



FINANCIAL STATEMENTS

March 31, 2022 and 2021

The American Breast Cancer Foundation, Inc.

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors of
The American Breast Cancer Foundation, Inc.
Columbia, Maryland

Opinion

We have audited the accompanying financial statements of The American Breast Cancer Foundation, Inc. (a nonprofit organization), which comprise the statements of financial position as of March 31, 2022 and 2021, 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 The American Breast Cancer Foundation, Inc. as of March 31, 2022 and 2021, 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. 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 American Breast Cancer Foundation, Inc. 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 The American Breast Cancer Foundation, Inc.'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 auditing standards generally accepted in the United States of America 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 auditing standards generally accepted in the United States of America, 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 American Breast Cancer 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 American Breast Cancer's 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.

Weil, Akman, Baylin & Coleman, P.A.

Timonium, Maryland
November 7, 2022

THE AMERICAN BREAST CANCER FOUNDATION, INC.

STATEMENTS OF FINANCIAL POSITION

MARCH 31,	2022	2021
ASSETS		
Current assets		
Cash and cash equivalents	\$ 1,264,898	\$ 492,893
Investments	2,003,533	1,940,487
Accounts receivable	205,728	223,612
Legacies and bequests receivable	139,500	20,000
Prepaid expenses	2,144	3,801
Donated vehicles held for sale	383,940	421,982
Total current assets	3,999,743	3,102,775
Property and equipment, net	11,158	3,860
Other assets		
Deposits	6,298	6,298
Total assets	\$ 4,017,199	\$ 3,112,933

See independent auditor's report and notes to the financial statements.

2022**2021****LIABILITIES AND NET ASSETS****Liabilities**

Accounts payable	\$ 391,666	\$ 233,459
Accrued expenses	30,853	46,509
Deferred rent	-	9,720
Current portion of EIDL loan	1,118	-
PPP loan	974	-
	<hr/>	<hr/>
Total current liabilities	424,611	289,688
EIDL loan	72,489	74,200
	<hr/>	<hr/>
Total liabilities	497,100	363,888
Net assets without donor restrictions	<hr/>	<hr/>
	3,520,099	2,749,045
	<hr/>	<hr/>
Total liabilities and net assets	\$ 4,017,199	\$ 3,112,933

THE AMERICAN BREAST CANCER FOUNDATION, INC.

STATEMENTS OF ACTIVITIES

FOR THE YEAR ENDED MARCH 31,

2022

2021

Revenues, gains, and support without donor restrictions

Public support	\$ 328,491	\$ 477,368
Legacies and bequests	252,781	37,772
Donated vehicles	3,014,603	2,403,705
Governmental Grant - Paycheck Protection Program	-	69,300
Grant revenue - Covid	-	16,000
Other revenue	3,854	772
Dividends and interest	95,027	68,485
Net realized and unrealized (loss) gain on investments	(26,461)	423,232
Cost of donated vehicles	<u>(1,182,076)</u>	<u>(823,663)</u>

Total revenues, gains, and support without donor restrictions

2,486,219

2,672,971

Expenses

Program services	1,303,955	1,081,827
General and administrative	182,041	159,160
Fundraising	<u>229,169</u>	<u>230,456</u>

