



LYMPHOMA RESEARCH FOUNDATION

Consolidated Financial Statements

June 30, 2018 and 2017

(With Independent Auditors' Report Thereon)



KPMG LLP
345 Park Avenue
New York, NY 10154-0102

Independent Auditors' Report

The Board of Directors
Lymphoma Research Foundation:

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Lymphoma Research Foundation (the Foundation), which comprise the consolidated balance sheets as of June 30, 2018 and 2017, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated 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 consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Lymphoma Research Foundation as of June 30, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

KPMG LLP

November 19, 2018

LYMPHOMA RESEARCH FOUNDATION

Consolidated Balance Sheets

June 30, 2018 and 2017

Assets	2018	2017
Cash and cash equivalents (note 4)	\$ 1,241,981	1,280,317
Contributions and grants receivable (note 3)	1,366,035	477,038
Prepaid expenses and other assets	291,853	419,543
Investments (note 4)	10,148,141	9,860,774
Property and equipment, net (note 5)	<u>590,168</u>	<u>637,083</u>
Total assets	\$ <u>13,638,178</u>	<u>12,674,755</u>
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses (note 8)	\$ 342,315	577,445
Accrued salaries and vacation	190,262	211,677
Refundable advances	117,500	135,000
Research grants payable (note 6)	<u>2,730,792</u>	<u>2,984,670</u>
Total liabilities	<u>3,380,869</u>	<u>3,908,792</u>
Commitments (note 8)		
Net assets:		
Unrestricted	3,193,999	3,101,129
Temporarily restricted (note 9)	<u>7,063,310</u>	<u>5,664,834</u>
Total net assets	<u>10,257,309</u>	<u>8,765,963</u>
Total liabilities and net assets	\$ <u>13,638,178</u>	<u>12,674,755</u>

See accompanying notes to consolidated financial statements.

LYMPHOMA RESEARCH FOUNDATION

Consolidated Statements of Activities

Years ended June 30, 2018 and 2017

	2018	2017
Change in unrestricted net assets:		
Contributions and revenues:		
Contributions:		
Special events revenue and related contributions	\$ 2,892,247	2,881,842
Less costs of direct benefits to donors	(175,495)	(178,520)
Contributions and grants	3,547,075	4,230,053
Total contributions	6,263,827	6,933,375
Revenues:		
Investment income (note 4)	80,414	45,566
Other revenue	32,235	30,787
Total revenues	112,649	76,353
Total contributions and revenues before net assets released from restrictions	6,376,476	7,009,728
Net assets released from restrictions (note 9)	3,446,518	3,772,387
Total contributions and revenues	9,822,994	10,782,115
Expenses:		
Program services:		
Educational programs and patient services	2,943,183	2,526,498
Research	2,943,936	3,620,776
Communications and advocacy	1,158,890	1,533,206
Total program services	7,046,009	7,680,480
Supporting services:		
Administration	493,641	503,515
Fundraising	2,190,474	2,071,340
Total supporting services	2,684,115	2,574,855
Total expenses	9,730,124	10,255,335
Increase in unrestricted net assets	92,870	526,780
Change in temporarily restricted net assets:		
Contributions and grants	4,844,994	4,393,363
Net assets released from restrictions (note 9)	(3,446,518)	(3,772,387)
Increase in temporarily restricted net assets	1,398,476	620,976
Change in net assets	1,491,346	1,147,756
Net assets at beginning of year	8,765,963	7,618,207
Net assets at end of year	\$ 10,257,309	8,765,963

See accompanying notes to consolidated financial statements.

