

**FLORIDA BREAST CANCER COALITION
RESEARCH FOUNDATION, INC.
D/B/A FLORIDA BREAST CANCER FOUNDATION, INC.**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

**FLORIDA BREAST CANCER COALITION
RESEARCH FOUNDATION, INC.
D/B/A FLORIDA BREAST CANCER FOUNDATION, INC.**

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Florida Breast Cancer Coalition Research Foundation, Inc.
d/b/a Florida Breast Cancer Foundation, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Florida Breast Cancer Coalition Research Foundation, Inc. d/b/a Florida Breast Cancer Foundation, Inc. (the "Foundation"), which comprise the statement of financial position as of June 30, 2021, 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.

Auditors' 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of June 30, 2021, 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 12, 2022 on our consideration of the Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Foundation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control over financial reporting and compliance.

Marcum LLP

Miami, FL
January 12, 2022

**FLORIDA BREAST CANCER COALITION
RESEARCH FOUNDATION, INC.
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STATEMENT OF FINANCIAL POSITION

JUNE 30, 2021

Assets

Cash	\$ 2,228,662
Investments	75,016
Accounts receivable	119,665
Prepaid expenses and other assets	<u>41,825</u>

Total Assets \$ 2,465,168

Liabilities and Net Assets

Liabilities

Accounts payable and accrued expenses	\$ 11,813
PPP note payable	<u>121,957</u>

Total Liabilities \$ 133,770

Net Assets

Without donor restrictions	1,495,459
With donor restrictions	<u>835,939</u>

Total Net Assets 2,331,398

Total Liabilities and Net Assets \$ 2,465,168

The accompanying notes are an integral part of these financial statements.

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STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Other Support			
License plate revenues	\$ --	\$ 585,494	\$ 585,494
Thrift shop revenues	1,308,120	--	1,308,120
Donations	255,702	--	255,702
Special events revenue	41,571	--	41,571
In-kind contribution	23,349	--	23,349
Interest income	431	2,659	3,090
Investment income	8,557	--	8,557
Total Revenue and Other Support	<u>1,637,730</u>	<u>588,153</u>	<u>2,225,883</u>
Net Assets Released from Restrictions - Expiration and Fulfillment of Restrictions	<u>703,151</u>	<u>(703,151)</u>	<u>--</u>
Total Revenue and Other Support and Net Assets Released from Restriction	<u>2,340,881</u>	<u>(114,998)</u>	<u>2,225,883</u>
Expenses			
Program services	<u>1,911,364</u>	<u>--</u>	<u>1,911,364</u>
Supporting activities:			
General and administrative	121,757	--	121,757
Fundraising	<u>106,727</u>	<u>--</u>	<u>106,727</u>
Total supporting activities	<u>228,484</u>	<u>--</u>	<u>228,484</u>
Total Expenses	<u>2,139,848</u>	<u>--</u>	<u>2,139,848</u>
Change in Net Assets before Other Income	201,033	(114,998)	86,035
Other Income			
Forgiveness of PPP1 note payable	<u>91,235</u>	<u>--</u>	<u>91,235</u>
Change in Net Assets	<u>292,268</u>	<u>(114,998)</u>	<u>177,270</u>
Net Assets - Beginning	<u>1,203,191</u>	<u>950,937</u>	<u>2,154,128</u>
Net Assets - Ending	<u>\$ 1,495,459</u>	<u>\$ 835,939</u>	<u>\$ 2,331,398</u>

The accompanying notes are an integral part of these financial statements.

