The Livestrong Foundation

Financial Statements as of and for the Year Ended December 31, 2019 and Independent Auditors' Report

MAXWELL & LOCKE & RITTER

The Livestrong Foundation

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Independent Auditors' Report

To the Board of Directors of
The Livestrong Foundation:

We have audited the accompanying financial statements of The Livestrong Foundation (a nonprofit organization) (the "Foundation"), which comprise the statement of financial position as of December 31, 2019, and 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 control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of December 31, 2019, 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.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary schedule of grant history is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Maxwell Locke & Ritter LLP

Austin, Texas
October 9, 2020

The Livestrong Foundation

Statement of Financial Position
December 31, 2019

Assets	
Cash and cash equivalents	$ 173,585
Accounts receivable	51,260
Prepaid expenses and other assets	165,786
Gifts and grants receivable, net	205,161
Investments	44,221,798
Inventory	1,346,768
Property and equipment, net	175,541
Intangible assets	1,087,386
Total Assets	$ 47,427,285
Liabilities and Net Assets	
Liabilities:	
Accounts payable	$ 231,892
Accrued liabilities	141,039
Deferred revenue	82,075
Total liabilities	455,006
Net Assets:	
Without donor restrictions:	
Undesignated	10,390,017
Board-designated operating reserve	2,000,000
Board-designated endowment	22,682,980
Total net assets without donor restrictions	35,072,997
With donor restrictions	11,899,282
Total net assets	46,972,279
Total Liabilities and Net Assets	$ 47,427,285

See notes to financial statements.

The Livestrong Foundation

Statement of Activities
Year Ended December 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and net assets released from restrictions:			
Gain on sale of property and equipment	$ 8,205,363	-	8,205,363
Gifts and grant revenue	595,078	922,014	1,517,092
Special event revenues, net	323,522	-	323,522
Royalties and licensing fees	32,302	-	32,302
Program merchandise and services	36,095	-	36,095
Program merchandise and services - promotional cost	(18,988)	-	(18,988)
Investment gain, net	1,277,453	47,865	1,325,318
Other	205,914	-	205,914
Total revenues, net	10,656,739	969,879	11,626,618
Net assets released from restrictions	4,650,200	(4,650,200)	-
Total revenues and net assets released from restrictions	15,306,939	(3,680,321)	11,626,618
Expenses:			
Program services	8,636,672	-	8,636,672
Fundraising	2,042,083	-	2,042,083
Management and general	241,628	-	241,628
Total expenses	10,920,383	-	10,920,383
Change in net assets	4,386,556	(3,680,321)	706,235
Net assets, beginning of year	30,686,441	15,579,603	46,266,044
Net assets, end of year	$ 35,072,997	11,899,282	46,972,279

See notes to financial statements.

The Livestrong Foundation

Statement of Functional Expenses
Year Ended December 31, 2019

	Program Services					Supporting Services		
	Livestrong Cancer Institute and Advocacy Initiatives	Direct Services	Community Programs and Awareness	Grants and Research	Total Program Services	Fundraising	Management and General	Total
Grants and awards	$ 4,220,000	-	145,949	341,250	4,707,199	-	-	4,707,199
Salaries, wages, and benefits	864,289	233,948	178,647	65,427	1,342,311	779,955	100,783	2,223,049
Contract services	135,004	614,486	31,513	79,768	860,771	202,653	21,643	1,085,067
Occupancy costs	297,587	56,578	75,962	27,717	457,844	301,463	33,516	792,823
Advertising	152,137	47,002	21,326	14,121	234,586	182,787	20,653	438,026
Professional fees	155,882	28,320	15,542	14,045	213,789	143,735	16,591	374,115
Technology	96,952	18,708	132,457	11,148	259,265	92,490	10,516	362,271
Depreciation	75,883	125,978	7,832	7,078	216,771	71,857	8,165	296,793
Bad debt	84,774	15,944	8,750	7,907	117,375	92,676	10,002	220,053
Public awareness	48,196	8,824	8,656	4,278	69,954	47,478	5,833	123,265
Travel	37,362	5,188	5,355	2,878	50,783	41,908	4,223	96,914
Entertainment	25,298	4,148	3,636	2,057	35,139	34,518	3,887	73,544
Insurance and permits	23,775	4,471	2,454	2,218	32,918	25,678	3,229	61,825
Postage and supplies	15,634	8,620	5,207	1,442	30,903	17,962	1,879	50,744
Printing and publications	2,723	512	281	254	3,770	4,522	442	8,734
Bank fees	2,379	447	246	222	3,294	2,401	266	5,961
Total	$ 6,237,875	1,173,174	643,813	581,810	8,636,672	2,042,083	241,628	10,920,383
Costs of direct benefits to donors								205,536
Promotional cost								18,988
Total expenses								$ 11,144,907

See notes to financial statements.

