

Find the Cause, Inc.

Financial Statements

Year Ended December 31, 2019

Contents

Independent Auditors' Report	1
Financial Statements	
Statement of financial position	2
Statement of activities	3
Statement of functional expenses	4
Statement of cash flows	5
Notes to financial statements	6

Independent Auditors' Report

To the Board of Directors
of Find the Cause, Inc.

We have audited the accompanying financial statements of Find the Cause, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 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.

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 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 Find the Cause, Inc. as of December 31, 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.



November 9, 2020

Find the Cause, Inc.

**Statement of Financial Position
December 31, 2019**

Assets

Current assets

Cash and cash equivalents	\$	232,010
Prepaid expense and other current asset		3,500
Total current assets		<u>235,510</u>
Total assets	\$	<u><u>235,510</u></u>

Liabilities and Net Assets

Current liabilities

Accounts payable	\$	425
Accrued expenses		15,411
Refundable advances		5,000
Total current liabilities		<u>20,836</u>
Total liabilities		<u>20,836</u>

Net assets

Without donor restrictions		<u>214,674</u>
Total net assets		<u>214,674</u>
Total liabilities and net assets	\$	<u><u>235,510</u></u>

Find the Cause, Inc.

**Statement of Activities
Year Ended December 31, 2019**

Revenues and other support without donor restrictions	
Special events	\$ 550,226
Contributions	101,183
Interest income	215
Total revenues and other support without donor restrictions	<hr/> 651,624
Expenses	
Program services	334,276
Supporting services	
Management and general	105,118
Fundraising	208,963
Total expenses	<hr/> 648,357
Change in net assets without donor restrictions	3,267
Net assets without donor restrictions, beginning of year	211,407
Net assets without donor restrictions, end of year	<hr/> <hr/> \$ 214,674

Find the Cause, Inc.

Statement of Functional Expenses
Year Ended December 31, 2019

	<u>Program Services</u>	<u>Supporting Services</u>		<u>Total</u>
		<u>Management and General</u>	<u>Fundraising</u>	
Grants	\$ 334,276	\$ -	\$ -	\$ 334,276
Special events	-	-	121,106	121,106
Salaries and wages	-	26,124	64,778	90,902
Professional fees	-	44,068	-	44,068
Rent	-	3,875	11,625	15,500
Processing and bank fees	-	11,314	-	11,314
Payroll taxes	-	2,335	5,790	8,125
Consulting	-	8,120	-	8,120
Printing and postage	-	-	5,664	5,664
Office expense and supplies	-	3,800	-	3,800
Insurance	-	1,688	-	1,688
Telephone	-	1,651	-	1,651
Information technology	-	1,135	-	1,135
Travel	-	745	-	745
Advertising	-	263	-	263
Total expenses	<u>\$ 334,276</u>	<u>\$ 105,118</u>	<u>\$ 208,963</u>	<u>\$ 648,357</u>

Find the Cause, Inc.

Statement of Cash Flows
Year Ended December 31, 2019

Cash flows from operating activities	
Change in net assets	\$ 3,267
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Changes in operating assets and liabilities:	
(Increase) decrease in:	
Prepaid expense and other current asset	(2,000)
Increase (decrease) in:	
Accounts payable	111
Accrued expenses	6,375
Refundable advances	(5,000)
Net cash provided by operating activities	<u>2,753</u>
Net increase in cash and cash equivalents	2,753
Cash and cash equivalents, beginning of year	229,257
Cash and cash equivalents, end of year	<u>\$ 232,010</u>

Notes to Financial Statements

Note 1. Nature of Operations

Find the Cause, Inc. (the "Organization") is a nonprofit organization established in Massachusetts in 2000 to support scientific research on the environmental causes of breast cancer and educate the public on prevention. The Organization funds a consortium of four scientific laboratories at Boston University and Tufts University. Funds are raised primarily through an annual dinner as well as other events.

Note 2. Summary of Significant Accounting Policies

Basis of accounting: The Organization's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America under the accrual basis of accounting.

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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Concentrations of credit risk: The Organization maintains its cash and cash equivalents with three financial institutions. As of December 31, 2019, all deposits above the Federal Deposit Insurance Corporation (FDIC) insurance amount of \$250,000 were insured by the Depositors Insurance Fund (DIF).

Cash and cash equivalents: For the purposes of the statements of cash flows, the Organization considers all highly liquid instruments with original maturities of three months or less, when purchased, to be cash equivalents.

