

**NATIONAL BLOOD CLOT ALLIANCE, INC.**

**FINANCIAL REPORT**

**June 30, 2020 and 2019**

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors of  
National Blood Clot Alliance, Inc.

We have audited the accompanying financial statements of National Blood Clot Alliance, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2020, 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.

### **Auditor's 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 auditor's 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 National Blood Clot Alliance as of June 30, 2020, 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 Matter**

The financial statements of the Organization, as of and for the year ended June 30, 2019, were audited by other auditors, whose report dated July 24, 2020 expressed an unmodified opinion on those statements.

*Brown, Edwards & Company, L.L.P.*

CERTIFIED PUBLIC ACCOUNTANTS

Colonial Heights, Virginia  
July 20, 2023

— Your Success is Our Focus —

**NATIONAL BLOOD CLOT ALLIANCE, INC.**

**STATEMENTS OF FINANCIAL POSITION**

**June 30, 2020 and 2019**

	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 294,637	\$ 45,365
Prepaid expenses	6,360	3,407
Other assets	15,450	17,645
	<u>316,447</u>	<u>66,417</u>
Total assets	<u>\$ 316,447</u>	<u>\$ 66,417</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 45,738	\$ 60,481
Note payable, line of credit (Note 4)	71,682	87,334
Deferred revenue	101,930	44,461
Refundable advance (Note 8)	83,600	-
	<u>302,950</u>	<u>192,276</u>
Total liabilities	302,950	192,276
<b>NET ASSETS</b>		
Without donor restrictions:		
Operations (deficit)	13,497	(125,859)
	<u>13,497</u>	<u>(125,859)</u>
Total liabilities and net assets	<u>\$ 316,447</u>	<u>\$ 66,417</u>

The Notes to Financial Statements are an integral part of these statements.

**NATIONAL BLOOD CLOT ALLIANCE, INC.**

**STATEMENT OF ACTIVITIES**

**June 30, 2020**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>REVENUES AND OTHER SUPPORT</b>			
Contributions	\$ 316,136	\$ -	\$ 316,136
Grant revenue	243,650	-	243,650
Contract revenue from government agencies	218,163	-	218,163
Special events, net of expenses \$5,941	37,932	-	37,932
Total revenues and other support	815,881	-	815,881
<b>EXPENSES</b>			
Program services			
Education and Outreach	506,154	-	506,154
Supporting services			
Management and general	41,466	-	41,466
Fundraising	128,905	-	128,905
Total expenses	676,525	-	676,525
Changes in net assets	139,356	-	139,356
<b>NET ASSETS</b>			
Beginning (deficit)	(125,859)	-	(125,859)
Ending	\$ 13,497	\$ -	\$ 13,497

The Notes to Financial Statements are an integral part of these statements.

**NATIONAL BLOOD CLOT ALLIANCE, INC.**

**STATEMENT OF ACTIVITIES**

**June 30, 2019**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>REVENUES AND OTHER SUPPORT</b>			
Contributions	\$ 372,557	\$ -	\$ 372,557
Grant revenue	330,819	-	330,819
Contract revenue from government agencies	383,659	-	383,659
Other income	7,010	-	7,010
Total revenues and other support	1,094,045	-	1,094,045
<b>EXPENSES</b>			
Program services			
Education and Outreach	846,577	-	846,577
Supporting services			
Management and general	40,228	-	40,228
Fundraising	261,409	-	261,409
Total expenses	1,148,214	-	1,148,214
Change in net assets	(54,169)	-	(54,169)
<b>NET ASSETS</b>			
Beginning (deficit)	(71,690)	-	(71,690)
Ending	\$ (125,859)	\$ -	\$ (125,859)

The Notes to Financial Statements are an integral part of these statements.

**NATIONAL BLOOD CLOT ALLIANCE, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES**

**Year Ended June 30, 2020**

	<u>Program Services</u>	<u>Management &amp; General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$ 216,566	\$ 19,999	\$ 38,508	\$ 275,073
Employee benefits	6,885	881	1,245	9,011
Payroll taxes	16,781	1,528	2,984	21,293
	<hr/>	<hr/>	<hr/>	<hr/>
Total salaries and related expenses	240,232	22,408	42,737	305,377
Advertising and marketing	153,763	-	1,022	154,785
Bank fees	4,082	-	687	4,769
Information technology	2,463	449	3,347	6,259
Insurance	4,351	394	751	5,496
Interest	4,714	423	761	5,898
Postage and printing	1,594	619	20,843	23,056
Professional fees	38,962	13,886	48,704	101,552
Programs and events	35,138	-	400	35,538
Rent	11,258	1,340	6,070	18,668
Supplies	3,577	-	373	3,950
Telephone	2,656	1,947	1,654	6,257
Travel and meetings	3,364	-	1,556	4,920
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenses	<u>\$ 506,154</u>	<u>\$ 41,466</u>	<u>\$ 128,905</u>	<u>\$ 676,525</u>

The Notes to Financial Statements are an integral part of these statements.

