

LANCE ARMSTRONG FOUNDATION

**Financial Statements
and Supplemental Schedules
for the Years Ended
December 31, 2010 and 2009
and Independent Auditors' Report**



LANCE ARMSTRONG FOUNDATION

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Lance Armstrong Foundation:

We have audited the accompanying statements of financial position of Lance Armstrong Foundation (the "Foundation") as of December 31, 2010 and 2009, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 examining, on a test basis, evidence supporting the amounts and disclosures in the 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 audits provide 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 2009, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 11, 2011 on our consideration of the Foundation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Affiliated Companies

ML&R PERSONNEL SOLUTIONS LLC

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Our audit was conducted for the purpose of forming an opinion on the basic financial statements of the Foundation taken as a whole. The accompanying supplemental schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Maxwell Socha + Pitter LLP

June 11, 2011

LANCE ARMSTRONG FOUNDATION

STATEMENTS OF FINANCIAL POSITION DECEMBER 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
ASSETS		
Cash and cash equivalents	\$ 25,288,810	\$ 12,931,284
Investment securities	41,644,903	37,258,524
Promises to give, net	6,465,692	6,973,035
Promises to give, net - endowment	1,716,003	2,192,837
Accounts receivable	3,534,629	5,752,295
Grants receivable	8,199	108
Prepaid expenses and other assets	607,497	624,655
Intangibles	564,390	564,390
Inventory	3,383,000	1,838,141
Other investments	1,395,570	1,127,288
Property and equipment, net	11,709,401	10,297,572
TOTAL ASSETS	<u><u>\$ 96,318,094</u></u>	<u><u>\$ 79,560,129</u></u>
LIABILITIES AND NET ASSETS		
LIABILITIES:		
Accounts payable and accrued expenses	\$ 2,842,779	\$ 2,310,839
Grants payable, net	2,040,951	3,057,033
Deferred revenue	828,803	946,629
Total liabilities	<u>5,712,533</u>	<u>6,314,501</u>
NET ASSETS:		
Unrestricted:		
Undesignated	64,073,490	48,997,123
Designated	11,157,406	11,157,406
Total unrestricted	75,230,896	60,154,529
Temporarily restricted	6,984,017	6,504,836
Permanently restricted	8,390,648	6,586,263
Total net assets	<u>90,605,561</u>	<u>73,245,628</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 96,318,094</u></u>	<u><u>\$ 79,560,129</u></u>

See notes to financial statements.

LANCE ARMSTRONG FOUNDATION

STATEMENTS OF ACTIVITIES YEARS ENDED DECEMBER 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
UNRESTRICTED NET ASSETS:		
Revenues:		
Contributions	\$ 14,625,499	\$ 10,571,404
Grant revenue	844,856	1,145,673
Program merchandise and services	7,572,548	7,349,273
Program merchandise and services - promotional cost	(2,797,968)	(2,569,054)
Special event revenues	11,484,627	11,779,798
Cost of direct benefits to donors	(1,400,738)	(1,043,924)
Investment income	3,978,161	7,381,692
Royalties and licensing fees	12,911,447	15,199,289
Other expense	(178,063)	(202,883)
Total net revenues	<u>47,040,369</u>	<u>49,611,268</u>
Net assets released from restrictions	<u>2,897,988</u>	<u>3,900,136</u>
Total net revenues and net assets released from restrictions	49,938,357	53,511,404
Expenses:		
Program services	29,022,836	28,833,066
Fundraising	3,860,392	4,504,577
Management and general	1,978,762	1,946,572
Total expenses	<u>34,861,990</u>	<u>35,284,215</u>
Change in unrestricted net assets	<u>15,076,367</u>	<u>18,227,189</u>
TEMPORARILY RESTRICTED NET ASSETS:		
Contributions	3,377,169	4,901,763
Net assets released from restrictions	<u>(2,897,988)</u>	<u>(3,900,136)</u>
Change in temporarily restricted net assets	<u>479,181</u>	<u>1,001,627</u>
PERMANENTLY RESTRICTED NET ASSETS:		
Contributions	1,193,867	1,008,988
Investment income, net	<u>610,518</u>	<u>-</u>
Change in permanently restricted net assets	<u>1,804,385</u>	<u>1,008,988</u>
CHANGE IN NET ASSETS	17,359,933	20,237,804
NET ASSETS, beginning of year	<u>73,245,628</u>	<u>53,007,824</u>
NET ASSETS, end of year	<u><u>\$ 90,605,561</u></u>	<u><u>\$ 73,245,628</u></u>

See notes to financial statements.

