THE LIVESTRONG FOUNDATION

Financial Statements as of and for the Years Ended December 31, 2017 and 2016 and Independent Auditors' Report

MAXWELL & LOCKE & RITTER

THE LIVESTRONG FOUNDATION

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
The LIVE**STRONG** Foundation:

We have audited the accompanying financial statements of The LIVE**STRONG** Foundation (a nonprofit organization) (the "Foundation"), which comprise the statements of financial position as of December 31, 2017 and 2016, and the related statements of activities and cash flows for the years 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 audits. We conducted our audits 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 misstatements 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, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary schedules of program services expenses and schedule of grant history are presented for purposes of additional analysis and are 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 audits 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 11, 2018

THE LIVESTRONG FOUNDATION

STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2017 AND 2016

	2017	2016
ASSETS		
Cash and cash equivalents	$ 3,790,293	$ 6,791,085
Accounts receivable	389,885	229,332
Gifts and grants receivable, net	1,241,113	1,085,571
Prepaid expenses and other assets	131,786	148,429
Inventory	1,331,799	1,537,818
Investments	40,874,531	43,573,261
Property and equipment, net	9,342,928	9,996,147
Intangible assets	1,083,886	1,083,886
TOTAL ASSETS	$ 58,186,221	$ 64,445,529
LIABILITIES AND NET ASSETS		
LIABILITIES:		
Accounts payable and accrued expenses	$ 294,092	$ 1,556,864
Deferred revenue	51,677	43,157
Total liabilities	345,769	1,600,021
NET ASSETS:		
Unrestricted:		
Undesignated	28,957,456	30,936,076
Board-designated	11,157,406	11,157,406
Total unrestricted	40,114,862	42,093,482
Temporarily restricted	3,991,158	8,434,274
Permanently restricted	13,734,432	12,317,752
Total net assets	57,840,452	62,845,508
TOTAL LIABILITIES AND NET ASSETS	$ 58,186,221	$ 64,445,529

See notes to financial statements.

THE LIVESTRONG FOUNDATION

STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017	2016
UNRESTRICTED NET ASSETS:		
Revenues:		
Investment income, net	$ 5,331,551	$ 1,846,936
Gifts and grant revenue	3,491,155	4,502,965
Special event revenues	533,085	653,523
Cost of direct benefits to donors	(213,742)	(232,219)
Program merchandise and services	38,278	88,987
Program merchandise and services - promotional cost	(6,657)	(27,261)
Royalties and licensing fees	13,875	57,214
Other	301,316	188,604
Total revenues, net	9,488,861	7,078,749
Net assets released from restrictions	5,468,263	5,340,041
Total revenues and net assets released from restrictions	14,957,124	12,418,790
Expenses:		
Program services	13,793,046	17,243,068
Fundraising	2,444,871	3,077,292
Management and general	697,827	661,222
Total expenses	16,935,744	20,981,582
Change in unrestricted net assets	(1,978,620)	(8,562,792)
TEMPORARILY RESTRICTED NET ASSETS:		
Contributions	394,516	292,454
Net assets released from restrictions	(4,837,632)	(4,805,642)
Change in temporarily restricted net assets	(4,443,116)	(4,513,188)
PERMANENTLY RESTRICTED NET ASSETS:		
Investment income, net	1,910,358	291,756
Contributions	136,953	223,117
Net assets released from restrictions	(630,631)	(534,399)
Change in permanently restricted net assets	1,416,680	(19,526)
CHANGE IN NET ASSETS	(5,005,056)	(13,095,506)
NET ASSETS, beginning of year	62,845,508	75,941,014
NET ASSETS, end of year	$ 57,840,452	$ 62,845,508

See notes to financial statements.

