

**LIVING BEYOND BREAST CANCER**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2022**  
**(WITH COMPARATIVE TOTALS FOR THE**  
**YEAR ENDED DECEMBER 31, 2021)**



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**LIVING BEYOND BREAST CANCER  
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(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2021)**

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Living Beyond Breast Cancer  
Bala Cynwyd, Pennsylvania

### Report on the Audit of the Financial Statements

#### *Opinion*

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, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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, 2022, 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 Opinion*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 Living Beyond Breast Cancer 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 audit opinion.

#### **Change in Accounting Principle**

As discussed in Note 1 to the financial statements, in 2022 Living Beyond Breast Cancer adopted new accounting guidance for leases. The guidance requires lessees to recognize a right-of-use asset and corresponding liability for all operating and finance leases with lease terms greater than one year. Living Beyond Breast Cancer also adopted new accounting guidance for contributed nonfinancial assets. Our opinion is not modified with respect to these matters.

#### **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 Living Beyond Breast Cancer's ability to continue as a going concern for one year after the date 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 GAAS 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 GAAS, 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 Living Beyond Breast Cancer'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 Living Beyond Breast Cancer'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.

Board of Directors  
Living Beyond Breast Cancer

***Report on Summarized Comparative Information***

We have previously audited Living Beyond Breast Cancer's 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 17, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

King of Prussia, Pennsylvania  
March 21, 2023

**LIVING BEYOND BREAST CANCER**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2022**  
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2021)

	2022	2021
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 3,865,817	\$ 4,813,837
Grants, Bequests and Contributions Receivable	403,886	66,720
Prepaid Expenses	53,849	36,983
Total Current Assets	4,323,552	4,917,540
<b>INVESTMENTS</b>	12,151,743	13,650,236
<b>PROPERTY AND EQUIPMENT</b>		
Office Furniture and Equipment	150,178	128,564
Software	257,238	2,233
Leasehold Improvements	10,125	10,125
Website Work in Progress	-	148,880
Total	417,541	289,802
Less: Total Accumulated Depreciation	118,639	77,845
Total Property and Equipment, Net	298,902	211,957
<b>OTHER ASSETS</b>		
Grants, Bequests, and Contributions Receivable, Long -Term	13,891	-
Security Deposits	33,099	23,712
Right-of-Use Asset	249,211	-
Total Other Assets	296,201	23,712
Total Assets	\$ 17,070,398	\$ 18,803,445
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$ 296,897	\$ 197,610
Accrued Expenses	3,850	-
Accrued Salaries	18,523	16,551
Accrued Vacation	43,889	36,258
Accrued Payroll Taxes	200	2,763
Lease Liability, Current Portion	114,751	-
Total Current Liabilities	478,110	253,182
<b>LEASE LIABILITY, NET OF CURRENT PORTION</b>	138,142	-
Total Liabilities	616,252	253,182
<b>NET ASSETS</b>		
Without Donor Restrictions	15,472,667	17,626,612
With Donor Restrictions	981,479	923,651
Total Net Assets	16,454,146	18,550,263
Total Liabilities and Net Assets	\$ 17,070,398	\$ 18,803,445

See accompanying Notes to Financial Statements.

**LIVING BEYOND BREAST CANCER  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2022  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2021)**