LANCE ARMSTRONG FOUNDATION

STATEMENTS OF CASH FLOWS YEARS ENDED DECEMBER 31, 2010 AND 2009

	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 17,359,933	\$ 20,237,804
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	569,755	450,118
Unrealized and realized gain on securities, net	(2,860,297)	(5,954,166)
Contributions restricted for long-term investment	(1,193,867)	(1,008,988)
Investment income restricted for long-term investment	(610,518)	-
Change in assets and liabilities that provided (used) cash:		
Promises to give	984,177	720,178
Accounts receivable	2,217,666	(1,366,239)
Grants receivable	(8,091)	142,202
Prepaid expenses and other assets	17,158	(276,066)
Inventory	(1,544,859)	550,451
Accounts payable and accrued expenses	407,503	199,919
Grants payable	(1,016,082)	(3,776,066)
Deferred revenue	(117,826)	332,065
Net cash provided by operating activities	<u>14,204,652</u>	<u>10,251,212</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(1,857,148)	(3,357,861)
Proceeds from sale of securities	76,680	69,856
Purchase of securities and other investments	(1,871,043)	(1,556,543)
Net cash used in investing activities	<u>(3,651,511)</u>	<u>(4,844,548)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net payments on line of credit	-	(2,665,028)
Contributions restricted for long-term investment	1,193,867	1,008,988
Investment income, net	610,518	-
Net cash provided by (used in) financing activities	<u>1,804,385</u>	<u>(1,656,040)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	12,357,526	3,750,624
CASH AND CASH EQUIVALENTS, beginning of year	<u>12,931,284</u>	<u>9,180,660</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 25,288,810</u>	<u>\$ 12,931,284</u>
SUPPLEMENTAL CASH DISCLOSURES:		
Cash paid for interest	<u>\$ -</u>	<u>\$ 38,933</u>
Supplemental schedule of noncash investing activities-		
Acquisition of property and equipment with accounts payable	<u>\$ 124,437</u>	<u>\$ -</u>

See notes to financial statements.

LANCE ARMSTRONG FOUNDATION

NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2010 and 2009

1. ORGANIZATION

The Lance Armstrong Foundation (“the Foundation”) was incorporated on January 9, 1997 as a non-profit organization. The Foundation is dedicated to enhancing the quality of life for those living with, through and beyond cancer by supporting scientific research, educational community programs and in public awareness efforts. The Lance Armstrong Foundation Endowment was incorporated on September 3, 2003 as a supporting organization for the purpose of holding and building the endowment fund and to establish and build other endowed funds to help ensure adequate funding for mission-related survivorship, community advocacy, and research and education programs of the Foundation. Lance Armstrong Foundation Events and Lance Armstrong Foundation Merchandise were organized for the purpose of facilitating special event coordination and merchandise sales activities. Effective May 31, 2010, the supporting entities were merged into the Foundation.

Program Services:

Mission

The Foundation continues to provide an expanded menu of mission-related programs. These include grants for cancer survivorship research; grants to community programs; delivery of cancer survivorship education, information, and referral and support services; and grants to survivorship centers at academic medical institutions. The Foundation is committed to ensuring that each and every individual affected by cancer has the opportunity to achieve the highest quality of life possible. To that end, the Foundation works tirelessly to ensure that the issues affecting cancer survivorship are addressed by organizations and entities around the nation so that the needs of the approximately 12 million cancer survivors in the United States are met. The Mission Department funds a wide range of initiatives across the country in partnership with leading academic, community and advocacy organizations to ensure it is fulfilling its mission.

Grants and Partnerships

Research Program - The opportunity to support research that is patient-centered remains a high priority of the Foundation. While the Foundation did not formally release an original Request for Proposal and fund new research grants in 2010, it continued to monitor and fund 45 active grants from past grant cycles that address key recommendations from the *National Action Plan on Cancer Survivorship* and the reports of the Adolescent and Young Adult Oncology Progress Review Group.

The Foundation's research program is unique in its position to hear and respond to the voices of people affected by cancer from several levels, whether from constituents who follow the Foundation online, to individuals who join the Foundation at public events, or from those who simply call the Foundation, looking for help and support. In 2010, the Foundation made progress with research on several fronts. The Foundation created and promoted, in partnership with Parade magazine, the results of the first LIVESTRONG™ Survey and launched an updated version of the LIVESTRONG™ Survey to understand the experiences of all people affected by cancer - those newly diagnosed, in treatment, post-treatment, and their families and loved ones. When the survey closes in the spring of 2011, the results will be used to directly inform the services the Foundation provides through the navigation services. Additionally, the Foundation will use the survey results to advocate for continued health policy changes to support people affected by cancer across their entire cancer journey. In addition, in 2010, the Foundation surveyed more than 8,000 people affected by cancer about their preferences regarding electronic health information exchange and will release a report on the findings in 2011.

LIVESTRONG™ Survivorship Center of Excellence Network - The Foundation has supported the work of survivorship centers since 2000. These centers historically worked autonomously and served both pediatric and adult survivors. In 2005, the Foundation launched a new initiative to create and maintain a network of survivorship centers to foster collaboration among centers and further the impact on cancer survivorship. Only pre-selected NCI-designated Comprehensive Cancer Centers are invited to apply for funding and each must collaborate with community-based hospitals.

Network members:

- Abramson Cancer Center, University of Pennsylvania - Philadelphia, PA
- Dana-Farber Cancer Institute - Boston, MA
- Fred Hutchinson Cancer Research Center - Seattle, WA
- Memorial Sloan-Kettering - New York City, NY
- Ohio State University Cancer Institute James Cancer Hospital and Solove Research Institute - Columbus, OH
- UCLA's Jonsson Comprehensive Cancer Center - Los Angeles, CA
- University of Colorado Cancer Center - Denver, CO
- University of North Carolina Lineberger Comprehensive Cancer Center - Chapel Hill, NC

Non-network centers receiving funding in 2010:

- Dell Children's Medical Center of Central Texas - Austin, TX

Community Program - The Foundation funds initiatives that address cancer survivorship issues through the Community Program. The relationship between the Foundation and an organization funded through the Community Program begins with a grant of financial support through a competitive grant cycle, but goes on to encompass much more through technical and capacity-building support. During 2010, the Community Program continued funding of over a dozen multiyear grants, began funding of 80 one-year replication awards through the Community Impact Project, and supported 32 cancer focused conferences.

