

LIVING BEYOND BREAST CANCER
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2017)

CliftonLarsonAllen LLP



WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING



**LIVING BEYOND BREAST CANCER
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YEAR ENDED DECEMBER 31, 2018**

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Living Beyond Breast Cancer
Bala Cynwyd, Pennsylvania

We have audited the accompanying financial statements of Living Beyond Breast Cancer (a nonprofit organization), which comprise the statement of financial position as of December 31, 2018, 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 Living Beyond Breast Cancer as of December 31, 2018, and the changes in its net assets and its cash flow for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited Living Beyond Breast Cancer's 2017 financial statements, and our report dated March 13, 2018, expressed an unmodified opinion on those financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
March 6, 2019

LIVING BEYOND BREAST CANCER
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2018
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2017)

ASSETS	2018	2017
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 2,613,257	\$ 2,644,721
Grants, Bequests and Contributions Receivable	41,960	515,599
Prepaid Expenses	18,711	41,252
Total Current Assets	2,673,928	3,201,572
INVESTMENTS	9,258,389	9,130,105
PROPERTY AND EQUIPMENT		
Office Furniture and Equipment	140,105	132,705
Software	56,359	56,359
Leasehold Improvements	10,125	10,125
Total	206,589	199,189
Less: Total Accumulated Depreciation	134,590	130,780
Total Property and Equipment	71,999	68,409
OTHER ASSETS		
Security Deposits	11,360	11,360
Total Other Assets	11,360	11,360
Total Assets	\$ 12,015,676	\$ 12,411,446
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 68,485	\$ 74,603
Accrued Salaries	67,016	54,784
Accrued Vacation	27,942	27,575
Accrued Payroll Taxes	3,311	4,621
Total Current Liabilities	166,754	161,583
DEFERRED RENT	35,498	44,699
Total Liabilities	202,252	206,282
NET ASSETS		
Without Donor Restrictions	10,753,754	11,015,734
With Donor Restrictions	1,059,670	1,189,430
Total Net Assets	11,813,424	12,205,164
Total Liabilities and Net Assets	\$ 12,015,676	\$ 12,411,446

See accompanying Notes to Financial Statements.

**LIVING BEYOND BREAST CANCER
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2018
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2017)**

	Without Donor Restrictions	With Donor Restrictions	Total 2018	Total 2017
REVENUE AND OTHER SUPPORT				
Grants	\$ 424,462	\$ 145,150	\$ 569,612	\$ 589,575
Special Events	760,647	2,500	763,147	851,029
Individual and Corporate Bequests and Contributions	2,095,896	290,000	2,385,896	1,732,143
Conference Fees	62,272	-	62,272	40,890
Sponsorship Fees	260,750	1,335,500	1,596,250	1,944,951
Merchandise Income	-	-	-	-
Donated Services	119,238	-	119,238	99,761
Gifts In-Kind	19,698	-	19,698	199,669
Total	<u>3,742,963</u>	<u>1,773,150</u>	<u>5,516,113</u>	<u>5,458,018</u>
Net Assets Released from Restrictions	1,902,910	(1,902,910)	-	-
Total Revenue and Other Support	<u>5,645,873</u>	<u>(129,760)</u>	<u>5,516,113</u>	<u>5,458,018</u>
EXPENSES				
Program Expenses:				
Educational/Other Programs	4,487,094	-	4,487,094	4,276,817
Total Program Expenses	<u>4,487,094</u>	<u>-</u>	<u>4,487,094</u>	<u>4,276,817</u>
Support Services:				
Administrative and General	429,801	-	429,801	359,716
Fundraising	493,190	-	493,190	441,808
Total Support Services	<u>922,991</u>	<u>-</u>	<u>922,991</u>	<u>801,524</u>
Total Expenses	<u>5,410,085</u>	<u>-</u>	<u>5,410,085</u>	<u>5,078,341</u>
Change in Net Assets Before Other Income (Loss)	235,788	(129,760)	106,028	379,677
OTHER INCOME (LOSS)				
Investment Income	357,449	-	357,449	271,668
Realized Gain on Investments	41,785	-	41,785	74,946
Unrealized Gain on Investments	(893,735)	-	(893,735)	710,869
Loss on Disposal of Equipment	(3,267)	-	(3,267)	-
Total Other Income (Loss)	<u>(497,768)</u>	<u>-</u>	<u>(497,768)</u>	<u>1,057,483</u>
CHANGE IN NET ASSETS	(261,980)	(129,760)	(391,740)	1,437,160
Net Assets - Beginning of Year	<u>11,015,734</u>	<u>1,189,430</u>	<u>12,205,164</u>	<u>10,768,004</u>
NET ASSETS - END OF YEAR	<u>\$ 10,753,754</u>	<u>\$ 1,059,670</u>	<u>\$ 11,813,424</u>	<u>\$ 12,205,164</u>

See accompanying Notes to Financial Statements.

