

National Blood Clot Alliance
Financial Statements
and Independent Auditors' Report
June 30, 2016

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, 2016, 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, 2016, 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.

Brooks, Harrison Company

Rockville, Maryland
January 17, 2017

National Blood Clot Alliance
Statement of Financial Position
June 30, 2016

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$	126,407
Investment		8,769
Grants and contributions receivable		33,500
Prepaid expenses		<u>14,218</u>
Total Current Assets		<u>182,894</u>

PROPERTY AND EQUIPMENT

Furniture, equipment and software		11,286
Less, accumulated depreciation and amortization		<u>(3,382)</u>
Property and Equipment, Net		<u>7,904</u>

OTHER ASSETS

18,695

TOTAL ASSETS

\$ 209,493

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable and accrued expenses	\$	67,541
Deferred revenue		<u>125,774</u>
Total Current Liabilities		193,315

NET ASSETS

Unrestricted net assets		<u>16,178</u>
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TOTAL LIABILITIES AND NET ASSETS

\$ 209,493

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

National Blood Clot Alliance

Statement of Activities

Year Ended June 30, 2016

SUPPORT AND REVENUE

Contributions: cash	\$	322,861
in-kind		2,742
Grants and contracts		585,494
Interest		7
Investment income		1,419
Other income		<u>249</u>
Total Support and Revenue		<u>912,772</u>

EXPENSES

Program Services		
Education and outreach		764,115
Supporting Services		
Management and general		26,995
Fundraising		<u>252,990</u>
Total Expenses		<u>1,044,100</u>

CHANGE IN NET ASSETS

		(131,328)
Net Assets, Beginning of Year		<u>147,506</u>
NET ASSETS, END OF YEAR	\$	<u>16,178</u>

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

National Blood Clot Alliance

Statement of Cash Flows

Year Ended June 30, 2016

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ (131,328)
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation expense	2,950
Gain on investments	(1,419)
Decrease (Increase) in:	
Accounts and pledges receivable	(3,528)
Prepaid expenses	(8,454)
Other assets	(2,354)
Increase (Decrease) in:	
Accounts payable and accrued expenses	12,675
Deferred revenue	43,533
Net cash used in operating activities	<u>(87,925)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Sales of investment	25,013
Purchases of property, equipment, and improvements	<u>(2,877)</u>
Net cash provided by investing activities	22,136
NET DECREASE IN CASH AND CASH EQUIVALENTS	<u>(65,789)</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	192,196
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 126,407</u></u>

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

National Blood Clot Alliance

Notes to the Financial Statements

June 30, 2016

Note A – Organization

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

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, 2016

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 17, 2017, the date which the financial statements were available to be issued.

National Blood Clot Alliance
Notes to the Financial Statements
June 30, 2016

Note C – Commitments

An operating lease for office space in Vienna, Virginia commenced on February 1, 2016 and expires on June 30, 2021. In addition to rent, NBCA is obligated to pay a ratable share of the annual operating costs of the building.

Under the new operating lease, no rent payments are due for the first 4 months of the lease. However, rent expense is recorded in the accompanying financial statements on a straight-line basis, in accordance with U.S. generally accepted accounting principles. Therefore, the total payment amount required over the 64-month lease-term is charged to expense equally each month. The difference between the accumulated lease payments, and the amount charged to expense, is reflected in the statement of financial position as accrued rent expense.

An operating lease for office space in Canton, Massachusetts commenced on September 1, 2015 and was subsequently extended through December 31, 2017. The initial rent was \$450 per month, and increases to \$475 per month beginning February 2017, through the remainder of the extended lease-term.

Rent expense for the year ended June 30, 2016 totaled \$22,009.

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 \$14,180 to the plan during the year ended June 30, 2016.

Note E – Other Assets

Other assets totaling \$18,695 are included in the accompanying statement of financial position. The amount is comprised of a security deposit of \$3,695 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. Management of the joint venture has reported that there was a surplus for the 2016 conference, but no specific amount has been reported, and no income has been reported in the accompanying financial statements.

Note F – Investments

As of June 30, 2016, the Organization owned various common stock equity investments and exchange-traded products. The common stock equity investments and exchange-traded products totaled \$5,343 and \$502 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 \$2,924 was comprised of cash and money market funds.

Supplementary Information

National Blood Clot Alliance

Schedule of Functional Expenses

Year Ended June 30, 2016

	<u>Program Services</u>	<u>Supporting Services</u>		
	<u>Education and Outreach</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Expenses</u>
Salaries	\$ 381,370	\$ 10,819	\$ 147,314	\$ 539,503
Fringe benefits	65,910	1,839	25,855	93,604
Printing	5,299	18	4,112	9,429
Travel	35,810	127	4,762	40,699
Rent	10,618	7,225	4,166	22,009
Postage and delivery	6,310	214	5,814	12,338
Professional fees	70,367	1,133	43,097	114,597
Advertising/Marketing	153,017	-	1,712	154,729
Telephone	8,156	115	1,784	10,055
Dues, and publications	1,400	37	1,947	3,384
Depreciation	739	1,940	271	2,950
Supplies	10,256	774	4,243	15,273
Insurance	3,968	1,528	1,615	7,111
Meals	530	10	27	567
IT/Internet	8,803	238	6,132	15,173
Miscellaneous	1,562	978	139	2,679
	<u>\$ 764,115</u>	<u>\$ 26,995</u>	<u>\$ 252,990</u>	<u>\$ 1,044,100</u>

See independent auditors' report.