The Foundation's Community Impact Project offered the opportunity to replicate evidence based programs in communities across the United States. The Foundation selected three programs for replication for the first year, which were:

- Cancer Transitions - A six-week post treatment course that helps adapt survivors to life after cancer (currently replicating in 33 cities).
- The Creative Center, Artist in Residence Program - Provides artists to hospitals and cancer centers for infusion suites, bedside art programs, and BMT units. The program is shown to lessen depression, loneliness, and anxiety (currently replicating in 22 cities).
- SuperSibs! - A pediatric-centered program offering support to the siblings of pediatric oncology patients (currently replicating in 25 cities).

These 3 programs, through The Foundation's support, will offer psychosocial centered support to an estimated 31,000 people. Sites for replication were chosen based on an online voting process, the first of its kind at the Foundation, where constituents were able to vote for nearly 200 programs vying for the awards (over 334,000 votes were cast over a two week period). In addition to funding programs and offering grants, the Community Program also manages certain aspects of engagement within the organization and external organizations. In 2010, the Community Program engaged over 500 hospitals and cancer centers with our mission and resources, along with nearly 300 cancer focused community based organizations.

LIVESTRONG™ at the YMCA - The Foundation and the YMCA have partnered to create LIVESTRONG™ at the YMCA, an evidence-based physical activity and wellness program for people affected by cancer. The program is currently available in 40 cities and over 100 branches nationwide. Since initiation of the program, over 3,600 individuals have been served.

In addition to further dissemination of the LIVESTRONG™ at the YMCA program, the Foundation is committed to spread the program to 40 additional cities in 2011 and to develop additional program opportunities for YMCA sites. These programs include development of a childcare program, implementation of LIVESTRONG™ at School within YMCA after school and summer programs and exploration into culturally-competent strategies for a Hispanic/Latino version of LIVESTRONG™ at School.

Hispanic/Latino Outreach and Education - In 2010, the Foundation continued to provide culturally and linguistically appropriate information to Hispanic/Latinos affected by cancer. To do this, the Foundation convened a Hispanic/Latino expert panel to develop a 3 year strategic plan for serving Hispanic/Latinos affected by cancer. In addition, the Foundation continued to develop new online resources including new videos and a cancer dictionary application for iPhone users. In 2010, the Foundation served over 480 Spanish-speakers through LIVESTRONG™ Navigation Services and disseminated over 26,600 Spanish-language resources.

The Foundation continued to expand the network of LIVESTRONG™ certified Promotores through partnerships with local and national community-based organizations. In 2010, the Foundation trained over 350 Promotores nationally with over 100% reporting an increased confidence in their ability to serve cancer survivors in their community.

LIVESTRONG™ at School - Offers a curriculum of online lessons for grades K–12 to help school professionals talk with students about cancer in a way that is age-appropriate, inspiring and empowering. The Foundation has engaged approximately 1.5 million students in the fight against cancer and has reached approximately 80,000 teachers through the partnership with Scholastic, Inc. In 2010, the Foundation developed LIVESTRONG™ Day collateral to engage with schools around a global day of action and developed new high schools lessons, including DVD of young adult survivors sharing their stories, encouraging students and schools to get involved in the fight against cancer. The Foundation’s work to support educators and students in the fight against cancer has been published in *Cure*, LIVESTRONG™ Quarterly and the *Journal of Cancer Education*.

LIVESTRONG™ Young Adult Alliance - Each year, nearly 70,000 young adults between the ages of 15 and 39 are diagnosed with cancer. In contrast to those younger and older, survival rates for young adults have not increased since 1975, possibly due to factors such as lack of insurance, less participation in clinical trials and delayed diagnoses.

In addition, young survivors often are caught between the worlds of pediatric and adult oncology. They may face a variety of unique long-term effects that will need to be addressed over their lifetimes, such as re-entry into school or the workforce, insurance coverage issues, infertility as a result of treatment, neurocognitive effects or secondary malignancies.

The LIVESTRONG™ Young Adult Alliance (the “Alliance”) is a coalition of over 160 organizations (medical institutions, non-profit organizations and government agencies) with the goal to improve the survival rates and quality of life for young adults with cancer between the ages of 15 and 40. In 2010, the Standards of Care Task Force published two papers in the *Journal of Clinical Oncology*:

- *Adolescent and Young Adult Oncology Training for Health Professionals: A Position Statement*
- *Quality Cancer Care for Adolescents and Young Adults: A Position Statement*

An awareness campaign, BREAK CANCER, was launched in November 2010 to raise awareness about young adults and cancer by creating and breaking world records. By the end of 2010, dozens of records had been set and the Foundation expects the campaign to gain more momentum in the coming year.

Through the Research Task Force, a cohort study was funded in 3 institutions to learn more about the effects of cancer and its treatment on the adolescent and young adult population. With the information gained from this study, it is hoped that interventions can be designed and used to improve the quality of life during and after treatment, and the survival of adolescents and young adults with cancer.

The Research Task Force also looked at the current availability of clinical trials for young adults compared to the incidence rates of cancer diagnosis in that population to identify the gap between available trials and diagnosis.

Professional Education

Continuing Nursing Education - In collaboration with the Nurse Oncology Education Program (NOEP) and Nurse.com, the Foundation is creating free, video continuing nursing education (CNE) opportunity for nurses in all fields of practice. The Adolescent and Young Adult Cancer CNE focuses on the unique physical, emotional and practical needs of the 15 to 39 age group and will help address the special problems faced by this patient group that has historically been overlooked. The CNEs are divided into topics, or “modules,” which include delayed diagnosis, access to care, knowledge gap, emotional needs, and practical needs.

