

**NATIONAL FOUNDATION FOR
CANCER RESEARCH, INC.
AND AFFILIATES
DECEMBER 31, 2010**

TABLE OF CONTENTS

	Page
Independent Auditors' Report	1
Financial Statements:	
Consolidated Statement of Financial Position	2
Consolidated Statement of Activities	3
Consolidated Statement of Functional Expenses	4
Consolidated Statement of Cash Flows	5
Notes to Consolidated Financial Statements	6 - 14



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INDEPENDENT AUDITORS' REPORT

Board of Directors
National Foundation for Cancer Research, Inc.
Bethesda, Maryland

We have audited the accompanying consolidated statement of financial position of the National Foundation for Cancer Research, Inc. and Affiliates (the Foundation) as of December 31, 2010, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended. These consolidated financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of the National Foundation for Cancer Research, Inc. and Affiliates as of December 31, 2010, and the changes in their net assets and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Squire, Lemkin + Company, LLP

April 15, 2011

NATIONAL FOUNDATION FOR CANCER RESEARCH, INC.

AND AFFILIATES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2010

ASSETS

Cash and cash equivalents	\$ 1,844,048
Accounts receivable	321,369
Prepaid expenses and other assets	208,943
Furniture and equipment, net of accumulated depreciation	63,334
Investments	7,763,963
Amounts held in trust by others	1,726,191
TOTAL ASSETS	<u>\$ 11,927,848</u>

LIABILITIES AND NET ASSETS

LIABILITIES:

Accounts payable and other liabilities	\$ 866,961
Research grants and contracts payable	1,587,052
Accrued compensation and benefits	108,722
TOTAL LIABILITIES	<u>\$ 2,562,735</u>

NET ASSETS:

Unrestricted:	
Designated for research	\$ 4,967,792
Undesignated	2,119,057
Total unrestricted	<u>\$ 7,086,849</u>
Temporarily restricted	786,295
Permanently restricted	1,491,969
TOTAL NET ASSETS	<u>\$ 9,365,113</u>

TOTAL LIABILITIES AND NET ASSETS	<u>\$ 11,927,848</u>
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The accompanying notes are an integral part of these financial statements.

NATIONAL FOUNDATION FOR CANCER RESEARCH, INC.

AND AFFILIATES

CONSOLIDATED STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2010

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUE AND SUPPORT:				
Public support	\$ 12,541,351	\$ 466,795	\$ -	\$ 13,008,146
Bequests	1,064,987	-	-	1,064,987
Noncash support	850,128	-	-	850,128
Mailing list rentals	482,701	-	-	482,701
Net investment income	733,949	8	-	733,957
Change in value of split-interest agreements	(21,338)	20,259	97,049	95,970
Other revenue	299,843	-	-	299,843
Net assets released from restrictions	1,021,169	(1,021,169)	-	-
TOTAL REVENUE AND SUPPORT	\$ 16,972,790	\$ (534,107)	\$ 97,049	\$ 16,535,732
EXPENSES:				
Program services:				
Research	\$ 5,480,173	\$ -	\$ -	\$ 5,480,173
Public education and information	5,667,792	-	-	5,667,792
Total program services	<u>\$ 11,147,965</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,147,965</u>
Supporting services:				
Fundraising	\$ 3,828,186	\$ -	\$ -	\$ 3,828,186
Management and general	806,073	-	-	806,073
Total supporting services	<u>\$ 4,634,259</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,634,259</u>
TOTAL EXPENSES	\$ 15,782,224	\$ -	\$ -	\$ 15,782,224
CHANGE IN NET ASSETS	\$ 1,190,566	\$ (534,107)	\$ 97,049	\$ 753,508
NET ASSETS, BEGINNING OF YEAR	<u>5,896,283</u>	<u>1,320,402</u>	<u>1,394,920</u>	<u>8,611,605</u>
NET ASSETS, END OF YEAR	<u><u>\$ 7,086,849</u></u>	<u><u>\$ 786,295</u></u>	<u><u>\$ 1,491,969</u></u>	<u><u>\$ 9,365,113</u></u>

