



LYMPHOMA RESEARCH FOUNDATION

Consolidated Financial Statements

June 30, 2019 and 2018

(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 Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Lymphoma Research Foundation, which comprise the consolidated balance sheets as of June 30, 2019 and 2018, 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 Consolidated 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, 2019 and 2018, 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.



Emphasis of Matter

As discussed in note 2(k) to the consolidated financial statements, for year ended June 30, 2019, Lymphoma Research Foundation adopted Accounting Standards Update No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion is not modified with respect to this matter.

KPMG LLP

November 22, 2019

LYMPHOMA RESEARCH FOUNDATION

Consolidated Balance Sheets

June 30, 2019 and 2018

Assets	2019	2018
Cash and cash equivalents	\$ 1,559,816	1,241,981
Contributions and grants receivable (note 3)	837,160	1,366,035
Prepaid expenses and other assets	270,859	291,853
Investments (note 4)	13,451,529	10,148,141
Property and equipment, net (note 6)	<u>334,307</u>	<u>590,168</u>
Total assets	<u>\$ 16,453,671</u>	<u>13,638,178</u>
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses (note 9)	\$ 450,531	342,315
Accrued salaries and vacation	157,284	190,262
Refundable advances	178,733	117,500
Research grants payable (note 7)	<u>2,997,464</u>	<u>2,730,792</u>
Total liabilities	<u>3,784,012</u>	<u>3,380,869</u>
Commitments (note 9)		
Net assets:		
Without donor restrictions	4,602,060	3,193,999
With donor restrictions (note 10)	<u>8,067,599</u>	<u>7,063,310</u>
Total net assets	<u>12,669,659</u>	<u>10,257,309</u>
Total liabilities and net assets	<u>\$ 16,453,671</u>	<u>13,638,178</u>

See accompanying notes to consolidated financial statements.

LYMPHOMA RESEARCH FOUNDATION

Consolidated Statements of Activities

Years ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Change in net assets without restrictions:		
Contributions and revenue:		
Contributions:		
Special events revenue and related contributions	\$ 3,758,427	2,892,247
Less costs of direct benefits to donors	(196,285)	(175,495)
Contributions and grants	<u>3,976,159</u>	<u>3,547,075</u>
Total contributions	<u>7,538,301</u>	<u>6,263,827</u>
Revenue:		
Investment income (note 4)	351,448	75,265
Other revenue	<u>24,439</u>	<u>32,235</u>
Total revenue	<u>375,887</u>	<u>107,500</u>
Total contributions and revenue before net assets released from restrictions	7,914,188	6,371,327
Net assets released from restrictions (note 10)	<u>4,098,835</u>	<u>3,446,518</u>
Total contributions and revenue	<u>12,013,023</u>	<u>9,817,845</u>
Expenses:		
Program services:		
Educational programs and patient services	2,796,810	2,943,183
Research	3,967,392	2,943,936
Communications and advocacy	<u>875,475</u>	<u>1,158,890</u>
Total program services	<u>7,639,677</u>	<u>7,046,009</u>
Supporting services:		
Administration	935,344	488,492
Fundraising	<u>2,029,941</u>	<u>2,190,474</u>
Total supporting services	<u>2,965,285</u>	<u>2,678,966</u>
Total expenses	<u>10,604,962</u>	<u>9,724,975</u>
Increase in net assets without donor restrictions	<u>1,408,061</u>	<u>92,870</u>
Change in net assets with donor restrictions:		
Contributions and grants	5,103,124	4,844,994
Net assets released from restrictions (note 10)	<u>(4,098,835)</u>	<u>(3,446,518)</u>
Increase in net assets with donor restrictions	<u>1,004,289</u>	<u>1,398,476</u>
Change in net assets	2,412,350	1,491,346
Net assets at beginning of year	<u>10,257,309</u>	<u>8,765,963</u>
Net assets at end of year	\$ <u><u>12,669,659</u></u>	\$ <u><u>10,257,309</u></u>

See accompanying notes to consolidated financial statements.