Total expenses

1,715,165

1,471,443

Change in net assets without donor restrictions

771,054

1,201,528

Net assets without donor restrictions - beginning of year

2,749,045

1,547,517

Net assets without donor restrictions - end of year

\$ 3,520,099

\$ 2,749,045

THE AMERICAN BREAST CANCER FOUNDATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED MARCH 31, 2022

	<u>Program Services</u>	<u>General & Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Bank charges	\$ -	\$ 4,943	\$ -	\$ 4,943
Depreciation	845	423	423	1,691
Dues and subscriptions	-	587	1,057	1,644
Financial assistance - individuals	20,363	-	-	20,363
Insurance - health	13,688	2,777	3,372	19,837
Insurance - other	7,036	1,428	1,734	10,198
Interest expense	-	2,972	-	2,972
Marketing	706,120	-	83,888	790,008
Miscellaneous	18,448	10,944	82	29,474
Meals and entertainment	-	502	-	502
Office expenses	-	2,561	-	2,561
Payroll processing fees	3,955	802	974	5,731
Payroll taxes	19,583	3,973	4,825	28,381
Postage and shipping	1,077	-	-	1,077
PPP loan expense	-	4,385	-	4,385
Professional fees	19,268	90,112	29,385	138,765
Rent	33,057	8,860	18,473	60,390
Repairs and maintenance	196	1,661	171	2,028
Retirement plan contribution	8,024	1,628	1,977	11,629
Salaries - officer	134,638	-	33,660	168,298
Salaries - other	104,934	39,537	47,085	191,556
State registration	-	52	51	103
Financial assistance - support grants	207,500	-	-	207,500
Taxes - other	69	10	21	100
Telephone and internet	5,154	3,784	1,892	10,830
Travel	-	100	99	199
Total expenses	\$ 1,303,955	\$ 182,041	\$ 229,169	\$ 1,715,165

THE AMERICAN BREAST CANCER FOUNDATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED MARCH 31, 2021

	<u>Program Services</u>	<u>General & Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Bank charges	\$ -	\$ 4,873	\$ 6,165	\$ 11,038
Consulting	25,000	-	25,000	50,000
Depreciation	848	423	423	1,694
Dues and subscriptions	-	387	926	1,313
Financial assistance - individuals	56,269	-	-	56,269
Insurance - health	12,376	1,897	3,877	18,150
Insurance - other	7,240	1,110	2,268	10,618
Interest expense	-	2,366	-	2,366
Marketing	437,830	-	50,697	488,527
Miscellaneous	404	2,961	202	3,567
Office expenses	-	324	-	324
Payroll processing fees	3,913	600	1,226	5,739
Payroll taxes	19,283	2,955	6,040	28,278
Postage and shipping	1,073	327	68	1,468
Printing and reproduction	2,224	-	493	2,717
Professional fees	45,789	80,699	23,697	150,185
Rent	36,738	9,846	20,530	67,114
Repairs and maintenance	427	3,116	373	3,916
Retirement plan contribution	8,058	1,235	2,524	11,817
Salaries - officer	135,321	-	33,830	169,151
Salaries - other	111,052	41,842	49,830	202,724
State registration	-	341	341	682
Financial assistance - support grants	172,266	-	-	172,266
Taxes - other	70	11	22	103
Telephone and internet	5,646	3,847	1,924	11,417
Total expenses	\$ 1,081,827	\$ 159,160	\$ 230,456	\$ 1,471,443

THE AMERICAN BREAST CANCER FOUNDATION, INC.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED MARCH 31,

2022

2021

Cash flows from operating activities:

Change in net assets	\$ 771,054	\$ 1,201,528
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	1,691	1,694
Net realized and unrealized (gain) loss on investments	26,461	(423,232)
Loss on unforgiven PPP loan money	4,385	-
(Increase) decrease in assets:		
Accounts receivable	17,884	(164,349)
Legacies and bequests receivable	(119,500)	(20,000)
Prepaid expenses	1,657	6,864
Donated vehicles held for sale	38,042	(313,289)
Increase (decrease) in liabilities:		
Accounts payable	158,207	(134,854)
Accrued expenses	(15,656)	33,405
Deferred rent	(9,720)	(15,651)

Net cash provided by operating activities

874,505

172,116

Cash flows from investing activities:

Purchase of investments	(502,839)	(83,989)
Proceeds from sale of investments	413,332	74,735
Purchase of equipment	(8,989)	-

Net cash (used) by investing activities

(98,496)

(9,254)

Cash flows from financing activities:

Proceeds from EIDL loan	-	74,200
Payments on EIDL loan	(593)	-
Payments on PPP loan	(3,411)	-

Net cash (used) provided by financing activities

(4,004)

74,200

Net increase in cash and cash equivalents

772,005

237,062

Cash and cash equivalents - beginning of year

492,893

255,831

Cash and cash equivalents - end of year

\$ 1,264,898

\$ 492,893

Supplemental disclosure of cash flow information:

Cash paid for interest	\$ -	\$ 750
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THE AMERICAN BREAST CANCER FOUNDATION, INC.

