

BREAST CANCER PREVENTION PARTNERS

FINANCIAL STATEMENTS

**For the Years Ended
December 31, 2022 and 2021**

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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, 2022 and 2021, 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, 2022 and 2021, 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 2, 2023

BREAST CANCER PREVENTION PARTNERS

STATEMENTS OF FINANCIAL POSITION

December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
Assets:		
Cash and cash equivalents	\$ 1,144,671	\$ 1,258,911
Contributions and grants receivable	568,858	1,192,862
Employee Retention Credit receivable	101,181	270,620
Prepaid expenses	31,163	38,014
Property and equipment, net	23,314	20,540
Operating lease right-of-use assets	350,393	-
Other	<u>12,550</u>	<u>12,550</u>
Total assets	<u>\$ 2,232,130</u>	<u>\$ 2,793,497</u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable	\$ 74,590	\$ 53,381
Accrued payroll and vacation	102,957	99,718
Other liabilities	44,756	87,201
Deferred compensation	-	20,765
Deferred rent	-	98,059
Operating lease liabilities	392,664	-
Long-term debt - CARES Act SBA loan	<u>491,164</u>	<u>500,000</u>
Total liabilities	1,106,131	859,124
Net assets:		
Without donor restrictions:		
Board designated	-	3,864
Undesignated	<u>49,896</u>	<u>417,536</u>
Total without donor restrictions	49,896	421,400
With donor restrictions	<u>1,076,103</u>	<u>1,512,973</u>
Total net assets	<u>1,125,999</u>	<u>1,934,373</u>
Total liabilities and net assets	<u>\$ 2,232,130</u>	<u>\$ 2,793,497</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, 2022 and 2021

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support:						
Contributions and grants	\$ 1,979,692	\$ 518,703	\$ 2,498,395	\$ 1,866,040	\$ 1,578,585	\$ 3,444,625
Paycheck Protection Program grant	-	-	-	271,600	-	271,600
In-kind donations	364,590	-	364,590	208,068	-	208,068
Employee Retention Credit	-	-	-	270,620	-	270,620
Fees and other income	98,661	-	98,661	125,906	-	125,906
Net assets released from restrictions	<u>955,573</u>	<u>(955,573)</u>	<u>-</u>	<u>331,123</u>	<u>(331,123)</u>	<u>-</u>
Total revenue and support	3,398,516	(436,870)	2,961,646	3,073,357	1,247,462	4,320,819
Expenses:						
Program	2,682,500	-	2,682,500	2,080,647	-	2,080,647
Fundraising	588,598	-	588,598	470,071	-	470,071
Management and general	<u>498,922</u>	<u>-</u>	<u>498,922</u>	<u>329,372</u>	<u>-</u>	<u>329,372</u>
Total expenses	<u>3,770,020</u>	<u>-</u>	<u>3,770,020</u>	<u>2,880,090</u>	<u>-</u>	<u>2,880,090</u>
Changes in net assets	(371,504)	(436,870)	(808,374)	193,267	1,247,462	1,440,729
Net assets, beginning of year	<u>421,400</u>	<u>1,512,973</u>	<u>1,934,373</u>	<u>228,133</u>	<u>265,511</u>	<u>493,644</u>
Net assets, end of year	<u>\$ 49,896</u>	<u>\$ 1,076,103</u>	<u>\$ 1,125,999</u>	<u>\$ 421,400</u>	<u>\$ 1,512,973</u>	<u>\$ 1,934,373</u>

See accompanying notes to the financial statements.

BREAST CANCER PREVENTION PARTNERS**STATEMENTS OF CASH FLOWS****For the Years Ended December 31, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
Changes in net assets	\$ (808,374)	\$ 1,440,729
Adjustments to reconcile changes in net assets to net cash (used) provided by operating activities:		
Depreciation	6,964	4,997
Amortization of operating lease right-of-use assets and liabilities, net	(16,115)	-
Changes in operating assets and liabilities:		
Contributions and grants receivable	624,004	(952,868)
Employee Retention Credit receivable	169,439	(270,620)
Prepaid expenses	6,851	30,553
Operating lease right-of-use assets	(350,393)	-
Accounts payable	21,209	45,033
Accrued payroll and vacation	3,239	10,649
Other liabilities	(42,445)	15,781
Deferred compensation	(20,765)	(81,402)
Deferred rent	(81,944)	(14,865)
Operating lease liabilities	<u>392,664</u>	<u>-</u>
Total adjustments	<u>712,708</u>	<u>(1,212,742)</u>
Net cash (used) provided by operating activities	<u>(95,666)</u>	<u>227,987</u>
Cash flows from investing activities -		
Purchases of property and equipment	<u>(9,738)</u>	<u>(17,829)</u>
Cash flows from financing activities -		
Principal payments of long-term debt payable	<u>(8,836)</u>	<u>-</u>
Net (decrease) increase in cash and cash equivalents	(114,240)	210,158
Cash and cash equivalents, beginning of year	<u>1,258,911</u>	<u>1,048,753</u>
Cash and cash equivalents, end of year	<u>\$ 1,144,671</u>	<u>\$ 1,258,911</u>
Supplemental disclosures of cash flow information -		
Cash paid during the year for interest	<u>\$ 16,796</u>	<u>\$ 19,227</u>

See accompanying notes to the financial statements.