Continuing Medical Education - The American Society of Clinical Oncology Foundation (ASCO) and the Foundation have collaborated to launch *Focus Under Forty*, an education curriculum for physicians designed to build awareness of and provide training to address the challenges of treating adolescent and young adult patients with cancer. *Focus Under Forty* is designed to help physicians better understand the unique challenges regarding support, diagnosis, treatment and fertility of cancer patients ages 15 to 39. In many cases, this group of patients is challenged with inadequate or no health coverage. There can also be a delay in diagnosis or referrals if cancer is overlooked as a possibility due to the age of the patient. This age range of people living with cancer may also have physical and psychosocial concerns, including knowledge about fertility preservation options and relationship challenges.

Direct Services

LIVESTRONG™ Cancer Navigation Services - LIVESTRONG™ Cancer Navigation Services are for anyone affected by cancer. At any point in a survivor’s or caregiver’s cancer experience, the Foundation provides free professional support with:

- Emotional concerns and accessing local resources.
- Financial, insurance and job concerns.
- Clinical trials and new treatments in development.
- Fertility preservation information and assistance.
- Learning more about cancer and treatment options.
- Connections to peer support.

In December 2010, the Foundation opened the LIVESTRONG™ Cancer Navigation Center (the “Center”), adding in-person cancer support services to the Foundation’s existing direct service framework on the phone and online. Research was conducted and community forums were held in the summer of 2010 to inform the services that the Center will provide to meet the needs of the Austin community and five surrounding counties.

In addition to direct support with cancer needs, LIVESTRONG™ Cancer Navigation Services provide educational resources that help survivors learn more about this disease. It helps survivors understand their diagnosis and treatment options. In addition, the Foundation provides information, tools and training opportunities to help healthcare providers effectively care for cancer patients.

Throughout 2010, the Foundation touched over 608,000 lives of individuals affected by cancer through the LIVESTRONG Cancer Navigation Services, as well as all print and online education materials. A few highlights of 2010 include:

- The Foundation saved clients approximately \$2.4 million through negotiation of discounts, maximization of available medication programs and overturned denials from insurance companies.
- The Foundation connected more than 11,000 individuals to over 38,000 services.
- The Foundation distributed more than 195,000 Living After Cancer Treatment brochures and LIVESTRONG™ Guidebooks.

Advocacy, Government Relations and Health Policy

LIVESTRONG™ Day - Each year, the Foundation invites supporters to participate in LIVESTRONG™ Day, a one-day initiative to unite people affected by cancer. The goal is to raise awareness and funds for the cancer fight and to show support for people affected by cancer with their local community events.

In 2010, more than 1,000 LIVESTRONG™ Day events were held by supporters across the globe. Close to 10,000 individuals committed to wear yellow with Mr. Lance Armstrong on LIVESTRONG™ Day, encouraged friends, family, neighbors and coworkers to do the same, as well as participated in the following activities:

- Wrote letters to the editors of local newspapers about the issues cancer survivors face and the need to make cancer a national and global priority.
- Told their stories to colleagues, community organizations and groups of friends and family.
- Held candlelight vigils in honor of cancer survivors in their local communities.
- Had a local priest, minister or rabbi hold a survivorship spiritual ceremony at a local place of worship.
- Hosted a LIVESTRONG™ Day event at their school and educated students about cancer awareness through the LIVESTRONG™ at School program.
- Raised funds for LIVESTRONG™.
- Raised awareness about the Foundation's navigation services.

LIVESTRONG™ Day events are unique to the location; the day is about doing something to make a difference in the fight against cancer in a way that is meaningful and comfortable to each community.

Advocacy Coalitions - The Foundation participates as a member of 2 cancer advocacy coalitions: the One Voice Against Cancer ("OVAC") coalition and the Cancer Leadership Council ("CLC") in Washington, D.C. The President's Cancer Panel, of which Mr. Lance Armstrong is a member, released their yearly report focusing on translational research.

Policy and Government Relations - The primary focus of 2010 was to ensure the federal health care reform legislation incorporated items that were meaningful for those affected by cancer. The Foundation worked with members of Congress and the White House for inclusion of provisions that would alter health insurance in the following ways:

- Remove pre-existing conditions as a discriminatory practice.
- Remove caps on lifetime limits for coverage.
- Ensure routine care for those enrolled in clinical trials was covered.
- Made it possible for young adults to stay on their parent's insurance until age 26.

International Program - In 2010, the Foundation entered a new phase of international work, launching two innovative pilot projects in South Africa. These projects continue to focus on key goals of our Global Cancer Campaign of empowering cancer survivors and ending the stigma associated with cancer.

Anti-Stigma Initiative - Venturing into the vast, untouched issue of cancer stigma, the Foundation launched an Anti-Stigma Initiative nationally in South Africa, with implementing partner, John Snow, Inc. Through a mass media campaign which shares the stories of South African cancer survivors, and a focused educational outreach effort in targeted communities, the initiative is beginning to successfully change myths and misperceptions around cancer and encourage a dialogue about the disease, breaking a silence that has isolated those suffering from cancer and shrouded communities in fear. Since the project began only nine months ago, the Foundation has:

- Reached over 1.4 million people with documentary survivor stories through airing them in 471 clinics nationwide; and reached over 2 million people per week over nine weeks to date, with the survivor story public service announcements on the radio.
- Launched an SMS campaign to 30,000 cell phone users with a 10% response.
- Trained over 150 community leaders.
- Launched a door-to-door educational campaign reaching over 11,000 people with information on cancer and stigma, in only two months.
- Held 4 large special events in 3 different communities countrywide with an overall attendance of about 4,000 people.

