

Bone Marrow And Cancer Foundation, Inc.

Audited Financial Statements

December 31, 2023

Bone Marrow And Cancer Foundation, Inc.

Audited Financial Statements

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Independent Auditor's Report

To the Board of Directors of
Bone Marrow and Cancer Foundation, Inc.

Opinion

We have audited the accompanying financial statements of Bone Marrow and Cancer Foundation, Inc. (the "Foundation"), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as of December 31, 2023, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited the Foundation's financial statements for the year ended December 31, 2022, and we expressed an unmodified opinion on those financial statements in our report dated July 27, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived

Sax CPAs LLP

New York, NY
August 21, 2024

Bone Marrow and Cancer Foundation, Inc.

Statement of Financial Position

At December 31, 2023
(With comparative totals at December 31, 2022)

	<u>December 31,</u>	
	<u>2023</u>	<u>2022</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,415,120	\$ 1,636,784
Contributions and other receivables	43,710	141,171
Prepaid expenses	2,650	-
Operating lease right-of-use asset - current	77,431	81,797
Total current assets	<u>1,538,911</u>	<u>1,859,752</u>
NON-CURRENT ASSETS		
Property and equipment, net of accumulated depreciation and amortization	310,347	477,808
Operating lease right-of-use asset - long-term	152,038	245,785
Total non-current assets	<u>462,385</u>	<u>723,593</u>
TOTAL ASSETS	<u>\$ 2,001,296</u>	<u>\$ 2,583,345</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 108,724	\$ 123,651
Operating lease liability - current	99,000	94,798
Total current liabilities	<u>207,724</u>	<u>218,449</u>
LONG-TERM LIABILITIES		
Operating lease liability - long-term	201,899	300,899
TOTAL LIABILITIES	<u>409,623</u>	<u>519,348</u>
NET ASSETS		
Without donor restrictions	1,019,430	1,413,334
With donor restrictions	572,243	650,663
Total net assets	<u>1,591,673</u>	<u>2,063,997</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,001,296</u>	<u>\$ 2,583,345</u>

The attached notes and auditor's report are an integral part of these financial statements.

Bone Marrow and Cancer Foundation, Inc.

Statement of Activities

For the Year Ended December 31, 2023
(With comparative totals for the year ended December 31, 2022)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total 12/31/23</u>	<u>Total 12/31/22</u>
PUBLIC SUPPORT AND REVENUE				
Contributions	\$ 294,458	\$ 591,618	\$ 886,076	\$ 1,257,995
Special events revenue (net of expenses with a direct benefit to donor)	674,197	-	674,197	749,051
Interest income	52,137	-	52,137	868
Net assets released from restrictions	670,038	(670,038)	-	-
Total public support and revenue	<u>1,690,830</u>	<u>(78,420)</u>	<u>1,612,410</u>	<u>2,007,914</u>
EXPENSES				
Program services	<u>1,669,555</u>	-	<u>1,669,555</u>	<u>1,433,180</u>
Supporting services:				
Management and general	244,821	-	244,821	163,593
Fundraising	170,358	-	170,358	216,261
Total supporting services	<u>415,179</u>	<u>-</u>	<u>415,179</u>	<u>379,854</u>
Total expenses	<u>2,084,734</u>	<u>-</u>	<u>2,084,734</u>	<u>1,813,034</u>
Change in net assets	(393,904)	(78,420)	(472,324)	194,880
NET ASSETS, <i>beginning of year</i>	<u>1,413,334</u>	<u>650,663</u>	<u>2,063,997</u>	<u>1,869,117</u>
NET ASSETS, <i>end of year</i>	<u>\$ 1,019,430</u>	<u>\$ 572,243</u>	<u>\$ 1,591,673</u>	<u>\$ 2,063,997</u>

The attached notes and auditor's report are an integral part of these financial statements.

Bone Marrow and Cancer Foundation, Inc.

