

# LIVESTRONG®

## Statement Regarding the Livestrong Foundation 2024 Audit

The Livestrong Foundation's independent audit for the year ended December 31, 2024, has been completed, and the financial statements are available upon request.

The audit firm issued a qualified opinion related to specific balance sheet items where, due to their complexity and judgment-based nature, the auditors stated they were unable to obtain sufficient audit evidence to fully substantiate the carrying values. The auditors concluded that, except for these specific balances, the financial statements are fairly presented in accordance with generally accepted accounting principles (GAAP).

Importantly:

- The qualified opinion does not relate to cash, revenue, expenses, or day-to-day financial operations.
- There were no findings related to internal controls, compliance, or financial management.
- There were no allegations or indications of misstatement or misuse of funds.

The matters referenced in the opinion relate to long-standing assets, including inventory, intangible assets, and investments, which require professional judgment in valuation and are influenced by historical and contractual context.

The Livestrong Board of Directors and Audit Committee reviewed the audit in detail with management and the independent auditors. As part of our commitment to strong governance and transparency, the organization is taking steps to engage an audit firm with deeper experience in complex nonprofit asset structures for future audits.

Livestrong remains financially sound and fully focused on its mission to ensure no one faces cancer alone. We take our responsibility to donors, partners, and the public seriously and are committed to the highest standards of accountability and transparency.

If you have questions or would like additional information, please contact our finance department at [dana.cooper@livestrong.org](mailto:dana.cooper@livestrong.org).

# **The Livestrong Foundation**

Financial Statements  
and Independent Auditors' Report  
for the year ended December 31, 2024

# The Livestrong Foundation

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## **Independent Auditors' Report**

To the Board of Directors of  
The Livestrong Foundation:

### **Report on the Audit of the Financial Statements**

#### ***Qualified Opinion***

We have audited the financial statements of The Livestrong Foundation, which comprise the statement of financial position as of December 31, 2024 and the related statements of activities, of functional expenses, and of cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of The Livestrong Foundation as of December 31, 2024, 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.

#### ***Basis for Qualified Opinion***

The Livestrong Foundation financial statements report an interest in We are Here, Inc. of \$97,495, inventory of \$1,284,631, intangible assets of \$1,069,496, and convertible promissory notes of \$310,849 as of December 31, 2024. We have been unable to obtain sufficient appropriate audit evidence about the carrying amount of these assets totaling \$2,762,471. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

We conducted our audit 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 The Livestrong Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified 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 The Livestrong Foundation's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

### ***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 The Livestrong Foundation's 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 The Livestrong Foundation's 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.

*Blazek & Vetterling*

November 24, 2025

# The Livestrong Foundation

Statement of Financial Position as of December 31, 2024

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## ASSETS

Cash	\$ 510,383
Prepaid expenses and other assets	177,845
Investments restricted for endowment <i>(Note 3)</i>	21,374,237
Investment income receivable restricted for endowment	146,062
Promissory note	250,000
Inventory	1,284,631
Operating right-of-use assets, net <i>(Note 5)</i>	213,862
Property and equipment, net <i>(Note 6)</i>	145,499
Convertible promissory notes <i>(Note 4)</i>	310,849
Interest in We are Here, Inc. restricted for endowment	97,495
Intangible assets	<u>1,069,496</u>
TOTAL ASSETS	<u>\$ 25,580,359</u>

## LIABILITIES AND NET ASSETS

Liabilities:	
Accounts payable and accrued expenses	\$ 134,407
Operating lease liabilities <i>(Note 5)</i>	<u>212,687</u>
Total liabilities	<u>347,094</u>
Net assets <i>(Note 9)</i> :	
Without donor restrictions <i>(Note 2)</i>	11,719,102
With donor restrictions <i>(Note 7)</i>	<u>13,514,163</u>
Total net assets	<u>25,233,265</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 25,580,359</u>

See accompanying notes to financial statements.

