

**BREAST CANCER PREVENTION PARTNERS
(FORMERLY BREAST CANCER FUND)**

FINANCIAL STATEMENTS

**For the Years Ended
December 31, 2016 and 2015**

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditors' Report	1
Financial Statements	
Statements of Financial Position	2
Statements of Activities	3
Statements of Cash Flows	4
Statements of Functional Expenses	5 - 6
Notes to Financial Statements	7 - 14

Independent Auditors' Report

Board of Directors
Breast Cancer Prevention Partners (formerly Breast Cancer Fund)

We have audited the accompanying financial statements of Breast Cancer Prevention Partners, which comprise the statements of financial position as of December 31, 2016 and 2015, and the related statements of activities, cash flows and functional expenses for the years 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of 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 Breast Cancer Prevention Partners as of December 31, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

San Francisco, California

Bregante + Company LLP

June 7, 2017

**BREAST CANCER PREVENTION PARTNERS
(FORMERLY BREAST CANCER FUND)**

STATEMENTS OF FINANCIAL POSITION

December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
ASSETS		
Assets:		
Cash and cash equivalents	\$ 1,336,155	\$ 1,419,253
Contributions and grants receivable, net	706,425	613,433
Prepaid expenses	85,791	84,598
Property and equipment, net	87,420	18,164
Other	<u>12,690</u>	<u>12,690</u>
Total assets	<u>\$ 2,228,481</u>	<u>\$ 2,148,138</u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable	\$ 53,920	\$ 25,071
Accrued payroll and vacation	97,444	84,038
Deferred compensation	187,587	162,372
Deferred rent	47,749	27,372
Capital lease obligation	<u>6,196</u>	<u>11,195</u>
Total liabilities	392,896	310,048
Net assets:		
Unrestricted	490,029	768,246
Temporarily restricted	<u>1,345,556</u>	<u>1,069,844</u>
Total net assets	<u>1,835,585</u>	<u>1,838,090</u>
Total liabilities and net assets	<u>\$ 2,228,481</u>	<u>\$ 2,148,138</u>

See accompanying notes to the financial statements.

**BREAST CANCER PREVENTION PARTNERS
(FORMERLY BREAST CANCER FUND)**

STATEMENTS OF ACTIVITIES

For the Years Ended December 31, 2016 and 2015

	2016			2015		
	Unrestricted	Temporarily restricted	Total	Unrestricted	Temporarily restricted	Total
Revenue and support:						
Contributions and grants	\$ 1,914,426	\$ 1,035,531	\$ 2,949,957	\$ 1,987,265	\$ 826,529	\$ 2,813,794
In-kind donations	214,939	-	214,939	202,950	-	202,950
Fees and other income	79,683	-	79,683	83,459	-	83,459
Net assets released from restrictions	<u>759,819</u>	<u>(759,819)</u>	<u>-</u>	<u>665,362</u>	<u>(665,362)</u>	<u>-</u>
Total revenue and support	2,968,867	275,712	3,244,579	2,939,036	161,167	3,100,203
Expenses:						
Program	2,533,656	-	2,533,656	2,441,063	-	2,441,063
Management and general	373,735	-	373,735	338,660	-	338,660
Fundraising	<u>339,693</u>	<u>-</u>	<u>339,693</u>	<u>301,053</u>	<u>-</u>	<u>301,053</u>
Total expenses	<u>3,247,084</u>	<u>-</u>	<u>3,247,084</u>	<u>3,080,776</u>	<u>-</u>	<u>3,080,776</u>
Changes in net assets	(278,217)	275,712	(2,505)	(141,740)	161,167	19,427
Net assets, beginning of period	<u>768,246</u>	<u>1,069,844</u>	<u>1,838,090</u>	<u>909,986</u>	<u>908,677</u>	<u>1,818,663</u>
Net assets, end of period	<u>\$ 490,029</u>	<u>\$ 1,345,556</u>	<u>\$ 1,835,585</u>	<u>\$ 768,246</u>	<u>\$ 1,069,844</u>	<u>\$ 1,838,090</u>

See accompanying notes to the financial statements.

