

**GREATER FORT WORTH
AFFILIATE OF SUSAN G. KOMEN**

REVIEW OF FINANCIAL STATEMENTS

MARCH 31, 2019

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Kirk & Richardson, P.C.

Members of the American Institute of Certified Public Accountants
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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors
Greater Fort Worth Affiliate of Susan G. Komen
2216 Green Oaks Rd
Fort Worth, TX 76116

We have reviewed the accompanying financial statements of of Greater Fort Worth Affiliate of Susan G. Komen (a nonprofit organization), which comprise the statement of financial position as of March 31, 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. A review includes primarily applying analytical procedures to management's financial data and making inquiries of entity management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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 of financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our report.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Kirk & Richardson, P.C.

Kirk & Richardson, P.C.
Fort Worth, Texas
October 17, 2019

Greater Fort Worth Affiliate of Susan G. Komen
Statement of Financial Position
As of March 31, 2019

Assets	
Cash and Cash Equivalents	\$ 813,230
Investments	727,524
Receivable, net	263,868
Prepaid expenses and other assets	4,350
Inventory	7,377
Total Assets	<u>\$ 1,816,349</u>
 Liabilities and net assets	
Accounts payable, accrued expenses and other payables	\$ 192,028
Deferred revenue	16,765
Grants payable	<u>399,964</u>
Total Liabilities	608,757
 Net assets	
Unrestricted - undesignated	795,261
Temporarily restricted	<u>412,331</u>
Total net assets	<u>1,207,592</u>
Total liabilities and net assets	<u>\$ 1,816,349</u>

See accompanying notes.

Greater Fort Worth Affiliate of Susan G. Komen
Statement of Activities
Year Ended March 31, 2019

	Unrestricted	Temporarily Restricted	Total
Public Support and revenue:			
Restricted investment funds, sponsorships, and walk entry fees	\$ 750,408	\$ 412,331	\$ 1,162,739
Contributed good and services (Note 1)	124,952	-	124,952
Merchandise revenue	5,703	-	5,703
Interest and dividends	30,358	-	30,358
Net realized gain on investments	101	-	101
Net unrealized gains(losses) on investments	(462)	-	(462)
Net assets released from restrictions	549,041	(549,041)	-
Total net public support and revenue	1,460,101	(136,710)	1,323,391
Expenses:			
Program services:			
Mission	976,421	-	976,421
Total program services	976,421	-	976,421
Supporting services:			
Fundraising costs			
Development	77,277	-	77,277
Race/ Walk	264,654	-	264,654
General and administrative affiliate	37,096	-	37,096
Total supporting services	379,027	-	379,027
Total expenses	1,355,448	-	1,355,448
Change in net assets	104,653	(136,710)	(32,057)
Net assets at beginning of year	862,328	377,321	1,239,649
Net assets at end of year	\$ 966,981	\$ 240,611	\$ 1,207,592

See accompanying notes.

Greater Fort Worth Affiliate of Susan G. Komen
Statement of Cash Flow
Year ended March 31, 2019

Operating activities	
Change in net assets	\$ (32,057)
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Change in net unrealized losses (gain) on investments	361
Decrease (increase) in receivables, net	(39,181)
Decrease (increase) in prepaid expenses and other assets	(684)
(Decrease) increase in accounts payable, accrued expenses and other payables	17,468
(Decrease) increase in deferred revenue	(2,043)
(Decrease) increase in grants payables, net	(110,014)
Net cash used in operating activities:	<u>(166,150)</u>
 Net decrease in cash and cash equivalents	 <u>(166,150)</u>
Cash and cash equivalents at beginning of year	<u>979,380</u>
Cash and cash equivalents at end of year	<u><u>\$ 813,230</u></u>

See accompanying notes.

Greater Fort Worth Affiliate of Susan G. Komen
Statement of Functional Expenses
Year Ended March 31, 2019

Support Services

Program	Support Services				Total
	Fundraising			Administrative	
	Mission	Development	Race/Walk	G & A Affiliate	
Advertising expense	\$ 15,000	\$ 9,750	\$ 34,739	\$ -	\$ 59,489
Equipment/ Software	1,884	942	942	-	3,768
Event expense	-	-	93,459	-	93,459
Grant expense	596,363	-	-	-	596,363
Occupancy expense	11,347	5,673	5,673	-	22,693
Office expense	10,349	5,175	5,175	-	20,699
Other expense	1,717	858	858	-	3,433
Professional fees	12,488	6,244	6,244	13,822	38,798
Salaries and benefits	164,119	42,643	56,676	-	263,438
Service fees	10,658	5,329	5,329	-	21,316
Travel expense	1,326	663	663	-	2,652
	825,251	77,277	209,758	13,822	1,126,108
In-Kind Expense	151,170	-	54,896	23,274	229,340
Total expenses	\$ 976,421	\$ 77,277	\$ 264,654	\$ 37,096	\$ 1,355,448

See accompanying notes.