**FLORIDA BREAST CANCER COALITION
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STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2021

	Program Services	Supporting Activities		Total
		General and Administrative	Fundraising	
Salaries and benefits	\$ 514,289	\$ 113,370	\$ 67,269	\$ 694,928
Grants and awards	788,186	--	--	788,186
Advocacy/education	459,554	--	--	459,554
Rent	49,497	3,735	7,471	60,703
Marketing/awareness	45,333	20	1,040	46,393
Other	23,148	565	5,756	29,469
Professional fees	17,665	2,524	5,047	25,236
Supplies	9,328	986	2,242	12,556
Events	--	--	11,325	11,325
Postage and delivery	3,148	450	1,558	5,156
Telecommunications	--	--	4,379	4,379
Office furniture/equipment	751	107	215	1,073
Community relations	465	--	425	890
Total	<u>\$ 1,911,364</u>	<u>\$ 121,757</u>	<u>\$ 106,727</u>	<u>\$ 2,139,848</u>

The accompanying notes are an integral part of these financial statements.

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STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2021

Cash Flows From Operating Activities		
Change in net assets		\$ 177,270
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Forgiveness of PPP1 note payable	\$ (91,235)	
(Increase) decrease in:		
Accounts receivable	(39,819)	
Prepaid expenses and other assets	2,376	
Increase (decrease) in:		
Accounts payable and accrued expenses	<u>(18,409)</u>	
Total Adjustments		<u>(147,087)</u>
Net Cash Provided by Operating Activities		<u>30,183</u>
Cash Flows From Investing Activities		
Reinvested investment income	<u>(12,488)</u>	
Net Cash Used in Investing Activities		<u>(12,488)</u>
Cash Flows From Financing Activities		
Proceeds from PPP2 note payable	<u>121,957</u>	
Net Cash Provided by Financing Activities		<u>121,957</u>
Net Increase in Cash		139,652
Cash - Beginning		<u>2,089,010</u>
Cash - Ending		<u>\$ 2,228,662</u>
Supplemental Disclosure of Cash Flow Information		
Forgiveness of PPP1 note payable		<u>\$ 91,235</u>

The accompanying notes are an integral part of these financial statements.

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NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

THE ORGANIZATION

The Florida Breast Cancer Coalition Research Foundation, Inc. d/b/a Florida Breast Cancer Foundation, Inc. (the "Foundation") has as its mission to save lives of those impacted by breast cancer by supporting scientific research, community education, public policy through advocacy and community-based organizations. It achieves its mission by raising public awareness regarding breast cancer through providing community education and providing resource materials and information to the Florida community. The Foundation also awards grants to qualifying foundations in the State of Florida. All funding raised is used solely in the State of Florida.

RESEARCH AWARDS AND GRANTS

The Foundation awards funds to support grassroots educational programs as well as breast cancer research programs at major institutions throughout Florida. The Foundation is the only organization in the State of Florida that receives funds from the sale of the End Breast Cancer specialty license plates from which 80% of the funds are received with donor restriction for grant purposes and 20% are received without donor restriction and are available to be used for operational/ administrative expenses. The Foundation also receives funds from the voluntary checkoff program from which all funds received are restricted for grant purposes. All grant awards by the Foundation are provided only to organizations within the State of Florida.

BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

The Foundation follows the standards of accounting and financial reporting for not-for-profit organizations as prescribed by the Financial Accounting Standards Board ("FASB"). The financial statements of the Foundation have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP"). Net assets, revenues and expenses are classified based on the existence or absence of donor-imposed restrictions as follows:

Net Assets Without Donor Restrictions

Net assets which are free of donor-imposed restrictions; all revenues, expenses, gains, and losses that are not changes in net assets with donor restrictions.

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NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

BASIS OF ACCOUNTING AND PRESENTATION (CONTINUED)

Net Assets With Donor Restrictions

Net assets which use by the Foundation is limited by donor-imposed restrictions that either expire by passage of time, that can be fulfilled or otherwise removed by actions of the Foundation pursuant to those stipulations or are subject to donor-imposed restrictions that are required to be maintained in perpetuity by the Foundation.

INVESTMENTS AND INVESTMENT INCOME

The Foundation's investments are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between willing market participants at the measurement date. Purchases and sales of securities are recorded on a trade-date basis. Dividends are recorded on the ex-dividend date. See Note 4 for discussion of fair value measurements.

