

National Blood Clot Alliance
Financial Statements
and Independent Auditors' Report
June 30, 2019

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, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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, 2019, 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.

Brooks, Harrison Company

Rockville, Maryland
July 24, 2020

National Blood Clot Alliance
Statement of Financial Position
June 30, 2019

ASSETS

CURRENT ASSETS	
Cash and cash equivalents	\$ 45,365
Prepaid expenses	3,407
	48,772
PROPERTY AND EQUIPMENT	
Furniture, equipment & software	13,785
Less, accumulated depreciation and amortization	(13,785)
	-
Property and Equipment, Net	-
OTHER ASSETS	17,645
TOTAL ASSETS	\$ 66,417

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	
Accounts payable and accrued expenses	\$ 90,356
Deferred revenue	14,586
Line of credit	87,334
	192,276
TOTAL LIABILITIES	\$ 192,276
NET ASSETS	
Net assets without donor restrictions	(125,859)
Net assets with donor restrictions	-
	(125,859)
TOTAL LIABILITIES AND NET ASSETS	\$ 66,417

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

National Blood Clot Alliance

Statement of Activities

Year Ended June 30, 2019

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
SUPPORT AND REVENUE			
Contributions	\$ 372,557	\$ -	\$ 372,557
Grants and contracts	330,819	383,659	714,478
Interest income	7,010	-	7,010
Total support and revenue before net assets releases and transfers	<u>710,386</u>	<u>383,659</u>	<u>1,094,045</u>
Net assets released from restrictions	<u>383,659</u>	<u>(383,659)</u>	<u>-</u>
Total support and revenue	<u>1,094,045</u>	<u>-</u>	<u>1,094,045</u>
EXPENSES			
Program Services			
Education and Outreach	<u>846,577</u>	<u>-</u>	<u>846,577</u>
Supporting Services			
Management and general	40,228	-	40,228
Fundraising	261,409	-	261,409
Total supporting services	<u>301,637</u>	<u>-</u>	<u>301,637</u>
Total expenses	<u>1,148,214</u>	<u>-</u>	<u>1,148,214</u>
CHANGE IN NET ASSETS	(54,169)	-	(54,169)
NET ASSETS, BEGINNING OF YEAR	<u>(71,690)</u>	<u>-</u>	<u>(71,690)</u>
NET ASSETS, END OF YEAR	<u>\$ (125,859)</u>	<u>\$ -</u>	<u>\$ (125,859)</u>

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

National Blood Clot Alliance

Statement of Functional Expenses

Year Ended June 30, 2019

	<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	\$ 378,726	\$ 33,946	\$ 120,323	\$ 532,995
Fringe benefits	53,061	6,282	17,696	77,039
Printing	1,872	-	22,689	24,561
Travel and meeting	26,310	-	3,183	29,493
Rent	22,835	-	13,782	36,617
Postage and delivery	2,540	-	1,784	4,324
Professional fees	112,980	-	59,604	172,584
Telephone	7,583	-	8,421	16,004
Bank fee	6,708	-	1,747	8,455
Interest	4,149	-	1,060	5,209
IT	8,727	-	2,833	11,560
Depreciation	1,938	-	565	2,503
Supplies	9,856	-	2,314	12,170
Insurance	4,059	-	1,096	5,155
Programs and Events	28,291	-	2,027	30,318
Advertising/Marketing	176,942	-	2,285	179,227
	<u>\$ 846,577</u>	<u>\$ 40,228</u>	<u>\$ 261,409</u>	<u>\$ 1,148,214</u>

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

National Blood Clot Alliance

Statement of Cash Flows

Year Ended June 30, 2019

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ (54,169)
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation expense	2,503
Decrease (Increase) in:	
Prepaid expenses	4,153
Increase (Decrease) in:	
Accounts payable and accrued expenses	63,603
Deferred revenue	<u>14,586</u>
Net cash provided by operating activities	<u>30,676</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Line of credit payments	11,205
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NET INCREASE IN CASH AND CASH EQUIVALENTS

41,881

CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR

3,484

CASH AND CASH EQUIVALENTS, END OF YEAR

\$ 45,365

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

National Blood Clot Alliance

Notes to the Financial Statements

June 30, 2019

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 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 Significant Accounting Policies

Basis of presentation

The financial statements of the organization have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require the organization to report information regarding its financial position and activities according to the following net asset classifications:

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 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, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

National Blood Clot Alliance

Notes to the Financial Statements

June 30, 2019

Income taxes

The organization is exempt from income tax under IRC section 501(c)(3), though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. The organization has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. The organization has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

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.

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.

Contributions

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a 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 statements of activities as net assets released from restrictions.

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.

National Blood Clot Alliance
Notes to the Financial Statements
June 30, 2019

Functional expenses

The costs of providing program and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among program services and supporting services benefited. Such allocations are determined by management on an equitable basis. The expenses that are allocated include salaries, rent, professional fees, bank fee, interest, IT, and depreciation, which are allocated on the basis of time and effort.

Subsequent Events

The Organization has evaluated subsequent events through July 13, 2020, the date which the financial statements were available to be issued.

Note C – Commitments

Total rent expense incurred under operating leases totaled \$36,617 for the year ended June 30, 2019.

An operating lease for office space in Vienna, Virginia commenced on February 1, 2016 and originally expired on June 30, 2021. In January 2020, the lease was terminated effective December 31, 2019 with a negotiation payment of \$11,004 to be paid over 12 months beginning February 2020.

An operating lease for office space in Canton, Massachusetts commenced on September 1, 2015 and was subsequently extended through May 30, 2019 at a rate of \$500 per month beginning in July 2018. A subsequent lease for reduced office space for \$250 per month commenced on June 1, 2019 and expires on May 31, 2020.

Future minimum payments required by these leases total \$10,054 in fiscal year 2020, and \$9,419 in 2021.

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 \$7,934 to the plan during the year ended June 30, 2019.

Note E – Other Assets

Other assets totaling \$17,645 are included in the accompanying statement of financial position. The amount is comprised of a security deposit of \$2,645 plus a \$15,000 investment in a joint venture to hold a conference on thrombosis and homeostasis in 2020. The Organization is entitled to a share of the net income generated by the conference. Participation in each previous conference resulted in a return of the initial investment, plus an additional amount of income.