**BREAST CANCER PREVENTION PARTNERS
(FORMERLY BREAST CANCER FUND)**

STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Cash flows from operating activities:		
Changes in net assets	\$ (2,505)	\$ 19,427
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation and amortization	16,822	14,999
(Increase) decrease in assets:		
Contributions and grants receivable	(92,992)	43,783
Prepaid expenses	(1,193)	(24,044)
Increase (decrease) in liabilities:		
Accounts payable	28,849	(26,265)
Accrued payroll and vacation	13,406	13,611
Deferred compensation	25,215	24,245
Deferred rent	<u>20,377</u>	<u>21,898</u>
Total adjustments	<u>10,484</u>	<u>68,227</u>
Net cash provided by operating activities	<u>7,979</u>	<u>87,654</u>
Cash flows from investing activities -		
Purchases of property and equipment	<u>(86,078)</u>	<u>(3,708)</u>
Cash flows from financing activities -		
Payments on capital lease obligation	<u>(4,999)</u>	<u>(4,728)</u>
Net increase (decrease) in cash and cash equivalents	(83,098)	79,218
Cash and cash equivalents, beginning of year	<u>1,419,253</u>	<u>1,340,035</u>
Cash and cash equivalents, end of year	<u>\$ 1,336,155</u>	<u>\$ 1,419,253</u>
Supplemental disclosures of cash flow information:		
Cash paid during the year for interest	<u>\$ 499</u>	<u>\$ 770</u>

See accompanying notes to the financial statements.

**BREAST CANCER PREVENTION PARTNERS
(FORMERLY BREAST CANCER FUND)**

STATEMENTS OF FUNCTIONAL EXPENSES

For the Years Ended December 31, 2016 and 2015

Program, management and general, and fundraising expenses for the year ended December 31, 2016 were as follows:

	Program Expenses						
	Science, Public Education & Engagement	Business Accountability	Federal & State Policy and Programs	Total Program Expenses	Management and General	Fundraising	Total Expenses
Personnel and related expenses	\$ 934,741	\$ 142,876	\$ 297,533	\$ 1,375,150	\$ 202,459	\$ 184,046	\$ 1,761,655
Professional services	313,372	47,899	99,748	461,019	74,010	20,496	555,525
Occupancy	119,690	18,295	38,098	176,083	25,927	23,565	225,575
Office and operations	94,111	14,385	29,956	138,452	51,136	17,189	206,777
Vendor services	67,111	10,258	21,362	98,731	14,781	63,031	176,543
Conferences and meetings	54,902	8,392	17,476	80,770	3,384	9,179	93,333
Grants and donations	56,991	8,711	18,140	83,842	-	-	83,842
Supplies	47,698	7,291	15,183	70,172	37	11,284	81,493
Public relations, design, printing and reproduction	24,682	3,773	7,856	36,311	65	9,143	45,519
Depreciation and amortization	8,922	1,364	2,840	13,126	1,936	1,760	16,822
Total expenses	<u>\$ 1,722,220</u>	<u>\$ 263,244</u>	<u>\$ 548,192</u>	<u>\$ 2,533,656</u>	<u>\$ 373,735</u>	<u>\$ 339,693</u>	<u>\$ 3,247,084</u>
				78%	12%	10%	100%

See accompanying notes to the financial statements.