Investment income or loss (including realized and unrealized gains and losses on investments, interest and dividends) is included in the statement of activities as an increase or decrease in net assets without donor restriction unless income or loss is restricted by donor or law. Restricted gains and investment income, where the restrictions are met in the same reporting period as the income earned, are recorded as unrestricted support.

REVENUE FROM CONTRACTS WITH CUSTOMERS

In May 2014, the FASB issued Accounting Standards Update ("ASU") 2014-09, "*Revenue from Contracts with Customers* (Topic 606)", which supersedes nearly all existing revenue recognition guidance under U.S. GAAP. This ASU outlines a single comprehensive model for recognizing revenue as performance obligations, defined in a contract with a customer as goods or services transferred to the customer in exchange for consideration, are satisfied. The standard also requires expanded disclosures regarding the Foundation's revenue recognition policies and significant judgments employed in the determination of revenue. Effective July 1, 2020 the Foundation adopted this ASU. Based on the Foundation's evaluation process and review of its contracts with customers, the timing and amount of revenue recognized previously is consistent with how revenue is recognized under the new

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NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

REVENUE FROM CONTRACTS WITH CUSTOMERS (CONTINUED)

standard. No changes were required to previously reported revenues as a result of the adoption; therefore, the adoption of this ASU did not have a material impact on the financial statements and did not result in a prior period adjustment.

The Foundation's revenue stream that fall within the scope of this ASU is revenue derived from the thrift shop. Thrift shop revenue is recognized as revenue when the performance obligations noted in the respective agreement have been satisfied.

CONTRIBUTIONS

Contributions are recognized when the donor makes a promise to give to the Foundation that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restriction if the restrictions expire in the year in which the contributions are 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 transferred to net assets without donor restrictions.

FUND-RAISING ACTIVITIES

The Foundation's financial statements are presented in accordance with FASB Accounting Standards Codification ("ASC") 958 "*Accounting for Costs of Activities of Not-for-Profit Foundations that Included Fund Raising*". FASB ASC 958 establishes criteria for accounting and reporting for any entity that solicits contributions.

FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and other activities have been detailed in the accompanying statement of functional expenses and are summarized on a functional basis in the accompanying statement of activities. Salaries and other expenses, which are associated with a specific program, are charged directly to that program. Salaries for staff which support more than one program, are allocated to the various programs based on an analysis of time spent and effort. Other expenses which benefit more than one program, are allocated based on estimates made by management.

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NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

INCOME TAXES

The Foundation is a non-profit corporation as defined by Section 501(c)(3) of the U.S. Internal Revenue Code and as such is subject to state and federal income taxes only on unrelated business taxable income. There were no significant income taxes resulting from unrelated business income during the year ended June 30, 2021.

The Foundation follows the provisions of FASB ASC Topic 740-10 and related subsections for the recognition, measurement, classification, and disclosure in the financial statements of uncertain tax positions taken or expected to be taken in the Foundation's tax returns. As a result of implementing this guidance, management has determined that the Foundation does not have any uncertain tax positions and associated unrecognized benefits that materially impact the financial statements or related disclosures.

Since tax matters are subject to some degree of uncertainty, there can be no assurance that the Foundation's tax returns will not be challenged by the taxing authorities and that the Foundation will not be subject to additional tax, penalties, and interest as a result of such challenge. If the Foundation were to incur an income tax liability in the future, interest would be reported as interest expense and penalties would be reported as income taxes or interest expense. Generally, the Foundation's tax returns remain open for federal income tax examination for three years from the date of filing; however, there are currently no audits for any tax periods pending or in progress.

VOLUNTEER SERVICES

The Foundation utilizes the services of volunteers in their advocacy work and programs. Because there is no objective means of valuing such services, no amounts for such services are recorded in the accompanying financial statements.

IN-KIND CONTRIBUTIONS

In-kind contributions are recorded as contribution and expense in the accompanying statement of activities. In-kind contributions of donated non-cash assets are recorded at their fair value in the period received, and consist primarily of donated use of office space.

