



LAZAREX CANER FOUNDATION

(A California Not-For-Profit Corporation)

FINANCIAL STATEMENTS

DECEMBER 31, 2009

LAZAREX CANCER FOUNDATION

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The Board of Directors
Lazarex Cancer Foundation

We have reviewed the accompanying statement of financial position of Lazarex Cancer Foundation (a California Nonprofit Corporation) as of December 31, 2009, and the related statements of activities, functional expenses, and cash flows in accordance with standards established by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of Lazarex Cancer Foundation.

A review consists principally of inquiries of Company personnel and analytical procedures applied to financial data. It is substantially less in scope than an examination in accordance with generally accepted auditing standards in the United States of America, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

Bailey & Utley CPAs
Certified Public Accountants

San Leandro, California
August 18, 2010

LAZAREX CANCER FOUNDATION

STATEMENT OF FINANCIAL POSITION - DECEMBER 31, 2009

ASSETS

CURRENT ASSETS:

Cash	\$ 27,690
Accounts receivable	11,108
Prepaid expenses	7,905
Property and equipment, at cost (Note 1), net of accumulated depreciation of \$1,362	<u>8,551</u>

TOTAL ASSETS \$ 55,254

LIABILITIES AND NET ASSETS

LIABILITIES:

Accounts payable	\$107,449
Credit card payable	34,325
Deferred revenue (Note 1)	<u>20,558</u>

TOTAL LIABILITIES \$162,332

NET ASSETS:

Unrestricted	(\$107,078)
Temporarily restricted	0
Permanently restricted	<u>0</u>

TOTAL NET ASSETS (\$ 107,078)

TOTAL LIABILITIES AND NET ASSETS \$ 55,254

LAZAREX CANCER FOUNDATION**STATEMENT OF ACTIVITIES****YEAR ENDED DECEMBER 31, 2009**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
PUBLIC SUPPORT AND REVENUE:			
Donations	\$ 432,078	\$ 0	\$ 432,078
Events donations	500,050	0	500,050
In Kind donated Services (Note 1)	318,473		318,473
Events	97,972	0	97,972
Interest income	1,397	0	1,397
Net assets released from restrictions	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL PUBLIC SUPPORT AND REVENUE	<u>\$1,349,970</u>	<u>0</u>	<u>\$1,349,970</u>
EXPENSES:			
Program services	\$1,629,426	\$ 0	\$1,629,426
Management and general	19,153	0	19,153
Fundraising	<u>18,220</u>	<u>0</u>	<u>18,220</u>
TOTAL EXPENSES	<u>\$1,666,799</u>	<u>\$ 0</u>	<u>\$1,666,799</u>
CHANGES IN NET ASSETS	(\$ 316,829)	0	(\$ 316,829)
NET ASSETS, January 1, 2009	<u>209,751</u>	<u>0</u>	<u>209,751</u>
NET ASSETS, December 31, 2009	<u>(\$ 107,078)</u>	<u>\$ 0</u>	<u>(\$ 107,078)</u>

See accompanying accountants' review report and notes to financial statements.

LAZAREX CANCER FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2009

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Expenses</u>
Events	\$ 494,806	\$ 0	\$ 0	\$ 494,806
In Kind donated services	318,473	0	0	318,473
Patients medical treatments	245,935	0	0	245,935
Patients lodging	219,881	0	0	219,881
Patient travel	128,156	642	0	128,798
Promotion	64,475	0	12,707	77,182
Salaries	67,502	0	0	67,502
Occupancy	24,845	2,761	3,039	30,645
Professional fees	21,832	2,426	0	24,258
Communications	4,671	8,166	731	13,568
Information technology	8,988	999	0	9,987
Supplies	7,970	886	57	8,913
Website	6,459	0	718	7,177
Payroll taxes	5,943	0	0	5,943
Insurance	959	2,277	0	3,236
Merchant fees	3,039	0	28	3,067
Printing	1,992	221	804	3,017
Depreciation	1,090	136	136	1,362
Payroll processing fees	1,004	0	0	1,004
Postage	243	544	0	787
Bank charges	416	90	0	506
Miscellaneous	<u>747</u>	<u>5</u>	<u>0</u>	<u>752</u>
TOTAL EXPENSES	<u>\$1,629,426</u>	<u>\$19,153</u>	<u>\$18,220</u>	<u>\$1,666,799</u>

See accompanying accountants' review report and notes to financial statements.