**LIVING BEYOND BREAST CANCER
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2018
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2017)**

	Educational/ Other Programs	General and Administrative	Fundraising	Total Support Services	Total 2018	Total 2017
Salaries	\$ 1,750,295	\$ 196,347	\$ 182,930	\$ 379,277	\$ 2,129,572	\$ 1,921,624
Payroll Taxes and Employee Benefits	412,257	46,247	43,087	89,334	501,591	463,821
Bad Debt Expense	-	-	-	-	-	4,269
Conference Expenses	722,051	12,917	120,796	133,713	855,764	767,427
Delivery	7,229	406	282	688	7,917	12,464
Dues and Subscriptions	6,693	8,215	2,082	10,297	16,990	18,349
Equipment	-	3,670	-	3,670	3,670	8,233
Equipment Rental and Maintenance	7,240	15,679	534	16,213	23,453	21,949
Grants - Golder Recipients	99,636	-	-	-	99,636	107,866
Graphic Design	52,662	1,228	6,254	7,482	60,144	74,152
Insurance	8,173	917	854	1,771	9,944	10,428
LBBC National Fund Grants	22,135	-	-	-	22,135	-
Mission Delivery Expenses	1,342	-	-	-	1,342	1,106
National Expansion Project	-	-	-	-	-	46,241
Office and Program Expenses	111,590	10,943	15,775	26,718	138,308	139,108
Postage	70,315	2,072	15,476	17,548	87,863	82,591
Printing	97,348	1,297	19,497	20,794	118,142	162,440
Professional Fees	650,477	78,531	45,770	124,301	774,778	551,459
Rent and Utilities	114,877	12,887	12,006	24,893	139,770	138,213
Speakers and Expenses	45,611	-	500	500	46,111	25,058
Staff Development	9,080	6,174	648	6,822	15,902	6,468
Telephone	32,757	1,398	1,383	2,781	35,538	31,793
Travel	46,875	2,696	5,114	7,810	54,685	58,880
Website and Database Development	82,499	12,966	18,818	31,784	114,283	115,079
Amortization	-	435	-	435	435	935
Depreciation	-	13,176	-	13,176	13,176	8,958
Total Expenses Before In-Kind Expenses	4,351,142	428,201	491,806	920,007	5,271,149	4,778,911
In-Kind Expenses:						
Conference Expenses	12,815	1,600	400	2,000	14,815	51,768
Equipment Rental and Maintenance	500	-	-	-	500	-
Graphic Design	250	-	984	984	1,234	2,584
National Expansion Project	-	-	-	-	-	1,322
Professional Fees	92,889	-	-	-	92,889	220,156
Printing	2,598	-	-	-	2,598	3,100
Speakers	22,500	-	-	-	22,500	18,500
Travel	4,400	-	-	-	4,400	2,000
Total In-Kind Expenses	135,952	1,600	1,384	2,984	138,936	299,430
Total Expenses	\$ 4,487,094	\$ 429,801	\$ 493,190	\$ 922,991	\$ 5,410,085	\$ 5,078,341

See accompanying Notes to Financial Statements.

**LIVING BEYOND BREAST CANCER
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2018
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2017)**

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (391,740)	\$ 1,437,160
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	13,176	8,958
Amortization	435	935
Realized and Unrealized Gain (Loss) on Investments, Net	851,950	(785,815)
Loss on Disposal of Equipment	3,267	-
Changes in Operating Assets and Liabilities:		
(Increase) Decrease:		
Grants and Contributions Receivable	473,639	(348,498)
Pledges Receivable	-	12,011
Prepaid Expenses	22,541	16,078
Increase (Decrease):		
Accounts Payable	(6,118)	(38,901)
Accrued Expenses	-	(28,739)
Accrued Salaries	12,232	2,683
Accrued Vacation	367	544
Accrued Payroll Taxes	(1,310)	1,590
Deferred Rent	(9,201)	(6,677)
Net Cash Provided by Operating Activities	969,238	271,329
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	(3,722,540)	(1,316,214)
Proceeds from Sales of Investments	2,742,306	1,125,414
Purchases of Property and Equipment	(20,468)	(3,712)
Net Cash Used by Investing Activities	(1,000,702)	(194,512)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(31,464)	76,817
Cash and Cash Equivalents - Beginning of Year	2,644,721	2,567,904
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 2,613,257	\$ 2,644,721

See accompanying Notes to Financial Statements.