**BREAST CANCER PREVENTION PARTNERS
(FORMERLY BREAST CANCER FUND)**

STATEMENTS OF FUNCTIONAL EXPENSES (Continued)

For the Years Ended December 31, 2016 and 2015

Program, management and general, and fundraising expenses for the year ended December 31, 2015 were as follows:

	Program Expenses						
	Science, Public Education & Engagement	Business Accountability	Federal & State Policy and Programs	Total Program Expenses	Management and General	Fundraising	Total Expenses
Personnel and related expenses	\$ 917,067	\$ 179,898	\$ 247,031	\$ 1,343,996	\$ 185,891	\$ 165,706	\$ 1,695,593
Professional services	301,396	59,124	81,187	441,707	54,246	19,348	515,301
Occupancy	121,091	23,754	32,618	177,463	24,614	21,910	223,987
Office and operations	89,091	17,477	23,998	130,566	55,072	26,481	212,119
Vendor services	54,250	10,642	14,613	79,505	15,581	43,273	138,359
Conferences and meetings	51,104	10,025	13,766	74,895	1,399	7,868	84,162
Grants and donations	20,193	3,961	5,439	29,593	-	-	29,593
Supplies	84,029	16,484	22,635	123,148	152	7,110	130,410
Public relations, design, printing and reproduction	19,314	3,789	5,203	28,306	56	7,891	36,253
Depreciation and amortization	8,109	1,591	2,184	11,884	1,649	1,466	14,999
Total expenses	<u>\$ 1,665,644</u>	<u>\$ 326,745</u>	<u>\$ 448,674</u>	<u>\$ 2,441,063</u>	<u>\$ 338,660</u>	<u>\$ 301,053</u>	<u>\$ 3,080,776</u>
				79%	11%	10%	100%

See accompanying notes to the financial statements.

**BREAST CANCER PREVENTION PARTNERS
(FORMERLY BREAST CANCER FUND)**

NOTES TO FINANCIAL STATEMENTS

December 31, 2016 and 2015

NOTE A -- Description of organization

Founded in 1992, Breast Cancer Prevention Partners (BCPP), formerly Breast Cancer Fund, works to prevent breast cancer by eliminating exposure to toxic chemicals and radiation linked to the disease. The organization's focus is on the intersection of breast cancer prevention and environmental health. BCPP translates the relevant and compelling body of scientific research into public education, innovative policy and market-based campaigns directed toward systemic changes that will protect public health and reduce incidence of breast cancer over time.

On January 31, 2017, Breast Cancer Fund legally changed its name to Breast Cancer Prevention Partners to better reflect who they are and what they do.

NOTE B -- Summary of significant accounting policies

Basis of accounting

The financial statements are presented on the accrual basis of accounting.

Cash and cash equivalents

Cash and cash equivalents consist primarily of cash on deposit. BCPP considers investments with a maturity of three months or less at the time of purchase to be cash equivalents.

Property and equipment

Property and equipment, if purchased, are recorded at cost or, if donated, at estimated value at the time of receipt. Property and equipment are depreciated over their estimated useful lives ranging from three to five years on the straight-line basis. Leasehold improvements are amortized over the remaining lease term on the straight-line basis. Property under capital lease is amortized over the life of the lease on a straight-line basis. BCPP generally capitalizes assets with an original cost over \$1,000.

Net assets

BCPP classifies its net assets and activities into one of three categories:

Unrestricted: Those net assets and activities which represent the portion of expendable funds available to support operations. A portion of these net assets may be designated by the Board of Directors for specific purposes.

Temporarily restricted: Those net assets and contributions which are donor-restricted for: (a) support of specific operating activities; (b) investment for a specified term; (c) use in a specified future period; or (d) acquisition of long-lived assets. BCPP has net assets temporarily restricted for specific activities and future periods at December 31, 2016 and 2015 (see Note F).

**BREAST CANCER PREVENTION PARTNERS
(FORMERLY BREAST CANCER FUND)**

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2016 and 2015

NOTE B -- Summary of significant accounting policies (continued)

Net assets (continued)

Permanently restricted: Those net assets and contributions which are permanently donor-restricted for holdings of: (a) assets donated with stipulations that they be preserved and not be sold; or (b) assets donated with stipulations that they be invested to provide a permanent source of income. BCPP has no permanently restricted net assets at December 31, 2016 and 2015.

The expiration of a donor-imposed restriction on a contribution is recognized in the period in which the restriction expires. This occurs by increasing unrestricted net assets and decreasing temporarily restricted net assets in the Statements of Activities, and the release from restrictions is reported separately from other transactions.