The Livestrong Foundation

Statement of Cash Flows
Year Ended December 31, 2019

Cash Flows from Operating Activities:	
Change in net assets	$ 706,235
Adjustments to reconcile change in net assets	
to net cash used in operating activities:	
Change in allowance for uncollectible gifts and grants receivable	
and discount on long-term gifts and grants receivable	51,857
Depreciation	296,793
Net realized and unrealized gain on investments	(1,325,318)
Contributions restricted for long-term investment	(68,852)
Gain on sale of property and equipment	(8,205,363)
Change in assets and liabilities that provided (used) cash:	
Accounts receivable	137,730
Gifts and grants receivable	468,681
Inventory	(8,031)
Prepaid expenses and other assets	91,251
Accounts payable	111,606
Accrued liabilities	(2,272,872)
Deferred revenue	39,661
Net cash used in operating activities	(9,976,622)
Cash Flows from Investing Activities:	
Net purchases of investments	(9,950,595)
Proceeds from sale of property and equipment	16,496,123
Purchases of property and equipment	(35,962)
Purchases of intangibles	(3,500)
Net cash provided by investing activities	6,506,066
Cash Flows from Financing Activities-	
Contributions restricted for long-term investment	68,852
Net change in cash and cash equivalents	(3,401,704)
Cash and cash equivalents, beginning of year	3,575,289
Cash and cash equivalents, end of year	$ 173,585

See notes to financial statements.

1. Organization

Our Mission

The Livestrong Foundation (the "Foundation") is a national nonprofit organization, headquartered in Austin, Texas, dedicated to improving the lives of people affected by cancer from the point of diagnosis through the entire cancer journey. Since 1997, the Foundation has been a voice for cancer survivors and has supported more than 8.5 million people. A pioneer in the field of cancer survivorship, the Foundation remains a world leader in providing direct services to cancer patients and survivors, advocating for policies that enhance survivors' quality of life, and developing partnerships that create access to cancer programs across the country.

The Foundation is focused in three primary areas: serving individuals, building and engaging communities of survivors, and leading health system change.

- *Serving Individuals*: We serve individuals affected by cancer through Cancer Navigation Services, our unique model of one-on-one cancer support to address the physical, emotional, and practical needs of patients and their loved ones. These services help ensure that each patient understands treatment options and receives needed assistance including navigating insurance, managing medical expenses, preserving fertility, accessing emotional support, and understanding clinical trial options and enrollment. Livestrong Cancer Navigation Services are bilingual (English/Spanish) and serve people across the United States regardless of age, income-level, gender, location, or cancer type. In addition, the Foundation provides support and resources online at Livestrong.org/we-can-help as well as print resources like the Livestrong Guidebook and Living after Cancer Treatment brochures.

- *Building Communities*: We engage and support local communities across the U.S. through programs such as Livestrong at the YMCA, a free 12-week comprehensive physical activity and wellness program in partnership with YMCA of the USA; Livestrong at School, a free downloadable program for school professionals for grades K-12 to educate students about the effects of cancer in their community; and the Livestrong Fertility program, an assistance program where we've helped over 12,000 couples with their fertility needs through our network of more than 700 clinics.

- *Driving Systems Change*: We drive widespread impact on cancer care and the cancer experience by improving overall systems. Chief programs include funding the Livestrong Cancer Institutes, an enterprise that is reinventing the cancer care continuum to improve outcomes and experiences for patients and their loved ones; and our advocacy efforts, which aim to increase funding for cancer research and programs, raise awareness of cancer survivors' needs and improve access to patient-centered services at local, regional and national levels.

2. Summary of Significant Accounting Policies

Basis of Presentation - The financial statements are presented in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") as defined by the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC").