# The Livestrong Foundation

Statement of Activities for the year ended December 31, 2024

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	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
REVENUE:			
Contributions:			
Cash and other financial assets	\$ 591,319	\$ 21,305	\$ 612,624
Nonfinancial assets ( <i>Note 8</i> )	134,904		134,904
Special events:			
Cash and other financial assets	910,178		910,178
Cost of direct donor benefits	(153,086)		(153,086)
Net investment return	537,825	570,910	1,108,735
Other income	<u>99,880</u>	<u></u>	<u>99,880</u>
Total revenue	2,121,020	592,215	2,713,235
Net assets released from restrictions:			
Program expenditures	<u>79,003</u>	<u>(79,003)</u>	<u></u>
Total	<u>2,200,023</u>	<u>513,212</u>	<u>2,713,235</u>
EXPENSES:			
Program services	1,691,241		1,691,241
Management and general	597,895		597,895
Fundraising	<u>1,504,031</u>		<u>1,504,031</u>
Total expenses	<u>3,793,167</u>		<u>3,793,167</u>
CHANGES IN NET ASSETS	(1,593,144)	513,212	(1,079,932)
Net assets, beginning of year	<u>13,312,246</u>	<u>13,000,951</u>	<u>26,313,197</u>
Net assets, end of year	<u>\$ 11,719,102</u>	<u>\$ 13,514,163</u>	<u>\$ 25,233,265</u>

*See accompanying notes to financial statements.*

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## The Livestrong Foundation

### Statement of Functional Expenses for the year ended December 31, 2024

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	<u>PROGRAM EXPENSES</u>	<u>MANAGEMENT AND GENERAL</u>	<u>FUNDRAISING</u>	<u>TOTAL</u>
Salaries and related benefits	\$ 839,573	\$ 104,767	\$ 490,827	\$ 1,435,167
Professional fees	300,667	153,227	488,941	942,835
Marketing and advertising	34,246	197,809	268,297	500,352
Occupancy costs	233,431	37,176	136,467	407,074
Technology	101,170	12,624	59,144	172,938
Insurance and permits	29,779	11,930	17,409	59,118
Depreciation	30,464	3,802	17,810	52,076
Travel	24,396	3,044	14,263	41,703
Other	<u>97,515</u>	<u>73,516</u>	<u>10,873</u>	<u>181,904</u>
Total expenses	<u>\$ 1,691,241</u>	<u>\$ 597,895</u>	<u>\$ 1,504,031</u>	3,793,167
Cost of direct donor benefits				<u>153,086</u>
Total				<u>\$ 3,946,253</u>

*See accompanying notes to financial statements.*

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# The Livestrong Foundation

Statement of Cash Flows for year ended December 31, 2024

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## CASH FLOWS FROM OPERATING ACTIVITIES:

Changes in net assets	\$ (1,079,932)
Adjustments to reconcile changes in net assets to net cash used by operating activities:	
Depreciation	52,076
Amortization of lease right-of-use assets	177,656
Net realized and unrealized gain on investments	(151,126)
Contributions restricted for endowment	(1,305)
Changes in operating assets and liabilities:	
Investment income receivable	(93,746)
Prepaid expenses and other assets	(9,988)
Inventory	(8,539)
Accounts payable and accrued expenses	(5,545)
Operating lease liabilities	(203,483)
Convertible promissory notes	<u>(10,849)</u>
Net cash used by operating activities	<u>(1,334,781)</u>

## CASH FLOWS FROM INVESTING ACTIVITIES:

Purchases of investments	(10,520,844)
Proceeds from sales of investments	9,129,631
Net change in money market mutual funds	<u>2,712,349</u>
Net cash provided by investing activities	<u>1,321,136</u>

## CASH FLOWS FROM FINANCING ACTIVITIES:

Proceeds from contributions restricted for endowment	<u>1,305</u>
NET CHANGE IN CASH	(12,340)
Cash, beginning of year	<u>522,723</u>
Cash, end of year	<u>\$ 510,383</u>

*See accompanying notes to financial statements.*

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# The Livestrong Foundation

Notes to Financial Statements for the year ended December 31, 2024

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## NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Organization – The Livestrong Foundation (the Foundation) is a national nonprofit organization established in 1997 and headquartered in Austin, Texas, dedicated to improving the lives of people affected by cancer from the point of diagnosis through the entire cancer journey. The Foundation’s empowering work includes programs to encourage physical activity after cancer treatment, assistance for people whose treatment affects fertility, and a library of information available for free online.