BREAST CANCER PREVENTION PARTNERS
STATEMENTS OF FUNCTIONAL EXPENSES
For the Years Ended December 31, 2022 and 2021

Program, fundraising, and management and general expenses for the year ended December 31, 2022 were as follows:

	<u>Program Expenses</u>						
	<u>Science, Public Education & Engagement</u>	<u>Business Accountability</u>	<u>National & 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	\$ 987,093	\$ 194,114	\$ 295,903	\$ 1,477,110	\$ 357,144	\$ 230,772	\$ 2,065,026
Professional services	225,890	158,012	236,899	620,801	24,487	166,376	811,664
Vendor services	147,312	734	735	148,781	107,866	18,131	274,778
Occupancy	133,768	23,326	26,182	183,276	32,847	21,898	238,021
Office and operations	59,488	8,091	8,609	76,188	32,014	57,358	165,560
Marketing and communications	40,488	16,716	2,223	59,427	6,677	19	66,123
Conferences and meetings	32,181	2,835	5,379	40,395	11,149	3,727	55,271
Supplies	38,081	-	-	38,081	15,453	-	53,534
Grants and donations	32,679	400	-	33,079	-	-	33,079
Depreciation	3,914	682	766	5,362	961	641	6,964
 Total expenses	 <u>\$ 1,700,894</u>	 <u>\$ 404,910</u>	 <u>\$ 576,696</u>	 <u>\$ 2,682,500</u>	 <u>\$ 588,598</u>	 <u>\$ 498,922</u>	 <u>\$ 3,770,020</u>

See accompanying notes to the financial statements.

BREAST CANCER PREVENTION PARTNERS
STATEMENTS OF FUNCTIONAL EXPENSES (continued)

For the Years Ended December 31, 2022 and 2021

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

	Program Expenses							
	Science, Public Education & Engagement	Business Accountability	National & State Policy and Programs	Total Program Expenses	Fundraising	Management and General	Total Expenses	
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	
Conferences and meetings	15,332	231	458	16,021	5,130	5,701	26,852	
Supplies	43,052	-	-	43,052	14,351	-	57,403	
Grants and donations	7,500	-	-	7,500	2,500	-	10,000	
Depreciation	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

NOTES TO FINANCIAL STATEMENTS

December 31, 2022 and 2021

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 presentation

The financial statements of BCPP have been prepared in accordance with generally accepted accounting principles in the United States of America.

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, 2022 and 2021 (see Note H).

BREAST CANCER PREVENTION PARTNERS
NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2022 and 2021

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, 2022 and 2021.

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.

BREAST CANCER PREVENTION PARTNERS
NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2022 and 2021

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 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) national 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.

Contributed goods and services

Contributions of goods are recognized at fair value when received. During the years ended December 31, 2022 and 2021, the value of contributed goods included as in-kind donations in the accompanying financial statements was \$167,572 and \$73,428, respectively (see Note L).

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, 2022 and 2021, the value of contributed services included as in-kind donations in the accompanying financial statements was \$197,018 and \$134,640, respectively (see Note L).

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 \$22,847 and \$17,494 at December 31, 2022 and 2021, 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
NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2022 and 2021

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.

Adoption of new accounting standards

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. BCPP adopted ASU 2016-02 effective January 1, 2022 (see Note I).

BCPP recognizes a lease asset for its right to use the underlying leased asset and a lease liability for the corresponding lease obligation for leases with a lease term greater than one year, and are included in operating lease right-of-use assets and operating lease liabilities in the Statement of Financial Position at December 31, 2022. BCPP determines whether an arrangement is or contains a lease at contract inception and recognizes the operating lease right-of-use assets and operating lease liabilities at the lease commencement date based on the present value of lease payments over the lease term. Lease expense is recognized on a straight-line basis over the expected lease term. The operating lease right-of-use assets also include any lease payments made and exclude lease incentives received or receivable.

BCPP uses its incremental borrowing rate, which is derived from information available at the lease commencement date, in determining the present value of the lease payments.

Adoption of the standard resulted in the recognition of operating lease right-of-use assets and operating lease liabilities of \$532,739 and \$591,125, respectively, as of January 1, 2022.