Use of Estimates - The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Classification of Net Assets - Net assets, revenues, and expenses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

Without Donor Restrictions **-** These net assets are not subject to donor-imposed stipulations. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions, unless their use is restricted by explicit donor stipulation or by law. Net assets without donor restrictions are those currently available for use by the Foundation, or at the discretion of the Board of Directors (the "Board") for the Foundation's use. The Foundation has Board-designated net assets of $2,000,000 set aside as an operating reserve and $22,682,980 of Board-designated endowment net assets (Note 11). These ensure that adequate operating reserves are available and cannot be spent without prior Board approval.

With Donor Restrictions **-** These net assets are subject to donor-imposed stipulations, which limit their use by the Foundation to a specific purpose and/or the passage of time, or which require them to be maintained permanently. Net assets which are required to be maintained permanently are not available for use in operations and limitations neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Foundation.

Fair Value Measurements - Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value accounting requires characterization of the inputs used to measure fair value into a three-level fair value hierarchy as follows:

Level 1 **-** Inputs based on quoted market prices in active markets for identical assets or liabilities. An active market is a market in which transactions occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 **-** Observable inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent from the entity.

Level 3 **-** Unobservable inputs that reflect the entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available.

There are three general valuation techniques that may be used to measure fair value: 1) market approach - uses prices generated by market transactions involving identical or comparable assets or liabilities, 2) cost approach - uses the amount that currently would be required to replace the service capacity of an asset (replacement cost), and 3) income approach - uses valuation techniques to convert future amounts to present amounts based on current market expectations.

Cash and Cash Equivalents - The Foundation considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Accounts Receivable - Accounts receivable are recorded at the value of the special events revenue earned. Delinquent account receivable invoices do not accrue interest. The Foundation continually monitors each customer's credit worthiness individually and recognizes allowances for estimated bad debts on customer accounts that are no longer estimated to be collectible. The Foundation regularly adjusts any allowance for subsequent collections and final determination that an account receivable is no longer collectible. The Foundation had no allowance for uncollectible accounts receivable as of December 31, 2019, as management deemed all outstanding balances to be collectible.

Gifts and Grants Receivable - Gifts and grants that are unconditional promises to give are recorded at fair value if expected to be collected in one year and at net present value if expected to be collected in more than one year. All gifts and grants revenue are available for unrestricted use unless specifically restricted by the donor. Grants receivable consists of receivables from private grants. Receivables from gifts and grants are recorded as revenue when the award notification is received and an allowance has been recorded for amounts estimated to be uncollectible (Note 4).

Investments - Investments are reported at fair value in the statement of financial position. Investment transactions are recorded on the trade date and investment income is recorded in the statement of activities when earned. Net investment gain includes interest, dividends, realized and unrealized gains and losses, and capital gain distributions are netted against any investment fees. Realized gains and losses are recorded as the difference between historical cost and the proceeds earned from the sale of an investment. Unrealized gains and losses are recorded for the change in fair value of investments between reporting periods.

Inventory - Inventory consists of program merchandise which includes finished goods and is stated at lower of cost or net realizable value. Cost is determined using the average cost method. Net realizable value is the estimated selling price in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation. Management reviews inventory for slow-moving items and records a specific reserve as necessary. As of December 31, 2019, no obsolescence reserve was deemed necessary.

Concentrations - Financial instruments that potentially subject the Foundation to concentrations of credit risk consist principally of cash and cash equivalents, investments, and receivables. The Foundation places its cash and cash equivalents with a limited number of high-quality financial institutions and may exceed the amount of insurance provided on such deposits. Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the near-term could materially affect the amounts reported in the statement of financial position.

The Foundation does not maintain collateral for its receivables. As of December 31, 2019, balances due from two donors represented 98% of the total receivables balance, and 87% of this balance is reserved in the allowance for uncollectible promises.

Property and Equipment - Property and equipment acquisitions are capitalized at cost if purchased and at fair value on the date of receipt if donated. The Foundation capitalizes all acquisitions of property and equipment in excess of $1,000 and a useful life of more than one year. Repairs and maintenance costs are charged to expense as incurred. Depreciation expense is calculated using the straight-line method over the estimated useful lives of furniture, fixtures, and equipment of 3-7 years.

Intangible Assets - Intangible assets consist of trademarks and licenses purchased which have an indefinite useful life. The Foundation purchased the rights to the trademark name Live Long…Live Strong™, the rights to the .livestrong domain, the permit rights for a downtown marathon relay event in Austin, Texas, a domain application, and website development.