THE LIVESTRONG FOUNDATION

STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ (5,005,056)	$ (13,095,506)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Change in allowance for uncollectible promises to give and discount on long term promises to give	14,792	286,742
Depreciation	656,423	729,131
Net return on investments	(7,281,205)	(2,195,808)
Contributions restricted for long-term investment	(136,953)	(223,117)
Investment income restricted for long-term investment	(1,910,358)	(291,756)
Change in assets and liabilities that provided (used) cash:		
Accounts receivable	(160,553)	387,087
Gifts and grants receivable	(170,334)	113,955
Prepaid expenses and other assets	16,643	75,824
Inventory	206,019	606,377
Accounts payable and accrued expenses	(1,262,772)	1,007,809
Deferred revenue	8,520	(18,912)
Grants payable	-	(227,146)
Net cash used in operating activities	(15,024,834)	(12,845,320)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(3,204)	(42,251)
Proceeds from sale of investments	9,979,935	11,445,688
Net cash provided by investing activities	9,976,731	11,403,437
CASH FLOWS FROM FINANCING ACTIVITIES:		
Contributions restricted for long-term investment	136,953	223,117
Investment income restricted for long term investment	1,910,358	291,756
Net cash provided by financing activities	2,047,311	514,873
NET CHANGE IN CASH AND CASH EQUIVALENTS	(3,000,792)	(927,010)
CASH AND CASH EQUIVALENTS, beginning of year	6,791,085	7,718,095
CASH AND CASH EQUIVALENTS, end of year	$ 3,790,293	$ 6,791,085

See notes to financial statements.

1. ORGANIZATION

Our Mission

The LIVE**STRONG** Foundation (the "Foundation") is a national not-for-profit organization dedicated to improving the lives of people affected by cancer from the point of diagnosis through the entire cancer journey. Since 1997, LIVE**STRONG** has been a voice for cancer survivors and has supported more than 8 million people. A pioneer in the field of cancer survivorship, LIVE**STRON**G 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 gets needed assistance: navigating insurance, managing medical expenses, preserving fertility, accessing emotional support, and understanding clinical trial options and enrollment. LIVE**STRONG** 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, LIVE**STRONG** provides support and resources online at LIVESTRONG.org/WeCanHelp as well as print resources like the LIVE**STRONG** Guidebook and Living after Cancer Treatment brochures.

- *Building Communities*: We engage and support local communities across the U.S. through programs such as LIVE**STRONG** at the YMCA, a free 12 week comprehensive physical activity and wellness program in partnership with YMCA of the USA; LIVE**STRONG** 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 LIVE**STRONG** Leader Program, a volunteer program with over 100 advocates both nationally and globally focused on raising awareness, advocacy and fundraising.

- *Driving Systems Change*: We drive widespread impact on cancer care and the cancer experience by improving overall systems. Chief programs include funding the LIVE**STRONG** 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 ACCCOUNTING 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").

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:

<u>Unrestricted</u> **-** Net assets that are not restricted by donor-imposed stipulations.

<u>Temporarily Restricted</u> **-** Net assets subject to donor-imposed stipulations that are met either by actions of the Foundation and/or the passage of time.

<u>Permanently Restricted</u> **-** Net assets subject to donor-imposed stipulations that they be maintained permanently by the Foundation. These net assets 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 except for total return, as defined by each respective endowment agreement, earned which may be used as general operating funds at the discretion of the Board of Directors.

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.

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 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 at December 31, 2017 and 2016, as management deemed all outstanding balances to be collectible.

Gifts and Grants Receivable - 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. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Receivables from gifts and grants are recorded as revenue when the pledge is received and an allowance is recorded for amounts estimated to be uncollectible based upon prior history. Grants receivable consists of receivables from private grants. At December 31, 2017 and 2016, all grants receivable balances were due within one year.

Grants Receivable - Grants receivable consists of receivables from private grants. No allowance for uncollectible grants receivable has been recorded as, historically, the Foundation has not experienced material uncollectible amounts. At December 31, 2017 and 2016, all balances were due within one year.

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. At December 31, 2017 and 2016, no obsolescence reserve was deemed necessary.

Investments - Investments are reported at fair value in the statements of financial position. Investment transactions in marketable securities are recorded on the trade date and investment income is recorded in the statements of activities when earned. Investment income 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.

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 statements of financial position.

The Foundation does not maintain collateral for its receivables. Receivables consist of accounts receivable, promises to give, and grants receivable. At December 31, 2017 and 2016, balances due from two donors represented 56% and balances due from three donors represented 75% of the total receivables balance, respectively.

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 following estimated useful lives:

Building	30 years
Furniture, fixtures, and equipment	3-7 years

Intangibles - Intangibles 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, and a domain application.

Impairment of Long-Lived Assets - Long-lived assets subject to depreciation and amortization are reviewed for impairment whenever events and changes in circumstances indicate that the amount recorded may not be recoverable. Indefinite-lived intangible assets are evaluated for impairment at the reporting unit level annually on December 31 and between annual tests in certain circumstances. An impairment loss is recognized by the amount in which the carrying amount of the asset exceeds fair value, if the carrying amount of the asset is not recoverable.