LYMPHOMA RESEARCH FOUNDATION
Consolidated Statement of Functional Expenses
Year ended June 30, 2018

	Program services			Supporting services			Total 2018	
	Educational programs and patient services	Research	Communications and advocacy	Total program services	Administration	Fundraising		Total supporting services
Grants (note 6)	\$ 7,200	1,244,039	—	1,251,239	—	—	—	1,251,239
Salaries	722,585	356,920	358,479	1,437,984	229,802	933,993	1,163,795	2,601,779
Payroll taxes and employee benefits	180,504	89,160	89,549	359,213	57,405	242,668	300,073	659,286
Conferences and events	1,084,336	161,373	12,442	1,258,151	10,875	165,333	176,208	1,434,359
Costs of direct benefits to donors	—	—	—	—	—	175,495	175,495	175,495
Dues and subscriptions	9,515	27,978	32,385	69,878	9,515	25,767	35,282	105,160
Insurance	7,226	3,569	3,585	14,380	2,298	9,340	11,638	26,018
Licenses and permits	—	—	—	—	1,317	4,025	5,342	5,342
Marketing and promotion	37,737	24,581	402,482	464,800	635	43,719	44,354	509,154
Processing fees and other	34,914	10,047	13,162	58,123	35,465	117,865	153,330	211,453
Office equipment	10,655	3,474	3,489	17,618	2,236	55,320	57,556	75,174
Office supplies	14,479	3,953	6,247	24,679	2,957	20,929	23,886	48,565
Postage and shipping	51,810	4,850	4,030	60,690	689	29,632	30,321	91,011
Printing and publications	125,466	25,896	15,909	167,271	2,161	60,735	62,896	230,167
Professional fees	167,882	750,242	91,482	1,009,606	65,959	124,011	189,970	1,199,576
Rent (note 8)	119,038	58,799	59,056	236,893	37,857	153,866	191,723	428,616
Repairs and maintenance	36,848	18,201	18,280	73,329	11,899	49,072	60,971	134,300
Telecommunications	49,469	4,975	5,125	59,569	3,203	13,770	16,973	76,542
Travel	239,302	134,038	21,252	394,592	5,306	83,275	88,581	483,173
Depreciation and amortization	44,217	21,841	21,936	87,994	14,062	57,154	71,216	159,210
Subtotal	2,943,183	2,943,936	1,158,890	7,046,009	493,641	2,365,969	2,859,610	9,905,619
Less direct donor benefit expenses	—	—	—	—	—	(175,495)	(175,495)	(175,495)
Total expenses	\$ 2,943,183	2,943,936	1,158,890	7,046,009	493,641	2,190,474	2,684,115	9,730,124

See accompanying notes to consolidated financial statements.

LYMPHOMA RESEARCH FOUNDATION
Consolidated Statement of Functional Expenses
Year ended June 30, 2017

	Program services				Supporting services			Total 2017
	Educational programs and patient services	Research	Communications and advocacy	Total program services	Administration	Fundraising	Total supporting services	
Grants (note 6)	\$ 120,900	1,800,000	—	1,920,900	—	—	—	1,920,900
Salaries	743,714	322,839	417,494	1,484,047	196,070	821,466	1,017,536	2,501,583
Payroll taxes and employee benefits	198,112	85,999	111,662	395,773	52,230	222,301	274,531	670,304
Conferences and events	675,410	293,633	31,078	1,000,121	21,230	200,158	221,388	1,221,509
Costs of direct benefits to donors	—	—	—	—	—	178,520	178,520	178,520
Dues and subscriptions	4,162	21,620	31,709	57,491	7,135	24,059	31,194	88,685
Insurance	7,270	3,156	4,081	14,507	1,917	8,030	9,947	24,454
Licenses and permits	303	131	170	604	155	17,249	17,404	18,008
Marketing and promotion	49,132	17,457	556,059	622,648	155	31,902	32,057	654,705
Processing fees and other	17,301	7,708	12,416	37,425	4,223	146,647	150,870	188,295
Office equipment	15,203	2,793	6,437	24,433	1,696	51,249	52,945	77,378
Office supplies	22,111	7,676	4,948	34,735	2,598	17,435	20,033	54,768
Postage and shipping	44,605	16,251	4,072	64,928	1,064	42,737	43,801	108,729
Printing and publications	79,558	29,157	12,085	120,800	1,637	48,655	50,292	171,092
Professional fees	142,399	776,355	166,048	1,084,802	143,459	108,368	251,827	1,336,629
Rent (note 8)	161,752	70,215	90,801	322,768	42,644	178,662	221,306	544,074
Repairs and maintenance	48,639	21,114	27,304	97,057	12,823	57,324	70,147	167,204
Telecommunications	87,967	5,324	7,179	100,470	3,233	14,382	17,615	118,085
Travel	97,486	134,801	43,783	276,070	8,485	69,147	77,632	353,702
Depreciation and amortization	10,474	4,547	5,880	20,901	2,761	11,569	14,330	35,231
	<u>2,526,498</u>	<u>3,620,776</u>	<u>1,533,206</u>	<u>7,680,480</u>	<u>503,515</u>	<u>2,249,860</u>	<u>2,753,375</u>	<u>10,433,855</u>
Less direct donor benefit expenses	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(178,520)</u>	<u>(178,520)</u>	<u>(178,520)</u>
	<u>\$ 2,526,498</u>	<u>3,620,776</u>	<u>1,533,206</u>	<u>7,680,480</u>	<u>503,515</u>	<u>2,071,340</u>	<u>2,574,855</u>	<u>10,255,335</u>