Greater Fort Worth Affiliate of Susan G. Komen

Notes to Financial Statements

March 31, 2019

1. General Information and Summary of Significant Accounting Policies

General Information

The Susan G. Komen Breast Cancer Foundation Inc., Tarrant County Affiliate, doing business as Greater Fort Worth Affiliate of Susan G. Komen (the Organization), a Texas not-for-profit corporation, was incorporated on July 22, 1992. The primary mission of the Organization is to save lives and end breast cancer forever by empowering people, ensuring quality care for all and energizing science to find the cures. The Organization is dedicated to combating breast cancer on every front. Seventy-five percent goes to fund screening and diagnostics, cancer treatment and support services for the uninsured and underinsured women and men in the Komen Greater Fort Worth service area: Tarrant, Parker, Johnson and Hood counties. The remaining twenty-five percent supports the national Komen Research Grants Program, which funds groundbreaking breast cancer research, meritorious awards and educational and scientific programs around the world.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States (U.S. GAAP) for not-for-profit organizations. Under these provisions, net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Expenses are classified as unrestricted. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

- *Unrestricted net assets* – Net assets that are not subject to donor-imposed stipulations. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors.
- *Temporarily restricted net assets* – Net assets subject to donor-imposed stipulations that will be met either by actions of the Organization and/or the passage of time. When a restriction is satisfied or expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Contributions received with donor-imposed restrictions that are met in the same year as contributions are received are reported as revenues of the unrestricted net asset class.
- *Permanently restricted net assets* – Net assets subject to donor-imposed stipulations for which the corpus is maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on related investments for general or specific purposes.

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Greater Fort Worth Affiliate of Susan G. Komen

Notes to Financial Statements (continued)

1. General Information and Summary of Significant Accounting Policies (continued)

The Organization prepares statements of financial position, statements of activities, statement of functional expenses and statements of cash flows as the required financial statements for not-for-profit organizations.

The Organization reports gifts of property and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as temporarily restricted revenue. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Contributed Goods and Services

Total contributed goods and services for the year ended March 31, 2019, were approximately \$124,952 and primarily related to sponsorship. Contributed materials and equipment are reported as contributions at their estimated fair values at the date of receipt. Contributed services are also reported at the fair values of the services received. The contribution of services is recognized if the service received: (a) create or enhance non-financial assets or (b) require specialized skills that are provided by individuals possessing those skills that would typically need to be purchased if not provided by donation.

The Organization also receives services from a large number of volunteers who give significant amounts of their time to the Organization's programs, fundraising campaigns, and management. No amounts have been reflected for these types of donated services, as they do not meet the criteria outlined above.

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Greater Fort Worth Affiliate of Susan G. Komen

Notes to Financial Statements (continued)

1. General Information and Summary of Significant Accounting Policies (continued)

Contributed goods and services as of March 31, 2019 are detailed in the table below:

	Amounts Per Financial Statements	Value of In-Kind Contributed Goods and Services	Net Without In-Kind
Year Ended March 31, 2019			
Net public support and revenue	\$ 1,323,391	\$ 124,952	\$ 1,198,439
Expenses:			
Program services	976,421	151,170	825,251
Support services	379,027	78,170	300,857
Total expenses	1,355,448	229,340	1,126,108
Change in net assets	\$ (32,057)	\$ (104,388)	\$ 72,331
Program Services as of % of total expense	72%	66%	73%

Contributions

Contributions, including unconditional promises to give, are recorded when received or pledged. All contributions are available for unrestricted use unless specifically restricted by the donor. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and all highly liquid investments with a remaining maturity of three months or less when purchased.

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Greater Fort Worth Affiliate of Susan G. Komen

Notes to Financial Statements (continued)

1. General Information and Summary of Significant Accounting Policies (continued)

Investments and Investment Income

Investments in equity securities with readily determinable fair values and all investments in debt securities are reported at fair value. The Organization has diversified its investments to include a hedged equity investment that is reported at fair value as determined by a review of the value of the underlying securities.

Investment income includes dividends and interest and is recognized as revenue in the period in which it is earned. The amounts are reported as an increase in unrestricted net assets unless otherwise restricted by the donor. Realized and unrealized gains and losses on investments are classified and recorded as increases or decreases in unrestricted net assets, unless otherwise restricted by the donor.

Property, Equipment and Intangible Assets

The purchased property, equipment, and intangible assets are carried at cost. The donated property, equipment, and intangible assets are recorded at market value at the date of donation. The Organization capitalizes all expenditures for property, equipment, and intangible assets in excess of approximately \$10,000, which includes computers, software, office equipment, furniture, fixtures, leasehold improvements, and intangible assets.