**NATIONAL BLOOD CLOT ALLIANCE, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES**

**Year Ended June 30, 2019**

	<b>Program Services</b>	<b>Management &amp; General</b>	<b>Fundraising</b>	<b>Total</b>
Salaries	\$ 378,726	\$ 33,946	\$ 120,323	\$ 532,995
Employee benefits	24,725	3,742	8,694	37,161
Payroll taxes	28,336	2,540	9,002	39,878
Total salaries and related expenses	431,787	40,228	138,019	610,034
Advertising and marketing	176,942	-	2,285	179,227
Bank fees	6,708	-	1,747	8,455
Depreciation	1,938	-	565	2,503
Information technology	8,727	-	2,833	11,560
Insurance	4,059	-	1,096	5,155
Interest	4,149	-	1,060	5,209
Postage and printing	4,412	-	24,473	28,885
Professional fees	112,980	-	59,604	172,584
Programs and events	28,291	-	2,027	30,318
Rent	22,835	-	13,782	36,617
Supplies	9,856	-	2,314	12,170
Telephone	7,583	-	8,421	16,004
Travel and meetings	26,310	-	3,183	29,493
Total expenses	\$ 846,577	\$ 40,228	\$ 261,409	\$ 1,148,214

The Notes to Financial Statements are an integral part of these statements.



**NATIONAL BLOOD CLOT ALLIANCE, INC.**

**STATEMENTS OF CASH FLOWS**  
**Years Ended June 30, 2020 and 2019**

	<b>2020</b>	<b>2019</b>
<b>OPERATING ACTIVITIES</b>		
Changes in net assets	\$ 139,356	\$ (54,169)
Adjustments to reconcile changes in net assets to net cash provided by operating activities		
Depreciation	-	2,503
Changes in operating assets:		
Prepaid expenses	(2,953)	4,153
Other Assets	2,195	-
Changes in operating liabilities:		
Accounts payable and accrued expenses	(14,743)	33,728
Deferred revenue	57,469	44,461
Refundable advance	83,600	-
Net cash provided by operating activities	264,924	30,676
<b>FINANCING ACTIVITIES</b>		
Net advances (curtailment) of line of credit	(15,652)	11,205
Net cash provided by (used in) financing activities	(15,652)	11,205
Net change in cash and cash equivalents	249,272	41,881
<b>CASH AND CASH EQUIVALENTS</b>		
Beginning	45,365	3,484
Ending	\$ 294,637	\$ 45,365

The Notes to Financial Statements are an integral part of these statements.

# NATIONAL BLOOD CLOT ALLIANCE, INC.

## NOTES TO FINANCIAL STATEMENTS

June 30, 2020 and 2019

### Note 1. Nature of Operations and Significant Accounting Policies

The National Blood Clot Alliance, Inc. (the Organization) is a non-profit corporation, incorporated under the laws of North Carolina in 2003. The Organization is a 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, childbirth, and birth control. The Organization accomplishes its mission through programs that build public awareness, educate patients and healthcare professional, and promote supportive public and private sector policy.

#### Basis of accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

#### Basis of presentation

The accompanying financial statements present information regarding the Organization's financial position and activities based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported in two classes as follows:

**Net assets without donor restrictions** are reported assets whose use is not restricted by donors. Contributions are available for unrestricted use unless specifically restricted by the donor. In general, the net assets without donor restrictions of the Organization may be used at the discretion of the Organization's management and Board of Directors to support the Organization's purpose and operations.

**Net assets with donor restrictions** are reported gifts of cash and other assets as donor 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 restrictions and reported in the statement of activities and changes in net assets as net assets released from restrictions.

#### 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 the reported amounts of assets and liabilities, and disclosures of contingent assets and liabilities at the date of the financial statements, and reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates and assumptions.