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NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

USE OF ESTIMATES

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities at the date of financial statements, and revenues and expenses during the period reported. Estimates and assumptions are reviewed periodically and the effects of revisions are reflected in the financial statements in the period they are determined to be necessary. The primary estimates used in the preparation of these financial statements include the collectability of accounts receivable and the allocation of natural expenses among functional categories. Actual results could differ from those estimates.

RECENT ACCOUNTING PRONOUNCEMENTS

On August 28, 2018, the FASB issued ASU 2018-13, “*Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement*”. This ASU applies to all entities that are required, under existing GAAP, to make disclosures about recurring or nonrecurring fair value measurements. This ASU’s objective is to improve the effectiveness of disclosures in the notes to the financial statements by facilitating clear communication of the information required by GAAP that is most important to the users of the entity’s financial statements. This ASU is applicable for the Foundation for its annual reporting period beginning on July 1, 2020. The Foundation implemented this ASU effective July 1, 2020. The adoption did not have a significant impact on the Foundation’s financial statements.

In February 2016, the FASB issued ASU 2016-02, “*Leases (Topic 842)*”, which amends the guidance relating to the definition of a lease, recognition of lease assets and liabilities on the statement of financial position and the related disclosure requirements. This ASU is applicable for the Foundation for its annual reporting period beginning on July 1, 2021. Earlier application is permitted, however, the Foundation did not early adopt the ASU. Management is in the process of evaluating the ASU for the potential impact on its financial statements upon adoption.

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NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

RECENT ACCOUNTING PRONOUNCEMENTS (CONTINUED)

In September 2020, the FASB issued ASU 2020-07, “*Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* (Topic 958)”. This ASU requires nonprofits to change their financial statement presentation and disclosure of contributed nonfinancial assets, or gifts-in-kind. The FASB issued the update in an effort to improve transparency in reporting nonprofit gifts-in-kind. This ASU is applicable for the Foundation for its annual reporting period beginning on July 1, 2021. Earlier application is permitted, however, the Foundation did not early adopt the ASU. Management is in the process of evaluating the ASU for the potential impact on its financial statements upon adoption.

SUBSEQUENT EVENTS

Management of the Foundation has evaluated all subsequent events through January 12, 2022, which is the date these financial statements were available to be issued. Except as described at Note 5, there were no subsequent events identified that require recognition or disclosure in the financial statements.

NOTE 2 - CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject the Foundation to concentrations of credit risk consist principally of cash and accounts receivable.

Cash

From time to time, the Foundation maintains its cash in deposit accounts at financial institutions that exceed the Federal Deposit Insurance Corporation (“FDIC”) limits. The Foundation maintains these balances in what it believes to be high quality financial institutions, which it believes limits its risk.

Accounts Receivable

Accounts receivable consist principally of amounts due from the thrift store and grantor agencies pursuant to the terms of the respective agreements. Accounts receivable are stated at net realizable value. Allowances are provided for amounts estimated to be uncollectible based on historical experience and any specific collection issues that the Foundation has identified. It is the Foundation’s policy to charge uncollectible receivables against the allowance when management determines that the related balance will not be collected. Management determined that an allowance for doubtful accounts was not necessary at June 30, 2021.

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NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

NOTE 3 - LIQUIDITY AND AVAILABILITY OF RESOURCES

The Foundation regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investments of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Foundation considers all expenditures related to grant awards, community and advocacy services, and education support, as well as the requirement to support those activities, to be general expenditures. The Foundation has various sources of liquidity, including cash, investments and receivables. See Note 4 for information regarding the Foundation's investments.

In addition to the financial assets available to meet general expenditures over the 12 months, the Foundation operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by the board or donor-restricted resources. Refer to the statement of cash flows which identifies the sources and uses of the Foundation's cash for the twelve months ended June 30, 2021.

