

BREAST CANCER PREVENTION PARTNERS

FINANCIAL STATEMENTS

**For the Years Ended
December 31, 2023 and 2022**

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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, 2023 and 2022, 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, 2023 and 2022, 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 Auditors' 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)

Auditors' 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 auditors' 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

July 10, 2024

BREAST CANCER PREVENTION PARTNERS

STATEMENTS OF FINANCIAL POSITION

December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Assets:		
Cash and cash equivalents	\$ 1,016,522	\$ 1,144,671
Contributions and grants receivable	491,286	568,858
Employee Retention Credit receivable	-	101,181
Prepaid expenses	36,832	31,163
Property and equipment, net	13,852	23,314
Operating lease right-of-use assets	425,582	350,393
Other	<u>10,050</u>	<u>12,550</u>
Total assets	<u>\$ 1,994,124</u>	<u>\$ 2,232,130</u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable	\$ 52,050	\$ 74,590
Accrued payroll and vacation	91,493	102,957
Other liabilities	16,603	44,756
Operating lease liabilities	350,590	392,664
Long-term debt - CARES Act SBA loan	<u>478,883</u>	<u>491,164</u>
Total liabilities	989,619	1,106,131
Net assets:		
Without donor restrictions	184,511	49,896
With donor restrictions	<u>819,994</u>	<u>1,076,103</u>
Total net assets	<u>1,004,505</u>	<u>1,125,999</u>
Total liabilities and net assets	<u>\$ 1,994,124</u>	<u>\$ 2,232,130</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, 2023 and 2022

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support:						
Contributions and grants	\$ 2,181,404	\$ 775,405	\$ 2,956,809	\$ 1,979,692	\$ 518,703	\$ 2,498,395
In-kind donations	319,266	-	319,266	364,590	-	364,590
Fees and other income	102,724	-	102,724	98,661	-	98,661
Net assets released from restrictions	<u>1,031,514</u>	<u>(1,031,514)</u>	<u>-</u>	<u>955,573</u>	<u>(955,573)</u>	<u>-</u>
Total revenue and support	3,634,908	(256,109)	3,378,799	3,398,516	(436,870)	2,961,646
Expenses:						
Program	2,493,606	-	2,493,606	2,682,500	-	2,682,500
Fundraising	549,693	-	549,693	588,598	-	588,598
Management and general	<u>456,994</u>	<u>-</u>	<u>456,994</u>	<u>498,922</u>	<u>-</u>	<u>498,922</u>
Total expenses	<u>3,500,293</u>	<u>-</u>	<u>3,500,293</u>	<u>3,770,020</u>	<u>-</u>	<u>3,770,020</u>
Changes in net assets	134,615	(256,109)	(121,494)	(371,504)	(436,870)	(808,374)
Net assets, beginning 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>
Net assets, end of year	<u>\$ 184,511</u>	<u>\$ 819,994</u>	<u>\$ 1,004,505</u>	<u>\$ 49,896</u>	<u>\$ 1,076,103</u>	<u>\$ 1,125,999</u>

See accompanying notes to the financial statements.

BREAST CANCER PREVENTION PARTNERS

STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Changes in net assets	\$ (121,494)	\$ (808,374)
Adjustments to reconcile changes in net assets to net cash used by operating activities:		
Depreciation and amortization	11,003	6,964
Amortization of operating lease right-of-use assets	164,379	182,346
Changes in operating assets and liabilities:		
Contributions and grants receivable	77,572	624,004
Employee Retention Credit receivable	101,181	169,439
Prepaid expenses	(5,669)	6,851
Operating lease right-of-use assets	(159,568)	(532,739)
Other assets	2,500	-
Accounts payable	(22,540)	21,209
Accrued payroll and vacation	(11,464)	3,239
Other liabilities	(28,153)	(42,445)
Operating lease liabilities	(42,074)	392,664
Deferred compensation	-	(20,765)
Deferred rent	-	(98,059)
	<u>87,167</u>	<u>712,708</u>
Total adjustments		
Net cash used by operating activities	<u>(34,327)</u>	<u>(95,666)</u>
Cash flows from investing activities:		
Proceeds from sale of property and equipment	600	-
Initial direct cost of operating lease	(80,000)	-
Purchases of property and equipment	<u>(2,141)</u>	<u>(9,738)</u>
Net cash used by investing activities	<u>(81,541)</u>	<u>(9,738)</u>
Cash flows from financing activities:		
Principal payments of long-term debt	<u>(12,281)</u>	<u>(8,836)</u>
Net decrease in cash and cash equivalents	(128,149)	(114,240)
Cash and cash equivalents, beginning of year	<u>1,144,671</u>	<u>1,258,911</u>
Cash and cash equivalents, end of year	<u>\$ 1,016,522</u>	<u>\$ 1,144,671</u>