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 (in-kind donations) for not-for-profit entities through enhancements to presentation and disclosure. BCPP adopted ASU 2020-07 for the years ended December 31, 2022 and 2021 (see Note L).

BREAST CANCER PREVENTION PARTNERS

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2022 and 2021

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>2022</u>	<u>2021</u>
Financial assets at year end:		
Cash and cash equivalents	\$ 1,144,671	\$ 1,258,911
Contributions and grants receivable	568,858	1,192,862
Employee Retention Credit receivable	<u>101,181</u>	<u>270,620</u>
Total financial assets	<u>1,814,710</u>	<u>2,722,393</u>
Less amounts not available to be used within one year:		
Restricted by donors - program expenditures	(153,141)	(447,356)
Fiscal sponsorship custodial liabilities (see Note K)	(39,095)	(61,954)
Contributions and grant receivable - due after one year	<u>-</u>	<u>(17,032)</u>
Financial assets not available to be used within one year	<u>(192,236)</u>	<u>(526,342)</u>
Financial assets available to meet general expenditures within one year	<u>\$ 1,622,474</u>	<u>\$ 2,196,051</u>

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.

BREAST CANCER PREVENTION PARTNERS

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2022 and 2021

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>2022</u>	<u>2021</u>
Social Enterprise	\$ 120,000	\$ -
Innersense Beauty	85,000	-
Passport Foundation	75,000	-
University of California	68,954	70,880
Marisla Foundation	65,000	65,000
Bequest from individual donor	55,000	-
CalEPA	44,454	-
California Breast Cancer Research Program	14,609	919,705
The John and Hilda Blaustein Foundation	-	50,000
Park Foundation	-	45,000
Other donors	<u>40,841</u>	<u>42,277</u>
Total	<u>\$ 568,858</u>	<u>\$ 1,192,862</u>

BCPP did not have contributions and grants receivable due in one to five years at December 31, 2022. 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 received notification in July 2022 that it is a named beneficiary of a bequest. The bequest consists of a partial interest in both an IRA account and a cooperative apartment in New York City. At December 31, 2022, only estimated values were available for both assets. BCPP estimates the fair value of the bequest receivable could range from \$55,000 to \$100,000 after estimated costs while in probate for legal fees and the liquidation of the apartment. Due to the illiquidity factor of the apartment, BCPP has conservatively recognized \$55,000 for this bequest included in contributions and grants receivable and support for the year ended December 31, 2022.

BREAST CANCER PREVENTION PARTNERS
NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2022 and 2021

NOTE E -- Property and equipment

Property and equipment at December 31 consist of the following:

	2022	2021
Furniture, fixtures, website and other assets	\$ 122,649	\$ 116,024
Office equipment	134,124	131,011
Leasehold improvements	34,757	34,757
	291,530	281,792
Less accumulated depreciation and amortization	(268,216)	(261,252)
Property and equipment, net	\$ 23,314	\$ 20,540

Depreciation expense for the years ended December 31, 2022 and 2021 was \$6,964 and \$4,997, respectively.

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% (10.75% and 6.5% at December 31, 2022 and 2021). There were no outstanding borrowings on the line of credit at December 31, 2022 and 2021.

NOTE G -- COVID-19 pandemic support

The Coronavirus Aid, Relief and Economic Security Act (CARES Act) was signed into law in March 2020. In April 2020, as part of the CARES Act, BCPP obtained a 30-year Small Business Administration (SBA) COVID-19 Economic Injury Disaster Loan (EIDL) in the amount of \$500,000. This loan has a fixed interest rate of 2.75%, payable in monthly installments of \$2,136, commencing in April 2021 and maturing in March 2050. The EIDL is secured by all assets of BCPP.

Future EIDL minimum principal payments are as follows:

Years Ending December 31,	Principal
2023	\$ 12,281
2024	12,623
2025	12,974
2026	13,335
2027	13,707
Thereafter	426,244
	\$ 491,164

BREAST CANCER PREVENTION PARTNERS

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2022 and 2021

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

The CARES Act and The Consolidated Appropriations Act, 2021 (CAA), also provided funding for qualifying organizations in the form of 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 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 SBA PPP loan plus accrued interest. Accordingly, BCPP recorded the 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. BCPP elected to participate in this program. At December 31, 2021, deferred employer payroll taxes of \$19,957 are included in other liabilities. This balance was paid in full by December 31, 2022.

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 \$270,620 for 2021 and 2020, and at December 31, 2022. The remaining receivable at December 31, 2022 of \$101,181 was received subsequent to year-end.