**LIVING BEYOND BREAST CANCER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

In 1991, a group of women sought out information designed to help them after completing primary treatment for breast cancer only to realize that existing resources were either inadequate or not available at all. To address this, they created Living Beyond Breast Cancer (LBBC) as a Philadelphia-based educational nonprofit.

Since then, LBBC has grown into a nationally recognized organization whose vision is a world where no one impacted by breast cancer feels uninformed or alone. To strive toward reaching that vision, LBBC's mission is to connect people with trusted breast cancer information and a community of support. LBBC addresses the current needs of people affected by breast cancer, whether they are newly diagnosed, in treatment, recovery or living with a history of or managing a metastatic breast cancer. Resources are developed in collaboration with the nation's leading oncologists, health professionals, and ally organizations and are delivered by people who understand the physical and emotional complexities of breast cancer. LBBC offers its programs and services in a variety of printed and digital formats.

Since its founding in 1991, LBBC has assisted thousands of individuals affected by breast cancer. In addition, LBBC has received a four-star "exceptional" rating from Charity Navigator for 13 consecutive years, an honor signifying we outperform 99% of other related charities in fiscal management, responsibility, and transparency.

The organization's primary funding comes from individuals, corporations, special events, charitable foundations, and conference fees.

Services

Website

A place where easy to understand information and resources for women impacted by breast cancer can be found in written, audio, and video formats. www.lbbc.org

Breast Cancer Helpline

(888) 753-LBBC (5222)

Women volunteers with a personal history of breast cancer offering emotional support and practical information through a confidential exchange.

Publications

Guides to Understanding Breast Cancer and Metastatic Breast Cancer Series

Booklets addressing your needs whether you are newly diagnosed, in treatment, years beyond your diagnosis or living with metastatic disease.

Insight

Quarterly newsletter containing profiles of women affected by breast cancer and articles on important medical and quality of life topics.

**LIVING BEYOND BREAST CANCER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Nature of Organization (Continued)

Programs

LBBC has one major program and the remaining disclosures relate to the execution of this program.

Conferences

National events providing information in large sessions and interactive workshops led by breast cancer experts to help you and caregivers make informed decisions.

Webinars & Live Webcast Programs

Regular education seminars, accessible by phone, online, or via social media, highlighting specific topics related to breast cancer.

Financial Assistance

Grants up to \$1,000 are provided to women in treatment for breast cancer and facing financial hardship in the Greater Philadelphia Area, Denver, Fort Myers, and Tampa.

Twitter Chats

Twitter Chats are live discussions that take place on Twitter, a popular social media platform. Their Twitter Chats bring together experts, advocates, and people diagnosed with breast cancer to discuss a variety of medical and quality of life topics.

Blogs

LBBC believes there is power in telling a personal story and sharing experiences, for both the writer and the reader. Their blog features stories of women affected by breast cancer as well as those of family members, friends, and caregivers. They detail how they faced the complex medical, psychosocial, emotional, legal, and financial challenges of the disease.

Basis of Presentation

For the year ended December 31, 2018, LBBC adopted ASU No. 2016-14 – *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. The standard is intended to improve net asset classification requirements and the information present in the financial statements and notes about LBBC's liquidity, financial performance, and cash flows. The standard requires LBBC to reclassify its net assets from three categories (i.e., unrestricted, temporarily restricted, and permanently restricted) into two categories: net asset without donor restrictions and net assets with donor restrictions.

**LIVING BEYOND BREAST CANCER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Basis of Presentation (Continued)

It also requires recognition of underwater endowment funds as a reduction of net assets with donor restrictions, which is not applicable to LBBC. In addition, the guidance requires enhanced disclosures about governing board designations; composition of net assets with donors restrictions; LBBC's liquidity; and expenses by both their natural and functional classification.

The financial statements of LBBC have been prepared on the accrual basis of accounting. LBBC reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions consist of normal operations and include net assets as designated by the board of directors.

Net assets with donor restrictions represent net assets subject to donor-imposed stipulations that will be met by actions of LBBC and/or the passage of time.

