

BREAST CANCER PREVENTION PARTNERS

FINANCIAL STATEMENTS

**For the Years Ended
December 31, 2021 and 2020**

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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, 2021 and 2020, 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.

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, 2021 and 2020, 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.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Independent Auditors' Report (continued)

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Breast Cancer Prevention Partners' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Breast Cancer Prevention Partners' ability to continue as a going concern for a reasonable period of time.

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

Bregante + Company LLP

San Francisco, CA

June 15, 2022

BREAST CANCER PREVENTION PARTNERS

STATEMENTS OF FINANCIAL POSITION

December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Assets:		
Cash and cash equivalents	\$ 1,258,911	\$ 1,048,753
Contributions and grants receivable	1,192,862	239,994
Employee Retention Credit receivable	270,620	-
Prepaid expenses	38,014	68,567
Property and equipment, net	20,540	7,708
Other	<u>12,550</u>	<u>12,550</u>
Total assets	<u>\$ 2,793,497</u>	<u>\$ 1,377,572</u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable	\$ 53,381	\$ 8,348
Accrued payroll and vacation	99,718	89,069
Deferred compensation	20,765	102,167
Other liabilities	87,201	71,420
Deferred rent	98,059	112,924
Long-term debt - CARES Act SBA Loan	<u>500,000</u>	<u>500,000</u>
Total liabilities	859,124	883,928
Net assets:		
Without donor restrictions:		
Board designated for staff appreciation	3,864	5,631
Undesignated	<u>417,536</u>	<u>222,502</u>
Total without donor restrictions	421,400	228,133
With donor restrictions	<u>1,512,973</u>	<u>265,511</u>
Total net assets	<u>1,934,373</u>	<u>493,644</u>
Total liabilities and net assets	<u>\$ 2,793,497</u>	<u>\$ 1,377,572</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, 2021 and 2020

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support:						
Contributions and grants	\$ 1,866,040	\$ 1,578,585	\$ 3,444,625	\$ 1,677,437	\$ 234,750	\$ 1,912,187
Paycheck Protection Program grant	271,600	-	271,600	322,000	-	322,000
In-kind donations	208,068	-	208,068	176,263	-	176,263
Employee Retention Credit	270,620	-	270,620	-	-	-
Fees and other income	125,906	-	125,906	29,779	-	29,779
Net assets released from restrictions	331,123	(331,123)	-	375,928	(375,928)	-
Total revenue and support	3,073,357	1,247,462	4,320,819	2,581,407	(141,178)	2,440,229
Expenses:						
Program	2,080,647	-	2,080,647	1,732,279	-	1,732,279
Fundraising	470,071	-	470,071	407,030	-	407,030
Management and general	329,372	-	329,372	332,211	-	332,211
Total expenses	2,880,090	-	2,880,090	2,471,520	-	2,471,520
Changes in net assets	193,267	1,247,462	1,440,729	109,887	(141,178)	(31,291)
Net assets, beginning of year	228,133	265,511	493,644	118,246	406,689	524,935
Net assets, end of year	\$ 421,400	\$ 1,512,973	\$ 1,934,373	\$ 228,133	\$ 265,511	\$ 493,644

See accompanying notes to the financial statements.

BREAST CANCER PREVENTION PARTNERS**STATEMENTS OF CASH FLOWS****For the Years Ended December 31, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Changes in net assets	\$ 1,440,729	\$ (31,291)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation and amortization	4,997	13,934
(Increase) decrease in assets:		
Contributions and grants receivable	(952,868)	178,350
Employee Retention Credit receivable	(270,620)	-
Prepaid expenses	30,553	(19,623)
Other	-	140
Increase (decrease) in liabilities:		
Accounts payable	45,033	(28,631)
Accrued payroll and vacation	10,649	(6,762)
Deferred compensation	(81,402)	(78,212)
Other liabilities	15,781	71,420
Deferred rent	<u>(14,865)</u>	<u>40,542</u>
Total adjustments	<u>(1,212,742)</u>	<u>171,158</u>
Net cash provided by operating activities	<u>227,987</u>	<u>139,867</u>
Cash flows from investing activities -		
Purchases of property and equipment	<u>(17,829)</u>	<u>(6,139)</u>
Cash flows from financing activities -		
Long-term debt - CARES Act SBA loan proceeds	<u>-</u>	<u>500,000</u>
Net increase in cash and cash equivalents	210,158	633,728
Cash and cash equivalents, beginning of year	<u>1,048,753</u>	<u>415,025</u>
Cash and cash equivalents, end of year	<u>\$ 1,258,911</u>	<u>\$ 1,048,753</u>
Supplemental disclosures of cash flow information -		
Cash paid during the year for interest	<u>\$ 19,227</u>	<u>\$ 100</u>

See accompanying notes to the financial statements.