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>2022</u>	<u>2021</u>
National and state policy and programs	\$ 703,922	\$ 963,210
Science and education programs	138,868	128,346
Capacity-building and strategic plan implementation	120,000	123,667
Business accountability campaigns	113,313	288,750
Leadership transition fund	<u>-</u>	<u>9,000</u>
Total net assets with donor restrictions	<u>\$ 1,076,103</u>	<u>\$ 1,512,973</u>

BREAST CANCER PREVENTION PARTNERS

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2022 and 2021

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, 2022 and 2021 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>2022</u>	<u>2021</u>
National and state policy and programs	\$ 389,287	\$ 146,746
Science and education programs	58,231	63,201
Capacity-building and strategic plan implementation	123,667	62,283
Business accountability campaigns	375,388	44,792
Leadership transition fund	<u>9,000</u>	<u>14,101</u>
Net assets released from restrictions	<u>\$ 955,573</u>	<u>\$ 331,123</u>

NOTE I -- Lease commitments and deferred rent

BCPP leases office space in San Francisco, CA, under a ten-year agreement that commenced on October 1, 2014, with the option to renew the lease for one additional ten-year period. The impact of the renewal option has been excluded from BCPP's calculated balance of operating lease right-of-use assets and operating lease liabilities. The lease payments have an escalating fee schedule ranging from 0%-3% per year. BCPP also leases equipment under a noncancellable three-year operating lease that expires in June 2023.

The maturities of operating lease liabilities with an initial term in excess of one year are as follows:

<u>Years ending December 31,</u>	
2023	\$ 236,419
2024	<u>180,180</u>
Subtotal	416,599
Less: present value discount	<u>(23,935)</u>
Operating lease liabilities	<u>\$ 392,664</u>

Lease Term and Discount Rate

Weighted average remaining lease term (in years)	1.75
Weighted average discount rate	6.5%

Rent expense was \$237,766 and \$225,270, for years ended December 31, 2022 and 2021, respectively. Rent expense includes common area maintenance pass-through expenses from the landlord.

BREAST CANCER PREVENTION PARTNERS
NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2022 and 2021

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

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 was made in monthly installments of \$3,305 over an 18 month period which started in July 2021. No interest or similar finance charges were assessed under the agreement. Deferred rent at December 31, 2021 includes \$39,660, as a result of the change in agreed upon payment terms and was fully paid by December 31, 2022.

NOTE J -- 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. In December 2021, the Board of Directors approved a revision to the BCPP 403(b) retirement plan to provide for an employer match in 2022. BCPP contributed \$18,000 to the plan for the year ended December 31, 2022. BCPP made no contributions to the plan for the year ended December 31, 2021.

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, 2022 and 2021.

Retirement benefits under the Plan of \$20,900 and \$84,000 were paid during each of the years ended December 31, 2022 and 2021, respectively. These retirement benefits earned interest at the greater of an annual rate of 4% or an intermediate-term fixed income index annual rate. Retirement benefits under the Plan were fully paid by December 31, 2022.

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, 2022 and 2021 include \$39,095 and \$61,954, respectively, of contributions and grants for the sponsored groups yet to be remitted.

BREAST CANCER PREVENTION PARTNERS

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2022 and 2021

NOTE L -- In-kind donations

For the years ended December 31, 2022 and 2021, in-kind donations recognized in the Statements of Activities and Changes in Net Assets included:

	<u>2022</u>	<u>2021</u>
Legal services	\$ 123,753	\$ 6,940
Fundraising events - incentive prizes	83,894	26,998
Science and policy professional expertise	39,050	52,700
Fundraising events - goods	37,689	901
Hiking gear	37,679	42,354
Marketing and advertising services	33,130	73,813
Fundraising events - food and beverage	8,310	3,175
Fundraising events - professional services	<u>1,085</u>	<u>1,187</u>
Total	<u>\$ 364,590</u>	<u>\$ 208,068</u>

BCPP recognized in-kind donations in revenue and support, including hiking gear, fundraising events goods, incentive prizes, food and beverage and services. In-kind donations did not have donor-imposed restrictions.

Contributed hiking gear was utilized by individuals participating in two outdoor mountain climb fundraising events. Contributed fundraising goods, incentive prizes and food and beverage were utilized in various community fundraising outdoor events held throughout the year.

In valuing hiking gear, goods and beverage, incentive prizes, and food and beverage BCPP estimated the fair value based on retail values that would be received for selling similar products in the United States.

Contributed services recognized by BCPP are from attorneys advising on various administrative legal matters, science and policy experts advising on identification of and elimination of toxic chemicals from our products and environment, outdoor event production, and marketing and advertising consulting. Contributed services are valued and are reported at the estimated fair value in the financial statements based on current rates for similar services.

NOTE M -- Subsequent events

The date to which events occurring after December 31, 2022 have been evaluated for possible adjustments to the financial statements or disclosure is June 2, 2023, which is the date on which the financial statements were available to be issued.