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

Board-Designated Net Assets - The Foundation has board designated net assets of $2,000,000 set aside as an operating reserve and $9,157,406 of board designated endowment net assets. These ensure that adequate operating reserves are available and cannot be spent without prior board approval.

Contributions - Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. The Foundation reports gifts of cash and other assets as temporarily restricted net assets 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, temporarily restricted net assets are released to unrestricted net assets and reported in the statements of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support.

The Foundation reports gifts of goods and equipment as unrestricted support 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 temporarily restricted net assets. 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.

Donated Services - A substantial number of volunteers have donated 30,948 and 37,159 hours to the Foundation's program services and fundraising campaigns during the years ended December 31, 2017 and 2016, respectively. These donated services are not reflected in the financial statements since the services do not require specialized skills.

Grant Revenue - Revenue from grants are earned based on the Foundation incurring allowable costs or providing services. Therefore, revenue is recognized as those costs are incurred or the services are provided.

Functional Expenses - The costs of providing the various programs and supporting services have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited 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 $484,229 and $1,431,312, respectively, during the years ended December 31, 2017 and 2016.

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 as it relates to certain unrelated business income. The Foundation did not incur any significant tax liabilities due to unrelated business income during the years ended December 31, 2017 and 2016. 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 Pronouncements - In May 2015, the FASB issued Accounting Standards Update ("ASU") No. 2015-07, *Disclosures for Investments in Certain Entities that Calculate Net Asset Value Per Share (or its Equivalent)*. ASU No. 2015-07 removes the requirement to categorize within the fair value hierarchy investments for which fair values are estimated using the net asset value practical expedient provided by ASC 820, *Fair Value Measurement*. ASU No. 2015-07 was effective for the year ended December 31, 2017, and was to be applied retrospectively. During 2017, management implemented the new standard, the effect of which is reflected in the reconciliation of investments at fair value discussed in Note 3. There was no impact on net assets as of December 31, 2017 and 2016 or on the change in net assets for the years then ended.

Recently Issued Accounting Pronouncements - In May 2014 and August 2015, the FASB issued Accounting Standards Updates ("ASU") No. 2014-09 and No. 2015-14, *Revenue from Contracts with Customers*, which supersede 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 in an amount that reflects the consideration to which the entity expects to be entitled to in exchange for those goods or services. The standard is effective retrospectively for fiscal years beginning after December 15, 2018 and early adoption is permitted. The Foundation is currently evaluating the impact the standard will have on its financial statements.

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, 2019 and early adoption is permitted. The Foundation is currently evaluating the impact the standard will have on its financial statements.

In August 2016, the FASB issued ASU No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*, which requires presentation on the face of the statement of financial position amounts for two classes of net assets at the end of the period, net assets with donor restrictions and net assets without donor restrictions, rather than the currently required three classes. The standard also requires the presentation on the face of the statement of activities the amount of the change in each of these two classes of net assets. The standard will no longer require the presentation or disclosure of the indirect method of reporting cash flows if an entity elects to use the direct method. Entities will be required to provide enhanced disclosures about liquidity in the footnotes to the financial statements. The standard is effective for fiscal years beginning after December 15, 2017 and early adoption is permitted. The Foundation is currently evaluating the impact the standard will have on its financial statements.

Reclassifications - Certain amounts in the prior year have been reclassified to conform to the presentation adopted in the current year. Total net assets and change in net assets are unchanged due to these reclassifications.

3. GIFTS AND GRANTS RECEIVABLE

Unconditional promises to give consisted of the following at December 31:

	2017	2016
Contributions due in less than one year	$ 1,917,470	$ 1,416,335
Contributions due in one to five years	198,100	480,655
Contributions due in more than five years	50,356	98,602
	2,165,926	1,995,592
Less allowance for uncollectible promises	(903,957)	(872,901)
Less discount to net present value	(20,856)	(37,120)
	$ 1,241,113	$ 1,085,571

Promises to give 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 promises to give was 3% at December 31, 2017 and 2016.

4. CONDITIONAL PROMISES TO GIVE

During the year ended December 31, 2016, one donor of the Foundation pledged up to $1,000,000, to be paid over 5 years, conditioned upon satisfactory achievement of agreed upon key performance metrics including the Foundation exceed monthly budgeted revenue, Board member and staff donation goals, and Board member and staff participation goals in fundraising. Since this pledge represents a conditional promise to give, it will be recorded as contribution revenue in the period that the pledge conditions are met. During the years ended December 31, 2017 and 2016, $403,110 and $346,890 were recorded as revenue in the statements of activities.

