

LOBULAR BREAST CANCER ALLIANCE INC.
FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

**LOBULAR BREAST CANCER ALLIANCE INC.
FOR THE YEAR ENDED JUNE 30, 2023**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Management
Lobular Breast Cancer Alliance Inc.
White Horse Beach, Massachusetts

Opinion

We have audited the accompanying financial statements of Lobular Breast Cancer Alliance Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities and changes in net assets, 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 Lobular Breast Cancer Alliance Inc. as of June 30, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities of the Audit of the Financial Statements section of our report. We are required to be independent of Lobular Breast Cancer Alliance Inc. and to meet our other ethical responsibilities in accordance with 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 these 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 Lobular Breast Cancer Alliance 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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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



CERTIFIED PUBLIC ACCOUNTANTS

Braintree, Massachusetts
September 19, 2023

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LOBULAR BREAST CANCER ALLIANCE INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2023

ASSETS

Assets:

Cash and cash equivalents	\$ 329,618
Contributions receivable	49,139
Prepaid expenses	<u>1,631</u>
TOTAL ASSETS	<u>\$ 380,388</u>

LIABILITIES AND NET ASSETS

Liabilities:

Accounts payable	\$ 73,306
Accrued expenses	<u>8,805</u>
Total liabilities	<u>82,111</u>

Net assets:

Without donor restrictions	298,277
With donor restrictions	<u>-</u>
Total net assets	<u>298,277</u>

TOTAL LIABILITIES AND NET ASSETS	<u>\$ 380,388</u>
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See accompanying notes to financial statements.

LOBULAR BREAST CANCER ALLIANCE INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
	<u> </u>	<u> </u>	<u> </u>
Support and revenue:			
Contributions	\$ 517,806	\$ -	\$ 517,806
Sponsorships	64,371	-	64,371
In-kind contributions	19,548	-	19,548
Interest income	265	-	265
Net assets released from donor restrictions	<u>1,000</u>	<u>(1,000)</u>	<u>-</u>
Total support and revenue	<u>602,990</u>	<u>(1,000)</u>	<u>601,990</u>
Expenses:			
Program	341,665	-	341,665
Management and general	73,772	-	73,772
Fundraising	<u>113,189</u>	<u>-</u>	<u>113,189</u>
Total expenses	<u>528,626</u>	<u>-</u>	<u>528,626</u>
Changes in net assets	74,364	(1,000)	73,364
Net assets, beginning of year	<u>223,913</u>	<u>1,000</u>	<u>224,913</u>
NET ASSETS, END OF YEAR	<u><u>\$ 298,277</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 298,277</u></u>

See accompanying notes to financial statements.

**LOBULAR BREAST CANCER ALLIANCE INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Program</u>	<u>Management and general</u>	<u>Fundraising</u>	<u>Total</u>
Payroll and related expenses	\$ 170,352	\$ 25,190	\$ 70,598	\$ 266,140
Research	112,861	-	-	112,861
Professional fees	43,250	42,356	21,671	107,277
Office and other	2,800	2,715	20,769	26,284
Scholarships and sponsorships	6,640	-	-	6,640
Travel	5,587	-	-	5,587
Insurance	-	2,952	-	2,952
Advertising	<u>175</u>	<u>559</u>	<u>151</u>	<u>885</u>
TOTAL EXPENSES	<u>\$ 341,665</u>	<u>\$ 73,772</u>	<u>\$ 113,189</u>	<u>\$ 528,626</u>

See accompanying notes to financial statements.

**LOBULAR BREAST CANCER ALLIANCE INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023**

Net cash flows from operating activities:	
Changes in net assets	\$ 73,364
Adjustments to reconcile changes in net assets to net used in operating activities:	
Non-cash contributions of donated investments	(105,034)
Changes in operating assets and liabilities:	
Contributions receivable	(47,385)
Prepaid expenses	(308)
Accounts payable	69,626
Accrued expenses	<u>1,212</u>
Net cash used in operating activities	<u>(8,525)</u>
Investing activities:	
Proceeds from sale of donated investments	<u>105,034</u>
Net cash provided by investing activities	<u>105,034</u>
Net increase in cash and cash equivalents	96,509
Cash and cash equivalents - beginning of year	<u>233,109</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 329,618</u>

See accompanying notes to financial statements.

LOBULAR BREAST CANCER ALLIANCE INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1. ORGANIZATION

Lobular Breast Cancer Alliance Inc. (the "Organization") is a nonprofit organization established in 2021. The Organization is dedicated to making all who are touched by Invasive Lobular Breast Cancer ("ILC") aware of its unique characteristics and critical need for more research. The Organization's goals are to be the primary source for information on ILC studies, clinical trials and educational tools; to foster partnerships among patients, scientists, clinicians and breast cancer organizations to increase dialogue about ILC and research advocacy; and to fund vital ILC research. Support is provided by contributions from foundations, individuals and corporations.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Financial Statement Presentation

The Organization follows the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Subtopic *Presentation of Financial Statements of Not-for-Profit Entities*. Net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the 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 Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor had stipulated the funds be maintained in perpetuity. At June 30, 2023, the Organization did not have any net assets with donor restrictions.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

LOBULAR BREAST CANCER ALLIANCE INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

Cash and cash equivalents consists of cash on hand and demand deposits. The Organization maintains its cash in bank deposits on accounts, which at times may exceed federally insured limits. The Organization has not experienced any losses in such accounts and does not believe its is exposed to any significant credit risk related to cash. The Organization considers all short-term investment securities with a maturity of three months or less to be cash equivalents.