STATEMENTS OF CASH FLOWS (continued)

FOR THE YEARS ENDED MARCH 31,

2022

2021

Supplemental schedule of noncash financing activities:

PPP loan not forgiven

\$ 4,385

\$ -

THE AMERICAN BREAST CANCER FOUNDATION, INC.

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2022 AND 2021

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

The American Breast Cancer Foundation, Inc. (the Foundation) is a not-for-profit corporation established to provide individuals in financial need, their families and their loved ones with education, support, and access to early detection through contributions and fundraising throughout the United States. The Foundation provides financial assistance to uninsured and underserved individuals for the screening, diagnosis, treatment and survival of breast cancer.

Method of Accounting

The financial statements are prepared on the accrual basis of accounting.

Basis of Presentation

Financial statement presentation follows the recommendations of the Not-for-Profit Entities Topic of the FASB Accounting Standards Codification. Under the Topic, the Foundation is required to report information regarding its financial position and activities according to two classes of net assets:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expanded for any purpose in performing the primary objectives of the Foundation. These net assets may be used at the discretion of The American Breast Cancer Foundation, Inc.'s management and board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of The American Breast Cancer Foundation, Inc. or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restriction. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

For the years ended March 31, 2022 and 2021, there were no net assets with donor restrictions.

Cash and Cash Equivalents

The Foundation considers all highly liquid financial instruments purchased with a maturity of three months or less to be cash equivalents. The Foundation maintains their cash in bank deposit accounts which, at times, may exceed federally insured limits. The Foundation has not experienced any losses in such accounts. The Foundation's management believes the Foundation is not exposed to any significant credit risk on their balances.

Legacies and Bequests Receivable

Legacies and bequests receivable are stated at the estimated amount management expects to collect from probated wills. All receivables are expected to be collected within a year. There were \$139,500 and \$20,000 of legacies and bequests receivable for the years ended March 31, 2022 and 2021, respectively.

THE AMERICAN BREAST CANCER FOUNDATION, INC.

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2022 AND 2021

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments

The Not-for-Profit Entities Topic of the FASB Accounting Standards Codification requires that investments in equity securities with readily determinable fair values and all investments in debt securities are reported at their fair value in the statements of financial position. The unrealized gains and losses are included in the change in net assets without donor restrictions.

Fair Value

The Foundation follows the Fair Value Measurement and Disclosure Topic of the FASB Accounting Standards Codification, which provides a framework for measuring the fair value of assets and liabilities. The Topic also provides guidance regarding a fair value hierarchy, which prioritizes information used to measure fair value and the effect of fair value measurements on earnings and provides for enhanced disclosures determined by the level within the hierarchy of information used in the valuation. The Topic applies whenever other standards require (or permit) assets or liabilities to be measured at fair value but does not expand the use of fair value in any new circumstances.

The three levels of the fair value hierarchy and investments that fall into each of the levels are described below:

- **Level 1:** Level 1 inputs are unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.
- **Level 2:** Level 2 inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- **Level 3:** Level 3 inputs are unobservable and cannot be corroborated by observable market data. They are based on the best information available in the circumstances.

Depreciation and Amortization

Property and equipment are stated at cost or fair value at the date of donation for donated items. Depreciation and amortization is provided using the straight-line method over the estimated useful lives of the assets as follows:

Computer equipment	5 years
Furniture and fixtures	7 years
Leasehold improvements	Lesser of useful life or lease term
Office equipment	5 - 10 years
Trademarks	5 - 15 years

Additions and betterments of \$500 or more are capitalized, while maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed.

Income Taxes

The Foundation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Foundation's tax-exempt purpose is subject to taxation as unrelated business income. The Foundation had no unrelated business income for the years ended March 31, 2022 and 2021. In addition, the Foundation qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

THE AMERICAN BREAST CANCER FOUNDATION, INC.

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2022 AND 2021

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributions

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 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.