Revenue recognition

BCPP recognizes donor contributions and grants upon the earlier of receipt of a contribution payment or pledge or when an agreement has been executed. Contributions and grants without donor-imposed restrictions are reported as unrestricted support. Contributions and grants with donor-imposed restrictions are reported as either temporarily restricted or permanently restricted support, depending upon the type of restriction. Contributions and grants to be received over more than one fiscal year are recorded at the present value of the contribution using the risk free rate of return as determined by management. Multi-year contributions and grants at December 31, 2016 and 2015 are discounted using a 2% and 2.6% rate, respectively.

Donated goods and specialized services are recorded as in-kind donations at their estimated value on the date of receipt. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use are reported as restricted support.

Income taxes

BCPP is exempt from federal and California income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code and Section 23701d of the California Revenue and Taxation Code. Therefore, no provision for federal or California income tax is reflected in the financial statements.

BCPP recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. BCPP's returns are subject to examination by federal and state tax authorities, generally for three years and four years, respectively, after they are filed.

**BREAST CANCER PREVENTION PARTNERS
(FORMERLY BREAST CANCER FUND)**

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2016 and 2015

NOTE B -- Summary of significant accounting policies (continued)

Functional allocation of expenses

The costs of providing the program services and supporting activities of BCPP are shown on the Statements of Functional Expenses and broken into the following categories: (a) scientific work and public education and engagement related to the connection between breast cancer and exposure to toxic chemicals and radiation; (b) business accountability to move markets toward sustainable and less toxic products, and (c) federal and state advocacy work to secure policies that protect people from toxic chemicals and radiation. Expenses that can be directly identified with a specific function are allocated directly to that function. Expenses that cannot be directly identified with a specific function are allocated among the program services and the supporting activities benefited based on allocation methods and estimates made by BCPP's management and approved by the Board of Directors.

Contributed goods and services

Contributions of goods are recognized at fair value when received. During the years ended December 31, 2016 and 2015, the value of contributed goods included as in-kind donations in the accompanying financial statements was \$66,673 and \$107,567, respectively, and consisted primarily of supplies for mountain climbs and other outdoor challenges.

Contributions of services are recognized at fair value when received if such services (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not donated. During the years ended December 31, 2016 and 2015, the value of contributed services included as in-kind donations in the accompanying financial statements was \$148,266 and \$95,383, respectively, and consisted primarily of consulting, legal and outreach services.

In addition, a substantial number of volunteers have donated significant amounts of time to BCPP programs. The value of these volunteer services has not been recognized in the financial statements because such services do not meet the criteria described above.

Concentration of credit risk

Financial instruments that potentially subject BCPP to concentrations of credit risk consist principally of cash and cash equivalents and contributions and grants receivable. Cash and cash equivalents on deposit in accounts at financial institutions may at times exceed federally insured limits. Except for contributions and grants receivable amounts shown individually in Note C, other contributions and grants receivable consist of amounts from donors ranging from a few dollars to \$12,000 and \$20,000 at December 31, 2016 and 2015, respectively. BCPP has not experienced any material losses in these accounts and management believes it is not exposed to any significant credit risk with respect to cash and cash equivalents and contributions and grants receivable.

**BREAST CANCER PREVENTION PARTNERS
(FORMERLY BREAST CANCER FUND)**

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2016 and 2015

NOTE B -- Summary of significant accounting policies (continued)

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, 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.

Recent accounting pronouncements

In February 2016, the Financial Accounting Standards Board (FASB) issued ASU No. 2016-02, Leases (Topic 842) (“ASU 2016-02”), which increases transparency and comparability among organizations by recognizing lease assets and lease liabilities on the statement of financial position and disclosing key information about leasing arrangements in the financial statements of lessees. This update is effective for fiscal years beginning after December 15, 2019, with early adoption permitted. The adoption is effective for BCPP for the year ending December 31, 2020. Management is currently evaluating the impact of the provisions of ASU No. 2016-02 on the financial statements.

