

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

**FINANCIAL STATEMENTS**

**For the Years Ended  
December 31, 2017 and 2016**

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## **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, 2017 and 2016, 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, 2017 and 2016, 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.

*Bregante + Company LLP*

San Francisco, California

June 11, 2018

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

**STATEMENTS OF FINANCIAL POSITION**

**December 31, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>		
Assets:		
Cash and cash equivalents	\$ 1,075,509	\$ 1,336,155
Contributions and grants receivable, net	412,007	706,425
Prepaid expenses	54,531	85,791
Property and equipment, net	80,251	87,420
Other	<u>12,690</u>	<u>12,690</u>
Total assets	<u>\$ 1,634,988</u>	<u>\$ 2,228,481</u>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities:		
Accounts payable	\$ 57,063	\$ 53,920
Accrued payroll and vacation	93,811	97,444
Deferred compensation	213,811	187,587
Deferred rent	63,103	47,749
Capital lease obligation	<u>908</u>	<u>6,196</u>
Total liabilities	428,696	392,896
Net assets:		
Unrestricted	307,223	490,029
Temporarily restricted	<u>899,069</u>	<u>1,345,556</u>
Total net assets	<u>1,206,292</u>	<u>1,835,585</u>
Total liabilities and net assets	<u>\$ 1,634,988</u>	<u>\$ 2,228,481</u>

See accompanying notes to the financial statements.

**BREAST CANCER PREVENTION PARTNERS  
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**STATEMENTS OF ACTIVITIES**

**For the Years Ended December 31, 2017 and 2016**

	2017			2016		
	Unrestricted	Temporarily restricted	Total	Unrestricted	Temporarily restricted	Total
Revenue and support:						
Contributions and grants	\$ 2,202,852	\$ 553,536	\$ 2,756,388	\$ 1,914,426	\$ 1,035,531	\$ 2,949,957
In-kind donations	198,740	-	198,740	214,939	-	214,939
Fees and other income	92,909	-	92,909	79,683	-	79,683
Net assets released from restrictions	<u>1,000,023</u>	<u>(1,000,023)</u>	<u>-</u>	<u>759,819</u>	<u>(759,819)</u>	<u>-</u>
Total revenue and support	3,494,524	(446,487)	3,048,037	2,968,867	275,712	3,244,579
Expenses:						
Program	3,026,397	-	3,026,397	2,533,656	-	2,533,656
Management and general	287,451	-	287,451	373,735	-	373,735
Fundraising	<u>363,482</u>	<u>-</u>	<u>363,482</u>	<u>339,693</u>	<u>-</u>	<u>339,693</u>
Total expenses	<u>3,677,330</u>	<u>-</u>	<u>3,677,330</u>	<u>3,247,084</u>	<u>-</u>	<u>3,247,084</u>
Changes in net assets	(182,806)	(446,487)	(629,293)	(278,217)	275,712	(2,505)
Net assets, beginning of year	<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>
Net assets, end of year	<u>\$ 307,223</u>	<u>\$ 899,069</u>	<u>\$ 1,206,292</u>	<u>\$ 490,029</u>	<u>\$ 1,345,556</u>	<u>\$ 1,835,585</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, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
Cash flows from operating activities:		
Changes in net assets	\$ (629,293)	\$ (2,505)
Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	33,988	16,822
(Increase) decrease in assets:		
Contributions and grants receivable, net	294,418	(92,992)
Prepaid expenses	31,260	(1,193)
Increase (decrease) in liabilities:		
Accounts payable	3,143	28,849
Accrued payroll and vacation	(3,633)	13,406
Deferred compensation	26,224	25,215
Deferred rent	<u>15,354</u>	<u>20,377</u>
Total adjustments	<u>400,754</u>	<u>10,484</u>
Net cash provided (used) by operating activities	<u>(228,539)</u>	<u>7,979</u>
Cash flows from investing activities -		
Purchases of property and equipment	<u>(26,819)</u>	<u>(86,078)</u>
Cash flows from financing activities -		
Payments on capital lease obligation	<u>(5,288)</u>	<u>(4,999)</u>
Net decrease in cash and cash equivalents	(260,646)	(83,098)
Cash and cash equivalents, beginning of year	<u>1,336,155</u>	<u>1,419,253</u>
Cash and cash equivalents, end of year	<u>\$ 1,075,509</u>	<u>\$ 1,336,155</u>
<b>Supplemental disclosures of cash flow information:</b>		
Cash paid during the year for interest	<u>\$ 210</u>	<u>\$ 499</u>