See accompanying notes to consolidated financial statements.

LYMPHOMA RESEARCH FOUNDATION

Consolidated Statements of Cash Flows

Years ended June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Cash flows from operating activities:		
Change in net assets	\$ 1,491,346	1,147,756
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	159,210	35,231
Realized gain on investments	(2,628)	(122)
Unrealized loss on investments	38,511	50,021
Changes in operating assets and liabilities:		
Contributions and grants receivable	(888,997)	(188,269)
Prepaid expenses and other assets	127,690	(95,660)
Accounts payable and accrued expenses	(235,130)	403,908
Accrued salaries and vacation	(21,415)	24,433
Refundable advances	(17,500)	40,000
Research grants payable	(253,878)	478,750
Net cash provided by operating activities	<u>397,209</u>	<u>1,896,048</u>
Cash flows from investing activities:		
Proceeds from investment sales	5,144,792	2,949,158
Purchases of investments	(5,468,042)	(4,148,306)
Purchase of equipment	(112,295)	(623,254)
Net cash used in investing activities	<u>(435,545)</u>	<u>(1,822,402)</u>
Net (decrease) increase in cash and cash equivalents	(38,336)	73,646
Cash and cash equivalents at beginning of year	<u>1,280,317</u>	<u>1,206,671</u>
Cash and cash equivalents at end of year	\$ <u><u>1,241,981</u></u>	<u><u>1,280,317</u></u>

See accompanying notes to consolidated financial statements.

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Notes to Consolidated Financial Statements

June 30, 2018 and 2017

(1) Organization

The Lymphoma Research Foundation (the Foundation) is a nonprofit corporation, which is exempt from federal income taxes under Internal Revenue Code Section 501(c)(3) and similar provisions at the state and local level. The Foundation is the nation's largest nonprofit organization devoted to only funding innovative lymphoma research and providing patients and their families and healthcare professionals with up-to-date education about this type of cancer. The Foundation's mission is to eradicate lymphoma and serve those touched by this disease. The Foundation's primary sources of income are contributions and grants.

To help ensure that the amounts the Foundation raises are directed toward cutting-edge lymphoma-related research, decisions of what research will be funded are made by the deliberations of the Foundation's Scientific Advisory Board (SAB). The SAB comprises a volunteer group of scientists and clinicians distinguished in the fields of lymphoma research and treatment. They make their judgments on applications for funding based on the scientific and innovative merits of the projects proposed, the demonstrated ability of the researcher and sponsor, and the suitability of the institution. The members of the SAB review the applications independently and then meet to discuss the proposals at periodic meetings scheduled throughout the year.

In addition to evaluating grant applications, the SAB counsels the Foundation's Board of Directors and staff on the direction of its overall strategic scientific agenda in order to remain current with the pace and direction of the rapidly evolving area of blood cancer research.