LYMPHOMA RESEARCH FOUNDATION
Consolidated Statement of Functional Expenses
Year ended June 30, 2019

	Program services				Supporting services			Total 2019
	Educational programs and patient services	Research	Communications and advocacy	Total program services	Administration	Fundraising	Total supporting services	
Grants (note 7)	\$ 46,500	1,765,625	—	1,812,125	—	—	—	1,812,125
Salaries	588,307	280,806	283,272	1,152,385	427,245	685,553	1,112,798	2,265,183
Payroll taxes and employee benefits	149,390	71,305	71,932	292,627	137,583	174,444	312,027	604,654
Conferences and events	1,075,473	242,469	20,714	1,338,656	15,953	155,049	171,002	1,509,658
Costs of direct benefits to donors	—	—	—	—	—	196,285	196,285	196,285
Dues and subscriptions	35,296	46,353	30,712	112,361	30,642	61,152	91,794	204,155
Insurance	5,969	2,849	2,874	11,692	4,335	6,956	11,291	22,983
Licenses and permits	314	150	151	615	4,014	5,148	9,162	9,777
Marketing and promotion	41,317	24,274	162,593	228,184	3,079	50,053	53,132	281,316
Processing fees and other	41,306	11,347	11,530	64,183	16,274	151,506	167,780	231,963
Office equipment	5,910	2,003	2,021	9,934	3,048	50,221	53,269	63,203
Office supplies	13,615	2,718	2,737	19,070	3,698	17,886	21,584	40,654
Postage and shipping	63,723	5,249	707	69,679	549	30,414	30,963	100,642
Printing and publications	93,887	22,855	5,399	122,141	1,096	68,556	69,652	191,793
Professional fees	165,212	1,201,847	147,700	1,514,759	148,190	271,213	419,403	1,934,162
Rent (note 9)	100,732	48,080	48,503	197,315	72,154	117,382	189,536	386,851
Repairs and maintenance	12,897	6,156	6,210	25,263	9,367	15,579	24,946	50,209
Telecommunications	102,778	4,547	4,587	111,912	6,919	11,101	18,020	129,932
Travel	185,795	196,116	40,904	422,815	1,532	78,035	79,567	502,382
Depreciation and amortization	68,389	32,643	32,929	133,961	49,666	79,693	129,359	263,320
Subtotal	<u>2,796,810</u>	<u>3,967,392</u>	<u>875,475</u>	<u>7,639,677</u>	<u>935,344</u>	<u>2,226,226</u>	<u>3,161,570</u>	<u>10,801,247</u>
Less direct donor benefit expenses	—	—	—	—	—	(196,285)	(196,285)	(196,285)
Total expenses	<u>\$ 2,796,810</u>	<u>3,967,392</u>	<u>875,475</u>	<u>7,639,677</u>	<u>935,344</u>	<u>2,029,941</u>	<u>2,965,285</u>	<u>10,604,962</u>

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 7)	\$ 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	30,316	117,865	148,181	206,304
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 9)	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	488,492	2,365,969	2,854,461	9,900,470
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	488,492	2,190,474	2,678,966	9,724,975

See accompanying notes to consolidated financial statements.

LYMPHOMA RESEARCH FOUNDATION

Consolidated Statements of Cash Flows

Years ended June 30, 2019 and 2018

	2019	2018
Cash flows from operating activities:		
Change in net assets	\$ 2,412,350	1,491,346
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	263,320	159,210
Realized loss (gain) on investments	1,379	(2,628)
Unrealized (gain) loss on investments	(124,905)	38,511
Changes in operating assets and liabilities:		
Contributions and grants receivable	528,875	(888,997)
Prepaid expenses and other assets	20,994	127,690
Accounts payable and accrued expenses	108,216	(235,130)
Accrued salaries and vacation	(32,978)	(21,415)
Refundable advances	61,233	(17,500)
Research grants payable	266,672	(253,878)
Net cash provided by operating activities	3,505,156	397,209
Cash flows from investing activities:		
Proceeds from investment sales	5,230,827	5,144,792
Purchases of investments	(8,410,689)	(5,468,042)
Purchase of equipment	(7,459)	(112,295)
Net cash used in investing activities	(3,187,321)	(435,545)
Net increase (decrease) in cash and cash equivalents	317,835	(38,336)
Cash and cash equivalents at beginning of year	1,241,981	1,280,317
Cash and cash equivalents at end of year	\$ 1,559,816	1,241,981

See accompanying notes to consolidated financial statements.

