

BREAST CANCER PREVENTION PARTNERS

FINANCIAL STATEMENTS

**For the Years Ended
December 31, 2020 and 2019**

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Independent Auditors' Report

Board of Directors
Breast Cancer Prevention Partners

We have audited the accompanying financial statements of Breast Cancer Prevention Partners, which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities and changes in net assets, 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, 2020 and 2019, 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 22, 2021

www.bcocpa.com

BREAST CANCER PREVENTION PARTNERS

STATEMENTS OF FINANCIAL POSITION

December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
Assets:		
Cash and cash equivalents	\$ 1,048,753	\$ 415,025
Contributions and grants receivable, net	239,994	418,344
Prepaid expenses	68,567	48,944
Property and equipment, net	7,708	15,503
Other	<u>12,550</u>	<u>12,690</u>
Total assets	<u>\$ 1,377,572</u>	<u>\$ 910,506</u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable	\$ 8,348	\$ 36,979
Accrued payroll and vacation	89,069	95,831
Deferred compensation	102,167	180,379
Other liabilities	71,420	-
Deferred rent	112,924	72,382
Long-term debt - CARES Act SBA loan	<u>500,000</u>	<u>-</u>
Total liabilities	883,928	385,571
Net assets:		
Without donor restrictions:		
Board designated for staff appreciation	5,631	3,843
Undesignated	<u>222,502</u>	<u>114,403</u>
Total without donor restrictions	228,133	118,246
With donor restrictions	<u>265,511</u>	<u>406,689</u>
Total net assets	<u>493,644</u>	<u>524,935</u>
Total liabilities and net assets	<u>\$ 1,377,572</u>	<u>\$ 910,506</u>

See accompanying notes to the financial statements.

BREAST CANCER PREVENTION PARTNERS

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

For the Years Ended December 31, 2020 and 2019

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support:						
Contributions and grants	\$ 1,677,437	\$ 234,750	\$ 1,912,187	\$ 2,059,376	\$ 370,038	\$ 2,429,414
Paycheck Protection Program grant	322,000	-	322,000	-	-	-
In-kind donations	176,263	-	176,263	239,123	-	239,123
Fees and other income	29,779	-	29,779	68,021	-	68,021
Net assets released from restrictions	375,928	(375,928)	-	642,986	(642,986)	-
Total revenue and support	2,581,407	(141,178)	2,440,229	3,009,506	(272,948)	2,736,558
Expenses:						
Program	1,732,279	-	1,732,279	2,108,194	-	2,108,194
Fundraising	407,030	-	407,030	504,561	-	504,561
Management and general	332,211	-	332,211	368,338	-	368,338
Total expenses	2,471,520	-	2,471,520	2,981,093	-	2,981,093
Changes in net assets	109,887	(141,178)	(31,291)	28,413	(272,948)	(244,535)
Net assets, beginning of year	118,246	406,689	524,935	89,833	679,637	769,470
Net assets, end of year	\$ 228,133	\$ 265,511	\$ 493,644	\$ 118,246	\$ 406,689	\$ 524,935

See accompanying notes to the financial statements.

BREAST CANCER PREVENTION PARTNERS**STATEMENTS OF CASH FLOWS****For the Years Ended December 31, 2020 and 2019**

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities:		
Changes in net assets	\$ (31,291)	\$ (244,535)
Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	13,934	33,300
(Increase) decrease in assets:		
Contributions and grants receivable, net	178,350	97,567
Prepaid expenses	(19,623)	(1,752)
Other	140	-
Increase (decrease) in liabilities:		
Accounts payable	(28,631)	(5,385)
Accrued payroll and vacation	(6,762)	(29,060)
Deferred compensation	(78,212)	(61,223)
Other liabilities	71,420	(53,536)
Deferred rent	40,542	2,127
Total adjustments	<u>171,158</u>	<u>(17,962)</u>
Net cash provided (used) by operating activities	<u>139,867</u>	<u>(262,497)</u>
Cash flows from investing activities -		
Purchases of property and equipment	<u>(6,139)</u>	<u>(994)</u>
Cash flows from financing activities -		
Long-term debt - CARES Act SBA loan proceeds	<u>500,000</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	633,728	(263,491)
Cash and cash equivalents, beginning of year	<u>415,025</u>	<u>678,516</u>
Cash and cash equivalents, end of year	<u>\$ 1,048,753</u>	<u>\$ 415,025</u>
Supplemental disclosures of cash flow information:		
Cash paid during the year for interest	<u>\$ 100</u>	<u>\$ 84</u>

See accompanying notes to the financial statements.