Impairment of Long-Lived Assets - Long lived assets subject to depreciation are reviewed for impairment at the asset group level whenever events or circumstances indicate that the amount recorded may not be recoverable. An impairment loss is recognized by the amount in which the carrying amount of the asset group exceeds fair value, if the carrying amount of the asset group is not recoverable.

Indefinite-lived intangible assets are evaluated for impairment at the level of each separate unit of accounting on an annual basis and between annual tests in certain circumstances. The Foundation assesses qualitative factors to determine whether it is more likely than not that the fair value of a unit of accounting is less than its carrying amount as a basis for determining whether it is necessary to test indefinite-lived intangible assets for potential impairment. If it is more likely than not, or if a qualitative assessment is not performed, the Foundation performs a quantitative assessment to determine the amount of the impairment loss, if any. An impairment loss is recognized by the amount in which the carrying amount of the unit of accounting exceeds fair value.

Gifts and Grant Revenue - Contributions received and unconditional promises to give are measured at their fair values. The Foundation recognizes gifts and grants when cash, securities, other assets, or unconditional promises to give are received. These gifts are reported as net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets or if they are designated as support for future periods. 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.

The Foundation reports gifts of goods and equipment as net assets without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as net assets with donor restrictions. Absent explicit donor stipulations about how long those assets must be maintained, the Foundation reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Conditional promises to give, defined as those with a measurable performance or other barrier and a right to return, are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Donated Services - A substantial number of volunteers have donated over 15,900 hours to the Foundation's program services and fundraising campaigns during the year ended December 31, 2019. These donated services are not reflected in the financial statements since the services do not (a) create or enhance non-financial assets or (b) require specialized skills. Donated goods and services totaled $475,076 during the year ended December 31, 2019 and was included in gifts and grant revenue in the statement of activities. Donated goods and services recorded during the year ended December 31, 2019 included software subscription services, realtor services, as well as other items for special events.

Special Event Revenues - Special event revenues are recognized when promised services are transferred to customers in an amount that reflects the consideration to which the Foundation expects to be entitled in exchange for those services by following a five-step process, (1) identify the contract with a customer/member, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price, and (5) recognize revenue when or as the Foundation satisfies a performance obligation.

Special event revenues include ticket sales and sponsorships of events, which are recorded to revenue when the event takes place. Costs of direct benefits to donors are recorded in the fiscal year in which the events are held and include shirts, tickets, raffle prizes, and other donated goods and services for the Foundation's events. Costs of direct benefits to donors totaled $205,536 during the year ended December 31, 2019.

Deferred revenue consists of cash that has been received for future special events and will be recognized once the event has taken place.

Costs to Obtain or Fulfill Contracts - As performance obligations in the Foundation's contracts with customers are satisfied over a period of one year or less, the Foundation applies the practical expedient to expense costs to obtain a contract as incurred. The Foundation does not incur significant fulfillment costs requiring capitalization.

Functional Expenses - The accompanying financial statements present expense by functional and natural classification. Natural expenses directly attributable to a specific functional area are reported as expenses of those functional areas. Accordingly, certain costs have been allocated among the programs and supporting services using a variety of cost allocation techniques such as square footage and time and effort.

Advertising Costs - Advertising costs are expensed as incurred and totaled $438,026 during the year ended December 31, 2019.

Federal Income Taxes - The Foundation is a nonprofit organization that is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, except to the extent of any unrelated business income. The Foundation did not incur any significant tax liabilities due to unrelated business income during the year ended December 31, 2019. The Foundation files Form 990 tax returns in the U.S. federal jurisdiction and is subject to routine examinations of its tax returns; however, there are no examinations currently in process.

Recently Adopted Accounting Pronouncement - In May 2014, the FASB issued Accounting Standards Updates ("ASU") No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which supersedes the revenue recognition requirements in ASC 605, *Revenue Recognition*, and most industry-specific guidance included in the ASC. The standard requires entities to recognize revenue in a way that depicts the transfer of promised goods or services to customers and members in an amount that reflects the consideration to which the entity expects to be entitled to in exchange for those goods or services. It also provides guidance on accounting for costs incurred to obtain or fulfill contracts with customers and members and establishes disclosure requirements which are more extensive than those required under prior U.S. GAAP. The Foundation adopted Topic 606 on January 1, 2019 and elected the modified retrospective transition method of adoption using the completed contract practical expedient. The Foundation performed an assessment of its contracts with customers and members and did not identify any changes to the timing or amount of its revenue recognition under Topic 606 compared to prior U.S. GAAP. There was no impact to net assets as of January 1, 2019 or to the statement of financial position or the statements of activities, functional expenses, or cash flows as of and for the year ended December 31, 2019 as a result of applying the new guidance.