#### Cash and cash equivalents

The Organization considers all highly liquid investments with original maturities of three months or less to be cash and cash equivalents.

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**NATIONAL BLOOD CLOT ALLIANCE, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2020 and 2019**

**Note 1. Nature of Operations and Significant Accounting Policies (Continued)**

Grants receivable

Grants receivable are recorded as received. Grants receivable due in the next year are reflected as current contributions and are recorded at their net realizable value. An allowance for uncollectible grants receivable is provided based on management's evaluation of potential uncollectible grants receivable at year end. No allowance for uncollectible amounts has been provided because management has evaluated the receivables and believes they are fully collectible.

Revenue recognition

Contributions which include unconditional promises to give are recognized as revenues in the period received or promised. Conditional contributions are recorded when the conditions have been substantially met. Contributions are considered to be without donor restrictions unless specifically restricted by the donor. Program support grants are recognized as revenue at the time of award if they are unconditional.

The Organization reports grants and contributions in the net assets with donor restrictions class if they are received with donor stipulations as to their use. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are released and reclassified to net assets without donor restrictions in the statement of activities. However, if restrictions on grants and contributions are met in the same reporting period as the grant or contribution is received, the revenues are reported as increases in net assets without donor restrictions.

Revenues from exchange contracts and cost reimbursement grants are recognized to the extent allowable expenses are incurred under the respective agreements. Amounts reported as grants receivable include exchange contract and grant program expenses incurred in advance of the receipt of funds. Funds received in advance of exchange contract and program expenses are reported as deferred revenue.

Property and equipment

Property and equipment are valued at cost, or if donated, at fair market value at the date of the gift. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range from three to ten years. Maintenance and repairs are charged to expense when incurred. The Organization's policy is to capitalize property and equipment purchased with a cost greater than \$1,000.

Functional allocation of expenses

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocable include salaries and related expenses, information technology, insurance, interest, postage and printing, rent and telephone.

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NATIONAL BLOOD CLOT ALLIANCE, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2020 and 2019

**Note 1. Nature of Operations and Significant Accounting Policies (Continued)**

Income taxes

The Organization is exempt from Federal income taxes as an organization other than a private foundation under Section 501(c)(3) of the *Internal Revenue Code*. However, income from certain activities not directly related to the Organization's tax-exempt purpose may be subject to taxation as unrelated business income. The Organization had no unrelated business income during the years ended June 30, 2020 and 2019. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(vi) and has been classified as an organization other than a private foundation under Section 509(a)(1).

The Organization follows generally accepted accounting principles regarding "Accounting for Uncertain Tax Positions." This standard provides detailed guidance for financial statement recognition, measurement, and disclosure of uncertain tax positions recognized in the Organization's financial statements. It requires an entity to recognize the financial statement impact of a tax position when it is more likely than not that the position will not be sustained upon examination. The tax years of 2017 to 2019 remain subject to examination by the taxing authorities.

The Organization has determined that it does not have any material unrecognized tax benefits or obligations as of June 30, 2020 and 2019. The Organization includes penalties and interest assessed by income taxing authorities in operating expenses. The Organization did not have penalties and interest expenses for the years ended June 30, 2020 and 2019.

Reclassifications

Certain accounts relating to the prior year have been reclassified to conform to the current year's presentation.

Recent accounting pronouncements

The Organization has adopted Accounting Standards Update No. 2014-09-*Revenue from Contracts with Customers* (Topic 606), as amended, as management believes the standard improves the usefulness and understandability of the Organization's financial reporting. Analysis of various provisions of this standard resulted in no significant changes in the way the Organization recognizes revenue, and therefore no changes to the previously issued audited financial statements were required on a retrospective basis.

The Organization has adopted Accounting Standards Update No. 2018-08-*Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (Topic 605), as management believes the standard improves the usefulness and understandability of the Organization's financial reporting. Analysis of various provisions of this standard resulted in no significant changes in the way the Organization recognizes contributions, and therefore no changes to the previously issued audited financial statements were required on a prospective basis.

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**NATIONAL BLOOD CLOT ALLIANCE, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2020 and 2019**

**Note 2. Liquidity and Availability of Resources**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of June 30, 2020 and 2019, are:

	<b>2020</b>	<b>2019</b>
Cash and cash equivalents	\$ 294,637	\$ 45,365
Total financial assets	\$ 294,637	\$ 45,365
Amounts available for general expenditures within one year	\$ 294,637	\$ 45,365

The Organization has a policy to manage its liquidity following two guiding principles: operating within a prudent range of financial stability and maintaining adequate liquidity to fund near-term operations.