5. INVESTMENTS

Investments are measured at fair value using the net asset value practical expedient and have therefore been excluded from a fair value hierarchy leveling table. Investments consisted of the following at December 31:

	Fair Value at December 31, 2017	Fair Value at December 31, 2016	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
TIFF Investments:					
Multi-Asset Fund	$ 39,017,890	$ 41,630,637	not applicable	daily	none
Short-Term Fund	820,873	1,065,394	not applicable	daily	none
Private Equity Partners 2005	1,035,768	877,230	$ 166,000	Illiquid - 1 year	n/a
	$ 40,874,531	$ 43,573,261			

TIFF Multi-Asset Fund consists primarily of common stocks, private investment funds, bonds, exchange-traded funds and other short-term investments valued daily at its net asset value. Its investment strategy is to attain a growing stream of current income and appreciation of principal that offsets inflation.

TIFF Short-Term Fund consists primarily of securities in U.S. treasury bills and is valued daily at its net asset value. Its investment strategy is to attain as high a rate of current income as is consistent with ensuring that the fund’s risk of principal loss does not exceed that of a portfolio invested in six-month U.S. Treasury bills.

TIFF Private Equity Partners (“TPEP”) 2005, a limited liability company, is an investment in which the Foundation holds an ownership in the partnership as a limited partner. TPEP 2005 invests in U.S. and foreign buyout, venture capital, and resource-related investment partnerships.

Investment return consisted of the following for the years ended December 31:

	2017	2016
Capital gain distributions	$ 3,675,823	$ -
Dividends	1,896,896	324,425
Net unrealized gains (losses)	1,195,128	(404,809)
Realized gains	519,513	2,268,999
Investment fees	(39,690)	(52,494)
Interest	(5,761)	2,571
	$ 7,241,909	$ 2,138,692

Pending actual disbursement for budgeted program expenditures, funds are invested in securities designed to maximize resources available for programs while minimizing risk. These investments are managed by third-party investment managers under Board of Director approved investment policies. Total earnings on unrestricted and temporarily restricted investments are credited to unrestricted net assets unless otherwise restricted by the donor.

6. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31:

	2017	2016
Building	$ 9,203,129	$ 9,203,129
Furniture, fixtures, and equipment	2,441,910	2,438,706
	11,645,039	11,641,835
Less accumulated depreciation	(4,341,322)	(3,684,899)
	7,303,717	7,956,936
Land	2,039,211	2,039,211
Property and equipment, net	$ 9,342,928	$ 9,996,147

7. INTANGIBLE ASSETS

Intangible assets consisted of the following at December 31:

	2017	2016
Trademarks	$ 550,000	$ 550,000
Licenses	533,886	533,886
Intangible assets	$ 1,083,886	$ 1,083,886

8. GRANTS PAYABLE

During the years ended December 31, 2017 and 2016, 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 at December 31, 2017 or 2016.

Conditional grants payable are not recorded as grants payable in the statements of financial position until the condition has been met. The Foundation has an aggregate of $45,086,761 in conditional grants payable to others over 10 years as of December 31, 2017. 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, conditioned upon satisfactory achievement of agreed upon metrics and milestones. The Foundation paid $2,500,000 and $2,525,000 to UT during the years ended December 31, 2017 and 2016, respectively.

9. LEASE COMMITMENTS AND CONTINGENCIES

The Foundation leases equipment under non-cancelable operating leases. Rental expenses for miscellaneous equipment for the years ended December 31, 2017 and 2016 were $28,284 and $41,549, respectively. Minimum future rentals are as follows:

2018	$ 23,405
2019	22,355
2020	18,629
	$ 64,389

10. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets were available for the following purposes at December 31:

	2017	2016
Men's Health Initiatives	$ 1,797,222	$ 1,975,242
ASAP Research Collaborative	1,733,182	5,354,327
Time restrictions	241,172	604,640
Programs and partnerships	219,582	500,065
	$ 3,991,158	$ 8,434,274

11. PERMANENTLY RESTRICTED NET ASSETS

The Foundation has interpreted 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. Permanently 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.