	Without Donor Restrictions	With Donor Restrictions	Total 2022	Total 2021
<b>REVENUE AND OTHER SUPPORT</b>				
Grants	\$ 363,721	\$ -	\$ 363,721	\$ 512,578
Special Events	845,559	25,000	870,559	752,039
Individual and Corporate Bequests and Contributions	1,601,479	748,484	2,349,963	1,968,014
Conference Fees	14,502	18,000	32,502	26,150
Sponsorship Fees	1,526,370	241,667	1,768,037	1,550,730
Donated Services	90,153	-	90,153	138,442
Gifts In-Kind	26,150	-	26,150	650
Total	<u>4,467,934</u>	<u>1,033,151</u>	<u>5,501,085</u>	<u>4,948,603</u>
Net Assets Released from Restrictions	975,323	(975,323)	-	-
Total Revenue and Other Support	<u>5,443,257</u>	<u>57,828</u>	<u>5,501,085</u>	<u>4,948,603</u>
<b>EXPENSES</b>				
Program Expenses:				
Educational/Other Programs	4,605,712	-	4,605,712	3,706,646
Total Program Expenses	<u>4,605,712</u>	<u>-</u>	<u>4,605,712</u>	<u>3,706,646</u>
Support Services:				
Administrative and General	411,416	-	411,416	460,766
Fundraising	480,033	-	480,033	345,404
Total Support Services	<u>891,449</u>	<u>-</u>	<u>891,449</u>	<u>806,170</u>
Total Expenses	<u>5,497,161</u>	<u>-</u>	<u>5,497,161</u>	<u>4,512,816</u>
Change in Net Assets Before Other Income	(53,904)	57,828	3,924	435,787
<b>OTHER INCOME (EXPENSE)</b>				
Investment Income, Net of Fees	321,649	-	321,649	351,258
Realized Gain on Investments	61,660	-	61,660	119,332
Unrealized Gain (Loss) on Investments	(2,483,350)	-	(2,483,350)	1,155,671
Forgiveness of Paycheck Protection Program Loans	-	-	-	662,533
Total Other Income (Expense)	<u>(2,100,041)</u>	<u>-</u>	<u>(2,100,041)</u>	<u>2,288,794</u>
<b>CHANGE IN NET ASSETS</b>	(2,153,945)	57,828	(2,096,117)	2,724,581
Net Assets - Beginning of Year	<u>17,626,612</u>	<u>923,651</u>	<u>18,550,263</u>	<u>15,825,682</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 15,472,667</u>	<u>\$ 981,479</u>	<u>\$ 16,454,146</u>	<u>\$ 18,550,263</u>

See accompanying Notes to Financial Statements.

**LIVING BEYOND BREAST CANCER**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2022**  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2021)

	Educational/ Other Programs	General and Administrative	Fundraising	Total Support Services	Total 2022	Total 2021
Salaries	\$ 1,761,753	\$ 218,818	\$ 175,270	\$ 394,088	\$ 2,155,841	\$ 2,009,483
Payroll Taxes and Employee Benefits	428,902	61,504	42,670	104,174	533,076	458,345
Conference Expenses	229,283	1,369	113,998	115,367	344,650	263,922
Delivery	173	92	173	265	438	2,838
Dues and Subscriptions	20,037	19,253	900	20,153	40,190	18,681
Equipment	95	7,523	-	7,523	7,618	2,755
Equipment Rental and Maintenance	1,195	11,785	200	11,985	13,180	16,656
Graphic Design	26,815	-	2,977	2,977	29,792	23,675
Insurance	9,781	1,215	973	2,188	11,969	10,441
LBBC National Fund Grants	477,982	-	5,013	5,013	482,995	262,457
Mission Delivery Expenses	1,361	-	-	-	1,361	76
Office and Program Expenses	41,539	6,552	16,601	23,153	64,692	57,264
Postage	14,523	726	8,635	9,361	23,884	23,450
Printing	14,880	180	7,959	8,139	23,019	56,881
Professional Fees	1,211,108	27,204	42,471	69,675	1,280,783	651,001
Rent and Utilities	103,682	12,878	10,315	23,193	126,875	112,276
Speakers and Expenses	11,475	-	1,310	1,310	12,785	18,190
Staff Development	48,454	9,158	-	9,158	57,612	47,105
Telephone	31,662	3,328	2,666	5,994	37,656	38,908
Travel	18,513	1,456	419	1,875	20,388	3,380
Website and Database Development	36,005	3,476	31,780	35,256	71,261	278,585
Depreciation	17,366	21,699	1,728	23,427	40,793	17,355
Total Expenses Before In-Kind Expenses	<u>4,506,584</u>	<u>408,216</u>	<u>466,058</u>	<u>874,274</u>	<u>5,380,858</u>	<u>4,373,724</u>
In-Kind Expenses:						
Conference Expenses	19,565	1,200	10,725	11,925	31,490	15,660
Professional Fees	78,813	-	2,500	2,500	81,313	121,932
Office and Program Expense	-	2,000	-	2,000	2,000	-
Printing	750	-	750	750	1,500	-
Website and Database Development	-	-	-	-	-	1,500
Total In-Kind Expenses	<u>99,128</u>	<u>3,200</u>	<u>13,975</u>	<u>17,175</u>	<u>116,303</u>	<u>139,092</u>
Total Functional Expenses	<u>\$ 4,605,712</u>	<u>\$ 411,416</u>	<u>\$ 480,033</u>	<u>\$ 891,449</u>	<u>\$ 5,497,161</u>	<u>\$ 4,512,816</u>

See accompanying Notes to Financial Statements.