Recently Issued Accounting Pronouncement - In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842),* which requires the recognition of lease assets and lease liabilities by lessees for all leases, including leases previously classified as operating leases, and modifies the classification criteria and accounting for sales-type and direct financing leases by lessors. Leases continue to be classified as finance or operating leases by lessees and both classifications require the recognition of a right-of-use asset and a lease liability, initially measured at the present value of the lease payments in the statement of financial position. Interest on the lease liability and amortization of the right-of-use asset are recognized separately in the statement of activities for finance leases and as a single lease cost recognized on the straight-line basis over the lease term for operating leases. The standard is effective using a modified retrospective approach for fiscal years beginning after December 15, 2021 and early adoption is permitted. The Foundation is currently evaluating the impact the standard will have on its financial statements.

3. Liquidity and Availability of Financial Assets

As of December 31, 2019, the Foundation's financial assets available within one year for general expenditure were as follows:

Cash and cash equivalents	$ 173,585
Accounts receivable	51,260
Gifts and grants receivable due in less than one year, net of allowance for uncollectible amounts	60,667
Investments	44,221,798
	44,525,622
Less: amounts unavailable for general expenditure within one year:	
Board-designated operating reserve	(2,000,000)
Board-designated endowment	(22,682,980)
Donor-restricted endowments	(10,875,830)
Total financial assets available to management for general expenditure within one year	$ 8,966,812

The Foundation invests its funds in liquid and non-liquid investments in a manner to maximize return, minimize interest rate risk, and support cash flow requirements. The Board ensures the Foundation's financial stability by approving an annual budget prior to the start of each fiscal year. The Foundation maintains financial policies to ensure funds are allocated in a manner consistent with the mission of the Foundation. Board-designated net assets without restrictions could be made available by the Board for current operations if needed.

As disclosed in Note 14, in April 2020 the Foundation received a $377,708 loan under the Paycheck Protection Program. The loan is eligible for forgiveness by the U.S. Small Business Administration ("SBA"), as defined.

4. Gifts and Grants Receivable

Gifts and grants receivable consisted of the following as of December 31, 2019:

Gifts and grants receivable due in less than one year	$ 1,290,880
Gifts and grants receivable due in one to five years	154,456
Gifts and grants receivable due in more than five years	6,000
	1,451,336
Less allowance for uncollectible promises	(1,230,213)
Less discount to net present value	(15,962)
Gifts and grants receivable, net	$ 205,161

Long-term gifts and grants receivable are valued based upon net present value where a stream of expected cash flows is discounted at an appropriate market interest rate. The discount rate used on long-term gifts and grants receivable was 3% as of December 31, 2019.

5. Investments

Investments reported at fair value were as follows as of December 31, 2019:

	Fair Value Measurements Using:			
	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Total
U.S. Treasury bonds	$ 33,432,124	-	-	$ 33,432,124
Money market funds	7,531,130	-	-	7,531,130
Certificate of deposits	2,525,948	-	-	2,525,948
				43,489,202
Investments, measured at net asset value				732,596
Total investments at fair value				$ 44,221,798

All Level 1 investments have been valued using a market approach. The Foundation's investment in a private equity fund, TIFF Private Equity Partners ("TPEP") 2005, is measured at fair value using the net asset value ("NAV") practical expedient and has therefore been excluded from the fair value hierarchy leveling table. TPEP 2005 invests in U.S. and foreign buyout, venture capital, and resource-related investment partnerships.

Liquidation restrictions for investments for which fair value is measured using the NAV practical expedient as of December 31, 2019 consisted of the following:

	Fair Value as of December 31, 2019	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
TPEP 2005	$ 732,596	$ 160,000	Illiquid - 1 year	n/a

Investment gain, net consisted of the following during the year ended December 31, 2019:

Dividends and interest	$ 512,590
Unrealized gain	322,311
Realized gain	496,321
Investment fees	(5,904)
Investment gain, net	$ 1,325,318

6. Property and Equipment

Property and equipment consisted of the following as of December 31, 2019:

Furniture, fixtures, and equipment	$ 969,573
Less accumulated depreciation	(794,032)
Property and equipment, net	$ 175,541

On April 15, 2019, the Foundation sold its land and building located at 2201 East 6th Street in Austin, Texas, for the purchase price of $17 million. As a result of the sale, net of the carrying value and direct selling costs incurred, the Foundation reported a gain of $8.2 million.