Supplemental disclosures of cash flow information -

Cash paid during the year for interest	\$ <u>13,351</u>	\$ <u>16,796</u>
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During the year ended December 31, 2023, BCPP disposed of fully depreciated property and equipment with original cost basis of \$56,696.

See accompanying notes to the financial statements.

BREAST CANCER PREVENTION PARTNERS
STATEMENTS OF FUNCTIONAL EXPENSES
For the Years Ended December 31, 2023 and 2022

Program, fundraising, and management and general expenses for the year ended December 31, 2023, were as follows:

	<u>Program Expenses</u>						
	<u>Science & Education</u>	<u>National & State Policy</u>	<u>Business Accountability</u>	<u>Total Program Expenses</u>	<u>Fundraising</u>	<u>Management and General</u>	<u>Total Expenses</u>
Personnel and related expenses	\$ 983,019	\$ 302,520	\$ 282,110	\$ 1,567,649	\$ 367,760	\$ 219,850	\$ 2,155,259
Professional services	87,006	179,585	70,010	336,601	16,789	135,476	488,866
Vendor services	147,372	226	7,198	154,796	82,001	20,294	257,091
Occupancy	96,000	18,622	24,227	138,849	24,589	17,357	180,795
Office and operations	63,545	6,454	6,921	76,920	18,668	55,724	151,312
Marketing and communications	94,930	5,084	7,835	107,849	10,188	9	118,046
Conferences and meetings	51,567	2,951	4,797	59,315	11,741	7,228	78,284
Supplies	35,112	-	-	35,112	16,460	-	51,572
Depreciation and amortization	5,843	1,133	1,474	8,450	1,497	1,056	11,003
Grants and donations	<u>8,065</u>	<u>-</u>	<u>-</u>	<u>8,065</u>	<u>-</u>	<u>-</u>	<u>8,065</u>
 Total expenses	 <u>\$ 1,572,459</u>	 <u>\$ 516,575</u>	 <u>\$ 404,572</u>	 <u>\$ 2,493,606</u>	 <u>\$ 549,693</u>	 <u>\$ 456,994</u>	 <u>\$ 3,500,293</u>

See accompanying notes to the financial statements.

BREAST CANCER PREVENTION PARTNERS
STATEMENTS OF FUNCTIONAL EXPENSES (continued)

For the Years Ended December 31, 2023 and 2022

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

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

See accompanying notes to the financial statements.

BREAST CANCER PREVENTION PARTNERS

NOTES TO FINANCIAL STATEMENTS

December 31, 2023 and 2022

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 fair value at the time of receipt and are presented net of accumulated depreciation in the Statements of Financial Position. 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 activities 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 at December 31, 2023 and 2022 (see Note H).

BREAST CANCER PREVENTION PARTNERS
NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2023 and 2022

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 unconditional 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, 2023 and 2022.

Contribution of goods and services are recorded as in-kind donations at their estimated value on the date of receipt (see Note L). 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 does not believe its financial statements include any uncertain tax positions. 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, 2023 and 2022

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) national and state advocacy work to secure policies that protect people from toxic chemicals and radiation; (c) business accountability to move markets toward sustainable and less toxic products; (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.

In-kind donations

Contributions of goods are recognized at fair value when received. During the years ended December 31, 2023 and 2022, the value of contributed goods included as in-kind donations in the accompanying financial statements was \$129,234 and \$167,572, 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, 2023 and 2022, the value of contributed services included as in-kind donations in the accompanying financial statements was \$190,032 and \$197,018, 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 are generally held with large financial institutions and may at times exceed federally insured limits.

Contributions and grants receivable consist of unconditional promises to give from multiple donors. Donors who account for over 10% of total contributions and grants receivable are considered by BCPP as a concentration of credit risk (see Note D).