**LIVING BEYOND BREAST CANCER**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED DECEMBER 31, 2022**  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2021)

	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ (2,096,117)	\$ 2,724,581
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	40,793	17,355
Realized and Unrealized (Gain) Loss on Investments, Net	2,421,690	(1,275,003)
Donated Stock	(124,014)	(260,752)
Forgiveness of Paycheck Protection Program Loans	-	(662,533)
Amortization of Operating Lease Costs	3,682	-
Changes in Operating Assets and Liabilities:		
(Increase) Decrease:		
Grants and Contributions Receivable	(351,057)	21,704
Prepaid Expenses	(16,866)	6,300
Security Deposits	(9,387)	(11,025)
Increase (Decrease):		
Accounts Payable	99,288	139,341
Accrued Expenses	3,850	-
Accrued Salaries	1,972	8,762
Accrued Vacation	7,631	4,723
Accrued Payroll Taxes	(2,563)	(1,860)
Deferred Rent	-	(11,983)
Net Cash Provided (Used) by Operating Activities	(21,098)	699,610
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of Investments	(3,413,213)	(1,684,522)
Proceeds from Sales of Investments	2,614,030	2,203,070
Purchases of Property and Equipment	(127,739)	(176,813)
Net Cash Provided (Used) by Investing Activities	(926,922)	341,735
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from Paycheck Protection Program Loans	-	311,133
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	(948,020)	1,352,478
Cash and Cash Equivalents - Beginning of Year	4,813,837	3,461,359
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 3,865,817	\$ 4,813,837

See accompanying Notes to Financial Statements.

**LIVING BEYOND BREAST CANCER  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Organization**

Living Beyond Breast Cancer (LBBC) was founded in 1991 and is a national nonprofit organization that seeks to create a world that understands there is more than one way to have breast cancer. To fulfill its mission of providing trusted information and a community of support to those impacted by the disease, LBBC offers on-demand emotional, practical, and evidence-based content.

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 allied 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 millions of individuals affected by breast cancer. In addition, LBBC has received a four-star "exceptional" rating from Charity Navigator for 17 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 and foundations.

**LBBC's mission is to provide trusted information and a community of support. LBBC.org is a rich resource reflecting all programs that fulfill our mission. Supportive and educational programs are listed below.**

**Educational Programs**

*LBBC.ORG:* The website was completely redesigned and relaunched in 2022. The site presents medical and psychosocial information that people rely on to help them understand their type of breast cancer, the impact it has on their lives and introduces them to the community that is available to support them. The website contains a rich array of resources from written content to videos, to news and views about breast cancer. The website reflects LBBC's commitment to providing information and support to all people impacted by breast cancer, those diagnosed, their families and caregivers as well as healthcare providers.

*Blogs:* LBBC knows there is power in telling personal stories and sharing experiences, for both the writer and the reader. The LBBC blog features stories of women and men impacted by breast cancer as well as those of family members, friends, and caregivers. These first-person stories, in print and by video, share the lived experience of breast cancer.

**LIVING BEYOND BREAST CANCER  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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

**Nature of Organization (Continued)**

**Educational Programs (Continued)**

*Conferences, Summits, and Webinars:* Virtually delivered educational programs provide information in an array of formats—from plenary sessions to interactive workshops led by breast cancer experts, these live digital programs help participants make informed decision about their care and connect with others.

*Knowledge is Power: understanding the Black breast cancer experience:* This annual educational series features connected virtual workshops works designed by a Black Breast Cancer Advisory Council. This program seeks to reduce healthcare disparities through education and supportive information.

*Healthcare Provider Education and Outreach:* LBBC offers webinars and resources directly to healthcare providers on specific topics to help them better support their patients.

*Hear My Voice Outreach and Advocacy Program:* Every year LBBC trains a new Hear My Voice class comprised of women and men living with metastatic breast cancer to be advocates in their communities, as well as on a national level and to provide peer support to others living with metastatic breast cancer.

*Young Women's Initiative:* LBBC is in the fourth year of a five-year cooperative agreement with the Centers for Disease Control and Prevention. This funding is used to provide dedicated programs and services for women under the age of 45 diagnosed with breast cancer. Programs include Survivorship Series for Young Women, Young Advocate Program and Parenting Resources.

*Guides to Understanding Breast Cancer and Metastatic Breast Cancer Series:* Available online and in print, are guides that address the needs of people who are newly diagnosed, in treatment, or living with metastatic disease.

**A Community of Support**

*Breast Cancer Helpline:* (888) 753-LBBC (5222)

Staffed by volunteers who have a personal history of breast cancer, this service provides peer support and practical information through a confidential exchange.

*LBBC Fund:* One-time grants of up to \$1,250 for women in active treatment for breast cancer who are facing financial hardships. These grants are available to anyone living in the United States.