The Board of Directors studies the recommendations of the SAB. Their aim is to approve those recommended grant applications and projects, which seem most likely to have an impact on lymphoma-related research and treatments, and therefore most likely to help the Foundation achieve its overall goals. The Foundation funds research projects submitted by individuals associated with accredited academic institutions, Joint Commission on Accreditation of Healthcare Organizations (JCAHO), accredited research hospitals, and other research organizations that have strong national and international reputations.

The Foundation is also dedicated to serving those touched by lymphoma. To accomplish this, the Foundation provides national, regional, and local educational conferences and symposiums, advocacy programs, online Webcast educational programming, telephone educational workshops, and educational publications. The Foundation's educational programs and publications provide lymphoma patients and their loved ones with current and comprehensive information about the disease, its treatments, promising research in lymphoma, and how to better manage the psycho/social issues associated with living with lymphoma. The Foundation also offers a Lymphoma Helpline and Clinical Trials Information Service, a nationwide peer support program, and financial assistance to lymphoma patients receiving treatment.

The Foundation entered into a strategic relationship with the Clarus Cancer Fund (Cancer Fund) an investment fund of Clarus Ventures, an established life sciences venture capital firm and leader in cancer investments. The Cancer Fund will further its scientific impact by donating a significant amount of its net investment profits to the Foundation to substantially increase its research budget.

In connection with the Cancer Fund, during fiscal year 2017, the Foundation established a new subsidiary, LRF Research Inc. (LRF Research) to receive certain annual payments from Clarus or the general partner of the Cancer Fund, and entered into an intellectual property license and administrative services agreement

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Notes to Consolidated Financial Statements
June 30, 2018 and 2017

with LRF Research. Such agreement provides for license fees to be paid by LRF Research to the Foundation with respect to certain intellectual property licensed to LRF Research and certain administrative fees to be payable by LRF Research to the Foundation with respect to the cost of certain services to be provided by the Foundation.

(2) Summary of Significant Accounting Policies

(a) Basis of Presentation

The Foundation's consolidated financial statements have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles. Net assets and the changes therein are classified and reported as follows:

Unrestricted – Net assets that are not subject to donor-imposed restrictions.

Temporarily Restricted – Net assets subject to donor-imposed restrictions that will be met by actions of the Foundation and/or the passage of time.

Revenues are reported as increases in unrestricted net assets unless their use is limited by explicit donor-imposed restrictions or by law. Expenses are reported as decreases in net assets.

The Foundation's consolidated financial statements include the accounts of the LRF, Inc., eliminating intercompany transactions.

(b) Accounting Estimates

The preparation of the consolidated financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingencies at the date of the consolidated financial statements and revenues and expenses recognized during the reporting period. Significant estimates made in the preparation of the consolidated financial statements include the net realizable value of contributions and grants receivable, the valuation of contributed services, and functional expense allocations. Actual results could differ from those estimates.

(c) Fair Value

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that a reporting entity has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

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Notes to Consolidated Financial Statements
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(d) Contributions

Contributions, including unconditional promises to give (pledges), are recognized initially at fair value as revenue upon receipt and are considered to be unrestricted unless they are received with donor stipulations that limit their use through either purpose or time restrictions. Contributions with donor stipulations that limit their use are considered to be temporarily restricted until the donor restrictions expire, that is, when a time restriction ends or purpose restriction is fulfilled. Upon the expiration of donor stipulations, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the accompanying consolidated statements of activities as net assets released from restrictions.

During the years ended June 30, 2018 and 2017, the Foundation received \$1,105,757 and \$1,233,224, respectively, in contributions in-kind that are reported as contributions and expenses in the accompanying consolidated statements of activities and functional expenses. The 2018 and 2017 amounts include \$375,257 and \$482,374, respectively, recognized in revenues and expenses from Google grants. The 2018 and 2017 amounts also include \$730,500 and \$750,850, respectively, recognized in revenues and expenses associated with the recognition of time spent by SAB members to carry out the requirements of its research program as well as support the Foundation's professional and patient education programs. Without the volunteer support these physicians provide the Foundation, the organization would be required to compensate physicians to perform these services.