BCPP has not experienced any material losses in these accounts. Management believes it is not exposed to any significant credit risk with respect to cash and cash equivalents or contributions and grants receivable.

BREAST CANCER PREVENTION PARTNERS
NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2023 and 2022

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.

Reclassification of financial statements

Certain reclassifications have been made to the financial statements for the year ended December 31, 2022, to conform with the year ended December 31, 2023 financial statement presentation. Such reclassifications have no effect on changes in net assets as previously reported.

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 Statements of Financial Position at December 31, 2023 and 2022, respectively. 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 year ended December 31, 2022 (see Note L).

BREAST CANCER PREVENTION PARTNERS

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2023 and 2022

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>2023</u>	<u>2022</u>
Financial assets at year end:		
Cash and cash equivalents	\$ 1,016,522	\$ 1,144,671
Contributions and grants receivable	491,286	568,858
Employee Retention Credit receivable	<u>-</u>	<u>101,181</u>
Total financial assets	1,507,808	1,814,710
Less amounts not available to be used within one year:		
Contribution receivable - due after one year	(84,187)	-
Restricted by donors for program restrictions	(60,379)	(153,141)
Fiscal sponsorship custodial liabilities (see Note K)	<u>(2,068)</u>	<u>(39,095)</u>
Financial assets not available to be used within one year	<u>(146,634)</u>	<u>(192,236)</u>
Financial assets available to meet general expenditures within one year	<u>\$ 1,361,174</u>	<u>\$ 1,622,474</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. 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 (see Note F).

BREAST CANCER PREVENTION PARTNERS

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2023 and 2022

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:

Donor	2023	2022
A	\$ 82,239	\$ 68,954
B	80,000	-
C	55,000	55,000
D	50,000	65,000
E	50,000	-
F	50,000	-
G	-	120,000
H	-	85,000
I	-	75,000
Other	124,047	99,904
Total	\$ 491,286	\$ 568,858

The other balance consists of contributions and grants receivable from individual donors up to \$32,239 and \$44,454 at December 31, 2023 and 2022, respectively.

BCPP received notification in July 2022 that it is a named beneficiary of a bequest which consists of interest in an investment account and real property in New York. BCPP estimated \$55,000 as the fair value of a bequest recognized as a promise to give during the year ended December 31, 2022. Timing of receipt is expected to be beyond one year as of December 31, 2023.

Contributions and grants receivable consist of the following at December 31:

	2023	2022
Due in less than one year	\$ 407,099	\$ 513,858
Due in one to five years	84,187	55,000
Total	\$ 491,286	\$ 568,858

Contributions and grants receivable due in one to five years were not discounted to present value at December 31, 2023 and 2022 because the discounts were not material.

BREAST CANCER PREVENTION PARTNERS
NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2023 and 2022

NOTE E -- Property and equipment

Property and equipment at December 31 consist of the following:

	2023	2022
Furniture, fixtures, website and other assets	\$ 122,649	\$ 122,649
Office equipment	78,679	134,124
Leasehold improvements	34,757	34,757
	236,085	291,530
Less accumulated depreciation and amortization	(222,233)	(268,216)
Property and equipment, net	\$ 13,852	\$ 23,314

Depreciation and amortization expense for the years ended December 31, 2023 and 2022 was \$11,003 and \$6,964 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% (11.75% and 10.75% at December 31, 2023 and 2022). There were no outstanding borrowings on the line of credit at December 31, 2023 and 2022.

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 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
2024	\$ 12,623
2025	12,974
2026	13,335
2027	13,707
2028	14,089
Thereafter	412,155
	\$ 478,883

BREAST CANCER PREVENTION PARTNERS

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2023 and 2022

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

The Employee Retention Credit (ERC), originally part of the CARES Act, was modified by the Consolidated Appropriations Act, 2021 (CAA) to allow previously excluded employers who received SBA Paycheck Protection Program grants, to be eligible for a refundable federal payroll tax credits retroactive to 2020 subject to certain criteria. The outstanding ERC receivable at December 31, 2022 of \$101,181 was received in 2023.

