ZERO - The End of Prostate Cancer

Financial Statements
and Independent Auditors' Report

March 31, 2021

ZERO - The End of Prostate Cancer

Financial Statements
March 31, 2021

Contents

ROGERS & COMPANY

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
ZERO - The End of Prostate Cancer

We have audited the accompanying financial statements of ZERO - The End of Prostate Cancer ("ZERO"), which comprise the statement of financial position as of March 31, 2021; the related statements of activities, functional expenses, and cash flows for the year then ended; and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

ROGERS & COMPANY

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of ZERO as of March 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Rogers + Company PLLC

Vienna, Virginia
September 15, 2021

ZERO - The End of Prostate Cancer

Statement of Financial Position
March 31, 2021

Assets		
Current assets:		
Cash and cash equivalents	$	92,646
Contributions receivable		858
Investments, short-term		5,749,500
Prepaid expenses		79,372
Total current assets		5,922,376
Investments, long-term		37,543
Property and equipment, net		90,309
Security deposit		11,240
Total assets	$	6,061,468
Liabilities and Net Assets		
Liabilities		
Current liabilities:		
Accounts payable and accrued expenses	$	54,400
Grants payable		568,857
Deferred rent, current portion		12,230
Refundable advance – Paycheck Protection Program Loan		563,351
Total current liabilities		1,198,838
Deferred rent, long-term portion		80,679
Charitable gift annuities		1,798
Total liabilities		1,281,315
Net Assets		
Without donor restrictions		4,135,153
With donor restrictions		645,000
Total net assets		4,780,153
Total liabilities and net assets	$	6,061,468

ZERO - The End of Prostate Cancer

Statement of Activities
For the Year Ended March 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support			
Grants and contributions	$ 5,551,728	$ 1,022,000	$ 6,573,728
Registration income	64,391	-	64,391
Special events	63,409	-	63,409
Investment return, net	417,579	-	417,579
Merchandise sales	5,037	-	5,037
Net assets released from restrictions	647,000	(647,000)	-
Total revenue and support	6,749,144	375,000	7,124,144
Expenses			
Program services:			
Patient support	309,137	-	309,137
Education and awareness	3,181,171	-	3,181,171
Research	115,980	-	115,980
Advocacy	636,528	-	636,528
Total program services	4,242,816	-	4,242,816
Supporting services:			
Management and general	255,656	-	255,656
Fundraising	487,881	-	487,881
Total supporting services	743,537	-	743,537
Total expenses	4,986,353	-	4,986,353
Change in Net Assets	1,762,791	375,000	2,137,791
Net Assets, beginning of year	2,372,362	270,000	2,642,362
Net Assets, end of year	$ 4,135,153	$ 645,000	$ 4,780,153

See accompanying notes.

ZERO - The End of Prostate Cancer

Statement of Functional Expenses
For the Year Ended March 31, 2021

	Program Services					Supporting Services			
	Patient Support	Education and Awareness	Research	Advocacy	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total Expenses
Salaries	$ 123,641	$ 1,968,471	$ -	$ 281,006	$ 2,373,118	$ 164,725	$ 282,466	$ 447,191	$ 2,820,309
Payroll taxes	8,699	138,930	-	19,771	167,400	11,204	19,830	31,034	198,434
Benefits	18,997	301,775	-	46,995	367,767	27,661	43,382	71,043	438,810
Consultants	134,459	113,728	-	185,595	433,782	-	-	-	433,782
Advertising and public relations	1,023	62,785	-	39,849	103,657	-	5,665	5,665	109,322
Printing and publications	1,595	13,655	-	7,306	22,556	1,520	27,908	29,428	51,984
Postage	617	19,835	-	16,949	37,401	1,524	13,758	15,282	52,683
Travel	-	3,384	-	799	4,183	247	2,940	3,187	7,370
Occupancy	8,228	131,001	-	18,701	157,930	10,962	18,756	29,718	187,648
Equipment and facilities rental	221	3,518	-	502	4,241	294	9,642	9,936	14,177
Licenses and permits	-	4,413	-	-	4,413	-	-	-	4,413
Insurance	507	23,644	-	1,153	25,304	676	1,156	1,832	27,136
Telephone service	1,241	19,891	-	2,822	23,954	1,654	2,830	4,484	28,438
Depreciation and amortization	2,128	33,884	-	4,837	40,849	2,836	4,851	7,687	48,536
Dues and state registration	2,813	72,141	-	9,218	84,172	12,325	35,378	47,703	131,875
Office supplies	-	8,865	-	-	8,865	286	-	286	9,151
Professional fees	4,951	19,918	-	687	25,556	19,489	725	20,214	45,770
Bank and credit card fees	17	50,218	-	338	50,573	253	18,594	18,847	69,420
Race timing	-	3,803	-	-	3,803	-	-	-	3,803
Grants	-	187,312	115,980	-	303,292	-	-	-	303,292
Total Expenses	$ 309,137	$ 3,181,171	$ 115,980	$ 636,528	$ 4,242,816	$ 255,656	$ 487,881	$ 743,537	$ 4,986,353