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and in the statements of functional expenses. Accordingly, certain costs have been allocated among program services, general & administrative, and fundraising. Such allocations are determined by management on an equitable basis.

The financial statements report certain categories of expenses that are attributable to more than one program or support function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include rent and taxes - other, which are allocated on a square-footage basis, as well as salaries, insurance, payroll processing fees, payroll taxes, and retirement plan contribution, which are allocated on the basis of estimates of individual staff's time and effort. In addition, bank charges, consulting, depreciation and amortization, marketing, miscellaneous, office, postage and shipping, printing and reproduction, professional fees, repairs and maintenance, state registration, and telephone and internet expenses are allocated to program services, general and administrative, and fundraising as an estimation of the purpose of the individual costs within those categories.

Donated Services

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Foundation. Volunteers provided program or fundraising services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria were not met.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses. Actual results could differ from those estimates.

New Accounting Pronouncement

In February 2016, the FASB issued ASU No. 2016-02, *Leases* (Topic 842), which requires a lessee to recognize assets and liabilities on the statements of financial position for those leases classified as operating leases under previous guidance. Assets previously recorded as capital leases will be recorded as finance leases. In response to the ongoing impacts to US businesses in response to the coronavirus (COVID-19) pandemic, FASB issued ASU No. 2020-05, *Revenue from Contracts with Customers* (Topic 606) and *Leases* (Topic 842) allowing the deferral for implementing previously issued Topic 842 to annual periods beginning after December 15, 2021. As such, the Foundation will be required to adopt this standard for the year ending March 31, 2023. This standard requires adoption based upon a modified retrospective transition approach, with early adoption permitted.

THE AMERICAN BREAST CANCER FOUNDATION, INC.

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2022 AND 2021

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

New Accounting Pronouncement (continued)

Based on a preliminary assessment, adoption of the standard will not have a significant impact on the Foundation's financial statements.

NOTE B. AVAILABILITY AND LIQUIDITY

The following represents The American Breast Cancer Foundation's financial assets at March 31:

Financial assets at year end:		<u>2022</u>		<u>2021</u>
Cash and cash equivalents	\$	1,264,898	\$	492,893
Investments		2,003,533		1,940,487
Accounts receivable		205,728		223,612
Legacies and bequests receivable		139,500		20,000
Donated vehicles		<u>383,940</u>		<u>421,982</u>
 Total financial assets		<u>3,997,599</u>		<u>3,098,974</u>
 Financial assets available to meet general expenditures over the next twelve months	 \$	 <u>3,997,599</u>	 \$	 <u>3,098,974</u>

The Foundation is funded by current operations and investments on an annual basis through accurate planning of revenues and expenses. The American Breast Cancer Foundation's CEO will maintain 25% of the forecasted annual operating expenses in available cash, cash equivalents and investment funds in order to meet necessary operating expenses. Additionally, the CEO will not use available cash, cash equivalents, and investment funds for large expenditures which could not be replenished by revenues within 120 days. Funds determined to exceed short term operating needs are transferred to investment funds for increased return.

NOTE C. INVESTMENTS

The following table reflects a summary of investments held by the Foundation as of March 31:

Investments	<u>2022</u>		<u>2021</u>	
	Cost	Market	Cost	Market
Stocks and ETFs	\$ 468,187	\$ 831,917	\$ 401,786	\$ 715,480
Equity trusts	31,289	36,130	31,094	32,800
Corporate Fixed Income	231,899	234,542	300,206	329,409
Mutual funds:				
Open end mutual funds	640,462	671,094	650,716	752,803
Closed end mutual funds	<u>253,225</u>	<u>229,850</u>	<u>95,630</u>	<u>109,995</u>
 Total investments	 <u>\$ 1,625,062</u>	 <u>\$ 2,003,533</u>	 <u>\$ 1,479,432</u>	 <u>\$ 1,940,487</u>

THE AMERICAN BREAST CANCER FOUNDATION, INC.