A substantial number of other volunteers have donated significant amounts of their time in supporting the Foundation's activities. No amounts have been reflected in the accompanying consolidated financial statements for these donated services since they do not meet the criteria for recognition.

(e) Cash and Cash Equivalents

The Foundation considers all highly liquid investments with an original maturity of 90 days or less when acquired to be cash equivalents, with the exception of cash and those short-term investments that are maintained in the Foundation's investment portfolio.

(f) Investments

Investments are reported at fair value based upon quoted market prices.

(g) Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and amortization. Depreciation is computed on the straight-line basis over the estimated useful lives of the assets ranging from two to five years. Leasehold improvements are amortized on a straight-line basis over the lesser of their useful lives or the term of the lease. The Foundation capitalizes all property and equipment having a cost of \$1,000 or more and a useful life of at least two years.

(h) Refundable Advances

Amounts received by the Foundation for certain special events are reflected as refundable advances until the event occurs. The majority of these amounts are characterized by the Foundation as an exchange transaction.

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Notes to Consolidated Financial Statements
June 30, 2018 and 2017

(i) Functional Expense Allocations

The costs of providing the various programs and other activities have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

(j) Income Taxes

The Foundation recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Income generated from activities unrelated to the Foundation's exempt purpose is subject to tax under Internal Revenue Code Section 511. The Foundation did not recognize any unrelated business income tax liability for the years ended June 30, 2018 and 2017.

(3) Contributions and Grants Receivable

Contributions and grants receivable are scheduled to be collected as follows at June 30, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Amount due in one year or less	\$ 1,166,035	477,038
Amount due in one to five years	200,000	—
	<u>\$ 1,366,035</u>	<u>477,038</u>

(4) Investments

The following tables present the Foundation's fair value hierarchy for investments measured at fair value as of June 30, 2018 and 2017:

	<u>2018</u>		
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>
Investments:			
Money market fund	\$ 111,886	111,886	—
Certificates of deposit	10,036,255	—	10,036,255
Total investments	<u>\$ 10,148,141</u>	<u>111,886</u>	<u>10,036,255</u>
	<u>2017</u>		
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>
Investments:			
Money market fund	\$ 93,521	93,521	—
Certificates of deposit	9,767,253	—	9,767,253
Total investments	<u>\$ 9,860,774</u>	<u>93,521</u>	<u>9,767,253</u>

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Notes to Consolidated Financial Statements
June 30, 2018 and 2017

Investment income consists of the following for the years ended June 30, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Interest and dividends	\$ 116,297	95,465
Realized gain on investments	2,628	122
Unrealized loss on investments	<u>(38,511)</u>	<u>(50,021)</u>
	<u>\$ 80,414</u>	<u>45,566</u>

The Foundation maintains cash and cash equivalents in major financial institutions. Investments that are described above include certificates of deposit (CDs) having original maturities greater than 90 days. The CDs are maintained at a number of financial institutions. As of June 30, 2018, there was no exposure of credit risk that exceeded the Federal Deposit Insurance Corporation insurance limits for both cash and cash equivalents and CDs.

(5) Property and Equipment

Property and equipment includes the following as of June 30, 2018 and 2017:

	<u>June 30</u>	
	<u>2018</u>	<u>2017</u>
Furnitures and office equipment	\$ 223,501	306,193
Computer equipment and software	439,561	360,742
Leasehold improvements	<u>122,226</u>	<u>121,101</u>
Property and equipment	785,288	788,036
Less accumulated depreciation and amortization	<u>(195,120)</u>	<u>(150,953)</u>
Property and equipment, net	<u>\$ 590,168</u>	<u>637,083</u>

(6) Research and Patient Aid Grants

Research grant expense is recorded when the grant is approved by the Foundation and the grantee is notified of the award. Research grants are generally awarded for a two to three-year period, with payments made quarterly.