ZERO - The End of Prostate Cancer

Statement of Cash Flows
For the Year Ended March 31, 2021

Cash Flows from Operating Activities	
Change in net assets	$ 2,137,791
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Net realized and unrealized gain on investments	(366,414)
Donated securities	(13,034)
Depreciation and amortization	48,536
Change in operating assets and liabilities:	
Decrease in:	
Contributions receivable	7,410
Prepaid expenses	70,495
Employee receivable and other receivable	1,422
Increase (decrease) in:	
Accounts payable and accrued expenses	(111,178)
Grants payable	91,253
Deferred rent	(7,288)
Refundable advance	563,351
Charitable gift annuities	(1,024)
Net cash provided by operating activities	2,421,320
Cash Flows from Investing Activities	
Purchases of property and equipment	(16,236)
Purchases of investments	(3,846,756)
Proceeds from sales of investments	1,397,591
Net cash used in investing activities	(2,465,401)
Net Decrease in Cash and Cash Equivalents	(44,081)
Cash and Cash Equivalents, beginning of year	136,727
Cash and Cash Equivalents, end of year	$ 92,646

See accompanying notes.

ZERO - The End of Prostate Cancer

Notes to Financial Statements
March 31, 2021

1. Nature of Operations

Zero - The End of Prostate Cancer ("ZERO") was formerly known as ZERO - The Project to End Prostate Cancer before changing its name on June 6, 2012. Prior to that date, ZERO had been known since May 8, 2008 as National Prostate Cancer Coalition Fund (NPCCF). NPCCF, incorporated under the laws of the District of Columbia on July 7, 1998, was the surviving organization from a merger on December 21, 1998 between NPCCF and National Prostate Cancer Coalition, Inc. (NPCCI), an organization incorporated under the laws of the state of Florida on September 6, 1996.

ZERO's activities and programs are created to advance research, encourage action, provide patient support, and promote education and awareness of prostate cancer. Programs are funded primarily through contributions from individuals, foundations, and corporations.

On December 5, 2019, ZERO's Board of Directors voted to change ZERO's fiscal year end from December 31 to March 31 of each year to better coincide with its operational activities. This change in reporting cycle began on April 1, 2020.

Program Description

ZERO is the leading national nonprofit with the mission to end prostate cancer. ZERO advances research, improves the lives of men and families, and inspires action. ZERO is building Generation ZERO, the first generation of men free from prostate cancer, through its national run/walk series, education and patient support programs, and grassroots advocacy. ZERO is a 501(c)(3) philanthropic organization, ranked four stars by Charity Navigator and accredited by the Better Business Bureau, with regional chapters across the country. For more information, visit www.zerocancer.org.

ZERO's patient support programs help men navigate their diagnosis and treatment options with a free, customized service that connects them with the resources they need including financial assistance and emotional support. ZERO also provides comprehensive treatment and education information to patients and their families throughout their prostate cancer journeys via ZERO's website and robust social media, webinars, and widely distributed videos and printed materials. ZERO's national platform of events, including the ZERO Prostate Cancer Run/Walk series, the Team ZERO endurance program, and the ZERO Prostate Cancer Summit, is activating the prostate cancer community and increasing research funding while raising awareness and protecting access to care.

2. Summary of Significant Accounting Policies

Basis of Accounting and Presentation

ZERO's financial statements are prepared on the accrual basis of accounting. Net assets are reported based on the presence or absence of donor-imposed restrictions.