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2022 AND 2021

NOTE C. INVESTMENTS (continued)

	<u>2022</u>	<u>2021</u>
Realized and unrealized (loss) gain on investments	\$ (7,136)	\$ 440,817
Investment expense	<u>(19,325)</u>	<u>(17,585)</u>
Net realized and unrealized (loss) gain on investments	<u>\$ (26,461)</u>	<u>\$ 423,232</u>

NOTE D. DONATED VEHICLES HELD FOR SALE

The Foundation received donated vehicles held for sale for the years ended March 31:

	<u>2022</u>	<u>2021</u>
Donated vehicles held for sale	<u>\$ 383,940</u>	<u>\$ 421,982</u>

The Foundation receives donations of used cars, which account for a majority of the Foundation's revenue. Donated vehicles are recognized when the vehicle is received and valued at the fair market value of the donated vehicle.

NOTE E. PROPERTY AND EQUIPMENT, net

Property and equipment consisted of the following at March 31:

	<u>2022</u>	<u>2021</u>
Computer equipment	\$ 76,938	\$ 67,949
Furniture and fixtures	9,989	9,989
Leasehold improvements	2,945	2,945
Office equipment	<u>25,926</u>	<u>25,926</u>
	115,798	106,809
Less: accumulated depreciation	<u>(104,640)</u>	<u>(102,949)</u>
Property and equipment, net	<u>\$ 11,158</u>	<u>\$ 3,860</u>
Depreciation expense	<u>\$ 1,691</u>	<u>\$ 1,694</u>

NOTE F. INTANGIBLE ASSETS, net

Intangible assets consisted of the following at March 31:

	<u>2022</u>	<u>2021</u>
Trademarks	\$ 2,250	\$ 2,250
Less: accumulated amortization	<u>(2,250)</u>	<u>(2,250)</u>
Intangible assets, net	<u>\$ -</u>	<u>\$ -</u>

THE AMERICAN BREAST CANCER FOUNDATION, INC.

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2022 AND 2021

NOTE G. EIDL LOAN

The Foundation applied for and was awarded a \$74,200 loan from the Small Business Association provided as part of the relief efforts related to COVID-19. The loan was received on May 5, 2020. The loan accrues interest at 2.75%, but payments are not required until twenty four months after receiving the loan.

The aggregate annual principal maturities of long-term debt are as follows:

March 31, 2023	\$	1,118
2024		1,716
2025		1,764
2026		1,813
2027		3,715
Thereafter		<u>63,481</u>
	\$	<u>73,607</u>

Interest expense was \$2,032 and \$1,616 for the years ended March 31, 2022 and 2021, respectively.

NOTE H. COMMITMENTS

Operating Leases

The Foundation leased office space in Maryland under a lease agreement which expired in January 2022. Under the lease, the Foundation received an abatement of rent for seven months once the Foundation moved into the office space. Rent expense was \$60,389 and \$67,114 for the years ended March 31, 2022 and 2021, respectively.

The Foundation leases office equipment under an operating lease agreement expiring in 2025. Monthly payment is \$46. Equipment rental expense under leases was \$2,023 and \$3,915 for the years ended March 31, 2022 and 2021, respectively. Equipment rental expense is recorded under repairs and maintenance.

At March 31, 2022 the remaining minimum payments required under these leases are as follows:

March 31, 2023	\$	552
2024		552
2025		552
2026		<u>138</u>
Total future minimum	\$	<u>1,794</u>

THE AMERICAN BREAST CANCER FOUNDATION, INC.

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2022 AND 2021

NOTE I. BUSINESS CONCENTRATIONS

Contributions from one donor consisted approximately 35% of the total contributions for the year ended March 31, 2022 and approximately 24% of the total contributions for the year ended March 31, 2021.

Accounts receivable from one donor consisted of 100% of total accounts receivable for the years ended March 31, 2022 and 2021, respectively.

NOTE J. ADVERTISING

Advertising costs, which are included in marketing, are expensed as incurred. Advertising expense was \$784,577 and \$486,478 for the years ended March 31, 2022 and 2021.

NOTE K. EMPLOYEE RETIREMENT PLAN

The Foundation has a SIMPLE IRA Plan covering all salaried employees. Employees are eligible for a 3% match from the Foundation. The Foundation contributed \$11,629 and 11,817 to the Plan for the years ended March 31, 2022 and 2021, respectively.