*Closed Facebook Communities:* LBBC hosts closed Facebook communities to allow the breast cancer community to easily access peer support. There are now three closed communities for these groups: Young Women, All Ages/All Stages, and High Risk for Breast Cancer.

**LIVING BEYOND BREAST CANCER  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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

**Basis of Presentation**

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.

*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 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.

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

**LIVING BEYOND BREAST CANCER  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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

**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.

The estimated useful lives for depreciation are as follows:

Office Furniture and Equipment	3 to 15 Years
Software	3 Years
Leasehold Improvements	7 Years

**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.

**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 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 1,829 hours of service during the year ended December 31, 2022.

**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, 2022**

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

**Special Events**

Special event revenue consists of registrations, sponsorships, and other contributions. The exchange element of the special event revenue was approximately \$136,000 for the year ended December 31, 2022. The portion that is considered to be exchange revenue is recognized as revenue when the performance obligations are met which is the occurrence of the event.

**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.

**Leases**

LBBC leases office space and equipment. LBBC determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (ROU) assets, other current liabilities, and operating lease liabilities on the statement of financial position.

ROU assets represent LBBC's right to use an underlying asset for the lease term and lease liabilities represent LBBC's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. As most of leases do not provide an implicit rate, LBBC uses 4% based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that LBBC will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

**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 as management has not made any uncertain tax positions.

LBBC's 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.

**LIVING BEYOND BREAST CANCER  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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

**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. As of July 2022, these bank accounts were changed and the full amounts held at banks is covered by FDIC insurance.

**New Accounting Standards**

In September 2020, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2020-07, *Not for Profit Entities (Topic 958): Presentation and Disclosures by Non-for-Profit Entities for Contributed Nonfinancial Assets*. The amendments improve financial reporting by providing new presentation and disclosure requirements about contributed nonfinancial assets, including disclosure requirements for recognized contributed services. The amendments do not change the recognition and measurement requirements for those assets. The new standard is effective for annual reporting periods beginning after June 15, 2021. LBBC's financial statements reflect the application of this standard. No changes were made to previously reported net assets.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. This new standard increases transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the statement of financial position. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

LBBC adopted the requirements of the guidance effective January 1, 2022, and has elected to apply the provisions of this standard to the beginning of the period of adoption, while continuing to present the comparative period in accordance with the guidance under the lease standard in effect during that period. LBBC has elected to adopt the package of practical expedients available in the year of adoption.

**Reclassifications**

Certain prior year financial statement amounts have been reclassified to conform to the current year presentation.

**Subsequent Events**

In preparing these financial statements, LBBC has evaluated events and transactions for potential recognition or disclosure through March 21, 2023, the date the financial statements were available to be issued.

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**NOTE 2 INVESTMENTS**

Investments consist of the following at December 31, 2022:

	Cost	Fair Value
Mutual Funds	\$ 3,300,161	\$ 3,492,687
Common Stock	596,767	624,272
Exchange-Traded Funds	5,916,026	6,679,799
Fixed Income	1,113,592	1,111,221
Other Assets	70,708	50,133
Money Funds	193,631	193,631
Total Investments	<u>\$ 11,190,885</u>	<u>\$ 12,151,743</u>

**NOTE 3 NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are available for the following purposes at December 31, 2022:

LBBC Fund Grants	\$ 614,422
2023 Conferences	216,500
2023 Gala	2,500
Research, Publications, and Training	134,166
Time Restricted	13,891
Total Net Assets With Donor Restrictions	<u>\$ 981,479</u>

**NOTE 4 DONOR-IMPOSED RESTRICTIONS**

Net assets of \$975,323 were released from donor restrictions by incurring expenses satisfying the restricted purposes specified by the donors. The following purpose restrictions were accomplished during the year ended December 31, 2022.

LBBC Fund Grants	\$ 541,823
2021 Conferences	76,000
2021 Gala	27,500
2021 Yoga Sponsorship	55,000
Research, Publications, and Training	75,000
Programs	200,000
Total	<u>\$ 975,323</u>

**NOTE 5 PAYCHECK PROTECTION PLAN LOAN**

On May 5, 2020, LBBC received a loan from a commercial bank in the amount of \$351,400 to fund payroll, rent, and utilities through the Paycheck Protection Program (the PPP Loan). On May 3, 2021, the SBA processed LBBC's PPP loan forgiveness application and notified the bank that the PPP loan qualified for full forgiveness. Loan proceeds were received by the bank from the SBA on this date. Therefore, LBBC was legally released from the debt and the loan forgiveness was recorded as a gain during the year ended December 31, 2021.