As of June 30, 2021, the following table shows the total financial assets held by the Foundation that could be made readily available within one year to meet general expenditures:

Financial Assets Available to Meet General Expenditures Over the Next 12 Months	
Cash	\$ 2,228,662
Investments	75,016
Receivables	<u>119,665</u>
Total Financial Assets Available to Meet General Expenditures Over the Next 12 Months	
	<u>\$ 2,423,343</u>

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NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

NOTE 4 - FAIR VALUE MEASUREMENTS

The Foundation follows ASC 820-10 “*Fair Value Measurement*” for measuring fair value. This guidance defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. This standard establishes a three-level hierarchy for fair value measurements based upon the significant inputs used to determine fair value. Observable inputs are those which are obtained from market participants external to the Foundation while unobservable inputs are generally developed internally, utilizing management’s estimates, assumptions, and specific knowledge of the assets/liabilities and related markets. The hierarchy is broken down into three levels based on the reliability of inputs as follows:

Level 1

Inputs to the valuation methodology are unadjusted quoted market prices for identical assets or liabilities in active markets that the Foundation has the ability to access at the measurement date.

Level 2

Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or by other means.
- If the asset or liability has specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3

Valuation is based on unobservable inputs for an asset or liability. Unobservable inputs are used to measure fair value to the extent that observable inputs are not available. However, the fair value measurement objective remains the same, that is, an exit price from the perspective of a market participant. Therefore, unobservable inputs reflect the assumptions that market participants would use in valuing the asset or liability, including assumptions about risk. Unobservable inputs are developed based on the best information available in the circumstances, which might include information provided by the Foundation’s investment manager. The data used to develop unobservable inputs is adjusted if information is reasonably available without undue cost and effort that indicates market participants would use different assumptions. Investment types which have been valued using this approach generally include investments in investee funds that have lockups that are greater than 3 months.

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NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

NOTE 4 - FAIR VALUE MEASUREMENTS (CONTINUED)

The following is a description of the valuation methodologies used for assets measured at fair value, on a recurring basis.

Certificate of Deposit: Consists of a certificate of deposit that has a remaining maturity of one year or less. Certificates of deposit are recorded at amortized cost, which approximates fair value.

Investments held at Miami Foundation, Inc.: The values of the assets invested at Miami Foundation, Inc. are determined by calculating the Foundation's net asset value ("NAV") in the pool. The Foundation has the ability to observe the inputs to the valuation and redeem the investment at NAV upon request and are reported as Level 2 investments as the investment pool has a readily determinable fair value. The investment held at Miami Foundation, Inc. is invested in a balanced pool and principally include fixed income and equity investment funds. The investments held at Miami Foundation, Inc. have no unfunded commitments as of June 30, 2021. Additionally, other than a 1 day notice and bi-monthly redemption frequency, there are no explicit restrictions on the redemption of such investments.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

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NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

NOTE 4 - FAIR VALUE MEASUREMENTS (CONTINUED)

The following table sets forth by level, within the fair value hierarchy, the Foundation's assets at fair value as of June 30, 2021:

	Fair Value Measurement at June 30, 2021			
	Level 1	Level 2	Level 3	Total
Investments held at Miami Foundation, Inc.	\$ --	\$ 54,409	\$ --	\$ 54,409
Total Investments at Fair Value	\$ --	\$ 54,409	\$ --	54,409
Investments Measured at Amortized Cost*				20,607
Total Investments				\$ 75,016

* Certain investments that are measured at amortized cost have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the investment line item presented in the accompanying Statement of Financial Position.