Basis of accounting – The accompanying financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

Federal income tax status – The Foundation is exempt from federal income tax under §501(c)(3) of the Internal Revenue Code and is classified as a public charity under §509(a)(1) and §170(b)(1)(A)(vi).

Investments are reported at fair value. Net investment return consists of interest and dividends, realized and unrealized gains and losses, net of external and direct internal investment expenses.

Promissory note – Represents a \$250,000 loan to another entity with a 6.5% interest rate which matures on August 31, 2027. The Foundation may periodically request partial distributions.

Inventory includes program merchandise such as wristbands and guidebooks, available for sale and are reported at the lower of average cost or net realizable value.

Operating lease right-of-use assets – A right-of-use asset is recognized at the present value of the lease payments at inception of the lease. Lease expense is recognized on a straight-line basis. The Foundation elected to not separate the lease components and the non-lease components for real estate leases. The Foundation recognizes leases with a lease term of 12 months or less as expense on a straight-line basis over the lease term. The Foundation elected to use its incremental borrowing rate when the rate implicit in a lease is not readily determinable.

Property and equipment is reported at cost if purchased and at fair value at the date of gift, if donated. The Foundation capitalizes property and equipment using a threshold of \$1,000 and recognizes depreciation using the straight-line method over the estimated useful lives, which range from 5 to 7 years.

Intangible assets are recorded at cost, less impairment, and consist of trademarks and licenses acquired by the Foundation.

Impairment of long-lived assets – The Foundation reviews long-lived assets (including property and intangibles) for impairment whenever events or changes in business circumstances indicate that the carrying amount of an asset may not be fully recoverable. An impairment loss would be recognized when the estimated future cash flows from the use of the asset and its fair value are less than the carrying amount of that asset.

Net asset classification – Net assets, revenue, gains, and losses are classified based on the existence or absence of donor-imposed restrictions, as follows:

- *Net assets without donor restrictions* are not subject to donor-imposed restrictions even though their use may be limited in other respects such as by contract or board designation.
- *Net assets with donor restrictions* are subject to donor-imposed restrictions. Restrictions may be temporary in nature, such as those that will be met by the passage of time or use for a purpose specified by the donor, or may be perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Net assets are released from restrictions when the stipulated time has elapsed, or purpose has been fulfilled, or both. Contributions of long-lived assets and of assets restricted for acquisition of long-lived assets are released when those assets are placed in service. Donor-restricted endowment earnings are released when those earnings are appropriated in accordance with spending policies and are used for the stipulated purpose.

Contributions are recognized as revenue at fair value when an unconditional commitment is received from the donor. Contributions received with donor stipulations that limit their use are classified as *with donor restrictions*. Conditional contributions are subject to one or more barriers that must be overcome before Foundation is entitled to receive or retain funding. Conditional contributions are recognized as revenue at fair value when the conditions have been met. Funding received before conditions are met is reported as refundable advances.

Contributed nonfinancial assets are recognized at fair value as contributions when an unconditional commitment is received from the donor. The related expense is recognized as the item is used. Contributions of services are recognized when services received (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 provided by donation.

Special events revenue includes elements of both contributions and exchange transactions and are recognized when an event occurs. Special events revenue is recognized when the event occurs. Cost of direct donor benefits represent the costs of goods and services provided to event attendees. Amounts received in advance are reported as refundable advances.