Classification of Net Assets

- *Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

- *Net Assets With Donor Restrictions* – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Cash Equivalents

For the purpose of the statement of cash flows, ZERO considers as cash equivalents all highly liquid investments, which can be converted into known amounts of cash and have a maturity period of 90 days or less at the time of purchase. Excluded from this definition of cash equivalents are amounts held in investment portfolios, which are included in investments in the accompanying statement of financial position.

Contributions Receivable

Contributions receivable primarily consist of pledges from corporations, foundations, and individuals. Management expects all contributions receivable to be fully collectible; accordingly, no allowance for doubtful accounts has been established. If management determines the receivable to be uncollectable, it is directly charged off at that time. All contributions receivable at March 31, 2021 are reflected at either net realizable value or at net present value based on projected cash flows. When contributions are receivable beyond one year, ZERO's policy is to discount those receivables to net present value. All receivables at March 31, 2021 were due within one year.

2. Summary of Significant Accounting Policies (continued)

Investments

Investments consist of money market funds, fixed income bonds, mutual funds, and alternative investments, including hedge funds and an investment in a privately held investment. Investments in marketable securities are recorded at fair value based on quoted market prices.

The investment in a privately held corporation has no readily-determinable market value and is valued at fair value as estimated by the general partners and corporations. Because of inherent uncertainty of valuation, it is reasonably possible that estimated values may differ significantly from the values that would have been used as ready market for the securities existed, and the differences could be material. In addition, certain investments may also have risk associated with concentrations of investments in one geographic region and in certain industries. The privately held corporation's ability to liquidate certain investments may be inhibited since the issuers may be privately held or the corporation may own a relatively large portion of the issuers' equity securities.

All realized and unrealized gains and losses, and investment management fees, are reported in net investment return in the accompanying statement of activities.

Property and Equipment

ZERO capitalizes all property and equipment acquisitions of $1,000 and above. Property and equipment are carried at cost, if purchased, or fair value at date of donation, if contributed. Depreciation and amortization is computed using the straight-line method over the estimated useful lives of the assets, which range from 3 to 7 years. Expenditures for maintenance and repairs are charged to expenses as incurred.

Grants Payable

Grants payable represent amounts paid to participating cities in ZERO's races for a percentage of the total income generated from the races. These grants are recorded in the accompanying statement of financial position as a liability and expense in the fiscal period the grantee completes their request form. All grants payable are due within one year at March 31, 2021.

2. Summary of Significant Accounting Policies (continued)

Charitable Gift Annuities

Annuity obligations arising from split-interest gifts are recognized as charitable gift annuities in the accompanying statement of financial position. The initial liabilities resulting from these gifts are measured at fair value using the present value of the future payments to be made to beneficiaries. These liabilities are subsequently remeasured at the present value of future payments to beneficiaries based on changes in life expectancy and other actuarial assumptions.

Revenue Recognition

Revenue Accounted for in Accordance with Contribution Accounting

Grants and contributions that are nonreciprocal are recognized as revenue when cash, securities, or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. ZERO reports gifts of cash and other assets as restricted support if they are received or promised with donor stipulations that limit the use of the donated funds to one of ZERO's programs or to a future year. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

ZERO receives certain promises to give, collected over multiple accounting periods, and classifies the portion receivable in future accounting periods as restricted revenue. ZERO discounts the promises to give using an appropriate discount rate over the contribution period, if material.

Conditional contributions contain a donor-imposed condition that represents a barrier that must be overcome before ZERO is entitled to the assets transferred or promised. Failure to overcome the barrier gives the donor a right of return of the assets it has transferred or gives the promisor a right of release from its obligation to transfer its assets. Conditional contributions are recognized as revenue, either with or without donor restrictions, when donor-imposed conditions are substantially met, and any barriers are overcome. Donor restrictions are also satisfied when qualifying expenditures are incurred for the donor-specified program.

2. Summary of Significant Accounting Policies (continued)

Revenue Recognition (continued)

Revenue Accounted for in Accordance with Contribution Accounting (continued)

Donated services consist primarily of advertising, legal fees, promotional items, and meals. These donations are utilized in ZERO's programmatic activities and are recorded at their fair value at the time of donation as in-kind contributions in the accompanying statement of activities.

ZERO also receives promotional items, meals, and various gifts and giveaways for its race programs, which are recorded at their estimated fair value at the date of receipt. Donated goods are recorded as in-kind contributions in the accompanying statement of activities.