BREAST CANCER PREVENTION PARTNERS
STATEMENTS OF FUNCTIONAL EXPENSES
For the Years Ended December 31, 2020 and 2019

Program, fundraising, and management and general expenses for the year ended December 31, 2020 were as follows:

	<u>Program Expenses</u>			<u>Total Program Expenses</u>	<u>Fundraising</u>	<u>Management and General</u>	<u>Total Expenses</u>
	<u>Science, Public Education & Engagement</u>	<u>Business Accountability</u>	<u>Federal & State Policy and Programs</u>				
Personnel and related expenses	\$ 831,264	\$ 175,643	\$ 194,862	\$ 1,201,769	\$ 292,308	\$ 180,507	\$ 1,674,584
Occupancy	143,047	26,192	25,940	195,179	35,006	21,659	251,844
Professional services	54,869	16,367	66,576	137,812	19,404	69,508	226,724
Marketing and communications	103,844	4,635	4,635	113,114	7,997	-	121,111
Office and operations	46,557	4,956	6,107	57,620	19,174	39,347	116,141
Vendor services	9,328	91	172	9,591	29,769	18,047	57,407
Depreciation and amortization	7,915	1,449	1,435	10,799	1,937	1,198	13,934
Conferences and meetings	3,786	500	2,090	6,376	1,435	1,945	9,756
Supplies	-	-	19	19	-	-	19
Total expenses	<u>\$ 1,200,610</u>	<u>\$ 229,833</u>	<u>\$ 301,836</u>	<u>\$ 1,732,279</u>	<u>\$ 407,030</u>	<u>\$ 332,211</u>	<u>\$ 2,471,520</u>

See accompanying notes to the financial statements.

BREAST CANCER PREVENTION PARTNERS
STATEMENTS OF FUNCTIONAL EXPENSES (continued)

For the Years Ended December 31, 2020 and 2019

Program, fundraising, and management and general expenses for the year ended December 31, 2019 were as follows:

	<u>Program Expenses</u>			<u>Total Program Expenses</u>	<u>Fundraising</u>	<u>Management and General</u>	<u>Total Expenses</u>
	<u>Science, Public Education & Engagement</u>	<u>Business Accountability</u>	<u>Federal & State Policy and Programs</u>				
Personnel and related expenses	\$ 828,820	\$ 159,924	\$ 202,910	\$ 1,191,654	\$ 323,155	\$ 225,418	\$ 1,740,227
Occupancy	131,273	23,195	28,377	182,845	40,961	22,948	246,754
Professional services	135,971	31,162	176,912	344,045	24,985	57,523	426,553
Marketing and communications	43,845	2,267	4,330	50,442	7,628	10	58,080
Office and operations	44,028	4,144	7,034	55,206	13,862	38,724	107,792
Vendor services	119,795	5,385	3,239	128,419	70,389	18,165	216,973
Depreciation and amortization	17,716	3,130	3,830	24,676	5,527	3,097	33,300
Conferences and meetings	36,499	6,301	12,637	55,437	4,256	2,453	62,146
Supplies	33,071	-	21,595	54,666	13,798	-	68,464
Grants and donations	20,654	75	75	20,804	-	-	20,804
Total expenses	<u>\$ 1,411,672</u>	<u>\$ 235,583</u>	<u>\$ 460,939</u>	<u>\$ 2,108,194</u>	<u>\$ 504,561</u>	<u>\$ 368,338</u>	<u>\$ 2,981,093</u>

See accompanying notes to the financial statements.

BREAST CANCER PREVENTION PARTNERS

NOTES TO FINANCIAL STATEMENTS

December 31, 2020 and 2019

NOTE A -- Description of organization

Founded in 1992, Breast Cancer Prevention Partners (BCPP) 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 the incidence of breast cancer over time.

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 two categories:

Without donor restrictions: 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.

With donor restrictions: 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 with donor restrictions for specific activities and future periods at December 31, 2020 and 2019 (see Note H).