BREAST CANCER PREVENTION PARTNERS
STATEMENTS OF FUNCTIONAL EXPENSES
For the Years Ended December 31, 2021 and 2020

Program, fundraising, and management and general expenses for the year ended December 31, 2021 were as follows:

	<u>Program Expenses</u>						
	<u>Science, Public Education & Engagement</u>	<u>Business Accountability</u>	<u>Federal & State Policy and Programs</u>	<u>Total Program Expenses</u>	<u>Fundraising</u>	<u>Management and General</u>	<u>Total Expenses</u>
Personnel and related expenses	\$ 845,361	\$ 191,278	\$ 209,394	\$ 1,246,033	\$ 263,226	\$ 196,484	\$ 1,705,743
Professional services	79,792	22,831	174,899	277,522	33,760	39,436	350,718
Vendor services	154,445	2,338	271	157,054	86,690	18,003	261,747
Occupancy	127,128	23,277	23,053	173,458	31,111	19,248	223,817
Office and operations	50,882	4,950	5,192	61,024	23,506	50,070	134,600
Marketing and communications	80,175	10,595	4,340	95,110	9,103	-	104,213
Supplies	43,052	-	-	43,052	14,351	-	57,403
Conferences and meetings	15,332	231	458	16,021	5,130	5,701	26,852
Grants and donations	7,500	-	-	7,500	2,500	-	10,000
Depreciation and amortization	2,838	520	515	3,873	694	430	4,997
Total expenses	<u>\$ 1,406,505</u>	<u>\$ 256,020</u>	<u>\$ 418,122</u>	<u>\$ 2,080,647</u>	<u>\$ 470,071</u>	<u>\$ 329,372</u>	<u>\$ 2,880,090</u>

See accompanying notes to the financial statements.

BREAST CANCER PREVENTION PARTNERS
STATEMENTS OF FUNCTIONAL EXPENSES (continued)

For the Years Ended December 31, 2021 and 2020

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

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

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

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 certificates of deposit and 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, 2021 and 2020 (see Note H).

BREAST CANCER PREVENTION PARTNERS

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2021 and 2020

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

Net assets (continued)

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.

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, 2021 and 2020.

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 in 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, 2021 and 2020

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, 2021 and 2020, the value of contributed goods included as in-kind donations in the accompanying financial statements was \$73,428 and \$22,038, 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, 2021 and 2020, the value of contributed services included as in-kind donations in the accompanying financial statements was \$134,640 and \$154,225, 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 concentration 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 \$17,494 and \$6,500 at December 31, 2021 and 2020, 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, 2021 and 2020

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

Recent accounting pronouncement

In February 2016, the Financial Accounting Standards Board (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 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.

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:

	<u>2021</u>	<u>2020</u>
Financial assets at year end:		
Cash and cash equivalents	\$ 1,258,911	\$ 1,048,753
Contributions and grants receivable	1,192,862	239,994
Employee Retention Credit receivable	<u>270,620</u>	<u>-</u>
Total financial assets	<u>2,722,393</u>	<u>1,288,747</u>
Less amounts not available to be used within one year:		
Restricted by donors - program expenditures	(447,356)	(41,425)
Fiscal sponsorship custodial liabilities (see Note K)	(61,954)	-
Contributions and grant receivable - due after one year	<u>(17,032)</u>	<u>-</u>
Financial assets not available to be used within one year	<u>(526,342)</u>	<u>(41,425)</u>
Financial assets available to meet general expenditures within one year	<u>\$ 2,196,051</u>	<u>\$ 1,247,322</u>

BREAST CANCER PREVENTION PARTNERS

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2021 and 2020

NOTE C -- Liquidity and availability of resources (continued)

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 90 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.

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>2021</u>	<u>2020</u>
California Breast Cancer Research Program	\$ 919,705	\$ 36,602
University of California	70,880	1,250
Marisla Foundation	65,000	75,000
The John and Hilda Blaustein Foundation	50,000	-
Park Foundation	45,000	-
pH Fund	-	100,000
Other donors	<u>42,277</u>	<u>27,142</u>
Total	<u>\$ 1,192,862</u>	<u>\$ 239,994</u>

Contributions and grants receivable due in one to five years at December 31, 2021 were \$17,032 and were not discounted to present value because the discount was not material. BCPP did not have contributions and grants receivable due in one to five years at December 31, 2020.

NOTE E -- Property and equipment

Property and equipment at December 31 consist of the following:

	<u>2021</u>	<u>2020</u>
Furniture, fixtures, website and other assets	\$ 116,024	\$ 105,526
Office equipment	131,011	123,680
Leasehold improvements	<u>34,757</u>	<u>34,757</u>
	281,792	263,963
Less accumulated depreciation and amortization	<u>(261,252)</u>	<u>(256,255)</u>
Property and equipment, net	<u>\$ 20,540</u>	<u>\$ 7,708</u>

Depreciation and amortization expense for the years ended December 31, 2021 and 2020 was \$4,997 and \$13,934, respectively.