Survivor Empowerment Initiative - In an effort to enact change at the policy level in South Africa, the Foundation, in collaboration with American Cancer Society, launched the Survivor Empowerment Initiative, which empowers cancer survivors to become cancer control advocates and prepares cancer organizations to plan and host a Survivor Forum. In May of 2011, after one year of training and planning with leadership of local NGOs, the South African Survivor Forum will occur in Cape Town. Bringing together survivors, media, NGOs, advocates, and representatives from the health sector and government, the Forum will give a voice to cancer survivors and the issues they face, and if successful, will not only launch a national call to action on cancer in South Africa, but will jumpstart a survivor advocacy movement in the country, potentially impacting cancer control policy at a national level, improving quality of life for people affected by cancer in communities around the country. In 2011, the Foundation is bringing both of these projects to Mexico, to not only test each pilot in a significantly different cultural context, but to begin to shape each into a global model which can be adapted and replicated across the world to transform the way communities, organizations, and governments fight cancer.

2. SUMMARY OF SIGNIFICANT ACCCOUNTING POLICIES

Basis of Presentation - The accompanying financial statements are presented in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) as defined by the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”).

Contributions - Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. The Foundation reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets or if they are designated as support for future periods. When a donor restriction expires, assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support. Permanently restricted net assets are maintained by the Foundation in perpetuity.

The Foundation reports gifts of goods and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Foundation reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Shipping and Handling - The Foundation imparts a shipping and handling charge on merchandise sold on its website. The rate is progressive with respect to the dollar value of an order. At month end, the amount received for shipping and handling is netted against the amount paid for shipping and handling and any difference is recorded as promotional cost.

Donated Services - A substantial number of volunteers have donated approximately 239,041 and 260,000 hours to the Foundation’s program services and fundraising campaigns during the years ended December 31, 2010 and 2009, respectively. These donated services are not reflected in the financial statements since the services do not require specialized skills.

Use of Estimates - The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents - The Foundation considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Inventory - Inventory consists of program merchandise which includes finished goods and work-in-progress and is stated at lower of cost or market on a first-in, first-out basis.

Concentrations - Financial instruments that potentially subject the Foundation to credit risk consist of cash and cash equivalents, investments and receivables. The Foundation places its cash and cash equivalents with a limited number of high quality financial institutions and may exceed the amount of insurance provided on such deposits. Management believes no significant risk exists with respect to cash and cash equivalents. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the near-term could materially affect the amounts reported in the statement of financial position. Management does not believe a significant concentration of risk exists.

Receivables consist of accounts receivable, grants receivable and promises to give. At December 31, 2010 and 2009, balances due from one donor represented 28% and 27%, respectively, of the total receivables balance. The Foundation performs ongoing credit evaluations of its customers' financial condition. Historically, the Foundation has not experienced significant losses on receivables.

Fair Value Measurements - The Foundation measures and discloses fair value measurements in accordance with authoritative literature. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. There are three general valuation techniques that may be used to measure fair value, as described below:

- A) Market approach - Uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. Prices may be indicated by pricing guides, sale transactions, market trades, or other sources;
- B) Cost approach - Based on the amount that currently would be required to replace the service capacity of an asset (replacement cost); and
- C) Income approach - Uses valuation techniques to convert future amounts to a single present amount based on current market expectations about the future amounts (includes present value techniques and option-pricing models). Net present value is an income approach where a stream of expected cash flows is discounted at an appropriate market interest rate.

Within the three valuation techniques, the authoritative literature requires characterization of the inputs used to determine fair value into a three-level fair value hierarchy as follows:

Level 1 - These inputs are based on unadjusted quoted market prices for identical assets or liabilities in an active market the Foundation has the ability to access. An active market is a market in which transactions occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 - These inputs relate to adjusting information from similar items that are traded in active markets or from identical or similar items in markets that are not active.

Level 3 - These inputs reflect the Foundation's own assumptions about the assumptions market participants would use in pricing the asset or liability.

Investment Securities - Investments in marketable securities with readily determinable fair values are valued at their fair value in the statements of financial position. Unrealized gains and losses at December 31, 2010 and 2009 are included in the changes in net assets. Realized gains and losses are determined by the specific identification method.

Property and Equipment - Property and equipment acquisitions are capitalized at cost if purchased and at fair market value at the date of receipt if donated. The Foundation capitalizes all acquisitions of property and equipment in excess of \$1,000 and a useful life of more than one year. Depreciation expense is calculated using the straight-line method and the following estimated useful lives:

Building	30 years
Furniture, fixtures and equipment	3-7 years

Intangibles - Intangibles consist of trademarks and licenses purchased which have an indefinite useful life.

Board-Designated Net Assets - The Foundation has board designated net assets of \$2,000,000 and endowment designated net assets of \$9,157,406. These ensure that adequate operating reserves are available and cannot be spent without prior board approval.

Functional Expenses - The expense information contained in the statements of activities is presented on a functional basis. Accordingly, certain expenses are allocated between functional categories.