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

**NATIONAL FOUNDATION FOR CANCER RESEARCH, INC.
AND AFFILIATES**

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2010

Description	Cancer Research	Genetic Diseases Research	Public Education and Information	Fundraising	Management and General	Total
Accounting and audit fees	\$ -	\$ -	\$ -	\$ -	\$ 41,145	\$ 41,145
Bank and payroll service fees	-	-	-	-	96,928	96,928
Creative fees	-	-	6,013	9,112	-	15,125
Data services	23,312	-	483,722	292,444	11,444	810,922
Depreciation and amortization	12,062	-	10,813	1,729	4,992	29,596
Dues, subscriptions, and professional development	13,823	-	-	-	12,556	26,379
Insurance - business	12,827	-	11,497	1,840	5,314	31,478
Investment fees	-	-	-	-	52,786	52,786
Legal fees and expenses	5,181	-	481	-	66,770	72,432
Licenses and permits	-	-	-	-	24,201	24,201
List processing fees	-	-	53,270	40,826	-	94,096
List rental	-	-	359,301	121,077	-	480,378
Lockbox and data entry	-	-	114,681	90,060	-	204,741
Major donor outreach	-	-	-	11,690	-	11,690
Mailshop fees	-	-	397,381	560,781	-	958,162
Miscellaneous	245	-	4,089	32,985	9,095	46,414
Occupancy	129,805	-	116,174	18,602	53,604	318,185
Office supplies and expense	12,557	5,791	10,788	1,689	12,831	43,656
Personnel	848,037	-	762,895	121,716	352,775	2,085,423
Postage	877	-	1,992,103	1,176,842	4,579	3,174,401
Planned giving outreach	-	-	-	2,782	5,291	8,073
Printing and publications	74	-	1,171,540	1,171,826	13,140	2,356,580
Production fees	-	-	79	109	-	188
Professional fees and expenses	7,813	-	138,738	168,030	2,968	317,549
Public education materials and web-site	-	-	23,505	2,228	252	25,985
Research - contracts and grants	3,454,749	-	-	-	-	3,454,749
Research - university support	850,128	-	-	-	-	850,128
Telephone services	10,478	-	9,438	1,504	4,365	25,785
Travel and business meetings	92,414	-	1,284	314	31,037	125,049
TOTALS	\$ 5,474,382	\$ 5,791	\$ 5,667,792	\$ 3,828,186	\$ 806,073	\$ 15,782,224

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

NATIONAL FOUNDATION FOR CANCER RESEARCH, INC.

AND AFFILIATES

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2010

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets	\$ 753,508
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Net (gain) on investments	(409,219)
Depreciation	29,596
Decrease in accounts receivable	70,574
Decrease in bequests receivable	16,333
Decrease in prepaid expenses and other assets	58,276
Increase in amounts held in trust by others	(117,308)
Increase in accounts payable and other liabilities	140,692
Increase in research grants and contracts payable	683,067
Increase in accrued compensation and benefits	8,847
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 1,234,366

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchase of investments	\$ (5,106,600)
Proceeds from sales or maturities of investments	4,924,347
Purchase of furniture and equipment	(16,319)
NET CASH USED IN INVESTING ACTIVITIES	\$ (198,572)

INCREASE IN CASH AND CASH EQUIVALENTS \$ 1,035,794

CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR 808,254

CASH AND CASH EQUIVALENTS, END OF YEAR \$ 1,844,048

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

NATIONAL FOUNDATION FOR CANCER RESEARCH, INC.

AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2010

Note 1. **Organization and Summary of Significant Accounting Policies**

The Organization - The National Foundation for Cancer Research, Inc. (NFCR) was incorporated in Massachusetts in 1973 to support basic science cancer research projects including the theories of Dr. Albert Szent-Gyorgyi, who discovered Vitamin C. The purposes of the NFCR are to conduct basic science cancer research and to provide educational information about cancer to the public.

The NFCR established five tax exempt entities: the Cancer Research Laboratories Foundation, Inc. (established in 1996), the Cancer Research Coalition (established in 1997), the Fund for Inherited Disease Research (FIDR), the Consortium for Clinical Diagnostics (CCDx) and the Asian Fund for Cancer Research Limited (AFCR). Both the Cancer Research Laboratories Foundation, Inc. and the Cancer Research Coalition were inactive for the year ended December 31, 2010. The Fund for Inherited Disease Research, Inc. (FIDR) was incorporated in October 2000 as a tax-exempt supporting organization to the Foundation.

FIDR conducts research focused on the correction of genetic mutations in chromosomal DNA. On or about March 31, 2007, in an effort to streamline research related to these types of cancer, FIDR transitioned their cancer related research operations to other organizations and are in the process of dissolving the organization.

AFCR, created in 2005, is based in Hong Kong and has received its tax exemption status as a legal charity. AFCR is committed to fighting cancer through research in prevention, earlier diagnostic techniques, more effective treatments and ultimately, achieving one of medicine's greatest goals; curing cancer.