Functional allocation of expenses – Expenses are reported by their functional classification. Program services are the direct conduct or supervision of activities that fulfill the purposes for which the organization exists. Fundraising activities include the solicitation of contributions of money, securities, materials, facilities, other assets, and time. Management and general activities are not directly identifiable with specific program or fundraising activities. Expenses that are attributable to more than one activity are allocated among the activities benefitted. Salaries and related costs are allocated on the basis of estimated time and effort expended. Occupancy costs are allocated based on the ratios developed in the allocation of salaries.

Estimates – Management must make estimates and assumptions to prepare financial statements in accordance with generally accepted accounting principles. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, the amounts of reported revenue and expenses, and the allocation of expenses among various functions. Actual results could vary from the estimates that were used.

## NOTE 2 – LIQUIDITY AND AVAILABILITY OF RESOURCES

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use within one year of December 31, 2024 comprise the following:

Financial assets available for general expenditure:

Cash	\$ 510,383
Investment income receivable	146,062
Investments	21,374,237
Board-designated endowment	(8,699,161)
Donor-restricted endowments	<u>(12,918,633)</u>

Total financial assets available for general expenditure \$ 510,383

For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Foundation considers all expenditures related to its ongoing activities of its mission and its support to be general expenditures. The Foundation has a board-designated endowment, which could be drawn upon in the event of unanticipated financial circumstances.

## NOTE 3 – INVESTMENTS AND FAIR VALUE MEASUREMENTS

Generally accepted accounting principles require that certain assets and liabilities be reported at fair value and establish a hierarchy that prioritizes inputs used to measure fair value. 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. The three levels of the fair value hierarchy are as follows:

- *Level 1* – Inputs are unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the reporting date.
- *Level 2* – Inputs are other than quoted prices included in Level 1, which are either directly observable or can be derived from or corroborated by observable market data at the reporting date.
- *Level 3* – Inputs are not observable and are based on the reporting entity’s assumptions about the inputs market participants would use in pricing the asset or liability.

Assets measured at fair value at December 31, 2024 are as follows:

	<u>LEVEL 1</u>	<u>LEVEL 2</u>	<u>LEVEL 3</u>	<u>TOTAL</u>
Investments:				
Money market mutual funds	\$ 11,519,812			\$ 11,519,812
Certificates of deposit	<u>9,854,425</u>			<u>9,854,425</u>
Total assets measured at fair value	<u>\$ 21,374,237</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 21,374,237</u>

Valuation methods used for assets measured at fair value are as follows:

- *Mutual funds* are valued at the reported net asset value.
- *Certificates of deposit* are at face value plus accrued interest.

These valuation methods may produce a fair value that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Foundation believes its valuation methods are appropriate, the use of different methods or assumptions could result in a different fair value measurement at the reporting date.

Investments are exposed to various risks such as interest rate, market and credit risks. Because of these risks, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position and statement of activities.

#### **NOTE 4 – NOTES RECEIVABLE**

The Foundation has a \$200,000 note agreement with We are Here, Inc. (WAH), a privately held Delaware corporation, in the form of a convertible promissory note with an interest rate of 6.0%, which is due along with unpaid principal upon maturity. The note matures on October 5, 2027.

The Foundation has a \$110,849 note agreement with WAH in the form of a convertible promissory note with an interest rate of 5.0%, which is due along with unpaid principal upon maturity. The note matures on March 1, 2026.

Both notes may be converted into shares of preferred stock. The current President and Chief Executive Officer of Livestrong Foundation is a member of the WAH Board of Trustees and has ownership interest in the related entity. Related party interest income totaled \$19,430 for the year ended December 31, 2024.

#### **NOTE 5 – OPERATING LEASES**

The Foundation leases office space under non-cancelable operating leases. Right-of-use assets are recognized at the present value of the lease payments at the inception of the lease adjusted, as appropriate, for certain other payments and allowances related to obtaining the lease and placing the asset in service. Operating lease right-of-use assets are amortized so that lease costs remain constant over the lease term.

During 2024, lease costs associated with operating leases were \$187,400. Cash paid for amounts included in the measurement of operating lease liabilities was \$191,750.