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>2023</u>	<u>2022</u>
National and state policy advocacy and programs	\$ 574,594	\$ 703,922
Business accountability campaigns	145,991	113,313
Science and education programs	99,409	138,868
Capacity-building and strategic plan implementation	<u>-</u>	<u>120,000</u>
Total net assets with donor restrictions	<u>\$ 819,994</u>	<u>\$ 1,076,103</u>

Net assets were released from donor restrictions during the years ended December 31, 2023 and 2022 by incurring expenses satisfying the purpose of the restriction, or by the occurrence of other specific events as follows:

	<u>2023</u>	<u>2022</u>
National and state policy advocacy and programs	\$ 505,055	\$ 389,287
Business accountability campaigns	247,310	375,388
Science and education programs	159,149	58,231
Capacity-building and strategic plan implementation	120,000	123,667
Leadership transition fund	<u>-</u>	<u>9,000</u>
Net assets released from restrictions	<u>\$ 1,031,514</u>	<u>\$ 955,573</u>

NOTE I -- Lease commitments

BCPP leases office space in San Francisco, CA. On October 1, 2023, BCPP entered into a new 66-month lease of office space in the same building with the same landlord without a renewal option. As part of this new agreement, BCPP terminated its previous office lease and incurred an early termination fee which was accounted for as an initial direct cost of the new lease. The operating lease right-of-use asset and operating lease liability reflect the new terms of the lease and the fee paid. Lease payments have an escalating fee schedule increasing 3% per year.

BREAST CANCER PREVENTION PARTNERS
NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2023 and 2022

NOTE I -- Lease commitments (continued)

The maturity of the operating lease liability with an initial term in excess of one year is as follows:

<u>Years ending December 31,</u>	
2024	\$ 85,294
2025	87,640
2026	90,058
2027	92,548
2028	95,110
Thereafter	<u>24,268</u>
Subtotal	474,918
Less: present value discount	<u>(124,328)</u>
Operating lease liabilities	<u>\$ 350,590</u>

For the year ended December 31, 2023, the supplemental cash flow information related to leases is as follows:

Operating cash outflows for operating leases	\$ 237,769
Right-of-use assets obtained in exchange for new operating lease obligations	\$ 444,797

Lease Term and Discount Rate:

Remaining lease term (in years)	5.25
Discount rate	11.75%

Lease expense was \$184,235 and \$237,766, for years ended December 31, 2023 and 2022, respectively. Lease expense includes common area maintenance pass-through expenses from the landlord.

NOTE J -- Retirement plans

BCPP maintains a defined contribution 403(b) retirement plan for all employees and provides an employer match. Employees are eligible to make elective contributions following the date of hire up to the maximum allowed by the Internal Revenue Code. BCPP contributed \$18,063 and \$18,000 to the plan for the years ended December 31, 2023 and 2022, respectively.

BREAST CANCER PREVENTION PARTNERS

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2023 and 2022

NOTE J -- Retirement plans (continued)

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. These retirement benefits earned interest at the greater of an annual rate of 4% or an intermediate-term fixed income index annual rate. 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. Final retirement benefits under the Plan of \$20,900 were paid during the year ended December 31, 2022. There were no participants in the Plan during the year ended December 31, 2023.

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, 2023 and 2022 include \$2,068 and \$39,095, respectively, of contributions and grants for the sponsored groups yet to be remitted.

NOTE L -- In-kind donations

For the years ended December 31, 2023 and 2022, in-kind donations recognized in the Statements of Activities and Changes in Net Assets included:

	<u>2023</u>	<u>2022</u>
Professional services	\$ 97,657	\$ 162,803
Fundraising events - incentive prizes, goods and auction items	95,600	121,583
Marketing, advertising and fundraising services	92,375	34,215
Hiking gear	32,050	37,679
Fundraising events - food and beverage	<u>1,584</u>	<u>8,310</u>
Total	<u>\$ 319,266</u>	<u>\$ 364,590</u>

BREAST CANCER PREVENTION PARTNERS
NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2023 and 2022

NOTE L -- In-kind donations (continued)

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, accounting, consulting, marketing and advertising. Contributed services are valued and are reported at the estimated fair value in the financial statements based on current rates for similar services.

Contributed goods are valued and reported at the estimated fair value in the financial statements based on retail values that would be received for selling similar products in the United States.

NOTE M -- Subsequent events

The date to which events occurring after December 31, 2023 have been evaluated for possible adjustments to the financial statements or disclosure is July 10, 2024, which is the date on which the financial statements were available to be issued.