LAZAREX CANCER FOUNDATION**STATEMENT OF CASH FLOWS****YEAR ENDED DECEMBER 31, 2009**

CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets (Exhibit B)		(\$316,829)
Adjustments to reconcile change in net assets to cash used by operating activities:		
Depreciation	\$ 1,362	
(Increase) in:		
Accounts receivable	(\$ 11,108)	
Prepaid expenses	(7,905)	
Increase in:		
Accounts payable	107,449	
Credit card payable	31,582	
Deferred revenue	<u>20,558</u>	<u>141,938</u>
NET CASH USED BY OPERATING ACTIVITIES		(\$174,891)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of equipment	\$ 9,913	
NET CASH USED BY INVESTING ACTIVITIES		(\$ 9,913)
NET DECREASE IN CASH		(\$184,804)
CASH, January 31, 2009		<u>212,494</u>
CASH, December 31, 2009		<u>\$ 27,690</u>

See accompanying accounts' review report and notes to financial statements.

LAZAREX CANCER FOUNDATION**NOTES TO FINANCIAL STATEMENTS - DECEMBER 31, 2009**

Note 1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Nature of activities:

Lazarex Cancer Foundation (“the Organization”) is a nonprofit organization established to provide resources for cancer patients who have been told they have no other options, but who are not yet done with their journey in life and refuse to give up now. The organization builds a bridge to hope, dignity and life for cancer patients and their families. They provide financial assistance to defray the costs associated with patient participation in FDA clinical trials. Additionally, they help patients navigate their clinical trial options and provide community education and outreach services.

Donated services:

The services of volunteers are an indispensable part of the Organization’s program. A value for the services of specialized volunteers is included in the financial statements in agreement with guidelines established by the American Institute of Certified Public Accountants. Approximately 7,680 hours were donated by these volunteers during the year ended December 31, 2009. In addition, the Organization received donated hours for non-specialized services. Those services are of great value but are not included in the financial statement in accordance with guidelines established by the American Institute of Certified Public Accountants.

Functional expenses:

Expenses that apply to more than one functional category have been allocated between program, management and general and fund-raising based on the time spent on these functions by specific employees as estimated by management. The remaining costs are charged directly to the appropriate functional category.

Support, revenue and expenses:

The accompanying financial statements have been prepared in accordance with the standards set forth in Statements of Financial Accounting Standards (SFAS) No. 116, *Accounting for Contributions Received and Contributions Made*, and SFAS No. 117, *Financial Statements for Not-for-Profit Organizations* and the guidelines set forth in the industry audit and accounting guide “Not-For-Profit Organizations” issued by the American Institute of Certified Public Accountants. Contributions of cash and other assets are classified as one of the following three categories: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

Taxation:

The Organization has been granted tax-exempt status under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code. Accordingly, no provision for income taxes is included in the financial statements.

Property and equipment:

Property and equipment are stated at cost. Depreciation is computed on the straight-line method of accounting over useful lives of three to five years.

LAZAREX CANCER FOUNDATION

NOTES TO FINANCIAL STATEMENTS - DECEMBER 31, 2009

Note 1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosure. Accordingly, actual results could differ from those estimates

Deferred Revenue:

Deferred revenue is recognized as revenue in the period the revenue is earned.

Note 2. PROPERTY AND EQUIPMENT:

Property and equipment consist of the following at June 30:

	2009
Furnishings and equipment	\$ 9,913
Less accumulated depreciation	<u>(1,362)</u>
Total	<u>\$ 8,551</u>

Note 4. COMMITMENTS:

The organization is party to leases for office space that expires in April 30 2010, respectively. Future minimum operating lease payments are as follows:

Year Ended December 31:

2010	\$9,760
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