Revenue Accounted for as Contracts with Customers

Revenue is recognized when ZERO satisfies a performance obligation by transferring a promised good to, or performing a service for, a customer. The amount of revenue recognized reflects the consideration ZERO expects to receive in exchange for satisfying distinct performance obligations. If a performance obligation does not meet the criteria to be considered distinct, ZERO combines it with other performance obligations until a distinct bundle of goods or services exists. Fees or amounts received in advance of satisfying contractual performance obligations are reflected as deferred revenue in the statement of financial position. Revenue is recognized either over time or at the point in time that contractual obligations are met.

Revenue from registrations and special events is recognized as earned in the period in which the events take place or the service is provided. Amounts received in advance are deferred and recognized when the performance obligations are met.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and changes in net assets. Expenses are allocated among the programs and support services based on the functions they directly benefit or upon management's estimates of the proportion of the expenses applicable to each function.

2. Summary of Significant Accounting Policies (continued)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Advertising Expense

ZERO expenses advertising costs as incurred. ZERO spent $33,423 on advertising during the year ended March 31, 2021.

Allocation of Joint Costs

For the year ended March 31, 2021, ZERO did not incur any joint costs for program event activities.

Recently Issued Accounting Pronouncement

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update 2016-02, *Leases.* The update requires a lessee to recognize a right-of-use asset and lease liability, initially measured at the present value of the lease payments, in its statement of financial position. The guidance also expands the required quantitative and qualitative lease disclosures. The guidance is effective beginning in fiscal year 2023.

Subsequent Events

In preparing these financial statements, ZERO has evaluated events and transactions for potential recognition or disclosure through September 15, 2021, the date the financial statements were available to be issued.

On February 24, 2021, ZERO entered into a letter of intent with Us TOO International, Inc. (Us TOO), whereby ZERO and Us TOO would merge operations in 2021. The letter of intent provides that Us TOO will transfer all of its assets, rights, and property to ZERO, with ZERO remaining as the surviving entity. ZERO intends to carry on programs consistent with the missions of ZERO and Us TOO, and continue to provide direct patient support to Us TOO's support groups nationwide.

3. Liquidity and Availability

ZERO strives to maintain liquid financial assets sufficient to cover short-term general expenditures. Management periodically reviews ZERO's liquid asset needs and adjusts the cash and cash equivalent balances as necessary. Amounts in excess of operating liquidity are invested in various short-term and highly liquid securities.

Additionally, ZERO considers net assets with donor restrictions for use in current programs that are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures.

The financial assets that are available for general expenditures within one year of the statement of financial position date comprise the following at March 31, 2021:

Cash and cash equivalents	$ 92,646
Contributions receivable	858
Short-term investments	5,749,500
Total available for general expenditures	$ 5,843,004

4. Concentration of Credit Risk

ZERO maintains cash and cash equivalents, and investments at financial institutions in the Washington, DC metropolitan area. The accounts at these institutions are insured by the Federal Deposit Insurance Corporation (FDIC) and Securities Investor Protection Corporation (SIPC). At times, deposits may exceed federally insured limits. Management believes the risk in these situations to be minimal.

5. Chapters

ZERO has 8 regional Chapters ("the Chapters") that were established to carry on continuing activities in support of ZERO's mission in the regions outside the Washington, DC metro area, including efforts on runs/walks within each of the Chapters' geographical regions, and also cultivating education and awareness events within their regions. The Chapters cover 8 regions, and include the Mid-Atlantic Chapter, Midwest Chapter, Texas Chapter, East Coast Metro Chapter, Southern California Chapter, Northern California Chapter, Pacific Northwest Chapter, and the New England Chapter. The Chapters are related, controlled entities that are not included in the accompanying financial statements as their operations are immaterial to ZERO. Net assets of all Chapters totaled $0 at March 31, 2021.

6. Investments and Fair Value Measurements

ZERO follows FASB Accounting Standards Codification 820, *Fair Value Measurements and Disclosures,* for its financial assets. This standard establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. Fair value measurement standards require an entity to maximize the use of observable inputs (such as quoted prices in active markets) and minimize the use of unobservable inputs (such as appraisals or other valuation techniques) to determine fair value. The categorization of a financial instrument within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to the entity's perceived risk of that instrument.

The inputs used in measuring fair value are categorized into three levels. Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and liabilities and have the highest priority. Level 2 is based upon observable inputs other than quoted market prices, and Level 3 is based on unobservable inputs.