CCDx is a partnership of scientists at research institutions and biopharmaceutical companies dedicated to facilitating genomic research and developing new diagnostic tools. CCDx provides a centralized infrastructure and expertise in genomics and molecular imaging as well as translational medicine.

FIDR, AFCR and CCDx activities have been consolidated with those of NFCR for the year ended December 31, 2010. All significant intercompany transactions and accounts have been eliminated. The consolidated financial statements of the National Foundation for Cancer Research and Affiliates (collectively, the Foundation) have been prepared on the accrual basis of accounting.

Basis of Presentation - The Foundation presents its financial statements in accordance with the disclosure and display requirements of the Financial Accounting Standards Board (FASB) Accounting Standards Codification topics *Accounting for Contributions Received and Contributions Made*, and *Financial Statements of Not-for-Profit Organizations*. Accordingly, the net assets of the Foundation are reported in each of the following three classes: (a) unrestricted, (b) temporarily restricted, and (c) permanently restricted net assets.

NATIONAL FOUNDATION FOR CANCER RESEARCH, INC.
AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2010

Note 1. **Organization and Summary of Significant Accounting Policies (Continued)**

Net assets of the two restricted classes are created only by donor-imposed restrictions on their use. All other net assets, including board designated or appropriated amounts, are legally unrestricted, and are reported as part of the unrestricted class.

Under these provisions, non-contingent contributions and the associated gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Foundation and/or passage of time. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently restricted net assets - Net assets subject to permanent donor imposed stipulations prohibiting expenditure of the assets pledged or donated. The income earned on invested balances of permanently restricted net assets is reported as part of unrestricted net assets unless the donor specifically limits the use of such income.

Cash and Cash Equivalents - For purposes of the statement of cash flows, the Foundation considers all highly liquid debt instruments purchased with a maturity of three months or less, and intended to be used for operations, to be cash equivalents. Accordingly, cash equivalents include amounts invested in an overnight sweep account. Money market funds held in the investment portfolio are classified as investments because they are held for investment purposes.

Accounts Receivable - Receivables are carried at original invoice amounts less an estimate made for doubtful receivables based on a review of all outstanding amounts on a monthly basis. Management determines the allowance for doubtful accounts by identifying troubled accounts and by using historical experience applied to an aging of accounts. Receivables are written off when deemed uncollectible. At December 31, 2010, the Foundation had no receivable balances greater than 90 days outstanding. Recoveries of receivables previously written off are recorded when received. Management believes the amount in accounts receivable is fully collectible.

NATIONAL FOUNDATION FOR CANCER RESEARCH, INC.
AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2010

Note 1. **Organization and Summary of Significant Accounting Policies** (Continued)

Bequests - The Foundation is the beneficiary under various wills and trust agreements. The Foundation records such amounts when notified that the amounts have cleared probate.

Prepaid Expenses - Prepaid expenses generally include insurance, rent, and unused postage purchased prior to December 31.

Furniture and Equipment - Furniture and equipment are recorded at cost less accumulated depreciation. Expenditures for software, furniture, and equipment are capitalized at cost using a capitalization threshold of \$500. Software, furniture and equipment are depreciated on the straight-line basis over the estimated useful lives of the assets of 3 - 10 years. Upon disposal of depreciable assets, the cost and related accumulated depreciation are eliminated from the accounts and the resulting gain or loss is credited or charged to income. Maintenance and repairs are expensed in the year incurred.

Leasehold improvements are capitalized at cost and amortized on the straight-line basis over the remaining life of the lease.

Investments - Investments, which are recorded at fair value, based on quoted market prices, consist of corporate stocks and bonds, government securities with maturities greater than 90 days and money market funds. Investment income or loss is included in the statement of activities as increases or decreases in unrestricted net assets unless the income or loss is restricted by donor or law.

The Foundation also holds investments in equity securities whose value is not readily determinable. These investments are recorded at cost and evaluated for impairment. If the impairment is considered other than temporary, these investments are reported at the lower of cost or estimated fair value.

The *Fair Value Measurements* topic of the FASB Accounting Standards Codification defines fair value and establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurement).

NATIONAL FOUNDATION FOR CANCER RESEARCH, INC.
AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2010

Note 1. **Organization and Summary of Significant Accounting Policies** (Continued)

The three levels of the fair value hierarchy under *Fair Value Measurements* topic are described below:

Basis of Fair Value Measurement

- | | |
|---------|---|
| Level 1 | Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities |
| Level 2 | Quoted prices in markets that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly |
| Level 3 | Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable |

Amounts Held in Trust by Others - Amounts held in trust by others include perpetual trusts and interest in charitable remainder trusts. The perpetual trusts are stated at fair value of the assets of the trust based on quoted market prices of the underlying assets of the trust. The Foundation's interest in charitable remainder trusts is stated at fair value based on quoted market prices of the underlying assets of the trust, representing the estimated amount to be received at the termination of the trusts.