Permanently restricted net assets result from contributions whose use by the Foundation is limited by donor-imposed stipulations that neither expire by the passage of time nor can be fulfilled or otherwise removed by actions of the Foundation. Income and net appreciation may be expended in accordance with the spending policy established by the Foundation absent of any donor stipulations. The pro-rata share of investment income and related fund expenses are restricted for each named endowment fund.

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 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.

The investment policy for endowment funds outlines the organization's return objectives, risk parameters, and spending policies 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, over rolling five-year periods. 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 policy portfolio further imposes an illiquid asset ceiling of 25%.

- Spending policy **-** The spending policy for endowment funds specifies a spending rate of 4% of the rolling five-year moving average of the monthly portfolio market value. This amount is determined at the end of December each year and is available for spending in the next fiscal year.

Permanently restricted net assets were as follows at December 31:

	2017	2016
Individual named funds (75 and 76 individual funds at December 31, 2017 and 2016, respectively)	$ 13,444,368	$ 12,038,624
Unnamed funds	290,064	279,128
	$ 13,734,432	$ 12,317,752

Endowment net asset composition by type of fund was as follows at December 31, 2017:

	Unrestricted	Permanently Restricted	Total
Donor-restricted endowment funds	$ -	13,734,432	13,734,432
Unrestricted earnings on donor-restricted endowment funds	20,776,696	-	20,776,696
Board-designated endowment funds	9,157,406	-	9,157,406
Total funds	$ 29,934,102	13,734,432	43,668,534

The changes in endowment net assets for the year ended December 31, 2017 were as follows:

	Unrestricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ 26,862,175	12,317,752	39,179,927
Investment income	4,183,032	1,910,358	6,093,390
Contributions	-	136,953	136,953
Appropriation of endowment assets for expenditure and other adjustments	(1,111,105)	(630,631)	(1,741,736)
Endowment net assets, end of year	$ 29,934,102	13,734,432	43,668,534

Endowment net asset composition by type of fund was as follows at December 31, 2016:

	Unrestricted	Permanently Restricted	Total
Donor-restricted endowment funds	$ -	12,317,752	12,317,752
Unrestricted earnings on donor-restricted endowment funds	17,704,769	-	17,704,769
Board-designated endowment funds	9,157,406	-	9,157,406
Total funds	$ 26,862,175	12,317,752	39,179,927

The changes in endowment net assets for the year ended December 31, 2016 were as follows:

	Unrestricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ 27,013,833	12,337,278	39,351,111
Investment income	969,009	442,592	1,411,601
Contributions	-	223,117	223,117
Appropriation of endowment assets for expenditure and other adjustments	(1,120,667)	(685,235)	(1,805,902)
Endowment net assets, end of year	$ 26,862,175	12,317,752	39,179,927

12. RETIREMENT PLAN

The Foundation has a contributory matching retirement plan for all employees under section 401(k) of the Internal Revenue Code. Contributions of the eligible participants' elective deferral up to a maximum 4% are funded by the Foundation. Employees are fully vested in all contributions made on their behalf by the Foundation. The contributions charged to operations were $89,448 and $94,759 during the years ended December 31, 2017 and 2016, respectively.

13. RELATED PARTY TRANSACTIONS

During the years ended December 31, 2017 and 2016, the Foundation received contributions of $73,800 and $145,490, respectively, from board members.

14. STATE GRANTS

The Cancer Prevention & Research Institute of Texas ("CPRIT") awarded the Foundation a grant for the September 2013 to August 2017 term in support of health care provider education. The grant is based upon allowable expenses paid.

During the years ended December 31, 2017 and 2016, the Foundation incurred reimbursable expenditures of $49,836 and $21,475, respectively.

These grants are subject to review and audit by the grantor agencies. These grants have certain compliance requirements and, should audits by the grantor agencies disclose any areas of substantial noncompliance, the Foundation may be required to refund any disallowed costs. Management is of the opinion that the Foundation is in compliance with these grantor requirements.