As of December 31, 2024, the weighted-average remaining lease term for all operating leases is 13 months. The weighted-average discount rate associated with operating leases as of December 31, 2024 is 4.45%.

Undiscounted cash flows related to operating leases as of December 31, 2024 are as follows:

2025	\$ 200,674
2026	<u>16,786</u>
Total undiscounted cash flows	217,460
Less discount to present values	<u>(4,773)</u>
Total discount present value of lease liabilities	<u>\$ 212,687</u>

#### **NOTE 6 – PROPERTY AND EQUIPMENT**

Property and equipment is comprised of the following as of December 31, 2024:

Software	\$ 1,056,773
Furniture, fixtures, and equipment	144,036
Leasehold improvements	<u>6,269</u>
Total property and equipment, at cost	1,207,078
Less accumulated depreciation	<u>(1,061,579)</u>
Property and equipment, net	<u>\$ 145,499</u>

**NOTE 7 – NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions at December 31, 2024 are restricted as follows:

Subject to expenditure for specified purpose:

Programs and partnerships	\$ 343,973
Name, image, and likeness	173,611
Other	77,946

Endowments subject to spending policy and appropriation:

General endowment	<u>12,918,633</u>
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Total net assets with donor restrictions	<u>\$ 13,514,163</u>
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**NOTE 8 – CONTRIBUTED NONFINANCIAL ASSETS**

The Foundation received contributed nonfinancial assets at December 31, 2024 as follows:

CONTRIBUTED NONFINANCIAL ASSETS	MONETIZED OR UTILIZED IN PROGRAMS/ACTIVITIES	DONOR RESTRICTIONS	VALUATION TECHNIQUES AND INPUTS	AMOUNT
Supplies and other donated items or services	Utilized for program services	None	Fair value using current prices for similar items or services.	\$56,560
Professional services	Utilized for program services	None	Fair value estimated using current prices for similar services.	\$7,572
In-kind rent	Utilized for program services and management and general	None	Fair value estimated using current prices for similar items or services.	\$70,772
Total contributed nonfinancial assets				\$134,904

**NOTE 9 – 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. As a result of this interpretation, the Foundation classifies the original value of gifts donated to the perpetual endowment as *net assets with donor restrictions* required to be maintained in perpetuity.

The remaining portion of the donor-restricted endowment fund is classified as *net assets with donor restrictions* subject to spending policy and appropriation until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standards of prudence prescribed by TUPMIFA. In accordance with TUPMIFA, the Foundation considers the duration and preservation of the funds and other resources of the Foundation in making a determination to appropriate or accumulate donor-restricted endowment funds.

Changes in net assets of the endowment funds are as follows:

		<u>WITH DONOR RESTRICTIONS</u>		
	<u>BOARD- DESIGNATED ENDOWMENT</u>	<u>ACCUMULATED NET INVESTMENT RETURN</u>	<u>REQUIRED TO BE MAINTAINED IN PERPETUITY</u>	<u>TOTAL</u>
Endowment net assets, December 31, 2023	\$ 10,337,863	\$ 2,172,038	\$ 10,174,380	\$ 22,684,281
Contributions			1,305	1,305
Net investment return	444,729	570,910		1,015,639
Appropriations	<u>(2,083,431)</u>	<u>                    </u>	<u>                    </u>	<u>(2,083,431)</u>
Endowment net assets, December 31, 2024	<u>\$ 8,699,161</u>	<u>\$ 2,742,948</u>	<u>\$ 10,175,685</u>	<u>\$ 21,617,794</u>

#### **NOTE 10 – SUBSEQUENT EVENTS**

Subsequent to year end, the Foundation acquired the Livestrong.com URL for approximately \$500,000.

Management has evaluated subsequent events through November 24, 2025, which is the date that the financial statements were available for issuance. As a result of this evaluation, no other events were identified that are required to be disclosed or would have a material impact on reported net assets or changes in net assets.