**Note 3. Property and Equipment**

Property and equipment consist of the following as of June 30:

	<b>2020</b>	<b>2019</b>
Furniture and fixtures	\$ 2,109	\$ 2,109
Computer equipment	11,676	11,676
	13,785	13,785
Accumulated depreciation	(13,785)	(13,785)
	\$ -	\$ -

**Note 4. Note payable, line of credit**

The Organization has a line of credit in the amount of \$100,000, which is secured by cash deposits of the Organization. The interest rate at June 30, 2020, was 4.74%. This line of credit is due August 16, 2024. There were outstanding balances on the line of credit as of June 30, 2020 and 2019, of \$71,682 and \$87,334, respectively.

**Note 5. 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 up to 4% of employee salaries for plan participants. The Organization contributed \$2,591 and \$7,934 for the years ended June 30, 2020 and 2019.

(Continued)

**NATIONAL BLOOD CLOT ALLIANCE, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2020 and 2019**

**Note 6. Economic Dependency**

For the years ended June 30, 2020 and 2019, approximately 27% and 35% of total revenues and other support came from one funding source. A significant reduction in the level of this support, if this were to occur, may have a significant effect on the Organization's programs and activities.

**Note 7. Lease Commitments**

An operating lease for office space in Vienna, Virginia commenced on February 1, 2016 and originally was set to expire 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 of \$917 per month. The remaining balance owed as of June 30, 2020, is \$6,419 and is included in accounts payable and accrued expenses.

An operating lease for office space in Canton, Massachusetts commenced on September 1, 2015 and was subsequently extended through May 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, 2021. Future minimum payments required by this lease totaled \$2,750 in fiscal year 2021. Effective June 1, 2021, the Organization began to lease the space on a month-to-month basis for \$250 per month.

**Note 8. Payroll Protection Program Loan**

On January 30, 2020, the World Health Organization declared the COVID-19 outbreak a "Public Health Emergency of International Concern" and on March 10, 2020, declared it to be a pandemic. COVID-19 and actions to mitigate it have had, and are expected to continue to have, an adverse impact on the economies and financial markets of many countries, including the geographical area in which the Organization operates. The extent to which the COVID-19 pandemic may impact operating results, financial condition, and cash flows will depend on future developments, which are highly uncertain and cannot be predicted as of the date of this report. The Organization is adequately capitalized and continues to evaluate operational impacts and implement mitigation tactics where possible and necessary.

In response to the Coronavirus pandemic, Congress established the Paycheck Protection Program (the PPP) to provide relief to small businesses during the coronavirus pandemic as part of the \$2 trillion Coronavirus Aid, Relief, and Economic Security (CARES) Act, P.L. 116-136. The legislation authorized Treasury to use the SBA's 7(a) small business lending program to fund loans of up to \$10 million per borrower that qualifying businesses could spend to cover payroll, mortgage interest, rent, and utilities. The Organization applied for the PPP and was given a loan in the amount of \$79,600. Interest in the amount of 1% is due and payable at the time of the SBA's measurement of possible forgiveness. The loan is to be repaid within two years from date of funding of May 1, 2020. The Organization also applied for and received an Economic Injury Disaster loan (the EIDL) in the amount of \$4,000.

(Continued)

**NATIONAL BLOOD CLOT ALLIANCE, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2020 and 2019**

**Note 8. Payroll Protection Program Loan (Continued)**

The Organization has accounted for the proceeds as a financial liability in accordance with ASC 958-605, *Not-for-Profit Entities: Revenue Recognition*. Under this standard, a transfer of assets that is a conditional contribution is accounted for as a refundable advance until the conditions have been substantially met or explicitly waived by the resource provider. Conditions will be considered substantially met when notified by the lender of the amount forgiven. Based on the criteria, the entire amount of the PPP funds and EIDL funds have been shown as refundable advances on the statement of financial position.

**Note 9. Subsequent Events**

The Organization received confirmation on August 12, 2021, that the SBA approved loan forgiveness in the amount of \$79,600 and as such recognized contribution income of \$79,600. In addition, the Organization recognized contribution income of \$4,000 related to amounts received as part of the EIDL.

Management has evaluated subsequent events through July 20, 2023, the date the financial statements were available to be issued.