

LAZAREX CANER FOUNDATION

(A California Not-For-Profit Corporation)

FINANCIAL STATEMENTS

DECEMBER 31, 2010

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, 2010, and the related statements of activities, functional expenses, and cash flows for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for developing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

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 generally accepted in the United States of America.

Bailey + Utley CPA
Certified Public Accountants

San Leandro, California
September 30, 2011

LAZAREX CANCER FOUNDATION

STATEMENT OF FINANCIAL POSITION - DECEMBER 31, 2010

ASSETS

CURRENT ASSETS:

Cash	\$ 8,953
Donations receivable	71,593
Prepaid expenses	6,144
Property and equipment, at cost (Note 1), net of Accumulated depreciation of \$4,454	<u>5,459</u>

TOTAL ASSETS \$ 92,149

LIABILITIES AND NET ASSETS

LIABILITIES:

Accounts payable	\$63,385
Credit card payable	10,063
Deferred revenue (Note 1)	<u>5,048</u>

TOTAL LIABILITIES \$78,496

NET ASSETS:

Unrestricted	\$ 13,653
Temporarily restricted	0
Permanently restricted	<u>0</u>

TOTAL NET ASSETS \$ 13,653

TOTAL LIABILITIES AND NET ASSETS \$ 92,149

LAZAREX CANCER FOUNDATION**STATEMENT OF ACTIVITIES****YEAR ENDED DECEMBER 31, 2010**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
PUBLIC SUPPORT AND REVENUE:			
Donations	\$ 870,028	\$ 0	\$ 870,028
Events donations	251,456	0	251,456
In Kind donated Services (Note 1)	274,595	0	274,595
Events	76,131	0	76,131
Interest income	350	0	350
Net assets released from restrictions	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL PUBLIC SUPPORT AND REVENUE	<u>\$1,472,560</u>	<u>0</u>	<u>\$1,472,560</u>
EXPENSES:			
Program services	\$1,270,986	\$ 0	\$1,270,986
Management and general	54,431	0	54,431
Fundraising	<u>46,412</u>	<u>0</u>	<u>26,412</u>
TOTAL EXPENSES	<u>\$1,351,829</u>	<u>\$ 0</u>	<u>\$1,351,829</u>
CHANGES IN NET ASSETS	\$ 120,731	0	\$ 120,731
NET ASSETS, January 1, 2010	(<u>107,078</u>)	<u>0</u>	(<u>107,078</u>)
NET ASSETS, December 31, 2010	<u>\$ 13,653</u>	<u>\$ 0</u>	<u>\$ 13,653</u>

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

LAZAREX CANCER FOUNDATION**STATEMENT OF FUNCTIONAL EXPENSES****YEAR ENDED DECEMBER 31, 2010**

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Expenses</u>
In Kind donated services	\$274,595	\$ 0	\$ 0	\$274,595
Patients medical treatments	236,826	0	0	236,826
Patients lodging	205,042	0	0	205,042
Patient travel	182,725	0	0	182,725
Events	164,720	0	0	164,720
Salaries	100,000	0	0	100,000
Professional fees	29,129	25,797	12,428	67,354
Occupancy	20,130	1,542	6,028	27,700
Promotion	22,909	0	4,147	27,056
Communications	5,658	10,217	608	16,483
Payroll taxes	9,094	0	0	9,094
Website	5,677	0	2,277	7,954
Travel and meals	2,995	3,480	0	6,475
Supplies	0	5,505	82	5,587
Insurance	1,999	3,381	0	5,380
Depreciation	2,474	309	309	3,092
Employee benefits	2,593	0	0	2,593
Printing	0	1,546	250	1,796
Merchant fees	1,390	0	96	1,486
Postage	370	870	187	1,427
Payroll processing fees	922	0	0	922
Bank charges	863	8		871
Miscellaneous	875	1,776	0	2,651
TOTAL EXPENSES	<u>\$1,270,986</u>	<u>\$54,431</u>	<u>\$26,412</u>	<u>\$1,351,829</u>

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

LAZAREX CANCER FOUNDATION**STATEMENT OF CASH FLOWS****YEAR ENDED DECEMBER 31, 2010**

CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets (Exhibit B)		\$120,731
Adjustments to reconcile change in net assets to cash used by operating activities:		
Depreciation	\$ 3,092	
(Increase) in:		
Donations receivable	(\$60,485)	
Prepaid expenses	1,761	
Increase in:		
Accounts payable	(44,064)	
Credit card payable	(24,262)	
Deferred revenue	(15,510)	(139,468)
NET CASH USED BY OPERATING ACTIVITIES		(\$18,737)
NET DECREASE IN CASH		(\$18,737)
CASH, January 31, 2010		<u>27,690</u>
CASH, December 31, 2010		<u>\$ 8,953</u>

LAZAREX CANCER FOUNDATION

NOTES TO FINANCIAL STATEMENTS - DECEMBER 31, 2010

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, 2010. 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, 2010

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:

	2010
Furnishings and equipment	\$ 9,913
Less accumulated depreciation	(4,454)
Total	<u>\$ 5,459</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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