Deferred Revenue - Deferred revenue consists of cash that has been received for future events and will be recognized once the event has taken place.

Advertising Costs - Advertising costs are expensed as incurred. Advertising expense for the years ended December 31, 2010 and 2009 was \$3,238,511 and \$4,195,187, respectively.

Income Taxes - The Foundation is a non-profit corporation that is tax-exempt under Section 501(c)(3) of the Internal Revenue Code; therefore, no provision is made for federal or state income taxes.

Equity Method - Other investments consist of an investment in TIFF Private Equity Partners (“TPEP”) 2005, a limited liability company, which is accounted for under the equity method of accounting. In accordance with ASC 272, *Limited Liability Entities*, the Foundation has accounted for their investment in TPEP 2005 under the equity method by recording their respective share of earnings or loss.

Reclassifications - Certain amounts in the prior year have been reclassified to conform to the presentation adopted in the current year.

3. INVESTMENTS

Investments are stated at fair value and consist primarily of common stocks and mutual funds. Pending actual disbursement for budgeted program expenditures, funds are invested in securities designed to maximize resources available for programs while minimizing risk. These investments are managed by third party investment managers under board of director approved investment policies. These investments do not have a significant concentration of credit risk with any industry, geographic location, specific market sector or institution. Total earnings on unrestricted and temporarily restricted investments are credited to unrestricted net assets unless otherwise restricted by the donor.

Investments consisted of the following at December 31, 2010:

	Fair Value	Fair Value Measurements Using:		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Common stocks and mutual funds:				
TIFF Multi- Asset Fund	\$ 37,668,670	-	37,668,670	-
TIFF Short-Term Fund	3,976,233	-	3,976,233	-
	41,644,903	-	41,644,903	-
Limited Partnership- TPEP2005	1,395,570	-	-	1,395,570
	<u>\$ 43,040,473</u>	<u>-</u>	<u>41,644,903</u>	<u>1,395,570</u>

Investments measured at fair value on a recurring basis using significant unobservable inputs (Level 3):

January 1, 2010	\$ 1,127,288
New investment contributions	160,000
Total net gains (realized/unrealized)	108,282
December 31, 2010	<u>\$ 1,395,570</u>

Investments consisted of the following at December 31, 2009:

	Fair Value	Fair Value Measurements Using:		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Common stocks and mutual funds:				
TIFF Multi- Asset Fund	\$ 33,283,364	-	33,283,364	-
TIFF Short-Term Fund	3,975,160	-	3,975,160	-
	37,258,524	-	37,258,524	-
Limited Partnership- TPEP2005	1,127,288	-	-	1,127,288
	<u>\$ 38,385,812</u>	<u>-</u>	<u>37,258,524</u>	<u>1,127,288</u>

Investments measured at fair value on a recurring basis using significant unobservable inputs (Level 3):

January 1, 2009	\$ 1,127,370
New investment contributions	140,000
Total net losses (realized/unrealized)	<u>(140,082)</u>
December 31, 2009	<u>\$ 1,127,288</u>

The Level 2 investments have been valued using a market approach. Level 3 investments have been valued using an income approach.

Investment income consisted of the following for the year ended December 31:

	<u>2010</u>	<u>2009</u>
Unrealized gains, net	\$ 2,862,081	\$ 5,959,765
Dividends	808,439	1,077,234
Capital gain distributions	896,219	324,299
Interest	23,724	25,993
Realized losses, net	<u>(1,784)</u>	<u>(5,599)</u>
	<u>\$ 4,588,679</u>	<u>\$ 7,381,692</u>

The Foundation has agreed and committed to provide capital contributions of up to \$2,000,000 in TPEP 2005, an investment fund organized as a limited liability company by The Investment Fund for Foundations and TIFF Advisory Services, Inc. The capital of TPEP 2005 is expected to be allocated primarily among private equity managers pursuing venture, operations-oriented buy-out, and special situation and recapitalization strategies. As of December 31, 2010 and 2009, respectively, the Foundation had a remaining commitment to TPEP 2005 of \$240,000 and \$320,000. The initial investment period is a 12-year term expiring December 31, 2017, subject to extension for up to five consecutive one-year periods.

4. PROMISES TO GIVE

Unconditional promises to give were as follows at December 31:

	<u>2010</u>	<u>2009</u>
Contributions due in less than one year	\$ 2,293,775	\$ 2,305,753
Contributions due in one to five years	5,454,320	6,272,198
Contributions due in more than five years	<u>1,098,384</u>	<u>1,696,768</u>
	8,846,479	10,274,719
Less allowance for bad debts	(166,972)	(398,723)
Less discount to net present value	<u>(497,812)</u>	<u>(710,124)</u>
	<u>\$ 8,181,695</u>	<u>\$ 9,165,872</u>

Promises to give are valued based upon net present value where a stream of expected cash flows is discounted at an appropriate market interest rate. The discount rate used on long-term promises to give was 3% in 2010 and 2009.

