

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

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

**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 Audit of Financial Statements

Opinion

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, 2022, 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 the Foundation as of June 30, 2022, 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 (GAAS) and the standards applicable to financial statements contained in *Government Accounting Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). 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.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 GAAS and *Government 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 GAAS and *Government 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 13, 2023 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
February 13, 2023

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

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2022

Assets

Cash	\$ 2,561,492
Investments	81,674
Accounts receivable	137,320
Prepaid expenses and other assets	<u>38,039</u>

Total Assets \$ 2,818,525

Liabilities and Net Assets

Liabilities

Accounts payable and accrued expenses	<u>\$ 15,192</u>
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Total Liabilities \$ 15,192

Net Assets

Without donor restrictions	1,994,431
With donor restrictions	<u>808,902</u>

Total Net Assets 2,803,333

Total Liabilities and Net Assets \$ 2,818,525

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

**FLORIDA BREAST CANCER COALITION
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STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Other Support			
Thrift shop revenues	\$ 1,628,072	\$ --	\$ 1,628,072
License plate revenues	--	572,400	572,400
Donations	275,565	--	275,565
Special events revenue	159,022	--	159,022
In-kind contribution	23,349	--	23,349
Interest income	176	563	739
Investment loss	(5,873)	--	(5,873)
Total Revenue and Other Support	<u>2,080,311</u>	<u>572,963</u>	<u>2,653,274</u>
Net Assets Released from Restrictions - Expiration and Fulfillment of Restrictions	<u>600,000</u>	<u>(600,000)</u>	<u>--</u>
Total Revenue and Other Support and Net Assets Released from Restriction	<u>2,680,311</u>	<u>(27,037)</u>	<u>2,653,274</u>
Expenses			
Program services	<u>2,057,693</u>	<u>--</u>	<u>2,057,693</u>
Supporting activities:			
General and administrative	126,050	--	126,050
Fundraising	<u>119,553</u>	<u>--</u>	<u>119,553</u>
Total supporting activities	<u>245,603</u>	<u>--</u>	<u>245,603</u>
Total Expenses	<u>2,303,296</u>	<u>--</u>	<u>2,303,296</u>
Change in Net Assets before Other Income	377,015	(27,037)	349,978
Other Income			
Forgiveness of PPP loan # 2 note payable	<u>121,957</u>	<u>--</u>	<u>121,957</u>
Change in Net Assets	<u>498,972</u>	<u>(27,037)</u>	<u>471,935</u>
Net Assets - Beginning	<u>1,495,459</u>	<u>835,939</u>	<u>2,331,398</u>
Net Assets - Ending	<u>\$ 1,994,431</u>	<u>\$ 808,902</u>	<u>\$ 2,803,333</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, 2022

	Program Services	Supporting Activities		Total
		General and Administrative	Fundraising	
Salaries and benefits	\$ 510,604	\$ 115,667	\$ 68,779	\$ 695,050
Grants and awards	668,186	--	--	668,186
Advocacy/education	665,928	--	--	665,928
Marketing/awareness	97,532	149	14,467	112,148
Rent	41,946	2,657	5,313	49,916
Professional fees	32,158	4,594	9,188	45,940
Other	24,889	1,214	7,798	33,901
Supplies	6,628	946	1,894	9,468
Community relations	4,062	--	3,870	7,932
Postage and delivery	3,010	430	1,801	5,241
Telecommunications	--	--	5,658	5,658
Office furniture/equipment	2,750	393	785	3,928
Total Expenses	<u>\$ 2,057,693</u>	<u>\$ 126,050</u>	<u>\$ 119,553</u>	<u>\$ 2,303,296</u>

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

**FLORIDA BREAST CANCER COALITION
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STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2022

Cash Flows From Operating Activities

Change in net assets	\$ 471,935
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Forgiveness of PPP loan # 2 note payable	\$ (121,957)
(Increase) decrease in:	
Accounts receivable	(17,655)
Prepaid expenses and other assets	3,786
Increase (decrease) in:	
Accounts payable and accrued expenses	<u>3,379</u>
Total Adjustments	<u>(132,447)</u>
Net Cash Provided by Operating Activities	339,488
Cash Flows From Investing Activities	
Reinvested investment income	<u>(6,658)</u>
Net Cash Used in Investing Activities	<u>(6,658)</u>
Net Increase in Cash	332,830
Cash - Beginning	<u>2,228,662</u>
Cash - Ending	<u>\$ 2,561,492</u>
Supplemental Disclosure of Cash Flow Information	
Forgiveness of PPP loan # 2 note payable	\$ 121,957

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

**FLORIDA BREAST CANCER COALITION
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NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

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 (VCP). The VCP program allows motor vehicle applicants to make voluntary contributions to "End Breast Cancer" during license plate registration or renewal. All of the funds received from the VCP 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:

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NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

BASIS OF ACCOUNTING AND PRESENTATION (CONTINUED)

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.