In August 2016, the FASB issued ASU No. 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities (“ASU 2016-14”), which improves the current net asset classification requirements and the information presented in financial statements and notes about an entity’s liquidity, financial performance, and cash flows. The update replaces the requirement to present three classes of net assets with two classes, net assets with donor restrictions and net assets without donor restrictions. The update also removes the requirement to present or disclose the indirect method (reconciliation) if using the direct method for the statement of cash flows as well as added several additional enhanced disclosures to the notes. The amendments in this update are effective for fiscal years beginning after December 15, 2017. The adoption is effective for BCPP for the year ending December 31, 2018. Management is currently evaluating the impact of the provisions of ASU No. 2016-14 on the financial statements.

**BREAST CANCER PREVENTION PARTNERS
(FORMERLY BREAST CANCER FUND)**

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2016 and 2015

NOTE C -- Contributions and grants receivable (continued)

Contributions and grants receivable consist of unconditional promises to give from multiple donors. The balances at December 31 consist of the following:

	<u>2016</u>	<u>2015</u>
California Breast Cancer Research Program	\$ 345,000	\$ -
pH Fund (multi-year grant)	250,000	375,000
Maguire/Maguire, Inc. (workplace giving programs)	30,421	33,599
Park Foundation	30,000	-
Marisla Foundation	-	75,000
The John and Hilda Blaustein Foundation	-	60,000
Other donors	<u>53,554</u>	<u>79,771</u>
	708,975	623,370
Less present value discount for the pH Fund	<u>(2,550)</u>	<u>(9,937)</u>
Total	<u><u>\$ 706,425</u></u>	<u><u>\$ 613,433</u></u>

Contributions and grants receivable are due as follows:

<u>Years Ending December 31,</u>	
2017	\$ 583,975
2018	<u>125,000</u>
	708,975
Less present value discount	<u>(2,550)</u>
	<u><u>\$ 706,425</u></u>

Contributions and grants receivable due in one to five years at December 31, 2016 and 2015 were \$125,000 and \$250,000, respectively, and were discounted to present value. The present value discount will be recognized in income as a contribution over the period from the date the promise is made to the earlier of the date of collection or the date it is due.

**BREAST CANCER PREVENTION PARTNERS
(FORMERLY BREAST CANCER FUND)**

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE D -- Property and equipment (continued)

Property and equipment at December 31 consist of the following:

	2016	2015
Furniture, fixtures, website and other assets	\$ 183,403	\$ 183,403
Office equipment	195,489	159,411
Leasehold improvements	<u>34,757</u>	<u>34,757</u>
	413,649	377,571
Less accumulated depreciation and amortization	(376,229)	(359,407)
Construction in progress - BCPP website	<u>50,000</u>	<u>-</u>
Property and equipment, net	<u>\$ 87,420</u>	<u>\$ 18,164</u>

Depreciation and amortization expense for the years ended December 31, 2016 and 2015 was \$16,822 and \$14,999, respectively.

NOTE E -- Bank line of credit

BCPP has a line of credit with a bank which provides a borrowing limit of up to \$100,000. The interest on the line is payable on a monthly basis, computed at prime rate plus 3.25% (7.00% and 6.75% at December 31, 2016 and 2015, respectively). There were no outstanding borrowings on the line of credit at December 31, 2016 and 2015, and no activity for the years ended December 31, 2016 and 2015.