NOTE L. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair values of assets measured on a recurring basis are as follows at March 31:

	Fair Value	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
2022				
Stocks and ETFs	\$ 831,917	\$ 831,917	\$ -	\$ -
Equity trusts	36,130	36,130	-	-
Corporate Fixed Income	234,542	234,542	-	-
Open end mutual funds	671,094	671,094	-	-
Closed end mutual funds	229,850	229,850	-	-
Total assets at fair value	<u>\$ 2,003,533</u>	<u>\$ 2,003,533</u>	<u>\$ -</u>	<u>\$ -</u>
2021				
Stocks and ETFs	\$ 715,480	\$ 715,480	\$ -	\$ -
Equity trusts	32,800	32,800	-	-
Corporate Fixed Income	329,409	329,409	-	-
Open end mutual funds	752,803	752,803	-	-
Closed end mutual funds	109,995	109,995	-	-
Total assets at fair value	<u>\$ 1,940,487</u>	<u>\$ 1,940,487</u>	<u>\$ -</u>	<u>\$ -</u>

THE AMERICAN BREAST CANCER FOUNDATION, INC.

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2022 AND 2021

NOTE M. DONATED VEHICLES

The Foundation's main source of revenue are its donated vehicles. In fiscal 2020, the Foundation entered into an agreement with a third-party, which provided the Foundation proceeds from used vehicle donations. Vehicle donors turn to the third party when looking to donate their vehicle to a charity. The donor selects the charity of their choice for the donation of their vehicle. If The American Breast Cancer Foundation is selected, the third party will provide the Foundation a detailed vehicle report listing the fair value of the vehicle at the time it was donated. At the time the car is received by the third party, the Foundation will record inventory at fair value. The third party will then sell the used cars, and send the proceeds, less tow auction fees, advertising fees and commissions to the Foundation. The statements of financial position reflects \$383,940 and \$421,982 of donated vehicles held for sale as of March 31, 2022 and 2021, respectively. The statements of activities reflects \$3,014,603 and \$2,403,705 of gross sales, and \$1,182,076 and \$823,663 cost of donated vehicles, as of March 31, 2022 and 2021, respectively. Cost of donated vehicles represents tow auction fees incurred by the third party, as well as, a 40% commission charged on the net sales of each transaction. The statements of functional expenses reflects advertising fees of \$784,577 and \$486,478 as of March 31, 2022 and 2021, respectively. A receivable for uncollected car donation proceeds of \$205,728 and \$223,612 has been reflected in the statements of financial position, as of March 31, 2022 and 2021, respectively.

NOTE N. GOVERNMENTAL GRANT - PAYCHECK PROTECTION PROGRAM

The Foundation applied for and was approved a \$69,300 loan under the Paycheck Protection Program created as part of the relief efforts related to COVID-19 and administered by the Small Business Administration. The loan accrues interest at 1%, but payments are not required to begin until a determination of the amount of forgiveness is made by the SBA.

The loan was received on May 1, 2020. At that time the amount was recorded as a conditional grant. The Foundation was appropriately following the Not-for-Profit guidance in ASC 958-605, under which the Foundation recognized the income related to this grant as a government grant in 2021. The Foundation believed that all conditions related to forgiveness under the PPP loan program had been met and that the full loan would be forgiven. During fiscal 2022, \$64,915 of the loan was forgiven, and the remaining \$4,385 balance is to be repaid and is reflected as PPP loan expense on the statements of functional expenses. During fiscal 2022, \$3,411 of the balance was repaid and the remaining balance of \$974 is recorded as a payable on the statements of financial position.

NOTE O. SUBSEQUENT EVENTS

In preparing these financial statements, the Foundation has evaluated events and transactions subsequent to March 31, 2022 through November 7, 2022, the date these financial statements were available to be issued. As required by the Subsequent Events Topic of the FASB Accounting Standards Codification, the Foundation is not aware of any subsequent events which would require recognition or disclosure in the financial statements.