

National Blood Clot Alliance

**Financial Statements
and Independent Auditors' Report**

June 30, 2015

National Blood Clot Alliance
Financial Statements
and Independent Auditors' Report

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Brooks, Harrison Company, L.L.C.

2275 Research Boulevard, Suite 500
Rockville, Maryland 20850

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
National Blood Clot Alliance, Inc.

We have audited the accompanying financial statements of National Blood Clot Alliance, Inc. (NBCA), which comprise the statement of financial position as of June 30, 2015, and the related statements of activities 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. 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 NBCA as of June 30, 2015, 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 Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses is presented for the purpose of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Brown, Harrison Company

Rockville, Maryland
January 27, 2016

National Blood Clot Alliance
Statement Of Financial Position

June 30, 2015

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 192,196
Investment	32,363
Grants and contributions receivable	29,972
Prepaid expenses	<u>5,764</u>
Total Current Assets	<u>260,295</u>

PROPERTY AND EQUIPMENT	
Furniture, equipment & software	8,409
Less, accumulated depreciation and amortization	<u>(432)</u>
Property and Equipment, Net	<u>7,977</u>

OTHER ASSETS	
	<u>16,341</u>

TOTAL ASSETS	<u>\$ 284,613</u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable and accrued expenses	\$ 54,866
Deferred income	<u>82,241</u>
Total Current Liabilities	<u>137,107</u>

NET ASSETS

Unrestricted net assets	<u>147,506</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 284,613</u>

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

National Blood Clot Alliance

Statement Of Activities

Year Ended June 30, 2015

SUPPORT AND REVENUE

Contributions: cash	\$ 337,324
in-kind	4,555
Grants and contracts	429,384
Interest	377
Investment income	<u>5,995</u>
 Total Support and Revenue	 <u>777,635</u>

EXPENSES

Program Services	
Education and outreach	490,898
 Supporting Services	
Management and general	88,511
Fundraising	<u>200,235</u>
 Total Expenses	 <u>779,644</u>
 CHANGE IN NET ASSETS	 (2,009)
Net Assets, Beginning of Year	<u>149,515</u>
 NET ASSETS, END OF YEAR	 <u>\$ 147,506</u>

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

National Blood Clot Alliance

Statement Of Cash Flows

Year Ended June 30, 2015

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ (2,009)
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation expense	327
Gain on investments	(5,995)
Decrease (Increase) in:	
Accounts and pledges receivable	(4,239)
Prepaid expenses	4,246
Other assets	(291)
Increase (Decrease) in:	
Accounts payable and accrued expenses	7,073
Deferred revenue	(65,440)
Net cash used in operating activities	<u>(66,328)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchases of investment	(26,368)
Purchases of property, equipment, and improvements	<u>(6,300)</u>
Net cash used in investing activities	<u>(32,668)</u>

NET DECREASE IN CASH AND CASH EQUIVALENTS (98,996)

CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR 291,192

CASH AND CASH EQUIVALENTS, END OF YEAR \$ 192,196

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

National Blood Clot Alliance

Notes to the Financial Statements

June 30, 2015

Note A – Organization

The National Blood Clot Alliance (the Organization) is a non-profit corporation, incorporated under the laws of North Carolina in 2003. The Organization's principal office is located in Rockville, Maryland.

Vision

The Organization foresees a future in which the number of those suffering and dying from blood clots in the United States is reduced significantly.

Mission

The Organization is a non-profit, voluntary health organization dedicated to advancing the prevention, early diagnosis and successful treatment of life-threatening blood clots such as deep vein thrombosis, pulmonary embolism and clot-provoked stroke.

The Organization works on behalf of people who may be susceptible to blood clots, including, but not limited to, people with clotting disorders, atrial fibrillation, cancer, traumatic injury, and risks related to surgery, lengthy immobility, child birth, and birth control.

The Organization accomplishes its mission through programs that build public awareness, educate patients and healthcare professionals and promote supportive public and private sector policy.

Note B – Summary of Accounting Policies

Basis of Accounting

The Organization prepares its financial statements on the accrual basis of accounting in accordance with generally accepted accounting principles. Consequently, revenue is recognized when earned and expenses when the obligations are incurred. Contributions and other support are recognized when unconditionally pledged or committed.

Income Taxes

The Organization is exempt from the payment of federal income taxes on its exempt activities under Section 501(c)(3) of the Internal Revenue Code. In addition, contributions to the Organization qualify as charitable contributions under Section 170(b)(1)(A) and the Organization has been classified as an organization that is not a private foundation under Section 509(a)(1).