Contributions Receivable

Contributions receivable are stated at the amount that management expects to collect from outstanding balances. Contributions receivable totaled \$49,139 at June 30, 2023. Management reviews outstanding balances and provides an allowance for doubtful accounts based on experience. Accounts deemed uncollectible are charged against this allowance. At June 30, 2023, management believes all outstanding balances are fully collectible, therefore, no allowance for doubtful accounts was recorded.

Revenue Recognition

Revenue is reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or by law. Expirations of net assets with donor restrictions (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from donor restrictions.

Grants and Contributions

Contributions of cash and other assets are presented as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from donor restrictions. Grants and contributions subject to donor-imposed stipulations that are met in the same reporting period are reported as revenues without donor restrictions.

Grants and contributions, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give, that is, those with a measurable performance or other barrier, are not recognized until they become unconditional, that is, at the time when the conditions on which they depend are substantially met.

Grants and contributions of assets other than cash are reported at their estimated fair value. Grants and contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risk involved. Amortization of the discount is recorded as additional grant and contribution revenue in accordance with donor-imposed or grantor-imposed restrictions, if any, on the grants and contributions.

LOBULAR BREAST CANCER ALLIANCE INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (continued)

Sponsorships

Sponsorship revenue is accounted for under ASC 958, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. Sponsorships represent amounts paid to the Organization as contributions, where the Organization acknowledges the donor through use of the donor logo on the Organization's website for a specific period of time. These amounts are not considered an exchange transaction, as the acknowledgement of the donor is considered to be of incidental value.

In-Kind Contributions

Contributions of services that create or enhance non-financial assets or that require specialized skills, which are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. The amounts reflected in the accompanying statement of activities and changes in net assets as in kind contributions are offset by like amounts included in expenses.

Advertising

Advertising costs are charged to expense as incurred. The Organization incurred advertising costs of \$885 during the year ended June 30, 2023, which is included in advertising expenses on the accompanying statement of functional expenses.

Income Taxes

The Organization is exempt from income tax pursuant to Section 501(c)(3) of the Internal Revenue Code ("IRC") and accordingly, no provision for income taxes has been recorded in the accompanying financial statements. The Organization is subject to federal and state income taxes on unrelated business income, if any. The Organization files informational tax returns as required by the IRC.

The Organization accounts for uncertain tax positions in accordance with FASB ASC Topic *Income Taxes*. This topic prescribes a recognition threshold measurement process for financial statement recognition of uncertain tax positions taken or expected to be taken in a tax return. The Topic also provides guidance on recognition, derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. At June 30, 2023, management believes that the Organization has no material uncertain tax positions.

Functional Allocation of Expenses

Expenses have been summarized on a functional basis in the accompanying financial statements. Certain costs have been allocated among the program and supporting services benefited on a reasonable basis that is consistently applied. The expenses that are allocated include payroll and related expenses, professional fees, office and other, and advertising, which are allocated on the basis of estimates of time and effort.

LOBULAR BREAST CANCER ALLIANCE INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recently Issued But Not Yet Effective Accounting Pronouncements

Credit Losses - In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments - Credit Losses* (Topic 326), which requires entities to measure all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. This replaces the existing incurred loss model and is applicable to the measurement of credit losses on financial assets measured at amortized cost. ASU 2016-13 is effective for private companies for fiscal years beginning after December 15, 2022, including interim periods within those annual reporting periods. The Organization is currently evaluating the impact of the new standard on its financial statements and related disclosures.

Subsequent Events

The Organization has evaluated all events subsequent to the statement of financial position date of June 30, 2023, through the date which the financial statements were available to be issued, September 19, 2023, and has determined that there are no subsequent events that require disclosure under FASB ASC Topic *Subsequent Events*.

NOTE 3. AVAILABILITY AND LIQUIDITY

The following represents the Organization's financial assets as of June 30, 2023:

Cash and cash equivalents	\$ 329,618
Contributions receivable	<u>49,139</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 378,757</u>

The Organization's goal is to maintain readily available financial assets to meet three months of operating expenses. As part of management's liquidity plan, all cash is maintained in checking and savings accounts and is readily available for use.

NOTE 4. CONTRIBUTIONS RECEIVABLE

Contributions receivable represent unconditional gifts to be received in future periods and are discounted to their present value based on anticipated payment streams. The total balance of contributions receivable of \$49,139 is due in less than one year. As such there are no amounts discounted.

NOTE 5. IN-KIND CONTRIBUTIONS

For the year ended June 30, 2023, in-kind contributions in the form of donated services recognized in the statements of activities and changes in net assets included \$19,548. The total amount of these donated services was comprised of donated legal services. Donations of legal services are valued based on the number of hours worked and billing rates for similar services that the Organization would otherwise have to purchase.

LOBULAR BREAST CANCER ALLIANCE INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 6. NET ASSETS WITH DONOR RESTRICTIONS

At June 30, 2023, the Organization did not have any net assets with donor restrictions. Net assets are released from donor restrictions by incurring expenses or costs satisfying the restricted purpose or by occurrence of events specified by the donor. Net assets released from restrictions during the year ended June 30, 2023 totaled \$1,000. Net assets released from donor restrictions were related to the restricted funds received for a translation project.

NOTE 7. CONDITIONAL GRANT AGREEMENTS

During the year ended June 30, 2023, the Organization entered into a conditional grant agreement to fund a research grant and funds to administer this grant. Under the terms of the agreement, the Organization is expected to disburse approximately \$127,500 during the year ending June 30, 2024 to fulfill grant commitment agreements. There were no commitments related to these agreements at June 30, 2023 as the conditions have not been met.