ZERO recognizes transfers between levels in the fair value hierarchy at the end of the reporting period.

Level 1 Investments

Where quoted prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. Level 1 assets include money market funds, fixed income bonds, and mutual funds held as investments.

Level 2 Investments

When quoted market prices for similar assets are available in markets that are not active, securities are classified within Level 2 of the valuation hierarchy. Level 2 includes hedge funds held as alternative investments. The hedge funds are measured in quantifiable units at quoted market prices on a monthly basis by the broker, and the broker's pricing methodology is assessed when determining the fair value hierarchy. Due to the frequency of the availability of market quotations, the hedge funds are categorized as Level 2 in the valuation hierarchy.

6. Investments and Fair Value Measurements (continued)

Level 3 Investments

In cases where there is limited activity or less transparency around inputs to the valuation, securities are classified within Level 3 of the valuation hierarchy. Level 3 consists of an investment in a corporation, where ZERO has less than 0.5% ownership of voting interest. Investment in private company stock is determined using techniques consistent with both the market and income approaches, based on the estimates and assumptions in the absence of observable market data. The market approach considers comparable companies, comparable transactions, and company-specific information, including, but not limited to, restrictions on disposition, subsequent purchases of the same or similar securities by other investors, pending mergers and acquisitions, and the current financial position and operating results. The income approach considers the projected operating performance of the portfolio company. The value of these assets is based on unobservable inputs and ZERO's own assumptions, and is therefore classified within Level 3.

The following table presents ZERO's fair value hierarchy for those assets measured on a recurring basis at March 31, 2021:

	Level 1	Level 2	Level 3	Total fair value
Money market funds	$ 2,474,805	$ -	$ -	$ 2,474,805
Fixed income bonds:				
U.S. fixed income	1,700,423	-	-	1,700,423
Non-U.S. fixed income	164,662	-	-	164,662
Global fixed income	210,214	-	-	210,214
Mutual funds:				
Large cap	754,030	-	-	754,030
Equities	355,495	-	-	355,495
Alternative investments:				
Hedge funds	-	89,871	-	89,871
Privately held investment	-	-	37,543	37,543
Total investments	$ 5,659,629	$ 89,871	$ 37,543	$ 5,787,043

6. Investments and Fair Value Measurements (continued)

The following table presents ZERO's activity for its investments measured at fair value on a recurring basis using significant unobservable inputs (Level 3):

	Privately Held Investment
Balance, March 31, 2020	$ 72,380
Unrealized loss	(34,837)
Balance, March 31, 2021	$ 37,543

Net investment return consists of the following for the year ended March 31, 2021:

Interest and dividends	$ 60,590
Realized gain	78,538
Unrealized gain	287,876
Investment management fees	(9,425)
Total investment return, net	$ 417,579

7. Property and Equipment

Property and equipment consists of the following at March 31, 2021:

Database	$ 150,978
Furniture and equipment	140,145
Website	241,166
Total property and equipment	532,289
Less: accumulated depreciation and amortization	(441,980)
Property and equipment, net	$ 90,309

8. Paycheck Protection Program Loan

On April 21, 2020, ZERO was granted a loan from a financial institution, in the amount of $582,750, pursuant to the Paycheck Protection Program (PPP) under Division A, Title I of the CARES Act, which was enacted on March 27, 2020. The PPP is a loan designed to provide a direct incentive for small businesses to keep their workers on the payroll through the COVID-19 pandemic, for which ZERO qualified. After the loans are granted, the Small Business Administration (SBA) will forgive loans if all employee retention criteria are met, and the funds are used for eligible expenses (which primarily consist of payroll costs, costs used to continue group healthcare benefits, rent, and utilities). The loan was granted to ZERO on April 21, 2020 in the amount of $582,750, with terms including a 1.00% fixed interest rate. The loan was scheduled to mature on April 21, 2022.

During the year ended March 31, 2021, ZERO expected to meet the PPP loan's eligibility criteria, and concluded that the PPP loan represents, in substance, a grant that is expected to be forgiven and accounts for the PPP loan in accordance with FASB ASC 958-605, *Not-for-Profit Entities,* as a conditional grant. This conditional grant is not recognized until the conditions are substantially met or explicitly waived. ZERO initially recorded the cash inflow from the PPP loan as a refundable advance, and recognized the amount as it was spent. On November 6, 2020, the SBA approved full forgiveness of the loan, and remitted the forgiveness amount to the financial institution, including applicable interest accruals.