Statement of Functional Expenses

For the Year Ended December 31, 2023
(With comparative totals for the year ended December 31, 2022)

	<u>Supporting Services</u>			<u>Total Supporting Services</u>	<u>Total Expenses 12/31/23</u>	<u>Total Expenses 12/31/22</u>
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>			
Salaries	\$ 322,298	\$ 46,146	\$ 85,944	\$ 132,090	\$ 454,388	\$ 359,613
Payroll taxes and benefits	81,857	9,086	17,748	26,834	108,691	73,957
Total personnel expenses	<u>404,155</u>	<u>55,232</u>	<u>103,692</u>	<u>158,924</u>	<u>563,079</u>	<u>433,570</u>
Specific assistance to individuals	738,118	-	-	-	738,118	665,761
Special event expenses	-	-	503,391	503,391	503,391	644,061
Professional fees	193,760	128,284	-	128,284	322,044	186,365
Telephone	4,883	541	1,059	1,600	6,483	6,992
Printing and publications	-	2,242	4,248	6,490	6,490	19,345
Depreciation and amortization	211,428	3,825	-	3,825	215,253	165,737
Insurance	3,348	372	726	1,098	4,446	8,182
Rent	68,477	8,056	4,028	12,084	80,561	75,356
Dues and conferences	177	-	-	-	177	5,482
Office expenses	30,905	44,285	6,700	50,985	81,890	51,454
Website and computers	13,669	1,516	2,964	4,480	18,149	35,987
Transportation	635	468	187	655	1,290	1,042
Total expenses	<u>1,669,555</u>	<u>244,821</u>	<u>626,995</u>	<u>871,816</u>	<u>2,541,371</u>	<u>2,299,334</u>
Less: direct special event expenses netted with revenue	<u>-</u>	<u>-</u>	<u>(456,637)</u>	<u>(456,637)</u>	<u>(456,637)</u>	<u>(486,300)</u>
Total expenses for statement of activities	<u>\$ 1,669,555</u>	<u>\$ 244,821</u>	<u>\$ 170,358</u>	<u>\$ 415,179</u>	<u>\$ 2,084,734</u>	<u>\$ 1,813,034</u>

The attached notes and auditor's report are an integral part of these financial statements.

Bone Marrow and Cancer Foundation, Inc.

Statement of Cash Flows

For the Year Ended December 31, 2023
(With comparative totals for the year ended December 31, 2022)

	December 31,	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (472,324)	\$ 194,880
Adjustments to reconcile change in net assets to net cash (used for)/provided by operating activities:		
Depreciation and amortization	215,253	165,737
Changes in assets and liabilities:		
Contributions and other receivables	97,461	(21,590)
Prepaid expenses	(2,650)	79,812
Operating lease right-of-use assets and lease liabilities	3,315	68,115
Accounts payable and accrued expenses	(14,927)	59,383
Deferred revenue	-	(290,178)
Deferred rent	-	(52,759)
Total adjustments	298,452	8,520
Net cash (used for)/provided by operating activities	(173,872)	203,400
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(47,792)	(361,450)
Net cash used for investing activities	(47,792)	(361,450)
Net decrease in cash and cash equivalents	(221,664)	(158,050)
CASH AND CASH EQUIVALENTS, <i>beginning of year</i>	1,636,784	1,794,834
CASH AND CASH EQUIVALENTS, <i>end of year</i>	\$ 1,415,120	\$ 1,636,784
SUPPLEMENTAL CASH FLOW INFORMATION		
Interest and taxes paid	\$ -	\$ -

The attached notes and auditor's report are an integral part of these financial statements.

Bone Marrow and Cancer Foundation, Inc.

Notes to Financial Statements

December 31, 2023

Note 1 - Organization

Bone Marrow and Cancer Foundation, Inc. (the "Foundation") was organized in New York in July 1992, as a non-profit corporation for the purpose of providing financial aid and assistance to bone marrow transplant patients and their families. After being notified by the Internal Revenue Service that it is a not-for-profit organization exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code in January 1993, the Foundation commenced fundraising activities. The Foundation began granting program assistance in November 1993.

