

LUNG CANCER FOUNDATION OF AMERICA

FINANCIAL STATEMENTS

DECEMBER 31, 2010 AND 2009



WINDES & MCCLAUGHRY
ACCOUNTANCY CORPORATION
Certified Public Accountants & Consultants

EXCEEDING EXPECTATIONS SINCE 1926

LUNG CANCER FOUNDATION OF AMERICA

**FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009**

CONTENTS

Independent Auditors' Report.....	1
Statement of Financial Position.....	2
Statement of Activities and Changes in Net Assets	3
Statement of Cash Flows.....	4
Notes to the Financial Statements	5-6



INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Lung Cancer Foundation of America

We have audited the accompanying statement of financial position of Lung Cancer Foundation of America, a nonprofit organization, (the Foundation) as of December 31, 2010, and the related statements of activities and changes in net assets, and cash flows for the year then ended. These financial statements are the responsibility of the management of the Foundation. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of December 31, 2010, and the changes in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The 2009 financial statements were reviewed by us, and our report thereon, dated March 30, 2010, stated that we were not aware of any material modifications that should be made to those statements for them to be in conformity with accounting principles generally accepted in the United States of America. However, a review is substantially less in scope than an audit and does not provide a basis for the expression of an opinion on the financial statements as a whole.

Long Beach, California
March 30, 2011

LUNG CANCER FOUNDATION OF AMERICA

STATEMENT OF FINANCIAL POSITION

ASSETS

	December 31,	
	<u>2010</u>	<u>2009</u>
		(Reviewed)
ASSETS		
Cash	\$ 217,794	\$ 209,940
Certificates of deposit	30,000	30,000
Investments	<u>5,033</u>	<u> </u>
TOTAL ASSETS	<u><u>\$ 252,827</u></u>	<u><u>\$ 239,940</u></u>

LIABILITIES AND NET ASSETS

LIABILITIES		
Accounts payable		\$ <u>516</u>
NET ASSETS		
Unrestricted	\$ <u>252,827</u>	<u>239,424</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 252,827</u></u>	<u><u>\$ 239,940</u></u>

See Independent Auditors' Report
The accompanying notes are an integral part of these financial statements.

LUNG CANCER FOUNDATION OF AMERICA

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

	For the Year Ended December 31,	
	2010	2009 (Reviewed)
CHANGE IN UNRESTRICTED NET ASSETS		
REVENUE AND SUPPORT		
Contributions	\$ 165,936	\$ 143,252
Special events, net of direct expenses of \$13,293	37,118	
Dividend and interest income	902	736
Total Revenue and Support	203,956	143,988
EXPENSES		
Program grants	141,687	3,000
General and administrative	43,964	29,331
Fund-raising	4,902	6,735
Total Expenses	190,553	39,066
CHANGE IN UNRESTRICTED NET ASSETS	13,403	104,922
UNRESTRICTED NET ASSETS AT BEGINNING OF YEAR	239,424	134,502
UNRESTRICTED NET ASSETS AT END OF YEAR	\$ 252,827	\$ 239,424

See Independent Auditors' Report
The accompanying notes are an integral part of these financial statements.

LUNG CANCER FOUNDATION OF AMERICA

STATEMENT OF CASH FLOWS

	For the Year Ended	
	December 31,	
	<u>2010</u>	<u>2009</u>
		(Reviewed)
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in unrestricted net assets	\$ 13,403	\$ 104,922
Adjustments to reconcile change in unrestricted net assets to net cash provided by operating activities:		
Donation of equity securities	(5,033)	
Change in operating liabilities:		
Accounts payable	(516)	516
Net Cash Provided By Operating Activities	<u>7,854</u>	<u>105,438</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from short-term investments	30,000	50,000
Purchase of short-term investments	(30,000)	
Net Cash Provided By Investing Activities	<u>None</u>	<u>50,000</u>
NET CHANGE IN CASH	7,854	155,438
CASH AT BEGINNING OF YEAR	<u>209,940</u>	<u>54,502</u>
CASH AT END OF YEAR	<u>\$ 217,794</u>	<u>\$ 209,940</u>

See Independent Auditors' Report

The accompanying notes are an integral part of these financial statements.

LUNG CANCER FOUNDATION OF AMERICA

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2010 AND 2009

NOTE 1 – Nature of Business

Lung Cancer Foundation of America (the Foundation) was established in 2007 as a Minnesota nonprofit corporation. The purpose of the Foundation is to save lives by improving the survival rate of lung cancer by raising money from the private sector and channeling those funds to lung cancer researchers, so that researchers find effective ways to predict, detect, and treat lung cancer.

NOTE 2 – Summary of Significant Accounting Policies

Financial Statement Presentation

Under Accounting Standards Codification (ASC) 958-205, *Presentation of Financial Statements*, the Foundation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. As of December 31, 2010 and 2009, the Foundation had no temporarily or permanently restricted net assets.

Use of Estimates and Assumptions

Management uses estimates and assumptions in preparing financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were assumed in preparing the financial statements.

Cash

For the purpose of the statement of cash flows, the Foundation considers all highly liquid debt instruments purchased with original maturities of three months or less to be cash equivalents.

Certificates of Deposit

The Foundation holds certificates of deposit with original maturities of less than one year. These instruments are reported at cost, which approximates fair value due to their short-term nature.

LUNG CANCER FOUNDATION OF AMERICA

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009**

NOTE 2 – Summary of Significant Accounting Policies (Continued)

Investments

The Foundation received a contribution of equity securities during the year ended December 31, 2010. These securities are reported at their fair value based on quoted prices in active markets.

Revenue and Support

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Contributions are recognized as support in the period received or pledged.

Special event revenue, interest and dividend income are recognized in the period earned.

Noncash Contributions

A substantial number of volunteers make significant contributions of their time in the furtherance of the Foundation's purpose. The value of this contributed time is not reflected in the accompanying financial statements as they do not meet the recognition criteria for contributed services.

Income Taxes

The Foundation has received tax-exempt status from the Internal Revenue Service under Section 501(c)(3) of the Internal Revenue Code.

The Foundation recognizes the financial statement benefit of tax positions, such as its position of being tax exempt, only after determining that the relevant tax authority would more likely than not sustain the position following an audit. The Foundation is subject to potential income tax audits on open tax years by any taxing jurisdiction in which it operates. The statute of limitations for federal and state purposes is generally three and four years, respectively.

Subsequent Events

The Foundation has evaluated subsequent events and transactions for potential recognition or disclosure through March 30, 2011, the date the financial statements were available to be issued.