BREAST CANCER PREVENTION PARTNERS

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2021 and 2020

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% at December 31, 2021 and 2020). There were no outstanding borrowings on the line of credit at December 31, 2021 and 2020.

NOTE G -- COVID-19 pandemic support

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 are 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 \$4,132 and \$9,606 is included in other liabilities at December 31, 2021 and 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>
2022	\$ 8,836
2023	12,281
2024	12,623
2025	12,974
2026	14,443
Thereafter	<u>438,843</u>
	<u>\$ 500,000</u>

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.

BREAST CANCER PREVENTION PARTNERS

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2021 and 2020

NOTE G -- COVID-19 pandemic support (continued)

The Consolidated Appropriations Act, 2021 (CAA), provided new funding for qualifying organizations to receive a second SBA PPP conditional grant under substantially similar terms and conditions as the initial SBA PPP. In February 2021, BCPP received \$271,600 in a conditional grant from the SBA and met the requirements during 2021 to receive full forgiveness of the second SBA PPP loan plus accrued interest. Accordingly, BCPP recorded the second grant received from the SBA as revenue and support in the 2021 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 even if they had received an SBA PPP loan. Employer payroll taxes deferred are to be paid in two equal installments in December 2021 and December 2022. BCPP elected to participate in this program. At December 31, 2021 and 2020, deferred payroll taxes of \$19,957 and \$39,914, respectively, are included in other liabilities.

The Employee Retention Credit (ERC), originally part of the CARES Act, was modified by the CAA to allow previously excluded employers, who received SBA PPP grants, to be eligible for a refundable federal payroll tax credit subject to certain criteria. Eligible employers are allowed to apply for ERC retroactively for 2020. In November 2021, BCPP filed all necessary forms to receive federal payroll tax credit payments of \$202,891 for 2021 and \$67,729 for 2020.

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>2021</u>	<u>2020</u>
Federal and state policy and programs	\$ 963,210	\$ 87,250
Science and education programs	128,346	70,669
Capacity-building and strategic plan implementation	123,667	65,949
Business accountability campaigns	288,750	18,542
Leadership transition fund	<u>9,000</u>	<u>23,101</u>
Total net assets with donor restrictions	<u>\$ 1,512,973</u>	<u>\$ 265,511</u>

BREAST CANCER PREVENTION PARTNERS

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2021 and 2020

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, 2021 and 2020 by incurring expenses satisfying the purpose of the restriction, by the passage of time, or by the occurrence of other specific events as follows:

	2021	2020
Federal and state policy and programs	\$ 146,746	\$ 122,278
Science and education programs	63,201	27,116
Capacity-building and strategic plan implementation	62,283	34,659
Business accountability campaigns	44,792	42,875
Leadership transition fund	14,101	9,000
Restricted for time only	-	140,000
Net assets released from restrictions	\$ 331,123	\$ 375,928

NOTE I -- Lease obligations and deferred rent

BCPP leases its operating facilities in San Francisco, California under the terms of a lease agreement 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 \$225,270 and \$253,253, for the years ended December 31, 2021 and 2020, 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 made in monthly installments of \$3,305 over an 18-month period which started in July 2021. No interest or similar finance charges are to be assessed under the agreement. Deferred rent at December 31, 2021 and 2020 includes \$39,660 and \$44,496, respectively, as a result of the change in agreed upon payment terms.

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

Year Ending December 31,	Facilities	Equipment	Total
2022	\$ 269,253	\$ 1,485	\$ 270,738
2023	235,677	1,114	236,791
2024	180,180	-	180,180
	\$ 685,110	\$ 2,599	\$ 687,709

BREAST CANCER PREVENTION PARTNERS

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2021 and 2020

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 has not made contributions to the plan. In December 2021, the Board of Directors approved a BCPP match to employee contributions, to be implemented during 2022.

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, 2021 and 2020.

Retirement benefits under the Plan of \$84,000 were paid during each of the years ended December 31, 2021 and 2020, in equal monthly installments. Deferred compensation at December 31, 2021 plus accrued interest, totaling \$20,900, was fully paid by March 31, 2022. These retirement benefits earned interest at the greater of an annual rate of 4% or an intermediate-term fixed income index annual rate.

NOTE K -- Fiscal sponsorship

BCPP acts as fiscal sponsor to a number of groups which engage in activities that are compatible with BCPP's mission and programs. Services include administering contributions and grants for the sponsored groups and providing clerical, financial and communications assistance if requested.

Contributions and grants received for the sponsored groups are included in other liabilities in the Statements of Financial Position until remitted to the sponsored group and are not recognized as support in the Statements of Activities and Changes in Net Assets. Other liabilities at December 31, 2021 and 2020 include \$61,954 and \$0, respectively, of contributions and grants for the sponsored groups yet to be remitted.

NOTE L -- Subsequent events

The date to which events occurring after December 31, 2021 have been evaluated for possible adjustments to the financial statements or disclosure is June 15, 2022, which is the date on which the financial statements were available to be issued.