Use of Estimates

The presentation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statement of cash flows, LBBC considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Investments

Investments are recorded at fair value on a recurring basis. Fair value measurement is based upon quoted prices, if available. If quoted prices are not available, fair values are measured using independent pricing models or other model-based valuation techniques such as the present value of future cash flows, adjusted for the security's credit rating, prepayment assumptions, and other factors such as credit loss assumptions. Securities valued using Level 1 inputs include those traded on an active exchange, such as the New York Stock Exchange, as well as U.S. Treasury and other U.S. government and agency mortgage-backed securities that are traded by dealers or brokers in active over-the-counter markets. LBBC does not have any securities that are valued using Level 2 or Level 3 inputs.

Investments are exposed to various risks, such as interest rate, credit, and overall market volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of the investments will occur in the near term and that such changes could materially change the amounts reported in the statement of financial position.

**LIVING BEYOND BREAST CANCER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Investments (Continued)

The carrying amounts for cash equivalents approximate their fair value because of their short-term maturity.

Property and Equipment

LBBC capitalizes all expenditures for office furniture, equipment and leasehold improvements in excess of \$1,500. Purchased office furniture, equipment and leasehold improvements are carried at cost. Any donated equipment is carried at the approximate fair value at the date of donation. Depreciation of furniture and equipment is computed using the straight-line method over the assets' estimated useful lives. Leasehold improvements are amortized over the shorter of their estimated useful lives or the related lease life.

Gifts In-Kind

Contributions of donated in-kind items are recorded at their fair value in the period received. The in-kind contributions have been recorded as support and are also included as an expense in the statement of activities. Gifts in-kind amounted to \$19,698 for the year ended December 31, 2018.

Donated Services

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, and would otherwise be purchased by LBBC. Donated services that met the requirements for recognition amounted to \$119,238 for the year ended December 31, 2018, and have been recognized in income and the related expenses.

Volunteers also provided services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria were not made. Volunteers provided 7,708 hours of service during the year ended December 31, 2018.

Grants, Bequests, and Contributions

Contributions received, including grants and bequests, are recorded as increases in net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of donor restrictions. All contributions are available for unrestricted use unless specifically restricted by the donor. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Unconditional promises to give due in the next year are recorded at their net realizable value.

Pledges receivable (i.e., a promise dependent only on passage of time or demand by the donee for performance), with payments due to future periods, are required to be recorded as restricted support unless explicit donor stipulations or circumstances surrounding the receipt of a promise make it clear that the donor intended their contribution to be used to support activities within the current period. Unconditional pledges to give cash in future years generally increase net assets with donor restrictions.

**LIVING BEYOND BREAST CANCER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Grants, Bequests, and Contributions (Continued)

LBBC records unconditional pledges to give at the estimated present value of the future cash flows, net of allowances to include net realizable value based upon management's analysis of specific pledges made. LBBC provides for uncollectible contributions receivable using the allowance method, which is based on management's judgment concerning historical collectability and analysis of individual contributions receivable. Past due receivables are individually analyzed for collectability and written off when all efforts at collection have been exhausted. An allowance for uncollectible accounts was not necessary at December 31, 2018.

Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include rents and utilities, audit fees, office supplies, postage, insurance, bank fees, credit card fees, payroll and FSA fees, investment fees, telephone and computer consulting fees, as well as salaries, payroll taxes and benefits, all of which are allocated based on the estimates of time and effort each employee spends throughout the year under each of LBBC's three job classes: education, administration and fundraising.

Income Taxes

LBBC is recognized as an organization exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (IRC) of 1986.

LBBC follows the income tax standard for uncertain tax positions. This standard had no impact on LBBC's financial statements.

LBBC's informational tax returns are subject to review and examination by federal, state, and local authorities. LBBC is not aware of any activities that would jeopardize its tax-exempt status.

Concentration of Credit Risk

LBBC has cash at a bank, which, at various times during the year, exceeded \$250,000, the amount insured by the Federal Deposit Insurance Corporation.

Subsequent Events

In preparing these financial statements, LBBC has evaluated events and transactions for potential recognition or disclosure through March 6, 2019, the date the financial statements were available to be issued.