On February 18, 2021, ZERO was granted a second round draw of the PPP loan. The loan was granted in the amount of $563,351 with similar terms as the initial PPP loan, including a 1.00% fixed interest rate and a five-year term. The amount is reflected as refundable advance in the accompanying statement of financial position at March 31, 2021. Subsequent to year end on September 8, 2021, the SBA approved full forgiveness of the loan, and remitted the forgiveness amount to the financial institution, including applicable interest accruals.

9. Net Assets With Donor Restrictions

Net assets with donor restrictions were restricted for the following at March 31, 2021:

Purpose restricted	$ -
Time restricted	645,000
Total net assets with donor restrictions	$ 645,000

9. Net Assets With Donor Restrictions (continued)

Net assets with donor restrictions were released from restrictions as follows for the year ended March 31, 2021:

Purpose restricted	$	377,000
Time restricted		270,000
Total net assets released from restrictions	$	647,000

10. Commitments and Contingencies

Operating Leases

ZERO has an operating lease for office space, which commenced on July 27, 2015 and expires July 31, 2025. The lease includes incentives and an annual escalation clause of 2.75%, as defined in the lease agreement. ZERO is responsible for its prorated share of real estate taxes and operating expenses. Under accounting principles generally accepted in the United States of America (GAAP), all rental payments, including fixed rent increases, are recognized on a straight-line basis over the term of the lease. The difference between the GAAP rent expense and the required lease payments is reflected as deferred rent in the accompanying statement of financial position.

In 2019, ZERO entered into an operating lease agreement for office equipment. The lease term is 63 months and contains fixed quarterly rental payments of approximately $784.

Future minimum lease payments under all leases are as follows for the years ending March 31:

2022	$	174,955
2023		179,680
2024		184,535
2025		186,387
2026		15,672
Total future minimum lease payments	$	741,229

Occupancy expense was $158,803 for the year ended March 31, 2021.

11. Line of Credit

ZERO has a secured line of credit (LOC with a bank) through August 31, 2020. Under the terms of the agreement, ZERO may repay the LOC with interest at either the adjusted LIBOR rate plus 1.9% or a fixed rate per annum equal to the offered rate applicable to such LOC. The bank has a security interest in and a lien upon all marketable securities maintained by ZERO at the bank. The line of credit was closed on August 31, 2020.

12. Retirement Plan

In 2005, ZERO adopted a Section 403(b) Retirement Plan ("the Plan"). All regular full-time and part-time employees who work seventeen-and-one-half (17.5) hours or more weekly are eligible to participate in the Plan through salary deferrals. Participation in the Plan begins on the first day of employment, and employees become eligible for employer matching contributions after attaining one year of service. Upon eligibility, participants are immediately vested in employer matching contributions.

During the year ended December 31, 2015, ZERO began contributing 100% of the first 3% of compensation a participant contributes to the Plan and 50% of the next 2% of compensation a participant contributes to the Plan. The maximum annual employer contribution for a participant is 4% of a participant's annual salary. Total contribution expense was $79,019 for the year ended March 31, 2021.

13. Consultants

Consultant expenses are allocated as follows for the year ended March 31, 2021:

Programs:	
Event management (runs/walks)	$ 107,752
Advocacy	185,595
Patient support	134,459
Communications	5,976
Total consultant expenses	$ 433,782

14. Income Taxes

ZERO is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC). ZERO is, however, subject to income taxes on any unrelated business income. In addition, the Internal Revenue Service has determined that ZERO is not a private foundation within the meaning of IRC Section 509(a). Management has evaluated all tax positions and has concluded that ZERO has taken no uncertain tax positions that qualify for either recognition or disclosure in the accompanying financial statements.

15. COVID-19 Pandemic

The COVID-19 outbreak in the United States and around the world has caused business disruption due to mandatory lockdowns implemented in most states in order to slow down the spread of the virus. ZERO's management has been monitoring the situation and implementing certain changes in its operations and upcoming events in order to mitigate the impact of this pandemic. While the disruption is currently expected to be temporary, there is considerable uncertainty around its duration, and the full financial impact cannot be reasonably estimated at this time.