**Supplemental disclosures of noncash investing information:**

During the year ended December 31, 2017, Breast Cancer Prevention Partners disposed of fully depreciated equipment with an aggregate original cost of \$218,515 and placed in service \$50,000 of construction in progress related to the website.

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, 2017 and 2016**

Program, management and general, and fundraising expenses for the year ended December 31, 2017 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	\$ 972,959	\$ 171,690	\$ 372,207	\$ 1,516,856	\$ 144,073	\$ 182,180	\$ 1,843,109
Professional services	403,430	71,190	154,333	628,953	59,739	75,540	764,232
Vendor services	185,302	32,699	70,888	288,889	27,439	34,697	351,025
Occupancy	126,192	22,268	48,275	196,735	18,686	23,629	239,050
Office and operations	106,680	18,825	40,810	166,315	15,797	19,975	202,087
Conferences and meetings	49,192	8,681	18,819	76,692	7,285	9,212	93,189
Supplies	38,788	6,843	14,835	60,466	5,742	7,261	73,469
Public relations, design, printing and reproduction	28,042	4,948	10,727	43,717	4,152	5,251	53,120
Depreciation and amortization	17,942	3,166	6,864	27,972	2,657	3,359	33,988
Grants and donations	12,702	2,241	4,859	19,802	1,881	2,378	24,061
Total expenses	<u>\$ 1,941,229</u>	<u>\$ 342,551</u>	<u>\$ 742,617</u>	<u>\$ 3,026,397</u>	<u>\$ 287,451</u>	<u>\$ 363,482</u>	<u>\$ 3,677,330</u>
				82%	8%	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, 2017 and 2016**

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
Vendor services	67,111	10,258	21,362	98,731	14,781	63,031	176,543
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
Conferences and meetings	54,902	8,392	17,476	80,770	3,384	9,179	93,333
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
Grants and donations	56,991	8,711	18,140	83,842	-	-	83,842
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  
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**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2017 and 2016**

**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, 2017 and 2016 (see Note F).

**BREAST CANCER PREVENTION PARTNERS  
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**NOTES TO FINANCIAL STATEMENTS (Continued)**

**December 31, 2017 and 2016**

**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, 2017 and 2016.

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.

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, 2017 and 2016**

**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, 2017 and 2016, the value of contributed goods included as in-kind donations in the accompanying financial statements was \$117,185 and \$66,673, 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, 2017 and 2016, the value of contributed services included as in-kind donations in the accompanying financial statements was \$81,555 and \$148,266, 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 \$20,000 and \$12,000 at December 31, 2017 and 2016, 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, 2017 and 2016**

**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 has assessed that there will be minimal impact on the financial statements due to the provisions of ASU No. 2016-02.

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 has assessed that there will be minimal impact on the financial statements due to the provisions of ASU No. 2016-14.

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

**NOTES TO FINANCIAL STATEMENTS (Continued)**

**December 31, 2017 and 2016**

**NOTE C -- Contributions and grants receivable**

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

	<u>2017</u>	<u>2016</u>
pH Fund (multi-year grant)	\$ 125,000	\$ 250,000
Marisla Foundation	75,000	-
University of California	60,036	-
The John and Hilda Blaustein Foundation	60,000	-
California Breast Cancer Research Program	36,602	345,000
Maguire/Maguire, Inc. (workplace giving programs)	-	30,421
Park Foundation	-	30,000
Other donors	<u>55,369</u>	<u>53,554</u>
	412,007	708,975
Less present value discount for the pH Fund	<u>-</u>	<u>(2,550)</u>
Total	<u><u>\$ 412,007</u></u>	<u><u>\$ 706,425</u></u>