The Foundation has not been determined to be a private foundation as defined in Section 509(a).

The Foundation's main sources of revenue are contributions and special event revenue.

Note 2 - Summary of Significant Accounting Policies

a. Basis of Accounting

The accompanying financial statements have been prepared using the accrual basis of accounting.

b. Recently Adopted Accounting Standards

Effective January 1, 2023, the Foundation adopted the Financial Accounting Standards Board's ("FASB") Accounting Standards Update ("ASU") No. 2016-13, *Financial Instruments - Credit Losses* ("Topic 326"). Financial assets, which potentially subject the Foundation to credit losses, consist primarily of receivables. Expected losses are recorded to an allowance for credit losses valuation account that is net against the corresponding asset to present the net amount expected to be collected on the financial asset. The credit loss allowance is determined through analysis of the financial assets and assessments of risk that are based on historical trends and evaluation of the impact of current and projected economic conditions. Contribution as well as government grant revenue recognized under the FASB's Accounting Standards Codification ("ASC") 958-605 are not included in this standard. Based on the analysis performed all open receivables as of December 31, 2023 are related to contributed revenue as such the impact of the adoption was not material to the financial statements.

c. Basis of Presentation

The financial statements are presented in accordance with the provisions of the FASB ASC 958 - *Presentation of Financial Statement of Not-For-Profit Entities*. FASB ASC 958 requires the Foundation to report information regarding its financial position and activities according to the following specific classes of net assets:

- *Net Assets without Donor Restrictions* - represents resources without donor-imposed restrictions.
- *Net Assets with Donor Restrictions* - represents those resources, the uses of which have been restricted by donors to specific purposes or the passage of time and/or must remain intact, in perpetuity. The release from restrictions results from the satisfaction of the restricted purposes specified by the donor. (See Note 5 for details).

Bone Marrow and Cancer Foundation, Inc.

Notes to Financial Statements

December 31, 2023

Note 2 - Summary of Significant Accounting Policies - Continued

d. Revenue Recognition

The Foundation follows the requirements of FASB ASC 958-605 for recording contributions, which are recognized at the time they are considered unconditional in nature. Contributions are recorded in the net asset classes referred to above depending on the existence and/or nature of any donor imposed 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. If donor restricted contributions are satisfied in the same period they were received, they are classified as without donor restrictions.

For contributions, the Foundation evaluates whether they are conditional or unconditional. Contributions are considered to be conditional when both a barrier must be overcome for the Foundation to be entitled to the revenue and a right of return of the asset or right of release from the obligation exists.

All contributions receivable at year end are expected to be collected within one year and have been recognized at net realizable value. Based on historical experience and a specific review of outstanding pledges, no allowance for doubtful accounts has been established.

e. Cash and Cash Equivalents

The Foundation considers all liquid investments with an initial maturity of three months or less to be cash and cash equivalents.

f. Concentration of Credit Risk

Financial instruments, which potentially subject the Foundation to a concentration of credit risk consist of cash and money market accounts, which are placed with financial institutions that management deems to be creditworthy. At times, balances may exceed federally insured limits. While at year end the Foundation had material uninsured balances, management feels they have little risk and has not experienced any losses due to bank failure.

g. Capitalization Policies

Property, equipment and leasehold improvements that have a useful life of greater than one year and exceed \$1,000 are capitalized at cost or at fair value, if donated. Routine maintenance and repair costs that do not materially extend the estimated useful life of property and equipment and have no future benefit are expensed as incurred.

Depreciation expense is charged using the straight-line method over each asset's estimated useful life (between 3 and 10 years).

h. In-kind Contributions

The Foundation recognizes contributions of services that create or enhance non-financial assets or require specialized skills, are performed by those who possess those skills and would ordinarily have to be purchased if not provided in-kind.

Bone Marrow and Cancer Foundation, Inc.

Notes to Financial Statements

December 31, 2023

Note 2 - Summary of Significant Accounting Policies - Continued

h. In-kind Contributions - Continued

Board members volunteer their time and perform a variety of services for the Foundation. These services do not meet the criteria for recognition and have not been recorded in the financial statements.