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**NOTE 5 PAYCHECK PROTECTION PLAN LOAN (CONTINUED)**

On January 22, 2021, LBBC received a second PPP loan in the amount of \$311,133. On August 23, 2021, the SBA processed LBBC's PPP loan forgiveness application and notified the bank that the PPP loan qualified for full forgiveness. Loan proceeds were received by the bank from the SBA on this date. Therefore, LBBC was legally released from the debt and the loan forgiveness was recorded as a gain during the year ended December 31, 2021.

The total forgiveness of debt during 2021 of \$662,533 is recorded on the accompanying statement of activities as other income. The SBA may review funding eligibility and usage of funds for compliance with program requirements based on dollar thresholds and other factors. The amount of liability, if any, from potential noncompliance cannot be determined with certainty; however, management is of the opinion that any review will not have a material adverse impact on LBBC's financial position.

**NOTE 6 IN-KIND CONTRIBUTIONS AND DONATED SERVICES**

For the year ended December 31, 2022, LBBC recorded the following donated services and gifts in-kind in the statement of activities as revenues and related expenses:

	Revenue Recognized	Utilization in Programs/ Activities	Donor Restrictions	Valuation Techniques and Inputs
Google Ad Grant	\$ 76,313	General use	None	Fair value provided by donor
Gala Planning Services	5,000	General use	None	Fair value provided by donor
Video Services	8,840	General use	None	Fair value provided by donor
Total Donated Services	<u>\$ 90,153</u>			
Food and Drinks for Gala	\$ 11,000	General use	None	Fair value provided by donor
Decorations for Gala	10,450	General use	None	Fair value provided by donor
Other Gala	4,700	General use	None	Fair value provided by donor
Total Gifts In-Kind	<u>\$ 26,150</u>			

**NOTE 7 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 2022, LBBC made a nonelective contribution of 3% of gross salaries for each employee regardless of if the employee contributed and then maximum up to 4% match of compensation for all eligible employees. For the year ended December 31, 2022, LBBC's contribution amounted to \$186,935.

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**NOTE 8 COMMITMENTS**

**Operating Leases**

LBBC leases office space under an operating lease which expires February 2025. For the year ended December 31, 2022, rent expense under this lease excluding utility expense amounted to \$98,350. LBBC records periodic rental expense over the life of the lease.

LBBC also leases equipment under three operating leases. Rental expense on leased equipment was \$10,516 for the year ended December 31, 2022.

The following tables provide quantitative information concerning LBBC's leases for the year ended December 31, 2022:

Operating Lease Cost	\$ 108,867
Total Lease Cost	<u>\$ 108,867</u>

Other Information:

Cash Paid for Amounts Included in the Measurement of Lease Liabilities:

Operating Cash Flows from Operating Leases	\$ 105,185
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Right-of-Use Assets Obtained in Exchange for New Operating Lease Liabilities

332,389

Weighted-Average Remaining Lease Term - Operating Leases

2.0 years

Weighted-Average Remaining Discount Rate - Operating Leases

4.00%

A maturity analysis of annual undiscounted cash flows for lease liabilities as of December 31, 2022, is as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2023	\$ 122,858
2024	119,914
2025	<u>21,879</u>
Total	264,651
Less: Imputed Interest	<u>(11,758)</u>
Total Present Value of Lease Liabilities	<u>\$ 252,893</u>
Short-Term Lease Liabilities	\$ 114,751
Long-Term Lease Liabilities	\$ 138,142

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**NOTE 9 FAIR VALUE MEASUREMENTS**

LBBC uses fair value measurements to record fair value adjustments to investments, as described in Note 1 – Organization and 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, 2022.

	Level 1	Level 2	Level 3	Total
Mutual Funds	\$ 3,492,687	\$ -	\$ -	\$ 3,492,687
Common Stock	624,272	-	-	624,272
Exchange-Traded Funds	6,679,799	-	-	6,679,799
Fixed Income	1,111,221	-	-	1,111,221
Other Assets	50,133	-	-	50,133
Total	<u>\$ 11,958,112</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,958,112</u>

The table above does not include \$193,631 of money funds recorded at cost which approximates fair value.

**NOTE 10 LIQUIDITY**

LBBC has \$16,421,446 of financial assets available within one year of the statement of financial position date consisting of cash of \$3,865,817, contributions receivable of \$403,886, and short-term investments of \$12,151,743. \$981,479 of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the statement of financial position 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 \$903,600. 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.