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

For financial reporting purposes, the Organization classifies money market funds, and short-term investments with an original maturity date of less than three months as cash equivalents.

National Blood Clot Alliance

Notes to the Financial Statements

June 30, 2015

Note B – Summary of Accounting Policies (continued)

Property and Equipment

Acquisitions of property and equipment are recorded at cost and depreciated using the straight-line depreciation method. Depreciation is provided over the estimated useful lives of the assets, which range from five to ten years. The Organization capitalizes all property and equipment purchased with a cost of \$100 or more.

Support Recognition

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Restricted contributions that are received in the same period the restrictions are met are reported as unrestricted support in the accompanying financial statements.

Donated non-cash assets are recognized as contribution revenue at their estimated fair market value on the date of donation.

Unconditional promises to give are recorded in the period such commitments are made. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at their estimated future cash flows.

Deferred Revenue

Deferred revenue consists of refundable advances of grants funds. The advances are to be used solely for the purpose of paying costs that are allowable under the terms of the grants, and expenditures may be subject to other grantor conditions. Any unused advances are refunded upon completion of grant activities.

Functional Allocation of Expenses

The costs of providing the various program and supporting activities are reported on a functional basis in the Statement of Activities. Accordingly, costs have been allocated among the programs and supporting activities benefited by them.

Subsequent Events

The Organization has evaluated subsequent events through January 27, 2016, the date which the financial statements were available to be issued.

National Blood Clot Alliance

Notes to the Financial Statements

June 30, 2015

Note C – Commitments

In December 2013, the Organization entered into a month-to-month sublease agreement to lease office. Minimum payments required under the lease include \$1,050 per month for rent plus additional amounts for certain other office services provided by the lessor. The Organization's previous lease was terminated in November 2013.

Rent expense for the year ended June 30, 2015 totaled \$12,600.

Note D – Retirement Plan

The Organization administers a 403(b) retirement plan for its employees. Under the plan, the Organization contributes 2% of employee salaries to the plan, and matches employee contributions up to 4% of employee salaries. The Organization contributed \$14,127 to the plan during the year ended June 30, 2015.

Note E – Other Assets

Other assets totaling \$16,050 are included in the accompanying statement of financial position. The amount is comprised of a security deposit of \$1,050 plus a \$15,000 investment in a joint venture to hold a conference on thrombosis and homostasis in 2016. The Organization is entitled to a share of the net income generated by the conference. Participation in the previous conference resulted in a return of the initial investment, plus an additional amount that is included in the accompanying statement of activities as other income.

Note F – Investments

As of June 30, 2015, the Organization owned various common stock equity investments and exchange-traded products. The common stock equity investments, and exchange-traded products totaled \$4,774.93 and \$25,742.60 respectively the value of the common stock and exchange-traded products investments is based on quoted prices in active markets for identical investments. The remaining investment balance of \$1,845.46 was comprised of cash and money market funds.

Supplementary Information

National Blood Clot Alliance

Schedule of Functional Expenses

Year Ended June 30, 2015

	<u>Program Services</u>	<u>Supporting Services</u>			<u>Total Expenses</u>
	<u>Education and Outreach</u>	<u>Management and General</u>	<u>Fundraising</u>		
Salaries	\$ 240,090	\$ 51,617	\$ 112,620	\$ 404,327	
Fringe benefits	49,933	19,886	21,960	91,779	
Printing	3,721	507	1,021	5,249	
Consultants	87,389	-	599	87,988	
Travel	27,787	848	915	29,550	
Meeting expenses	-	134	-	134	
Rent	6,755	2,816	3,029	12,600	
Postage and delivery	4,765	223	3,634	8,622	
Professional fees	41,807	8,008	44,459	94,274	
Advertising/Marketing	160	20	249	429	
Telephone	319	70	155	544	
Dues, and publications	175	84	207	466	
Depreciation	148	92	87	327	
Supplies	13,125	2,814	7,682	23,621	
Insurance	1,858	68	940	2,866	
Meals	159	544	1,293	1,996	
IT/Internet	10,379	-	128	10,507	
Miscellaneous	2,328	780	1,257	4,365	
	<u>\$ 490,898</u>	<u>\$ 88,511</u>	<u>\$ 200,235</u>	<u>\$ 779,644</u>	

See independent auditors' report.