7. Intangible Assets

Intangible assets consisted of the following as of December 31, 2019:

Trademarks	$ 550,000
Licenses	533,886
Website development	3,500
Intangible assets	$ 1,087,386

8. Grants Payable

During the year ended December 31, 2019, the Foundation made grants to fund cancer survivorship tools, and fund various community grants and sponsorships. The Schedule of Grant History reflects the grants awarded as unconditional promises to give. There were no grants payable as of December 31, 2019.

Conditional grants payable are not recorded as grants payable in the statement of financial position until the condition has been met. As of December 31, 2019, the Foundation had an aggregate of $38,784,669 in conditional grants payable to others to be paid through 2024. Included in this amount is the remaining unpaid balance of a $50 million pledge agreement with The University of Texas at Austin ("UT") and the Dell Medical School to create The Livestrong Cancer Institutes (the "Institutes"). The purpose of the Institutes will be the creation of a comprehensive, patient-centered cancer program with a special focus on the needs of the underserved population with programs designed to reach the citizens of Central Texas and beyond. The pledge is to be paid over 10 years from 2015 through 2024, conditioned upon satisfactory achievement of agreed upon metrics and milestones. The Foundation paid $4,220,000 to UT during the year ended December 31, 2019, and has paid a total of $11,495,000 to UT under this pledge agreement from 2016 through 2019.

9. Lease Commitments

The Foundation leases office facilities and equipment under non-cancelable operating leases. Rental expense totaled $495,645 during the year ended December 31, 2019. Future minimum lease payments, including estimated common area maintenance, under the Foundation's obligations as of December 31, 2019 were as follows:

2020	$ 240,471
2021	226,087
2022	230,460
2023	19,084
Total	$ 716,102

The Foundation subleased a portion of its office facilities under non-cancelable operating leases. Rental income during the year ended December 31, 2019 totaled $200,155, and was included with other revenues in the statement of activities. Effective April 15, 2019, the Foundation sold its land and building, and subleases terminated prior to December 31, 2019.

10. Net Assets with Donor Restrictions

Net assets with donor restrictions were restricted for the following purposes as of December 31, 2019:

Temporarily restricted:	
Programs and partnerships	$ 988,089
Earnings on donor endowments	706,058
Men's Health Initiatives	25,613
Time restrictions	9,750
Permanently restricted donor endowments	10,169,772
Total	$ 11,899,282

11. Endowments

The Foundation interprets the Texas Uniform Prudent Management of Institutional Funds Act ("TUPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. Donor-restricted net assets are classified at the original value of gifts donated to the permanent endowment, plus the original value of subsequent gifts to the permanent endowment. The earnings portion of the donor-restricted endowment fund is classified as net assets with donor restrictions until those funds are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by TUPMIFA. In accordance with TUPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Foundation, and (7) the Foundation's investment policies.

The endowment funds at the Foundation are for the general purposes of the Foundation and may provide support for a specific educational program, assist a specific national advocacy program, or fund a particular type of grant or purpose mutually agreed upon with the donor.

The corpus (principal) of donor restricted funds may never be spent. However, income and net appreciation may be expended in accordance with the spending policy described below. It is the policy of the endowment to comply with both federal and state law in complying with the specific time or use restrictions as stipulated by the individual donor. As such, the disclosure of the net asset classification of donor-restricted endowment funds is highlighted in this footnote.

In accordance with TUPMIFA, the Foundation does not exceed a spending rate of 7% of the rolling three-year moving average of the monthly portfolio market value. The investment policy for endowment funds outlines the Foundation's return objectives and risk parameters as summarized below:

- Return objectives **-** The return objective for endowment funds is to preserve and enhance the purchasing power of endowment assets, net of costs and Board-approved withdrawals. This goal is synonymous with the pursuit of a time-weighted net return on endowment assets that equals inflation plus the long-term spending rate.
- Risk parameters **-** The endowment's risk parameters are measured by its policy portfolio and allowable asset mix detailed in Board-approved investment guidelines. These guidelines provide specific target allocations and ranges. The policy portfolio represents the highest expected return asset mix that is likely to satisfy the return objectives. Because the policy portfolio entails benchmarks for each of its segments and hence also for the endowment as a whole, it constitutes an appropriate standard by which to measure progress toward achievement of these objectives.