NOTE 5 - PAYCHECK PROTECTION PROGRAM PROMISSORY NOTE

On March 27, 2020, the United States Federal government enacted the Coronavirus Aid, Relief, and Economic Security ("CARES") Act in an effort to provide relief for small businesses. Under the CARES Act, the United States Small Business Administration ("SBA") Agency is able to lend to small businesses who meet certain requirements under the Paycheck Protection Program ("PPP"). On April 18, 2020, the Foundation received a PPP loan from the SBA in the amount of \$91,235. The loan bears an annual interest rate of 1.00% and matures on April 18, 2022. The Foundation is required to pay monthly principal and interest payments on the outstanding principal balance of the loan amortized over the term of the loan, unless otherwise forgiven in whole or part in accordance with the CARES Act, beginning November 18, 2020 through the maturity date. Upon maturity, the unpaid remaining principal balance and accrued unpaid interest is payable in full. During the year ended June 30, 2021, the Organization applied for full loan forgiveness with the SBA, and received a Forgiveness Notice from the SBA indicating that the loan had been fully forgiven effective February 21, 2021 and recognized other income in the accompanying statement of activities for the year ended June 30, 2021.

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NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

NOTE 5 - PAYCHECK PROTECTION PROGRAM PROMISSORY NOTE (CONTINUED)

On February 23, 2021, the Foundation entered into an additional PPP2 note (Round 2) for total proceeds of \$121,957, with a financial institution in relation to the recently enacted CARES Act administered by the SBA. In accordance with the requirements of the CARES Act, the Foundation will use the proceeds of the notes primarily for payroll and other allowable costs. Interest on the note accrues at 1.00% per annum and all principal and accrued interest is due and payable five years from the date of the note unless the loan is forgiven based on specific terms dictated by the SBA. The Foundation may apply to the lender for partial or full loan forgiveness as specified under the PPP rules. Subsequent to year end, the Foundation applied for full loan forgiveness with the SBA, and received a Forgiveness Notice from the SBA indicating that the loan had been fully forgiven effective October 21, 2021.

NOTE 6 - CONCENTRATIONS

REVENUE

For the year ended June 30, 2021, the Foundation received approximately 26% of their revenue from the State of Florida, Department of Highway Safety and Motor Vehicles (the "Department"). The Foundation also received approximately 59% of their revenue from the Thrift Store (see Note 8). As the revenue from the Department and the Thrift Store are significant to the overall operations of the Foundation, any significant reduction or loss of funding from the Department or Thrift Store may affect the Foundation's ability to operate in its present form.

NOTE 7 - GRANT COMMITMENTS

The Foundation provides resources to different institutions to conduct research related to breast cancer. The projects include clinical research and education, in order to improve health and find a cure for breast cancer.

For the year ended June 30, 2021, the Foundation dispersed approximately \$788,000 in unconditional grants and awards. Grants are given to Florida based organizations and are exclusively funded through restricted State of Florida funds. Such grant activity is reflected as net assets released from restriction with donor restrictions net assets in the accompanying statement of activities. Awards represent funds awarded to Florida based organizations with the use of net assets without donor restrictions.

**FLORIDA BREAST CANCER COALITION
RESEARCH FOUNDATION, INC.
D/B/A FLORIDA BREAST CANCER FOUNDATION, INC.**

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

NOTE 7 - GRANT COMMITMENTS (CONTINUED)

As of June 30, 2021, the Foundation does not have any unconditional or conditional promises to give to any organizations.

NOTE 8 - THRIFT STORE

On November 27, 2012, the Foundation executed a 10 year agreement with a thrift store operator in which items (clothes, furniture, etc.) are donated to the Foundation and are sold by the thrift store operator at local thrift stores. On March 1, 2016, the Foundation amended and restated the agreement through June 2028. The Foundation earns a fee to help fund efforts toward breast cancer advocacy, education and research based on the contract terms. Revenues related to the thrift store were \$1,308,120 for the year ended June 30, 2021.

NOTE 9 - COMMITMENTS AND CONTINGENCIES

Effective January 15, 2015, the Foundation entered into a lease agreement for its office which expired in January 2021. Prior to the expiration of this lease, the Foundation extended the term of the lease through February 2022.

Future minimum annual rentals on noncancelable operating leases are approximately as follows:

For the Year Ending	Amount
June 30,	
2022	\$ 17,440
Total	\$ 17,440

For the year ended June 30, 2021, the Foundation recorded rent expense in the amount of approximately \$61,000.