**LIVING BEYOND BREAST CANCER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 2 INVESTMENTS

Investments consist of the following at December 31, 2018:

	<u>Cost</u>	<u>Fair Value</u>
Mutual Funds	\$ 4,063,314	\$ 4,050,249
Common Stock	226,375	343,548
Exchange-Traded Funds	2,776,058	2,956,767
Fixed Income	1,375,791	1,387,615
Money Funds	520,210	520,210
Total Investments	<u>\$ 8,961,748</u>	<u>\$ 9,258,389</u>

NOTE 3 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes at December 31, 2018:

Cis B. Golder Quality of Life Grants	\$ 151,245
2019 Conferences	129,314
2019 Gala	2,500
2019 Yoga Sponsorship	260,000
Research, Publications, and Training	477,866
Conference Travel	38,745
Total Net Assets With Donor Restrictions	<u>\$ 1,059,670</u>

NOTE 4 DONOR-IMPOSED RESTRICTIONS

Net assets of \$1,902,910 were released from donor restrictions by incurring expenses satisfying the restricted purposes specified by the donors.

Purpose restrictions accomplished:

Cis B. Golder Quality of Life Grants	\$ 117,289
2018 Conferences	811,186
2018 Gala	2,500
2018 Yoga Sponsorship	5,000
Research, Publications, and Training	962,135
Conference Travel	4,800
Total	<u>\$ 1,902,910</u>

**LIVING BEYOND BREAST CANCER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 5 COSTS OF DIRECT BENEFITS TO DONORS

The value of costs of direct benefits to donors for the year ended December 31, 2018 are as follows and are included under expenses and allocated by function on the statement of activities:

Catering	\$ 138,650
Entertainment	100,629
Office expenses	16,482
Postage	1,352
Printing	9,258
Travel	1,367
Design	5,784
Delivery	360
Consulting	28,625
Total	<u>\$ 302,507</u>

NOTE 6 RETIREMENT PLAN

LBBC maintains a 401(k) plan available to all eligible employees. Employee contributions to the plan are based upon employee compensation, subject to limits prescribed by the IRC. In 2018, LBBC made a nonelective, contribution of 3% of gross salaries for each employee regardless if the employee contributed and then maximum up to 4% match of compensation for all eligible employees. For the year ended December 31, 2018, LBBC's contribution amounted to \$138,290.

NOTE 7 COMMITMENTS

Operating Leases

LBBC leases office space under an operating lease which expires July 31, 2021. For the year ended December 31, 2018 rent expense under this lease excluding utility expense amounted to \$134,064. LBBC records periodic rental expense over the life of the lease. The deferred rent was \$35,498 as of December 31, 2018.

LBBC also leases equipment under three operating leases. Rental expense on leased equipment was \$18,443 for the year ended December 31, 2018.

**LIVING BEYOND BREAST CANCER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 7 COMMITMENTS (CONTINUED)

Operating Leases (Continued)

At December 31, 2018, the annual future minimum lease payments for all operating leases are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2019	\$ 149,081
2020	150,447
2021	87,726
2022	2,133
Total	<u>\$ 389,387</u>

NOTE 8 RELATED PARTIES

LBBC used the audio/visual services of Drive North Digital LLC. The owner of this company is the spouse of the CEO of the organization. The amount paid to the company during 2018 was \$32,375.

In addition, LBBC received \$4,200 of in-kind services from the company during 2018.

NOTE 9 FAIR VALUE MEASUREMENTS

LBBC uses fair value measurements to record fair value adjustments to investments. For additional information on how LBBC measures fair value refer to Note 1 – Summary of Significant Accounting Policies.

The following table presents LBBC’s fair value hierarchy for those investments measured at fair value on a recurring basis as of December 31, 2018.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual Funds	\$ 4,050,249	\$ -	\$ -	\$ 4,050,249
Common Stock	343,548	-	-	343,548
Exchange-Traded Funds	2,956,767	-	-	2,956,767
Fixed Income	1,387,615	-	-	1,387,615
Total	<u>\$ 8,738,179</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,738,179</u>

The table above does not include \$520,210 of money funds recorded at cost which approximates fair value.

**LIVING BEYOND BREAST CANCER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 10 LIQUIDITY

LBBC has \$11,913,606 of financial assets available within one year of the balance sheet date consisting of cash of \$2,613,257, contributions receivable of \$41,960, and short-term investments of \$9,258,389. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date. The contributions receivable are subject to time restrictions, but will be collected within one year. LBBC has a goal to maintain financial assets, which consist of cash and short-term investments, on hand to meet 60 days of normal operating expenses, which are, on average, approximately \$450,800. As part of its liquidity management, LBBC invests cash in excess of daily requirements in various short-term investments including certificates of deposit, money market accounts, and short-term treasury instruments.



Investment advisory services are offered through CliftonLarsonAllen
Wealth Advisors, LLC, an SEC-registered investment advisor.