The Foundation makes deficient donor-restricted endowment funds whole as of December 31 by allocating funds from Board-designated endowment funds to the respective deficient donor-restricted endowment balance. The aggregate amount of the deficiencies for all donor-restricted endowment funds for which the fair value of the assets at reporting date is less than the level required by donor stipulation was approximately $172,307 as of December 31, 2019. The Foundation transferred $172,307 to the donor-restricted endowment funds to make the deficient funds whole during the year ended December 31, 2019. The original gift amount for these endowment funds totaled a $3,223,027 as of December 31, 2019.

As of December 31, 2019, endowment net assets consisted of over 75 individual named funds. Unnamed funds totaled approximately $237,592 as of December 31, 2019.

The changes in endowment net assets during the year ended December 31, 2019 were as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	$ 25,213,619	$ 11,738,033	$ 36,951,652
Investment gain	101,247	47,865	149,112
Contributions	-	68,852	68,852
Appropriation of endowment assets for expenditure	(2,459,579)	(1,151,227)	(3,610,806)
Transfer of funds related to deficiencies	(172,307)	172,307	-
Endowment net assets, end of year	$ 22,682,980	$ 10,875,830	$ 33,558,810

12. Retirement Plan

The Foundation has a contributory matching retirement plan for all employees under section 401(k) of the Internal Revenue Code. The Foundation matches contributions of the eligible participants' elective deferral up to a maximum 4% of eligible compensation. The Foundation contributed $50,770 to participant accounts during the year ended December 31, 2019.

13. Related Party Transactions

During the year ended December 31, 2019, the Foundation received contributions of $8,683 from Board members.

14. Subsequent Events

The Foundation has evaluated subsequent events through October 9, 2020 (the date the financial statements were available to be issued).

Effective January 1, 2020, the Foundation entered into a three-year, non-cancellable operating lease agreement for additional office space at a rate of $1,000 per month. The Foundation has an option to extend this lease through January 31, 2026.

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic, which continues to spread throughout the United States. As a result, several of the Foundation's special events in 2021 have been cancelled or carried on virtually. While the disruption is expected to be temporary, there is uncertainty around the duration. Therefore, while this issue may negatively impact the Foundation's business, results of operations, and financial position, the related financial impact cannot be reasonably estimated at this time.

In April 2020, the Foundation received a $377,708 loan under the Paycheck Protection Program which was created through the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") and is administered by the SBA. The loan has a fixed interest rate of 1%, matures in two years, and payments are deferred for six months. The loan is eligible for forgiveness by the SBA for the portion of loan proceeds used for payroll costs and other designated operating expenses (as defined) for up to eight weeks or, at the discretion of the borrower, twenty-four weeks (the "Covered Period"), provided at least 60% of loan proceeds are used for payroll costs and the Company meets all necessary criteria as defined by the SBA. Payments are deferred until the earlier of (i) the date the SBA remits to the lender the amount of forgiveness granted to the Company, or (ii) ten months after the last day of the Covered Period if the Company does not apply for loan forgiveness.

Supplementary Information

The Livestrong Foundation

Schedule of Grant History
December 31, 2019

	2009 and Prior	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	TOTAL
Grants payable- Beginning of year	$ 6,833,099	3,057,033	2,040,951	2,605,206	2,231,821	629,072	225,822	227,146	-	-	-	6,833,099
Grants awarded	4,995,469	7,303,518	5,354,612	9,732,907	6,499,038	3,930,832	3,162,676	5,301,150	5,625,317	4,281,997	4,707,199	60,894,715
Grant payments and other changes	(8,771,535)	(8,319,600)	(4,790,357)	(10,106,292)	(8,101,787)	(4,334,082)	(3,161,352)	(5,528,296)	(5,625,317)	(4,281,997)	(4,707,199)	(67,727,814)
Grants payable- End of year	$ 3,057,033	2,040,951	2,605,206	2,231,821	629,072	225,822	227,146	-	-	-	-	-