Revenue Recognition - Revenue from mailing list rentals is recognized at the time these lists are mailed out by the entities that requested them. Mailing list rental income is recorded net of the fee charged by the mailing list broker.

Contributions - Public support is recorded as revenue when contributions, which include unconditional promises to give (pledges), are received. The Foundation has adopted a policy of recording donor-restricted contributions as unrestricted revenue when the restrictions are met in the same reporting period as the gift is received.

Research Contracts and Grants - The Foundation awards both research contracts and grants.

Research Contracts - The Foundation enters into agreements with universities and other institutions to conduct scientific research on their premises, in accordance with policies established by the governing board of the Foundation. Research contracts payable represents research expenses incurred during the year ended December 31, 2010 under these contracts, but not yet paid to the institutions by December 31, 2010. The Foundation records the expenses on these contracts as costs are incurred based on expenditure reports submitted by these institutions.

NATIONAL FOUNDATION FOR CANCER RESEARCH, INC.
AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2010

Note 1. **Organization and Summary of Significant Accounting Policies** (Continued)

Grants - The Foundation awards certain research grants to selected scientists to fund their research programs in accordance with policies established by the governing board of the Foundation. The Foundation records these as expenses once the grants are awarded. Grants payable represents such awards that have not yet been paid to the respective scientists by December 31, 2010.

Functional Allocation of Expenses - The costs of providing the Foundation's programs and services are summarized on a functional basis in the accompanying consolidated financial statements. Accordingly, certain costs have been allocated between the programs and services benefited (see Note 9).

Use of Estimates - The preparation 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 amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. The Foundation is also required to make estimates and assumptions that affect reported amounts of revenue and expenses during the reporting period. Actual results may differ from those estimates.

Income Taxes - NFCR has been recognized by the Internal Revenue Service (IRS) as exempt from federal income tax under Internal Revenue Code Section 501(c)(3), except on unrelated business income, if any. It qualifies as a public charity under Section 509(a). FIDR and CCDx have been recognized by the IRS as exempt from federal income tax under Section 501(c)(3), except for unrelated business income, if any. They are supporting organizations to the Foundation under Section 509(a)(3). The AFCR is exempt from Hong Kong Profits Tax under Section 88 of the Inland Revenue Ordinance.

Subsequent events - The Foundation evaluated subsequent events for potential required disclosure through April 15, 2011, which is the date financial statements were available to be issued.

Note 2. **Concentration of Credit Risk** - Financial instruments that potentially subject the Foundation to concentrations of credit risk include cash deposits with commercial banks. The Foundation's cash management policies limit its exposure to concentrations of credit risk by maintaining cash accounts at financial institutions whose deposits are insured by the Federal Deposit Insurance Corporation (FDIC). Cash deposits may, however, exceed the FDIC insurable limits at times throughout the year. Management does not consider this a significant concentration of credit risk.

NATIONAL FOUNDATION FOR CANCER RESEARCH, INC.

AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2010

Note 3. **Furniture and Equipment** - Furniture and equipment at December 31, 2010, consists of the following:

Computer equipment and software	\$ 134,688
Office furniture and equipment	188,862
Leasehold improvements	<u>19,786</u>
Total	\$ 343,336
Less, Accumulated depreciation and amortization	<u>(280,002)</u>
Total furniture and equipment	<u>\$ 63,334</u>

Note 4. **Investments** - The table below presents the balances of investments measured at fair value on a recurring basis by level within the hierarchy at December 31, 2010:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Money market	\$ 379,918	\$ 379,918	\$ --	\$ --
Corporate bonds	2,732,361	2,732,361	--	--
Government bonds	855,817	--	855,817	--
Common and preferred stocks	3,628,425	3,628,425	--	--
Equity securities with no readily determinable fair value, at cost	<u>167,442</u>	<u>--</u>	<u>--</u>	<u>167,442</u>
Totals	<u>\$7,763,963</u>	<u>\$6,740,704</u>	<u>\$ 855,817</u>	<u>\$ 167,442</u>

The activity of the Level 3 investments for the year ended December 31, 2010, is summarized as the following:

Balance at December 31, 2009	\$ 267,442
Redeemed during 2010	<u>(100,000)</u>
Balance at December 31, 2010	<u>\$ 167,442</u>

Net investment income for the year ended December 31, 2010, consists of the following:

Interest and dividend income	\$ 324,738
Realized gains	44,044
Unrealized gains	<u>365,175</u>
Total	<u>\$ 733,957</u>

NATIONAL FOUNDATION FOR CANCER RESEARCH, INC.

AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2010

Note 5. **Amounts Held in Trust by Others** - The Foundation is the beneficiary of several split-interest agreements, including irrevocable perpetual trusts and charitable remainder trusts, as described in Internal Revenue Code Section 664. The Foundation does not exercise control over the trusts' assets, which are held and administered by third-party trustees.

Under the perpetual trusts, the donors established and funded a trust whereby the Foundation is the beneficiary of the income on the trust assets as earned in perpetuity with no restrictions on use. Under the charitable remainder trusts, the donors established and funded a trust whereby the Foundation receives income distributions from the trust and will receive a percentage of trust assets at the termination of the trust.

Fair value of perpetual trusts at December 31, 2010, is \$1,471,969. The change in the beneficial interest in perpetual trusts for the year ended December 31, 2010 is \$97,049.

The Foundation's interest in charitable remainder trusts at December 31, 2010, is \$254,222.

Note 6. **Research Contracts** - At December 31, 2010, the board of directors has designated unrestricted net assets in order to fulfill contract commitments to universities and institutions for research amounting to \$4,967,792.

Note 7. **Net Assets** - Temporarily restricted net assets at December 31, 2010, are available for the following purposes or periods:

Net assets subject to time restrictions	
imposed by charitable remainder trusts	\$ 254,222
Net assets subject to research program restrictions	<u>532,073</u>
Total	<u>\$ 786,295</u>

Temporarily restricted net assets released from restriction for the year ended December 31, 2010, represent expenditures spent for specific types of cancer research.

Permanently restricted net assets consist of perpetual trusts for which the Foundation is named as a beneficiary. Investment income realized on the permanently restricted net assets balance of \$1,491,969 as of December 31, 2010, is unrestricted for use by the Foundation.

NATIONAL FOUNDATION FOR CANCER RESEARCH, INC.

AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2010

Note 8. **Retirement Plan** - The Foundation offers a 401(k) Savings Plan for the benefit of its employees. Eligible employees include all employees with at least 1,000 hours of service. The annual contribution to eligible plan participants, however, shall not be less than 12% of the participating employees' eligible salaries to the plan each year. The contribution is allocated to three classes of employees. In addition to annual contribution, the plan has been modified to allow for an additional discretionary employer contribution that will be annually determined by the Board. For the year ended December 31, 2010, retirement expense was approximately \$216,000.

Note 9. **Allocation of Joint Costs** - For the year ended December 31, 2010, the Foundation incurred joint costs of approximately \$7,711,670 for informational materials and activities that included fundraising appeals, which were allocated at follows:

Public education and information	\$ 4,427,550
Fundraising	3,283,870
Management and general	<u>250</u>
Totals	<u>\$ 7,711,670</u>

Note 10. **Lease Commitments** - The Foundation leases office space under a noncancelable operating lease. In accordance with the lease agreement, rent is scheduled to increase 3% each year for the remainder of the lease. Future minimum lease payments under the operating lease as of December 31, 2010, are as follows:

Year Ending <u>December 31,</u>	
2011	\$ 325,141
2012	346,727
2013	<u>58,500</u>
Total	<u>\$ 730,368</u>

Rent expense for the year ended December 31, 2010, is \$318,185.

Note 11. **Noncash Support** - Research contracts with universities and other institutions typically reimburse most out-of-pocket research costs; however, many institutions also agree to donate certain chemicals, materials, equipment, and contract rights for the use of databases, and supercomputer time. These donations, provided by the institutions, become a normal part of the research program and would ordinarily be costs incurred by the Foundation.

NATIONAL FOUNDATION FOR CANCER RESEARCH, INC.
AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2010

Note 11. **Noncash Support** (Continued)

Control over these donated goods is provided through on-location project directors, who are responsible to the Foundation for the research projects at the institutions.

The effect of these donations is to allow the Foundation to expand the research that would otherwise be performed under the contract. The institutions provide the Foundation with a measurable basis in order to quantify the estimated fair value of the donated property.

For the year ended December 31, 2010, noncash support consisted of the following:

Contract rights for use of supercomputer time	\$ 278,438
Chemicals, materials and equipment	396,140
Contract rights for the use of databases	<u>175,550</u>
Total	<u>\$ 850,128</u>