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.

PREPAID EXPENSES AND OTHER ASSETS

Prepaid expenses and other assets relate primarily to promotional items and deposits paid in advance that are scheduled for future time periods.

REVENUE FROM CONTRACTS WITH CUSTOMERS

The Foundation recognizes revenue in accordance with Accounting Standards Update ("ASU") 2014-09, "Revenue from Contracts with Customers (Topic 606)". The 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 Foundation's revenue stream that falls within

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NOTES TO FINANCIAL STATEMENTS

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

REVENUE FROM CONTRACTS WITH CUSTOMERS (CONTINUED)

the scope of this ASU is revenue derived from the thrift shop sales. Thrift shop revenue is recognized as revenue when the performance obligations noted in the respective agreement have been satisfied. Thrift shop revenue is recognized when the product is sold to the customer. The Foundation has a contract with a thrift store operator who reimburses the Foundation a fee based on amount of products sold. See Note 8 – Thrift Store for additional information.

CONTRIBUTIONS

Contributions are recognized when the donor makes a promise to give to the Foundation that is, in substance unconditional. Unconditional contributions are recognized when received. Conditional contributions are recognized when the donor-imposed barrier stipulated in the agreement has been overcome. Contributions are classified within the statement of activities as without donor restrictions or with donor restrictions depending upon the existence and/or nature of the donor restrictions. Contributions are recorded as net assets with donor restrictions if they are received with donor stipulations or time considerations as to their use. Net assets with donor restrictions are reclassified to net assets without donor restrictions when either the purpose restriction is satisfied, or the time restriction expires. Contributions with donor restrictions that is both received and released in the same period is classified as without donor restrictions in the statement of activities.

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

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NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FUNCTIONAL ALLOCATION OF EXPENSES (CONTINUED)

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.

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, 2022.

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. 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.

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 store and office space. See Note 10 – In-Kind Contribution for additional information.

The Foundation utilizes the services of volunteers in their advocacy work and programs. Because there is no objective means of valuing such services, amounts for such donated services are not reflected in the financial statements as they do not meet the criteria for recording.

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NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

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 ADOPTED

FASB issued ASU 2020-07, “*Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958)*”. This ASU requires nonprofits to present contributed nonfinancial assets in the statement of activities as a line item that is separate from contributions of cash or other financial assets. The ASU also requires additional qualitative and quantitative disclosures about contributed nonfinancial assets received, disaggregated by category. The Foundation adopted this ASU effective for the fiscal year ended June 30, 2022. Based upon review of contributions made, the only contributed nonfinancial assets made to the Foundation during fiscal year ended June 30, 2022 was for store and office space. See Note 10 - In-Kind Contribution. The adoption of this ASU has no significant impact on the financial statements and disclosures.

UPCOMING ACCOUNTING PRONOUNCEMENTS

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. Under the new guidance, lessees are required to recognize right-of-use assets and lease liabilities on the statement of financial position for all leases with terms longer than 12 months. Upon the adoption of the ASU, operating leases are capitalized on the statement of financial position at the present value of the lease payments. This ASU is applicable for the Foundation for fiscal year ending June 30, 2023. Earlier application is permitted, however, the Foundation did not early adopt the ASU. Management is in the process of evaluating the impact of this ASU on its financial statements.

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NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

SUBSEQUENT EVENTS

Management of the Foundation has evaluated all subsequent events through February 13, 2023, which is the date these financial statements were available to be issued. There were no subsequent events identified that were required to be recognized or disclosed 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 FDIC insures depositors up to \$250,000. At June 30, 2022, the Foundation had deposits with financial institutions which exceeded FDIC insurance limits by approximately \$957,000. The Foundation maintains these balances in 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, 2022.

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

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NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 3 - LIQUIDITY AND AVAILABILITY OF RESOURCES (CONTINUED)

support those activities, to be general expenditures. The Foundation has various sources of liquidity, including cash, investments and receivables. See Note 4 – Fair Value Measurements 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, 2022.