The expiration of a donor-imposed restriction on a contribution is recognized in the period in which the restriction expires. This occurs by increasing net assets without donor restrictions and decreasing net assets with donor restrictions in the Statements of Activities and Changes in Net Assets, and the release from restrictions is reported separately from other transactions.

BREAST CANCER PREVENTION PARTNERS

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2020 and 2019

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

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 and contributions and grants with donor-imposed restrictions are reported accordingly. Contributions and grants to be received more than one year after year-end are recorded at the present value of the contribution using the risk-free rate of return as determined by management. BCPP did not have any outstanding conditional grants at year end December 31, 2020 and 2019.

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 revenue and support without donor restrictions unless the donor has restricted the donated asset to a specific purpose or time period. Assets donated with explicit restrictions regarding their use are reported as revenue and support with donor restrictions.

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.

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; (c) federal and state advocacy work to secure policies that protect people from toxic chemicals and radiation; (d) fundraising, and (e) management and general. Expenses that can be directly identified with a specific function are allocated directly to that function. Indirect costs that benefit multiple functional areas have been allocated among the various functional areas based on time and effort estimates or a square footage analysis made by BCPP management. Expenses allocated based on time and effort include personnel and related expenses and professional services. Expenses allocated based on square footage include occupancy, office and operations and depreciation.

BREAST CANCER PREVENTION PARTNERS

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2020 and 2019

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

Contributed goods and services

Contributions of goods are recognized at fair value when received. During the years ended December 31, 2020 and 2019, the value of contributed goods included as in-kind donations in the accompanying financial statements was \$22,038 and \$131,589, respectively, and consisted primarily of supplies for mountain climbs, other outdoor challenges and event production.

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, 2020 and 2019, the value of contributed services included as in-kind donations in the accompanying financial statements was \$154,225 and \$107,534, 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 D, other contributions and grants receivable consist of amounts from donors ranging from a few dollars to \$6,500 and \$5,000 at December 31, 2020 and 2019, 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.

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.

BREAST CANCER PREVENTION PARTNERS
NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2020 and 2019

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

Accounting pronouncements adopted

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, Revenue from Contracts with Customers (Topic 606): Clarifying the Principles for Recognizing Revenue and Developing a Common Revenue Standard for U.S. GAAP and IFRS (ASU 2014-09). In June 2020, the FASB issued Accounting Standards Update (ASU) No. 2020-05, delaying the implementation of ASU 2014-09 for fiscal years beginning after December 15, 2019. The amendments in this update remove inconsistencies and weaknesses in revenue requirements and improve the comparability of revenue recognition practices across entities, industries, jurisdictions and capital markets. BCPP adopted this ASU for the year ended December 31, 2020. The adoption of ASU No. 2014-09 did not have an impact on BCPP's financial statements.

Recent accounting pronouncement

In February 2016, the FASB issued Accounting Standards Update (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, 2021, with early adoption permitted. The adoption is effective for BCPP for the year ending December 31, 2022. Management is currently evaluating the impact on the financial statements due to the provisions of ASU No. 2016-02.

In September 2020, the FASB issued Accounting Standards Update (ASU) No. 2020-07, Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (ASU 2020-07), which increases transparency of contributed nonfinancial assets for not-for-profit entities through enhancements to presentation and disclosure. This update is effective for fiscal years beginning after June 15, 2021 on a retrospective basis, with early adoption permitted. The adoption is effective for BCPP for the year ending December 31, 2022. Management is currently evaluating the impact on the financial statements due to the provisions of ASU No. 2020-07.

BREAST CANCER PREVENTION PARTNERS

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2020 and 2019

NOTE C – Liquidity and availability of resources

BCPP’s financial assets available within one year of the Statements of Financial Position for general expenditures at December 31 are as follows:

	2020	2019
Financial assets at year end:		
Cash and cash equivalents	\$ 1,048,753	\$ 415,025
Contributions and grants receivable, net	239,994	418,344
Total financial assets	1,288,747	833,369
Less amounts not available to be used within one year:		
Contributions and grants receivable - due after one year, net	-	(94,120)
Restricted by donors - program expenditures	(41,425)	(129,351)
Financial assets not available to be used within one year	(41,425)	(223,471)
Financial assets available to meet general expenditures within one year	\$ 1,247,322	\$ 609,898

As part of BCPP’s liquidity management, BCPP has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. BCPP’s goal is to have cash on hand to meet 60 days of normal operating expenses. As described in Note F, BCPP also maintains a line of credit commitment in the amount of \$100,000 which it could draw upon in the event of an unanticipated liquidity need. In addition, as described in Note K, BCPP secured a U.S. Small Business Administration (SBA) loan under the Economic Aid Act subsequent to the year ended December 31, 2020, for a total of \$271,600 to further increase funds available for general expenditures in 2021.

