ended December 31, 2023

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#### Note 1 – Summary of Significant Accounting Policies (continued)

Leases – The Foundation leases office space. The determination of whether an arrangement is a lease is made at the lease's inception. Under FASB ASC 842, a contract is (or contains) a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined under the standard as having both the right to obtain substantially all of the economic benefits from the use of the asset and the right to direct the use of the asset. Management only reassesses its determination if the terms and conditions of the contract are changed.

ROU assets represent our right to use an underlying asset for the lease term, and lease liabilities represent our obligation to make lease payments. Operating lease ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The Foundation uses the implicit rate when it is readily determinable. Management uses the Foundation's incremental borrowing rate based on the information available at lease commencement when the implicit rate is not available. Operating lease ROU assets also include any lease payments made and exclude any lease incentives. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The Foundation's lease terms may include options to extend or terminate the lease when it is reasonably certain that we will exercise the option.

Adoption of New Accounting Principle – In June 2016, the FASB issued guidance (FASB 326) which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that aren't measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide the uses of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Entities adopting the amendments in ASU 2016-13 with amendments in ASU 2022-02 are effective for fiscal years beginning after December 15, 2022. The Foundation has implemented this new standard effective January 1, 2023 using the modified retrospective approach.

The allowance for credit losses is a valuation account that is deducted from receivable balances to present the net amount expected to be collected. Receivables are charged off against the allowance when management believes the receivable is uncollectible.

#### Note 2 – Cash and Cash Equivalents

The Foundation maintains accounts at four financial institutions. Cash totaled \$390,339 and \$422,058 at December 31, 2023 and 2022, respectively, which approximated the fair value. The accounts at each financial institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. As of December 31, 2023, the Foundation had no uninsured funds. The Foundation believes it is not exposed to any significant credit risk on its cash balances.

*See independent auditor's report.*

## BREAST CANCER RESEARCH FOUNDATION OF ALABAMA

### Notes to Financial Statements (continued) For the Year Ended December 31, 2023

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#### Note 3 – 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 various breast cancer research entities across Alabama. Grants authorized, but unpaid at year-end are reported as liabilities. As of December 31, 2023 and 2022, grants authorized, but not yet paid to the center totaled \$317,558 and \$208,930, respectively.

#### Note 4 – Advertising Expense

The Foundation uses advertising to promote the sale of license plates to citizens of the State of Alabama. The expenses for this promotion totaled \$17,881 and \$16,043 in 2023 and 2022, respectively. Other advertising costs are for the promotion of various events and awareness of the Foundation and totaled \$30,856 and \$36,462 in 2023 and 2022, respectively. All advertising is expensed when incurred.

#### Note 5 – Retirement Plan

The Foundation has implemented a Simple IRA retirement plan for all eligible employees during the previous year. An eligible employee is an individual who earns more than \$5,000 annually in the current and prior year. The Foundation matches dollar for dollar up to 3% of the employee's compensation. As of December 31, 2023 and 2022, the Foundation recognized a total plan expense of \$6,581 and \$5,238, respectively.

#### Note 6 – Liquidity and Availability of Financial Assets

The Foundation has \$418,289 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures consisting of \$390,714 in cash and \$27,575 in accounts receivable. The Foundation structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. All financial assets are available for general expenditures at year-end.

#### Note 7 – Leases

The Foundation leases its office space from MTC Office Park, LLC under an operating lease on a monthly basis through September 2024. The discount rate used for the office lease was determined to be 3.26%. In June 2024, the Foundation signed a lease for office space in a new location that runs through July 2027. See Note 9 for additional lease details. The following is a schedule of future minimum lease obligations on December 31, 2023:

|                                  |    |                       |
|----------------------------------|----|-----------------------|
| For the year ending December 31: |    |                       |
| 2024                             | \$ | 30,024                |
| 2025                             |    | 28,698                |
| 2026                             |    | 29,559                |
| 2027                             |    | 17,541                |
| Sum of lease payments            |    | <u>105,822</u>        |
| Less: interest                   |    | <u>(5,416)</u>        |
| Present value of lease liability | \$ | <u><u>100,406</u></u> |

Lease expense amounted to \$31,846 for the year ended December 31, 2023.

*See independent auditor's report.*

## BREAST CANCER RESEARCH FOUNDATION OF ALABAMA

### Notes to Financial Statements (continued) For the Year Ended December 31, 2023

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#### Note 7 – Leases (continued)

Operating lease payments in the table above include approximately \$18,214 related to minimum lease payments for existing leases and approximately \$87,608 of minimum lease payments for leases that have been signed but have not yet commenced.

Cash flows associated with operating leases consist of the following on December 31, 2023:

Cash paid for amounts included in the measurement of lease liabilities:

|  |                  |
|--|------------------|
| Operating cash flows from operating leases | \$ <u>31,224</u> |
|--|------------------|

Amortization of the right-of-use asset for the year ended December 31, 2023 is \$8,984.

Lease expense allocation in the Statement of Functional Expenses for the year ended December 31, 2023, consists of the following:

|   |                  |
|---|------------------|
| Operating lease included in management and general expenses | \$ 23,885        |
| Operating lease included in program expenses                | <u>7,961</u>     |
| Total lease expense recognized:                             | <u>\$ 31,846</u> |

The weighted average remaining lease term is 3.58 years, and the weighted average discount rate is 4.08%.

#### Note 8 – Contributions of Nonfinancial Assets

The Foundation records various types of in-kind contributions. Contributed services are recognized at fair value if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at fair value when received.

The amounts reflected in the accompanying financial statements as in-kind contributions are offset by like amounts included in expenses. Contributions of nonfinancial assets consist of both goods and services for the year ended December 31, 2023:

|  |                   |
|--|-------------------|
| Public service announcements and advertising | \$ 295,563        |
| Gift cards and beverages                     | <u>9,143</u>      |
|  | <u>\$ 304,706</u> |

#### Note 9 – Subsequent Events

On June 24, 2024, the Foundation entered into a three-year noncancellable lease agreement for office space in Mountain Brook, Alabama, effective August 1, 2024, and ending on July 31, 2027. The present value of future minimum lease payments associated with the agreement is \$82,340.

Subsequent events have been evaluated through January 16, 2025, the date the financial statements were available to be issued.

*See independent auditor's report.*