Promises to give are classified as Level 3 in accordance with the fair value hierarchy and have been valued using an income approach as follows:

	2010	2009
January 1	\$ 9,165,872	\$ 9,886,050
New promises to give	1,224,995	3,490,164
Payments received on existing promises	(2,653,235)	(3,959,846)
Change in allowance for bad debts	231,751	(197,132)
Change in present value	212,312	(53,364)
December 31	<u>\$ 8,181,695</u>	<u>\$ 9,165,872</u>

5. INTANGIBLES

In 2005, the Foundation purchased the rights to the trademark name Live Long...Live Strong™. ASC 350, *Intangibles – Goodwill and Other*, defines a trademark as an intangible asset with an indefinite life. As such, ASC 350 prohibits these assets' amortization; however, it does require that these assets be reviewed for impairment at least annually. During 2010 and 2009, the Foundation tested this asset for impairment, utilizing the two-step process prescribed by ASC 350. The first step is a search for potential impairments while the second step measures the amount of the impairment, if any. As a result of applying the impairment test, the Foundation determined that gross revenues derived from the use of the purchased trademark exceeded the trademark's carrying value; therefore, no impairment existed as of December 31, 2010 and 2009.

6. INVENTORY

Inventory consisted of finished goods program merchandise at December 31, 2010 and 2009 of \$3,382,999 and \$1,838,141, respectively.

7. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31:

	2010	2009
Building	\$ 9,068,435	\$ 8,364,906
Furniture, fixtures and equipment	2,843,887	2,361,399
Land	1,958,336	1,018,400
	13,870,658	11,744,705
Less accumulated depreciation	(2,161,257)	(1,447,133)
Property and equipment, net	<u>\$ 11,709,401</u>	<u>\$ 10,297,572</u>

8. GRANTS PAYABLE

During the years ended December 31, 2010 and 2009, the Foundation made grants to fund cancer research, support long term survivor clinics, and fund various community grants and sponsorships. The statement of grant history reflects the grants awarded as unconditional promises to give. Unconditional promises to give were as follows at December 31:

	2010	2009
Payable in less than one year	\$ 1,619,930	\$ 2,411,582
Payable in one to five years	448,101	695,233
	2,068,031	3,106,815
Less discount to net present value	(27,080)	(49,782)
Grants payable, net	<u>\$ 2,040,951</u>	<u>\$ 3,057,033</u>

The discount rate applied to unconditional promises to give extending beyond one year from the grant date was 3% for 2010 and 2009. These are classified as Level 3 in accordance with the fair value hierarchy and have been valued using an income approach as follows:

	2010	2009
January 1	\$ 3,057,033	\$ 6,833,099
Grants awarded	7,303,518	4,995,469
Grants paid	(8,242,303)	(8,817,839)
Grant writeoffs	(100,000)	(20,454)
Change in present value	22,703	66,758
December 31	<u>\$ 2,040,951</u>	<u>\$ 3,057,033</u>

9. LEASE COMMITMENTS AND CONTINGENCIES

The Foundation leases equipment under non-cancelable operating leases. Rental expenses for the office lease and miscellaneous equipment for the years ended December 31, 2010 and 2009 were \$42,326 and \$232,485, respectively. Minimum future rentals are as follows:

2011	\$ 36,060
2012	35,145
2013	32,400
2014	17,466
	<u>\$ 121,071</u>

The Foundation is exposed to unasserted potential claims in the normal course of business. In the opinion of management, the resolution of these matters will not have a material adverse effect on the Foundation's financial position or results of operations.

10. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes at December 31:

	2010	2009
Time restrictions	\$ 5,440,084	\$ 4,901,426
Program services	1,543,933	1,603,410
	<u>\$ 6,984,017</u>	<u>\$ 6,504,836</u>

11. PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted net assets result from contributions whose use by the Foundation is limited by donor-imposed stipulations that neither expire by the passage of time nor can be fulfilled or otherwise removed by actions of the Foundation. Income and net appreciation may be expended in accordance with the spending policy established by the Foundation. After the re-organization and merger of the supporting entities on May 31, 2010, the Foundation obtained donors' permission to restrict the investment income and related fund expenses for each named endowment fund.

The endowment funds at the Foundation are for the general purposes of the Foundation and may provide support for a specific educational program, assist a specific national advocacy program fund a particular type of grant, or be available for other purposes as mutually agreed upon with the donor.

The corpus (principal) of donor restricted funds may never be spent. However, income and net appreciation may be expended in accordance with the spending policy described below. It is the policy of the endowment to comply with both federal and state law in complying with the specific time or use restrictions as stipulated by the individual donor. As such, the disclosure of the net asset classification of donor-restricted endowment funds is highlighted in this footnote.

The investment policy for endowment funds outlines the organization's return objectives, risk parameters, and spending policies as summarized below:

- Return objectives - The return objective for endowment funds is to preserve and enhance the purchasing power of endowment assets, net of costs and board-approved withdrawals, over rolling five-year periods. This goal is synonymous with the pursuit of a time-weighted net return on endowment assets that equals inflation plus the long-term spending rate.
- Risk parameters - The endowment's risk parameters are measured by its policy portfolio and allowable asset mix detailed in board approved investment guidelines. These guidelines provide specific target allocations and ranges. The policy portfolio represents the highest expected return asset mix that is likely to satisfy the return objectives. Because the policy portfolio entails benchmarks for each of its segments and hence also for the endowment as a whole, it constitutes an appropriate standard by which to measure progress toward achievement of these objectives. The policy portfolio further imposes an illiquid asset ceiling of 25%.
- Spending policy - The spending policy for endowment funds specifies a spending rate of 4% of the rolling five-year moving average of the monthly portfolio market value. This amount is determined at the end of December each year and is available for spending in the next fiscal year.