As of June 30, 2022, 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	\$ 2,561,492
Investments	81,674
Receivables	<u>137,320</u>
	2,780,486
Less: Donor restricted net assets	<u>(808,902)</u>
Total Financial Assets Available to Meet General Expenditures Over the Next 12 Months	<u><u>\$ 1,971,584</u></u>

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:

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NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 4 - FAIR VALUE MEASUREMENTS (CONTINUED)

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.

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.

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NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 4 - FAIR VALUE MEASUREMENTS (CONTINUED)

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, 2022. 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.

The following table sets forth by level, within the fair value hierarchy, the Foundation’s assets at fair value as of June 30, 2022:

	Fair Value Measurement at June 30, 2022			
	Level 1	Level 2	Level 3	Total
Investments held at Miami Foundation, Inc.	\$ --	\$ 61,057	\$ --	\$ 61,057
Total Investments at Fair Value	\$ --	\$ 61,057	\$ --	61,057
Investments Measured at Amortized Cost*				20,617
Total Investments				\$ 81,674

* Certain investments (e.g. Certificate of Deposits) 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.

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NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 5 - PAYCHECK PROTECTION PROGRAM PROMISSORY NOTE

On February 23, 2021, the Foundation entered into a second Paycheck Protection Program (“PPP”) note (PPP loan # 2) in the amount of \$121,957 with a financial institution as administered by the U.S. Small Business Administration (“SBA”) which was established as part of the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”). In accordance with the requirements of the CARES Act, the Foundation used the proceeds of the loan for payroll and other allowable costs. The PPP loan # 2 was fully forgiven on October 21, 2021 under the terms of the CARES Act program. The loan forgiveness of \$121,957 is included in other income in the accompanying statement of activities for the fiscal year ended June 30, 2022.

NOTE 6 - CONCENTRATIONS

REVENUE

For the year ended June 30, 2022, the Foundation received approximately 22% of its revenue from the State of Florida, Department of Highway Safety and Motor Vehicles (the “Department”). The Foundation also received approximately 61% of its revenue from the Thrift Store (see Note 8 – Thrift Store). 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 to improve health and to find a cure for breast cancer.

For the year ended June 30, 2022, the Foundation dispersed approximately \$668,000 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.

As of June 30, 2022, the Foundation does not have any unconditional or conditional promises to give to any organizations.

**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, 2022

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 based on a percentage of gross thrift shop store sales to help fund efforts toward breast cancer advocacy, education and research. Revenues related to the thrift store were \$1,628,072 for the year ended June 30, 2022.

NOTE 9 - COMMITMENTS AND CONTINGENCIES

Effective January 15, 2015, the Foundation entered into a lease agreement for office space. The lease was renewed effective March 1, 2022 and requires monthly base payments of \$2,258 to \$2,325 through February 2024. The lease agreement provides an option to renew the lease for an additional one-year term subject to a 3% monthly rental increase.

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

For the Year Ending June 30,	Amount
2023	\$ 27,296
2024	<u>18,604</u>
Total	<u><u>\$ 45,900</u></u>

For the year ended June 30, 2022, the Foundation recorded rent expense in the amount of approximately \$50,000.

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, 2022

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, 2023. 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 rent expense in the accompanying statement of activities.

NOTE 11 - NET ASSETS WITHOUT DONOR RESTRICTIONS

Net assets without donor restrictions at June 30, 2022 are as follows:

Undesignated	\$ 1,456,865
Amounts Designated by the Board of Directors:	
Board Research	421,512
Scholarship Fund	11,831
Broward County Programs	<u>104,223</u>
Total Net Assets Without Donor Restrictions	<u>\$ 1,994,431</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, 2022, contributions with donor restrictions include state grant revenues, donations from VCP and related interest income totaling approximately \$573,000. 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.
- 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, 2022

NOTE 12 - NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

Net assets with donor restrictions at June 30, 2022 may be expended for:

Subject to Expenditure for Specified Purpose	
Breast Cancer Research and Education Funding	\$ <u>808,902</u>
Total Net Assets With Donor Restrictions	\$ <u><u>808,902</u></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, 2022 as follows:

Purpose Restrictions Accomplished	
Grant Awards: Scientific	\$ <u>600,000</u>
Total Net Assets Released from Donor Restriction	\$ <u><u>600,000</u></u>

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***

To the 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, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and have issued our report thereon dated February 13, 2023.

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
February 13, 2023