Property, equipment and intangible assets are depreciated on a straight-line basis over the following periods:

Furniture and fixtures	5–7 years
Equipment	3–5 years
Software	3–5 years
Leasehold improvements	Estimated life of the asset or the lease term (whichever is shorter)
Identifiable intangible assets	3–5 years

As of March 31, 2019, the property, equipment, and intangible assets were \$8,638 and the related accumulated depreciation and amortization was \$8,638.

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Greater Fort Worth Affiliate of Susan G. Komen

Notes to Financial Statements (continued)

1. General Information and Summary of Significant Accounting Policies (continued)

Inventories

Inventories are stated at the lower of cost or market determined by the first-in, first-out method. Inventories consist of educational materials and branded merchandise held for use in program services and sales to unrelated parties. As of March 31, 2019, inventories were \$7,377.

Market and Credit Risk Concentrations

The Organization's investments do not have a significant concentration of credit or market risk within any industry, specific institution or group of investments. The Organization splits funds between multiple accounts to manage risk.

Deferred Revenue

Resources received in exchange transactions are recognized as deferred revenue to the extent that the earnings process has not been completed. These amounts consist of entry fees for the More Than Pink Walk (MTPW) events. These resources are recorded as unrestricted revenues when the related obligations have been satisfied. As of March 31, 2019, deferred revenue were \$16,765.

Functional Allocation of Expenses

The costs of providing the Organization's various programs and other activities have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Advertising Expenses

The Organization recorded advertising expense of approximately \$210,659 for the year ended March 31, 2019. The majority of advertising was contributed which totaled \$151,700. Other purchased advertising cost primarily relates to various events.

Estimates

The preparation of the financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

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Greater Fort Worth Affiliate of Susan G. Komen

Notes to Financial Statements (continued)

1. General Information and Summary of Significant Accounting Policies (continued)

Subsequent Events

The Organization defines subsequent events as events or transactions that occur after the statement of financial position date, but before the financial statements are issued or available to be issued. Subsequent events are recognized in two categories: (1) recognized subsequent events, which provide additional evidence about conditions that existed at the consolidated statement of financial position date and (2) non-recognized subsequent events, which provide evidence about conditions that did not exist as of the consolidated statement of financial position date but arose after that date. Recognized subsequent events are required to be disclosed. Management has evaluated subsequent events through October 17, 2019, which is the date the accompanying financial statements were available to be issued, and no events have occurred from the statement of financial position date that would affect the accompanying financial statements.

2. Fair Value Measurements

At March 31, 2019, the Organization's financial instruments included cash and cash equivalents, receivables, accounts payable, accrued expenses and grants payable. The carrying amounts reported in the accompanying statements of financial position for these financial instruments approximate their fair values.

3. Receivables

Receivables that are expected to be collected within one year are recorded at net realizable value. Receivables that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. Net receivables were approximately \$263,868 at March 31, 2019, which included unconditional promise to give by donors within one year.

4. Grants Payable

As of March 31, 2019, the Organization made grants to various medical and cancer centers for education, screening, and treatment. These agreements are subject to periodic reporting and compliance requirements and can be rescinded by the Organization for breach. The grants payable at March 31, 2019, was \$399,964.

The Organization generally funds its obligations under these arrangements from cash flows from operations and available cash and cash equivalent and investment balances.

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Greater Fort Worth Affiliate of Susan G. Komen

Notes to Financial Statements (continued)

5. Net Assets

As of March 31, 2019, the organization's net asset was \$1,207,592 of which \$795,261 was unrestricted and \$412,331 was temporarily restricted. The Organization did not have permanently restricted assets at year-end.

6. Leases

The Organization has operating lease agreements for office space and associated common area maintenance and utilities. Total occupancy expense was \$22,693 for the fiscal year 2019. The Organization renews the lease annually.

7. Federal Income Taxes

The Organization is a tax-exempt entity under Internal Revenue Code (the Code) Section 501(a) of the U.S. Tax Code as an organization described in Section 501(c)(3) under a determination letter issued by the Internal Revenue Service (the IRS). Furthermore, the Organization has been classified as an organization that is not a private organization under Section 509(a) of the Code, and as such, contributions to the Organization qualify for deduction as charitable contributions.

The Organization is subject to a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. There were no uncertain tax positions recorded in the financial statements at March 31, 2019.

8. Retirement Plan

The Organization has a Simple IRA retirement plan that covers all employees. The plan is administered by Vanguard. An employee is eligible to participate after being employed for one year. The Organization's affiliate can match employee contributions up to 3% of employees' annual salary. As of March 31, 2019, no employees participated in the retirement plan.

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