LYMPHOMA RESEARCH FOUNDATION

Notes to Consolidated Financial Statements

June 30, 2019 and 2018

(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, 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.

During fiscal year 2017, the Foundation established a subsidiary, LRF Research Inc., as part of a strategic relationship with the Clarus Cancer Fund, an investment fund of Clarus Ventures.

LYMPHOMA RESEARCH FOUNDATION
Notes to Consolidated Financial Statements
June 30, 2019 and 2018

(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:

Net assets without donor restrictions – Net assets that are not subject to donor-imposed restrictions

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

Revenue is reported as increases in net assets without donor restrictions 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 revenue 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.

LYMPHOMA RESEARCH FOUNDATION
Notes to Consolidated Financial Statements
June 30, 2019 and 2018

(d) Contributions

Contributions, including unconditional promises to give (pledges), are recognized initially at fair value as revenue upon receipt and are considered to be without restriction 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 reported in net assets with donor restrictions until the donor restrictions expire, that is, when a time restriction ends or purpose restriction is fulfilled. Upon the expiration of donor stipulations net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying consolidated statements of activities as net assets released from restrictions.

During the years ended June 30, 2019 and 2018, the Foundation received \$1,266,153 and \$1,105,757, respectively, in contributions in kind that are reported as contributions and expenses in the accompanying consolidated statements of activities and functional expenses. The 2019 and 2018 amounts include \$123,103 and \$375,257, respectively, recognized in revenue and expenses from Google grants. The 2019 and 2018 amounts also include \$1,143,050 and \$730,500, respectively, recognized in revenue 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.

LYMPHOMA RESEARCH FOUNDATION
Notes to Consolidated Financial Statements
June 30, 2019 and 2018

(i) Functional Expense Allocations

The costs of providing the various programs and other activities have been summarized on a functional basis. The consolidated statements of functional expenses present expenses by function and natural classification. Where practicable, expenses are directly classified to specific program or supporting service categories. Costs that are not specifically identifiable within functional categories are classified using an allocation methodology based on an estimate of time and effort.

(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 year ended June 30, 2019 or 2018.

(k) Recently Adopted Accounting Pronouncements

The Foundation adopted Accounting Standards Update (ASU) No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities* in 2019 with retrospective application to the 2018 financial statements. The main provisions of this guidance include requiring the presentation of only two classes of net assets (without donor restrictions and with donor restrictions), presenting investment return net of investment expense, and requiring disclosure of quantitative and qualitative information regarding liquidity and availability of resources. As a result, certain amounts presented in the 2018 financial statements have been reclassified to conform to the 2019 presentation.

(3) Contributions and Grants Receivable

Contributions and grants receivable are scheduled to be collected as follows at June 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Amount due in one year or less	\$ 737,160	1,166,035
Amount due in one to five years	100,000	200,000
	<u>\$ 837,160</u>	<u>1,366,035</u>

(4) Investments

The following tables present the Foundation's fair value hierarchy for investments measured at fair value as of June 30, 2019 and 2018:

	<u>2019</u>		
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>
Investments:			
Money market fund	\$ 325,967	325,967	—
Certificates of deposit	13,125,562	—	13,125,562
Total investments	<u>\$ 13,451,529</u>	<u>325,967</u>	<u>13,125,562</u>

LYMPHOMA RESEARCH FOUNDATION
Notes to Consolidated Financial Statements
June 30, 2019 and 2018

	2018		
	Total	Level 1	Level 2
Investments:			
Money market fund	\$ 111,886	111,886	—
Certificates of deposit	<u>10,036,255</u>	<u>—</u>	<u>10,036,255</u>
Total investments	<u>\$ 10,148,141</u>	<u>111,886</u>	<u>10,036,255</u>

Investment income consists of the following for the years ended June 30, 2019 and 2018:

	2019	2018
Interest and dividends	\$ 227,922	111,148
Realized and unrealized gain (loss) on investments	<u>123,526</u>	<u>(35,883)</u>
	<u>\$ 351,448</u>	<u>75,265</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, 2019, 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) Liquidity and Availability of Resources