BREAST CANCER PREVENTION PARTNERS

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2020 and 2019

NOTE D -- 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>2020</u>	<u>2019</u>
pH Fund (multi-year grant)	\$ 100,000	\$ 200,000
Marisla Foundation	75,000	75,000
The John and Hilda Blaustein Foundation	-	65,000
California Breast Cancer Research Program	36,602	36,602
University of California	1,250	9,538
Other donors	<u>27,142</u>	<u>38,084</u>
	239,994	424,224
Less present value discount for the pH Fund	<u>-</u>	<u>(5,880)</u>
Total	<u>\$ 239,994</u>	<u>\$ 418,344</u>

Contributions and grants receivable due in one to five years at December 31, 2020 and 2019 were \$0 and \$100,000, respectively, and at December 31, 2019 has been discounted to present value using a 2.51% rate. The present value discount is 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.

NOTE E -- Property and equipment

Property and equipment at December 31 consist of the following:

	<u>2020</u>	<u>2019</u>
Furniture, fixtures, website and other assets	\$ 105,526	\$ 105,526
Office equipment	123,680	117,541
Leasehold improvements	<u>34,757</u>	<u>34,757</u>
	263,963	257,824
Less accumulated depreciation and amortization	<u>(256,255)</u>	<u>(242,321)</u>
Property and equipment, net	<u>\$ 7,708</u>	<u>\$ 15,503</u>

Depreciation and amortization expense for the years ended December 31, 2020 and 2019 was \$13,934 and \$33,300, respectively.

BREAST CANCER PREVENTION PARTNERS

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2020 and 2019

NOTE F -- 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% (6.5% and 8% at December 31, 2020 and 2019, respectively). There were no outstanding borrowings on the line of credit at December 31, 2020 and 2019.

NOTE G -- CARES Act transactions

In April 2020, BCPP obtained a 30-year SBA COVID-19 Economic Injury Disaster Loan (EIDL) in the amount of \$500,000 at a fixed rate of 2.75%, payable in monthly installments of \$2,136, commencing in April 2021 and maturing in March 2050. Established as part of the Coronavirus Aid, Relief and Economic Security Act (CARES Act) signed into law in March 2020, the EIDL provided financial assistance for organizations impacted by the COVID-19 pandemic to meet financial obligations and operating expenses. Interest is accrued during this deferral period and payments will be applied first to interest accrued as of the date of the payment, and the remaining balance, if any, will be applied to principal. Deferred interest of \$9,606 is included in other liabilities at December 31, 2020. The EIDL is secured by all assets of BCPP.

Future EIDL minimum principal payments are as follows:

<u>Years Ending December 31,</u>	<u>Principal</u>
2021	\$ -
2022	8,836
2023	12,281
2024	12,623
2025	12,974
Thereafter	<u>453,286</u>
	<u>\$ 500,000</u>

BREAST CANCER PREVENTION PARTNERS

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2020 and 2019

NOTE G -- CARES Act transactions (continued)

The CARES Act also established the SBA’s Paycheck Protection Program (SBA PPP). The SBA PPP provided for conditional grants, in the form of forgivable loans, to qualifying organizations for amounts of up to 2.5 times the organization’s average monthly payroll expenses. Under SBA guidance, the loan and related accrued interest are forgivable if the borrower uses the loan proceeds for qualified expenses designated by the SBA during a specific eight to twenty-four week period, with the duration of the period elected by the borrower. In April 2020, BCPP received \$322,000 in a conditional grant from the SBA. BCPP met the SBA’s requirements during 2020 and received full forgiveness of the SBA PPP loan plus accrued interest. Accordingly, BCPP recorded the grant received from the SBA as revenue and support in the 2020 statement of activities and changes in net assets.