NOTE F -- Temporarily restricted net assets and net assets released from restrictions

Temporarily restricted net assets are available for the following at December 31:

	2016	2015
Capacity-building and strategic plan implementation (multi-year grant, Note C)	\$ 446,161	\$ 648,023
Business accountability campaigns	92,500	159,819
Science and education programs	301,845	109,432
Federal and state policy and programs	459,217	69,237
Restricted for time	<u>45,833</u>	<u>83,333</u>
Total temporarily restricted net assets	<u>\$ 1,345,556</u>	<u>\$ 1,069,844</u>

**BREAST CANCER PREVENTION PARTNERS
(FORMERLY BREAST CANCER FUND)**

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2016 and 2015

NOTE F -- Temporarily restricted net assets and net assets released from restrictions (continued)

Net assets were released from donor restrictions during the years ended December 31, 2016 and 2015 by incurring expenses satisfying the purpose of the restriction, by the passage of time, or by the occurrence of other specific events as follows:

	<u>2016</u>	<u>2015</u>
Capacity-building and strategic plan implementation	\$ 211,799	\$ 70,041
Business accountability campaigns	140,413	289,055
Science and education programs	140,087	157,099
Federal and state policy and programs	180,020	-
Restricted for time	<u>87,500</u>	<u>149,167</u>
Net assets released from restrictions	<u>\$ 759,819</u>	<u>\$ 665,362</u>

NOTE G -- Lease obligations

Capital lease

BCPP entered into a capital lease agreement for the purchase of its telephone system in January 2013 under the terms of a five-year lease agreement expiring February 2018. The initial present value of the minimum lease payments for the telephone system of \$23,396 has been capitalized in the financial statements and is included in office equipment (Note D). The lease requires 60 monthly payments of \$458, including interest. The effective interest rate on the capital lease is 5.59%.

The asset held under the capital lease is being amortized on the straight-line basis over 60 months, the life of the lease. Amortization of the asset is included in depreciation and amortization expense. Amortization expense was \$4,787 for each of the years ended December 31, 2016 and 2015. Accumulated amortization on this equipment was \$17,951 and \$13,164 at December 31, 2016 and 2015, respectively.

Future minimum lease commitments under the capital lease are as follows:

<u>Years Ending December 31,</u>	
2017	\$ 5,498
2018	<u>914</u>
Total minimum lease payments	6,412
Less amount representing interest	<u>(219)</u>
Present value of net minimum lease payments	6,193
Less current portion	<u>(5,498)</u>
Present value of long-term portion of net minimum lease payments	<u>\$ 695</u>

**BREAST CANCER PREVENTION PARTNERS
(FORMERLY BREAST CANCER FUND)**

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2016 and 2015

NOTE G -- Lease obligations (continued)

Operating leases

BCPP leases its operating facilities in San Francisco, California under the terms of a lease agreement which was renewed in 2014 for an additional ten years, expiring on September 30, 2024. BCPP also leases equipment under the terms of an operating lease expiring in June 2017. Future minimum lease payments under the operating lease commitment for equipment are \$780 for the year ending December 31, 2017.

Rent expense was \$236,316 and \$243,549 for the years ended December 31, 2016 and 2015, respectively.

Future minimum lease payments under the operating lease commitment for operating facilities are as follows:

<u>Years Ending December 31,</u>	<u>Facilities</u>
2017	\$ 199,185
2018	205,269
2019	211,353
2020	217,434
2021	223,509
Thereafter	<u>645,450</u>
	<u>\$ 1,702,200</u>

NOTE H -- Retirement plans

BCPP maintains a defined contribution 403(b) retirement plan for all employees. Employees are eligible to make elective contributions following the date of hire up to the maximum allowed by the Internal Revenue Code. BCPP does not make contributions to the plan.

BCPP has a Section 457(b) Deferred Compensation Plan (the "Plan") to permit certain key employees to defer receipt of current compensation in order to provide retirement benefits on behalf of such employees. The Plan is not intended to be a qualified plan under the provisions of the Internal Revenue Code. All compensation deferred under the Plan is held in the name of BCPP for the benefit of the participants. Participants' rights to receive the compensation deferred under this plan are subject to minimum vesting requirements. Contributions accrued to the Plan by BCPP for each of the years ended December 31, 2016 and 2015 were \$18,000.

NOTE I -- Subsequent events

The date to which events occurring after December 31, 2016 have been evaluated for possible adjustments to the financial statements or disclosure is June 7, 2017, which is the date on which the financial statements were available to be issued.