The Foundation participates in state and local programs that are subject to audit by the respective agencies. Any disallowed funds received or to be received under these programs may constitute a liability in the amount of the disallowed funds. Management does not believe that any potential disallowed funds would have a significant effect on the financial statements.

**FLORIDA BREAST CANCER COALITION
RESEARCH FOUNDATION, INC.
D/B/A FLORIDA BREAST CANCER FOUNDATION, INC.**

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

NOTE 10 - IN-KIND CONTRIBUTION

The Foundation currently receives rent-free use of store and office space from Oviedo Mall in Oviedo, Florida in exchange for exclusive sponsorship in accordance with the lease agreement. The current lease agreement expires on May 31, 2022. Accordingly, the fair value of the annual rent is determined each year by the Foundation's management, and the fair value of the rent is recorded as an in-kind contribution and expense in the accompanying statement of activities.

NOTE 11 - NET ASSETS WITHOUT DONOR RESTRICTIONS

Net assets without donor restrictions at June 30, 2021 are as follows:

Undesignated	\$ 412,242
Amount Designated by the Board of Directors through the approval of the Annual Foundation Budget are:	
Research Fund	944,289
Education Fund	4,780
Scholarship Fund	10,952
Broward County Programs	<u>123,196</u>
Total Net Assets Without Donor Restrictions	<u>\$ 1,495,459</u>

NOTE 12 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of license plate revenues and donations from the voluntary checkoff program ("VCP"). For the year ended June 30, 2021, contributions with donor restrictions include state grant revenues, donations from VCP and related interest income totaling approximately \$588,000. These amounts are restricted for grant awards to be provided for breast cancer research and education.

Research and education funding can be made available for:

- Basic, clinical, and translational breast cancer research, with priority given to Young Investigator,
- Epidemiological studies of breast cancer,
- Research on possible links between breast cancer and the environment,
- Psychoimmunological research, and
- Innovative awards and idea grants.

**FLORIDA BREAST CANCER COALITION
RESEARCH FOUNDATION, INC.
D/B/A FLORIDA BREAST CANCER FOUNDATION, INC.**

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

NOTE 12 - NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

Net assets with donor restrictions at June 30, 2021 may be expended for:

Subject to Expenditure for Specified Purpose	
Breast Cancer Research and Education Funding	\$ 835,939
Total Net Assets With Donor Restrictions	<u>\$ 835,939</u>

NOTE 13 - NET ASSETS RELEASED FROM DONOR RESTRICTIONS

Net assets were released from restrictions by incurring expenses satisfying the restricted purposes or by the occurrence of other events specified by donors during the year ended June 30, 2021 as follows:

Purpose Restrictions Accomplished	
Grant Awards: Education	\$ 9,791
Grant Awards: Scientific	<u>693,360</u>
Total Net Assets Released from Donor Restriction	<u>\$ 703,151</u>

NOTE 14 - CORONAVIRUS PANDEMIC

The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of businesses across the country for non-essential services. While the disruption is currently expected to be temporary, there is considerable uncertainty about the duration of closings. The Foundation has been able to continue most of its operations in a disrupted environment and is making plans to adjust activities that cannot; however, at this point, the extent to which COVID-19 may impact the Foundation's financial condition or results of operations is evolving and uncertain. The Foundation continues to operate and support its activities and mission as of the date of January 12, 2022, the date the financial statements were available to be issued.

COMPLIANCE SECTION

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Directors

**Florida Breast Cancer Coalition Research Foundation, Inc.
d/b/a Florida Breast Cancer Foundation, Inc.**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Florida Breast Cancer Coalition Research Foundation, Inc. d/b/a Florida Breast Cancer Foundation, Inc. (the "Foundation"), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and have issued our report thereon dated January 12, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Foundation's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Foundation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Foundation's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Marcum LLP

Miami, FL
January 12, 2022