Refundable advances: Refundable advances represent sponsorships for a special event that took place after December 31, 2019. Such amounts are recognized as contributions revenue when the event takes place.

Financial statement presentation: Net assets and revenues and other support are classified based on donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as:

Without donor restrictions – Those resources not subject to donor-imposed restrictions. The Board of Directors has discretionary control over these resources.

With donor restrictions – Those resources subject to donor-imposed restrictions that will be satisfied by action of the Organization or by the passage of time.

Revenue recognition: Contributions are recognized as revenues in the period received or pledged. Conditional promises to give are not recognized until they become unconditional, that is, at the time the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value.

All contributions are considered to be without donor restrictions unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as increases in net assets with donor restrictions. 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 are reported in the statement of activities as net assets released from restrictions. However, if the restriction expires in the fiscal year in which the contribution is recognized, the amount is reported as an increase in net assets without donor restrictions.

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Contributed services: The Organization recognizes, as revenues without donor restrictions and as expenses, the fair value of donated services if the services either (a) create or enhance a nonfinancial asset, or (b) require special skills, are provided by individuals possessing those skills, and would need to be purchased if they were not donated.

Income taxes: The Organization is recognized as tax-exempt under Internal Revenue Code Section 501(c)(3) and is therefore exempt from federal and state income taxes except for net revenue derived from any unrelated business activities. The Organization may recognize the tax benefit from a tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the position. Examples of tax positions include the tax-exempt status of the Organization and various positions related to the potential sources of unrelated business income tax (UBIT). The Organization has analyzed its tax positions taken for filings with the Internal Revenue Service and the Commonwealth of Massachusetts. The Organization believes that its income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on the Organization's financial position, changes in net assets, or cash flows.

Compensated absences: Employees of the Organization are entitled to paid vacation and paid sick days. It is impracticable to estimate the amount of compensation for future absences, and accordingly, no liability has been recorded in the accompanying financial statements. The Organization's policy is to recognize the costs of compensated absences when actually paid to employees.

Allocation of expenses: Directly identifiable expenses are charged to program services and supporting services, while other expenses are allocated based on management's estimates of the program services and supporting services benefited. The expenses that are allocated are salaries and wages and payroll taxes, which are allocated on the basis of estimates of time and effort, and rent, which is allocated on a square footage basis.

Note 3. Contributed Services

The Organization received \$1,350 worth of donated professional services during the year ended December 31, 2019. The Organization recognized these amounts as revenues and expenses in the accompanying statement of activities.

In addition, many individuals volunteered their time and performed a variety of tasks to assist the Organization in carrying out its mission during the year ended December 31, 2019. No value for these hours has been included in the total for contributed services.

Note 4. Related Party Transactions

The Organization received amounts from members of its Board of Directors totaling \$65,212 during the year ended December 31, 2019, which are included in special events and contributions in the accompanying statement of activities.

Note 5. Operating Lease

The Organization leased office space from an unrelated third party under a tenant-at-will arrangement. Rent expense under this arrangement totaled \$15,500 for the year ended December 31, 2019.

Notes to Financial Statements

Note 6. Liquidity and Availability of Financial Assets

The Organization has \$232,010 of financial assets available within one year of the statement of financial position date to meet cash needs for general operating expenditures, consisting of cash and cash equivalents. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the statement of financial position date.

Note 7. Subsequent Events

Management has evaluated subsequent events for potential disclosure or recognition through November 9, 2020, the date the Organization's financial statements were available to be issued.

Coronavirus: In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) a pandemic, which continues to spread throughout the United States of America. The pandemic may have an adverse effect on future changes in net assets. Given the uncertainty around the extent and timing of the potential future spread or mitigation of COVID-19 and around the imposition or relaxation of protective measures, management cannot reasonably estimate the impact to future changes in net assets, cash flows, or financial position.

Note payable: In April 2020, the Organization borrowed \$35,667 from Cambridge Savings Bank under the Paycheck Protection Program, which is a U.S. Small Business Administration loan program that helps businesses keep their workforce employed during the COVID-19 crisis. The Organization may apply to Cambridge Savings Bank for forgiveness of the amount due on the loan in an amount equal to certain costs incurred during the 24-week period beginning on the loan disbursement date. Any amount not forgiven shall be repaid in 18 consecutive equal monthly installments of principal and interest at 1% beginning in 2021.