14. FUNCTIONAL EXPENSES

Functional expenses for the year ended December 31, 2017 consisted of the following:

	Program Services	Fundraising	Management and General	Total
Grants and awards	$ 5,624,967	80	270	5,625,317
Contract services	3,128,028	349,030	33,302	3,510,360
Salaries, wages and benefits	2,102,301	998,027	337,423	3,437,751
Public awareness	852,959	88,016	11,290	952,265
Technology	508,781	86,899	89,9532	685,633
Depreciation	476,666	87,154	92,603	656,423
Advertising	235,690	226,958	21,581	484,229
Bad debt and taxes	161,895	222,244	20,275	404,414
Occupancy costs	214,290	79,770	38,604	332,664
Legal and professional	145,896	27,589	10,854	184,339
Printing and publications	78,555	83,665	8,056	170,276
Travel	83,015	59,303	7,246	149,564
Postage and supplies	73,243	52,936	6,705	132,884
Entertainment	47,653	51,860	6,504	106,017
Insurance and permits	55,596	29,565	12,374	97,535
Bank fees	3,511	1,775	787	6,073
Total	$ 13,793,046	2,444,871	697,827	16,935,744
Cost of direct benefits to donors				213,742
Promotional cost				6,657
Total expenses				$ 17,156,015

Functional expenses for the year ended December 31, 2016 consisted of the following:

	Program Services	Fundraising	Management and General	Total
Grants and awards	$ 5,270,161	-	-	5,270,161
Contract services	1,120,283	49,575	19,419	1,189,277
Salaries, wages and benefits	2,883,054	1,037,900	276,111	4,197,065
Public awareness	1,330,693	506,822	84,221	1,921,736
Technology	629,605	237,142	57,357	924,104
Depreciation	531,091	169,770	28,270	729,131
Advertising	1,088,677	271,558	71,077	1,431,312
Bad debt and taxes	151,060	160,409	20,082	331,551
Occupancy costs	268,409	113,348	24,646	406,403
Legal and professional	3,231,623	194,538	30,522	3,456,683
Printing and publications	139,013	99,728	11,269	250,010
Travel	255,716	67,673	10,198	333,587
Postage and supplies	118,804	65,087	7,416	191,307
Entertainment	117,020	58,803	9,777	185,600
Insurance and permits	67,213	25,949	6,754	99,916
Bank fees	40,646	18,990	4,103	63,739
Total	$ 17,243,068	3,077,292	661,222	20,981,582
Cost of direct benefits to donors				232,219
Promotional cost				27,261
Total expenses				$ 21,241,062

15. SUBSEQUENT EVENTS

The Foundation has evaluated subsequent events through October 11, 2018 (the date the financial statements were available to be issued), and no events have occurred from the statement of financial position date through that date that would impact the financial statements.

SUPPLEMENTARY INFORMATION

THE LIVESTRONG FOUNDATION

SCHEDULE OF PROGRAM SERVICES EXPENSES
YEAR ENDED DECEMBER 31, 2017

	Advocacy and Systems Change	Community Programs and Awareness	Grants and Research	Individual Services	Total Program Services
Grants and awards	$ 2,500,406	223,379	2,900,929	253	5,624,967
Contract services expenses	224,563	51,068	1,466,166	1,386,231	3,128,028
Salaries, wages and benefits	646,095	264,553	743,207	448,446	2,102,301
Public Awareness Campaign	40,249	628,694	50,515	133,501	852,959
Technology	102,157	192,087	150,436	64,101	508,781
Depreciation	104,376	41,373	154,206	176,711	476,666
Advertising	51,563	25,972	75,562	82,593	235,690
Occupancy costs	50,272	59,059	72,083	32,876	214,290
Bad debt/taxes/miscellaneous	46,308	18,352	68,401	28,834	161,895
Legal and professional	87,693	8,678	32,345	17,180	145,896
Travel	26,855	15,105	21,607	19,448	83,015
Printing & publications	20,103	7,906	29,151	21,395	78,555
Postage and supplies	13,363	13,593	19,649	26,638	73,243
Insurance and permits	15,900	6,303	23,491	9,902	55,596
Entertainment	13,807	7,116	18,730	8,000	47,653
Bank fees	1,004	398	1,484	625	3,511
	$ 3,944,714	1,563,636	5,827,962	2,456,734	13,793,046

THE LIVESTRONG FOUNDATION

SCHEDULE OF GRANT HISTORY
DECEMBER 31, 2017

	2007 and Prior	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	TOTAL
Grants payable- Beginning of year	$ 7,337,123	7,590,025	6,833,099	3,057,033	2,040,951	2,605,206	2,231,821	629,072	225,822	227,146	-	7,337,123
Grants awarded	9,534,130	8,800,140	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	70,239,789
Grant payments and other changes	(9,281,228)	(9,557,066)	(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)	(77,576,912)
Grants payable- End of year	$ 7,590,025	6,833,099	3,057,033	2,040,951	2,605,206	2,231,821	629,072	225,822	227,146	-	-	-