Contributions and grants receivable are due as follows:

<u>Years Ending December 31,</u>	
2018	\$ 384,724
2019	<u>27,283</u>
	<u><u>\$ 412,007</u></u>

Contributions and grants receivable due in one to five years at December 31, 2017 were \$27,283 and have not been discounted to present value because the discount is not material. Contributions and grants receivable due in one to five years at December 31, 2016 were \$125,000 and were discounted to present value using a 2% rate. The present value discount was recognized in income as a contribution over the period from the date the promise was made to the earlier of the date of collection or the date it was due.

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

**NOTES TO FINANCIAL STATEMENTS (Continued)**

**December 31, 2017 and 2016**

**NOTE D -- Property and equipment**

Property and equipment at December 31 consist of the following:

	<u>2017</u>	<u>2016</u>
Furniture, fixtures, website and other assets	\$ 112,263	\$ 183,403
Office equipment	124,933	195,489
Leasehold improvements	<u>34,757</u>	<u>34,757</u>
	271,953	413,649
Less accumulated depreciation and amortization	(191,702)	(376,229)
Construction in progress - BCPP website	<u>-</u>	<u>50,000</u>
Property and equipment, net	<u>\$ 80,251</u>	<u>\$ 87,420</u>

Depreciation and amortization expense for the years ended December 31, 2017 and 2016 was \$33,988 and \$16,822, 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% (7.75% and 7.00% at December 31, 2017 and 2016, respectively). There were no outstanding borrowings on the line of credit at December 31, 2017 and 2016, and no activity for the years ended December 31, 2017 and 2016.

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

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

	<u>2017</u>	<u>2016</u>
Capacity-building and strategic plan implementation (multi-year grant, Note C)	\$ 224,621	\$ 446,161
Business accountability campaigns	-	92,500
Science and education programs	274,386	301,845
Federal and state policy and programs	246,562	459,217
Leadership transition fund	103,500	-
Restricted for time	<u>50,000</u>	<u>45,833</u>
Total temporarily restricted net assets	<u>\$ 899,069</u>	<u>\$ 1,345,556</u>

**BREAST CANCER PREVENTION PARTNERS  
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**NOTES TO FINANCIAL STATEMENTS (Continued)**

**December 31, 2017 and 2016**

**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, 2017 and 2016 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>2017</u>	<u>2016</u>
Capacity-building and strategic plan implementation	\$ 221,540	\$ 211,799
Business accountability campaigns	92,500	140,413
Science and education programs	369,995	140,087
Federal and state policy and programs	270,155	180,020
Restricted for time	<u>45,833</u>	<u>87,500</u>
Net assets released from restrictions	<u>\$ 1,000,023</u>	<u>\$ 759,819</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 \$23,936 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 \$3,836 and \$4,787 for the years ended December 31, 2017 and 2016, respectively. Accumulated amortization on this equipment was \$21,787 and \$17,951 at December 31, 2017 and 2016, respectively.

Future minimum lease payments under the capital lease are \$914, of which of \$6 represents interest.

**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 leased equipment under the terms of an operating lease which expired in June 2017 and was renewed in December 2017 for a three year period under substantially the same terms and conditions.

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

**NOTES TO FINANCIAL STATEMENTS (Continued)**

**December 31, 2017 and 2016**

**NOTE G -- Lease obligations** (continued)

**Operating leases** (continued)

Rent expense was \$246,458 and \$236,316 for the years ended December 31, 2017 and 2016, respectively.

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

<u>Years Ending December 31,</u>	
2018	\$ 205,269
2019	211,353
2020	217,434
2021	223,509
2022	229,593
Thereafter	<u>415,857</u>
	<u><u>\$ 1,503,015</u></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, 2017 and 2016 were \$18,000.

**NOTE I -- Subsequent events**

The date to which events occurring after December 31, 2017 have been evaluated for possible adjustments to the financial statements or disclosure is June 11, 2018, which is the date on which the financial statements were available to be issued.