The Foundation offers a financial assistance program for people currently undergoing treatment for lymphoma. Patient aid grants assist with quality of life expenses.

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Notes to Consolidated Financial Statements
June 30, 2018 and 2017

The following provides grant activity for fiscal years 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Grants payable, beginning of year	\$ 2,984,670	2,505,920
Grants awarded	1,251,239	1,920,900
Grant payments and cancellations	<u>(1,505,117)</u>	<u>(1,442,150)</u>
Grant payable, end of year	<u>\$ 2,730,792</u>	<u>2,984,670</u>

Grants payable are scheduled to be paid as follows as of June 30, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Amount payable in one year or less	\$ 1,480,792	1,444,670
Amount payable in more than one year	<u>1,250,000</u>	<u>1,540,000</u>
	<u>\$ 2,730,792</u>	<u>2,984,670</u>

In 2018, the Foundation authorized research grant awards of \$1,865,000 for which grant agreements were provided to recipients. Of this amount, approximately \$621,000 of the grant agreements were not executed by the prospective grantee or the grantee did not utilize all of the funds. Grant expense is reflected net of these adjustments. The grant awards not executed have been re-awarded in fiscal 2019 to other grantees.

(7) Pension Plan

The Foundation maintains a retirement plan pursuant to Internal Revenue Code Section 403(b) for its employees. Employees are eligible to participate immediately. Under the terms of the plan, employees are entitled to defer a portion of their annual compensation, within limitations established by the Internal Revenue Code. During 2006, the Foundation started a matching program whereby it contributes an amount equal to 5% of annual compensation for eligible employees provided that the employees contribute at least 3% to the plan. Retirement expense under the plan amounted to \$91,000 and \$97,000 for the years ended June 30, 2018 and 2017, respectively.

(8) Commitments

The Foundation has lease agreements for the rental of its New York and California offices. The Foundation's long-term lease, at 115 Broadway, New York, NY 10006 expired on July 31, 2017. The Foundation entered into a new ten-year lease agreement at 88 Pine Street, New York, NY 10005 effective March 17, 2017. Additionally, the lease on the California office expired October 31, 2017 and was not renewed.

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Minimum annual rentals and utilities related to these leases are approximately as follows for the years ended subsequent to June 30, 2018:

2019	\$	379,000
2020		379,000
2021		379,000
2022		379,000
2023		379,000
Thereafter		<u>2,106,000</u>
	\$	<u>4,001,000</u>

The Foundation leases its New York City office whereby the landlord has provided periods of free rent. The Foundation recorded a liability for this free rent that it amortizes on a straight-line basis over the life of the lease. Included in accounts payable and accrued expenses is deferred rent of \$164,458 and \$104,181 as of June 30, 2018 and 2017, respectively.

Rent and utilities expense for the years ended June 30, 2018 and 2017 amounted to approximately \$429,000 and \$544,000, respectively.

(9) Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following as of June 30, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Research program	\$ 2,059,754	1,645,689
Patient and professional programs	4,935,324	4,016,698
Patient aid	<u>68,233</u>	<u>2,447</u>
	\$ <u>7,063,310</u>	<u>5,664,834</u>

Net assets were released from restrictions during the years ended June 30, 2018 and 2017 by incurring expenses or the passage of time, thus satisfying the restricted purposes as follows:

	<u>2018</u>	<u>2017</u>
Research program	\$ 1,653,192	2,113,176
Patient and professional programs	1,792,606	1,524,311
Patient aid	<u>—</u>	<u>134,900</u>
	\$ <u>3,445,798</u>	<u>3,772,387</u>

LYMPHOMA RESEARCH FOUNDATION
Notes to Consolidated Financial Statements
June 30, 2018 and 2017

(10) Subsequent Events

In connection with the preparation of the consolidated financial statements, the Foundation evaluated subsequent events after the consolidated balance sheet date of June 30, 2018 through November 19, 2018, which was the date the consolidated financial statements were available to be issued, and determined that there were no additional matters that are required to be disclosed.