The Foundation's financial assets available within one year of the consolidated balance sheet date for general expenditures, such as program expenses, grants, and other operating expenses, are as follows:

Net financial assets at June 30, 2019:	
Cash and cash equivalents	\$ 1,559,816
Contributions and grants receivable	837,160
Investments	<u>13,451,529</u>
Total financial assets, end of year	15,848,505
Less those unavailable for general expenditure within one year, due to:	
Contributions receivable due in greater than one year	<u>(100,000)</u>
Total financial assets available within one year	<u>\$ 15,748,505</u>

The Foundation's board of directors approves an annual operating budget and cash availability sufficient to meet projected cash needs. The Foundation maintains cash and highly liquid securities sufficient to meet anticipated cash needs for operations, capital commitments, and new investments over a 12-month rolling period.

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Notes to Consolidated Financial Statements
June 30, 2019 and 2018

(6) Property and Equipment

Property and equipment include the following as of June 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Furniture and office equipment	\$ 233,538	223,501
Computer equipment and software	435,574	439,561
Leasehold improvements	<u>112,190</u>	<u>122,226</u>
Property and equipment	781,302	785,288
Less accumulated depreciation and amortization	<u>(446,995)</u>	<u>(195,120)</u>
Property and equipment, net	<u>\$ 334,307</u>	<u>590,168</u>

(7) Research and Patient Aid Grants

Research grant expense is recorded when the grant is approved by the Foundation and the grantee is notified and has executed 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.

The following provides grant activity for fiscal years 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Grants payable, beginning of year	\$ 2,730,792	2,984,670
Grants awarded and cancellations	1,812,125	1,251,239
Grant payments	<u>(1,545,453)</u>	<u>(1,505,117)</u>
Grant payable, end of year	<u>\$ 2,997,464</u>	<u>2,730,792</u>

Grants payable are scheduled to be paid as follows as of June 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Amount payable in one year or less	\$ 1,546,464	1,480,792
Amount payable in more than one year	<u>1,451,000</u>	<u>1,250,000</u>
	<u>\$ 2,997,464</u>	<u>2,730,792</u>

LYMPHOMA RESEARCH FOUNDATION
Notes to Consolidated Financial Statements
June 30, 2019 and 2018

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. The grant awards not executed have been awarded in fiscal year 2019 to other grantees.

In 2019, the Foundation authorized research grant awards of \$1,925,000, which included the re-awarded 2018 amount, for which grant agreements were provided to recipients. Of this amount, approximately \$159,000 of the grant agreements were not executed by the prospective grantee or the grantee did not utilize all of the funds. The grant awards not executed have been awarded in fiscal year 2020 to other grantees.

(8) 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 approximately \$74,000 and \$91,000 for the years ended June 30, 2019 and 2018, respectively.

(9) Commitments

The Foundation entered into a 10-year lease agreement at 88 Pine Street, New York, NY 10005 effective March 17, 2017. Minimum annual rentals related to this lease are approximately as follows for the years ended subsequent to June 30, 2019:

2020	\$	379,000
2021		379,000
2022		379,000
2023		404,000
2024		409,000
Thereafter		1,293,000
	\$	3,243,000

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 \$146,598 and \$164,458 as of June 30, 2019 and 2018, respectively.

Rent and utilities expense for the years ended June 30, 2019 and 2018 amounted to approximately \$387,000 and \$429,000, respectively.

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(10) Net Assets with Donor Restrictions

Net assets with donor restrictions are available for the following as of June 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Research program	\$ 1,443,044	2,059,754
Patient and professional programs	6,520,467	4,935,323
Patient aid	<u>104,088</u>	<u>68,233</u>
	<u>\$ 8,067,599</u>	<u>7,063,310</u>

Net assets were released from restrictions during the years ended June 30, 2019 and 2018 by incurring expenses or the passage of time, thus satisfying the restricted purposes as follows:

	<u>2019</u>	<u>2018</u>
Research program	\$ 2,293,478	1,653,912
Patient and professional programs	1,758,857	1,792,606
Patient aid	<u>46,500</u>	<u>—</u>
	<u>\$ 4,098,835</u>	<u>3,446,518</u>

(11) 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, 2019 through November 22, 2019, 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.