Donated marketable securities and other non-cash donations are recorded as contributions at fair value on the date of donation.

i. Leases

The Foundation determines if an arrangement is or contains a lease at inception. Leases are included in ROU assets and lease liabilities in the statement of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term, and ROU assets also include prepaid or accrued rent. Operating lease expense is recognized on a straight-line basis over the lease term. The Foundation does not report ROU assets and lease liabilities for its short-term leases (leases with a term of 12 months or less). Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Foundation will exercise that option.

j. Marketing and Promotion

Advertising costs are expensed as incurred.

k. Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the financial statements. Certain costs have been allocated among the programs and supporting services benefited. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Foundation.

The following costs were allocated based on time and effort:

- Salaries
- Payroll taxes and benefits
- Telephone
- Insurance
- Rent
- Office expenses
- Website and computers

All other expenses have been charged directly to the applicable program or supporting services.

Bone Marrow and Cancer Foundation, Inc.

Notes to Financial Statements

December 31, 2023

Note 2 - Summary of Significant Accounting Policies - Continued

l. Management Estimates

The preparation of financial statements in accordance 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. Actual results could differ from those estimates.

m. Prior Year Comparative Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Foundation's financial statements for the year ended December 31, 2022, from which the summarized information was derived.

n. Accounting for Uncertainty of Income Taxes

The Foundation does not believe its financial statements include any material, uncertain tax positions. Tax filings for periods ending December 31, 2020 and later are subject to examination by applicable taxing authorities.

Note 3 - Operating Lease Right-of-Use Asset and Operating Lease Liability

The Foundation evaluated current contracts to determine which met the criteria of a lease. The Foundation leases office space in New York, NY under a non-cancelable lease which expires on November 30, 2026 and has been determined to be an operating lease.

The ROU assets represent the Foundation's right to use underlying assets for the lease term, and the lease liabilities represent the Foundation's obligation to make lease payments arising from these leases. The ROU assets and lease liabilities, all of which, arise from operating leases, were calculated based on the present value of future lease payments over the lease terms. The Foundation has made an accounting policy election to use a risk-free rate in lieu of its incremental borrowing rate to discount future lease payments. As of December 31, 2023 and 2022, the weighted average discount rate applied was 1.266% to calculate lease liabilities and the weighted average lease terms for the Foundation's operating leases were 35 months and 47 months, respectively.

The lease terms do not include any extension options.

For the years ended December 31, 2023 and 2022, the total operating lease cost was \$80,561 and \$75,356, respectively. There were no short-term lease costs during the year ended December 31, 2023 and 2022.

Cash paid for the operating lease for the year ended December 31, 2023 and 2022 was \$60,000. There were no noncash investing and financing transactions related to leasing.

Bone Marrow and Cancer Foundation, Inc.

Notes to Financial Statements

December 31, 2023

Note 3 - Operating Lease Right-of-Use Asset and Operating Lease Liability - Continued

Future required minimum lease payments as of December 31, 2023 are as follows:

Year ending:		
	December 31, 2024	\$ 102,130
	December 31, 2025	105,194
	December 31, 2026	99,073
		<u>306,397</u>
Less: present value discount		(5,498)
Total lease obligation		<u><u>\$ 300,899</u></u>

Note 4 - Property and Equipment

Property and equipment consist of the following:

	December 31,	
	2023	2022
Computer equipment and software	\$ 14,452	\$ 11,635
Website	656,185	719,532
Office furniture and fixtures	<u>23,920</u>	<u>23,921</u>
	694,557	755,088
Less: accumulated depreciation and amortization	<u>(384,210)</u>	<u>(277,280)</u>
Total property and equipment, net	<u><u>\$ 310,347</u></u>	<u><u>\$ 477,808</u></u>

Note 5 - Net Assets with Donor Restrictions

The following summarizes the activity of net assets with donor restrictions:

	December 31, 2023			
	Balance 1/1/23	Restricted Contributions	Released from Restrictions	Balance 12/31/23
Program restrictions:				
Carelines	\$ 406,094	\$ 264,118	\$ (433,526)	\$ 236,686
Application development	192,812	277,500	(194,862)	275,450
Patient navigation	50,000	-	-	50,000
Clinical care counseling	<u>1,757</u>	<u>50,000</u>	<u>(41,650)</u>	<u>10,107</u>
Total	<u><u>\$ 650,663</u></u>	<u><u>\$ 591,618</u></u>	<u><u>\$ (670,038)</u></u>	<u><u>\$ 572,243</u></u>

Bone Marrow and Cancer Foundation, Inc.

Notes to Financial Statements

December 31, 2023

Note 5 - Net Assets with Donor Restrictions - Continued

	December 31, 2022			
	Balance	Restricted	Released	Balance
	1/1/22	Contributions	from Restrictions	12/31/22
Program restrictions:				
Carelines	\$ 284,097	\$ 408,558	\$ (286,561)	\$ 406,094
Application development	405,622	232,250	(445,060)	192,812
Patient navigation	-	50,000	-	50,000
Clinical care counseling	-	15,000	(13,243)	1,757
Total	\$ 689,719	\$ 705,808	\$ (744,864)	\$ 650,663

Note 6 - Special Events

The Foundation holds various fundraising events. Direct costs of the events that benefit donors have been netted with benefit income in the public support section of the statement of activities. Indirect costs of the events have been shown as special events expense in the fundraising section of the statement of functional expenses.

A financial summary of the events is as follows:

	December 31, 2023				
	Fall Ball	Holiday Dance	Christmas Spectacular	Other Events	Total
Gross revenue	\$ 420,591	\$ 65,877	\$ 261,845	\$ 382,521	\$ 1,130,834
Less: expenses with direct benefit to donor	(103,024)	(90,559)	(92,935)	(170,119)	(456,637)
	317,567	(24,682)	168,910	212,402	674,197
Less: other event expenses	(1,759)	(1,646)	(915)	(42,434)	(46,754)
Net revenue from events	\$ 315,808	\$ (26,328)	\$ 167,995	\$ 169,968	\$ 627,443
	December 31, 2022				
	Fall Ball	Holiday Dance	Christmas Spectacular	Other Events	Total
Gross revenue	\$ 533,835	\$ 98,755	\$ 204,306	\$ 398,455	\$ 1,235,351
Less: expenses with direct benefit to donor	(103,949)	(83,433)	(107,740)	(191,178)	(486,300)
	429,886	15,322	96,566	207,277	749,051
Less: other event expenses	(14,974)	(24,984)	(23,713)	(94,090)	(157,761)
Net revenue from events	\$ 414,912	\$ (9,662)	\$ 72,853	\$ 113,187	\$ 591,290

Bone Marrow and Cancer Foundation, Inc.

Notes to Financial Statements

December 31, 2023

Note 7 - Availability and Liquidity

The following reflects the Foundation's financial assets at December 31, 2023 that are available to meet cash needs for general expenditures within one year:

Financial assets at year-end:

Cash and cash equivalents	\$ 1,415,120
Contributions and other receivables	<u>43,710</u>
Total financial assets	1,458,830

Less amounts not available for general expenditures:

Net assets with donor restrictions	<u>(572,243)</u>
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Financial assets available to meet cash needs for
general expenditures within one year

\$ 886,587

The Foundation is supported by a significant amount of restricted contributions. Since a donor's restriction requires resources to be used in a particular manner or in a future period, the Foundation must maintain sufficient resources to meet those responsibilities to its donors, therefore, financial assets may not be available for general expenditure within one year.

The Foundation regularly monitors liquidity to meet its operating needs. The Foundation attempts to operate within a balanced budget and anticipates collecting sufficient revenue from current year and future to cover general expenditures.

Note 8 - Subsequent Events

Subsequent events have been evaluated through August 21, 2024, the date the financial statements were available to be issued. There were no material events that have occurred that require adjustment to or disclosure to the financial statements.