The Paycheck Protection Program Flexibility Act of 2020 revised the CARES Act, allowing organizations to defer employer payroll taxes if they had received an SBA PPP loan. BCPP elected to participate in this program. At December 31, 2020, deferred payroll taxes of \$39,914 are included in other liabilities and will be paid in two equal installments in December 2021 and December 2022.

NOTE H -- Net assets with donor restrictions and net assets released from restrictions

Net assets with donor restrictions are available for the following at December 31:

	<u>2020</u>	<u>2019</u>
Capacity-building and strategic plan implementation	\$ 65,949	\$ 100,608
Business accountability campaigns	18,542	16,667
Science and education programs	70,669	47,785
Federal and state policy and programs	87,250	69,528
Leadership transition fund	23,101	32,101
Restricted for time only	<u>-</u>	<u>140,000</u>
Total net assets with donor restrictions	<u>\$ 265,511</u>	<u>\$ 406,689</u>

BREAST CANCER PREVENTION PARTNERS

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2020 and 2019

NOTE H -- Net assets with donor restrictions and net assets released from restrictions (continued)

Net assets were released from donor restrictions during the years ended December 31, 2020 and 2019 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>2020</u>	<u>2019</u>
Capacity-building and strategic plan implementation	\$ 34,659	\$ 32,280
Business accountability campaigns	42,875	40,000
Science and education programs	27,116	94,805
Federal and state policy and programs	122,278	268,255
Leadership transition fund	9,000	67,646
Restricted for time only	<u>140,000</u>	<u>140,000</u>
Net assets released from restrictions	<u>\$ 375,928</u>	<u>\$ 642,986</u>

NOTE I -- Lease obligations and deferred rent

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 which expires in September 2023 with monthly payments of \$124.

Rent expense was \$253,253 and \$245,722, for the years ended December 31, 2020 and 2019, respectively.

In 2020, BCPP negotiated an agreement with the landlord of its operating facilities to defer a portion of its monthly rent until June 2021. Repayment of the deferred amount is to be made in monthly installments of \$3,305 over an 18-month period starting in July 2021. No interest or similar finance charges are to be assessed under the agreement. Deferred rent at December 31, 2020 includes \$44,496 as a result of the change in agreed upon payment terms.

BREAST CANCER PREVENTION PARTNERS
NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2020 and 2019

NOTE I -- Lease obligations and deferred rent (continued)

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

<u>Years Ending December 31,</u>	<u>Facilities</u>	<u>Equipment</u>	<u>Total</u>
2021	\$ 243,339	\$ 1,485	\$ 244,824
2022	269,253	1,485	270,738
2023	235,677	1,114	236,791
2024	<u>180,180</u>	<u>-</u>	<u>180,180</u>
	<u>\$ 928,449</u>	<u>\$ 4,084</u>	<u>\$ 932,533</u>

NOTE J -- Retirement plans and deferred compensation

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. There were no contributions made or accrued to the plan for the years ended December 31, 2020 and 2019.

Retirement benefits of \$84,000 and \$70,000 were paid during the years ended December 31, 2020 and 2019, respectively, in equal monthly installments. Expected future payments, including estimated accrued earnings until maturity, total approximately \$84,000 in 2021, and \$21,000 in 2022. These retirement benefits earn interest at the greater of an annual rate of 4% or an intermediate-term fixed income index annual rate.

BREAST CANCER PREVENTION PARTNERS
NOTES TO FINANCIAL STATEMENTS (Continued)
December 31, 2020 and 2019

NOTE K – Subsequent events

In January 2021, the Board of Directors approved BCPP to participate in the SBA loan program under the Economic Aid Act, signed into law in December 2020. BCPP obtained an SBA Second Draw Paycheck Protection Program loan for \$271,600 in February 2021 and expects that substantially all of the loan will be forgiven under the terms of the loan agreement. Any portion of the loan not forgiven bears interest at a 1% annual rate, with repayment required over an anticipated five years, commencing in 2021.

The date to which events occurring after December 31, 2020 have been evaluated for possible adjustments to the financial statements or disclosure is June 22, 2021, which is the date on which the financial statements were available to be issued.