Permanently restricted net assets were as follows at December 31:

	2010	2009
Larry and Dr. Nancy O'Reilly, Lauran, Leigh, Ragan Family Fund	\$ 1,286,069	\$ 1,153,152
The Armstrong Family Fund	1,078,612	1,025,000
Coxe Family Fund	1,078,210	1,000,000
Betsy H. Schofield Memorial Fund	744,616	600,000
Stephanie Robins Lance Armstrong Endowment Fund	608,482	544,494
Ryan Phua Memorial Fund	400,187	321,072
Andrea Leigh Tomlinson - Planet Cancer Fund	300,856	150,000
Karen and Everett Cook Endowment Fund	274,680	250,000
Dell Children's Hospital Gift in Honor of Sandra Aragona	269,083	250,000
In Honor of Stephen M. O'Leary	223,053	200,000
The Rollins Family Fund	184,579	175,000
American Century Investments Endowment Fund	100,000	-
Nike Endowment Fund	100,000	-
Oakley Endowment Fund	100,000	-
RadioShack Endowment Fund	100,000	-
Wade F.B. Thompson Endowment Fund	100,000	-
Jeannette J. Jehl Memorial Fund	98,440	70,266
In Honor of Hamilton Jordan	97,586	87,500
In Honor of the Staff of the Lance Armstrong Foundation	96,060	86,132
Michael W. Lotz Memorial Fund	70,451	63,170
CVCCA - Parker's Team	55,763	50,000
David Knaggs Endowment	48,668	25,000
Hammer Family Fund	38,295	-
In Honor of Renee Nicholas	36,558	32,775
In Honor of Thomas F. Slater	30,670	27,500
In Honor of Kathleen B. and James N. Sherwin	30,569	26,410
The Sophia Kolevich Remembrance Fund	29,681	25,000
In Honor of Rainbow Babies and Children's Hospital, Cleveland, OH	28,534	25,585
Dick Dyhrman Memorial	28,379	26,980
In Honor of Betty Otter-Nickerson	28,171	-
HendlerLaw Livestrong Legacy Fund	28,121	-
Jennifer Smith Collison and Ward Smith Memorial Fund	28,000	-
Keizo Shimano Memorial Fund	27,882	-
Leanne Jones LIVESTRONG Memorial Fund	27,882	-
Martha Southern Hirsch Memorial Fund	27,882	-
In Honor of Michael R. Henry	27,882	25,000
Ulman Family Endowment	27,568	25,450
The Bill Passey Family Fund	27,441	-
Kaya Knerly Endowment Fund	27,408	25,000
Christine Pratt Memorial Fund	26,499	25,000

Dana Jay Lesnever Memorial Fund	26,491	-
All Balls Golf Charity Endowment	26,295	25,000
McKinnon Family Fund	26,219	25,000
Susan E. Kuhn and Sevilla M. Trevisani and Thomas P. Trevisani, II Family Fund	-	27,420
SCARCE Fund	-	25,000
The Richard Desjardin Fund	-	14,690
Pledged and Undesignated	182,508	200,000
Unnamed funds	186,318	143,195
Present value discount	-	(189,528)
	<u>\$ 8,390,648</u>	<u>\$ 6,586,263</u>

Endowment net asset composition by type of fund was as follows at December 31, 2010:

	<u>Unrestricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ -	8,390,648	8,390,648
Undesignated endowment funds	12,115,642	-	12,115,642
Board-designated endowment funds	9,157,406	-	9,157,406
Total funds	<u>\$ 21,273,048</u>	<u>8,390,648</u>	<u>29,663,696</u>

The changes in endowment net assets for the year ended December 31, 2010 were as follows:

	<u>Unrestricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 18,149,256	6,586,263	24,735,519
Investment return	2,133,408	610,518	2,743,926
Contributions	1,500,000	1,193,867	2,693,867
Appropriation of endowment assets for expenditure	(509,616)	-	(509,616)
Endowment net assets, end of year	<u>\$ 21,273,048</u>	<u>8,390,648</u>	<u>29,663,696</u>

Description of amounts classified as permanently restricted net assets (endowment only):

Permanently Restricted Net Assets-

The portion of perpetual endowment funds that is required to be retained permanently either by explicit donor stipulation or by UPMIFA

\$ 8,390,648

Endowment net asset composition by type of fund was as follows at December 31, 2009:

	<u>Unrestricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ -	6,586,263	6,586,263
Undesignated endowment funds	8,991,850	-	8,991,850
Board-designated endowment funds	9,157,406	-	9,157,406
Total funds	<u>\$ 18,149,256</u>	<u>6,586,263</u>	<u>24,735,519</u>

The changes in endowment net assets for the year ended December 31, 2009 were as follows:

	<u>Unrestricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 14,537,191	5,577,275	20,114,466
Investment return	4,811,270	-	4,811,270
Contributions	-	1,008,988	1,008,988
Appropriation of endowment assets for expenditure	<u>(1,119,205)</u>	<u>-</u>	<u>(1,199,205)</u>
Endowment net assets, end of year	<u>\$ 18,149,256</u>	<u>6,586,263</u>	<u>24,735,519</u>

Description of amounts classified as permanently restricted net assets (endowment only):

Permanently Restricted Net Assets-

The portion of perpetual endowment funds that is required to be retained permanently either by explicit donor stipulation or by UPMIFA

\$ 6,586,263

12. RETIREMENT PLAN

The Foundation has a contributory matching retirement plan for all employees under section 401(k) of the Internal Revenue Code. Contributions of the eligible participants' elective deferral up to a maximum 4% are funded on a current basis by the Foundation. Employees are fully vested in all contributions made on their behalf by the Foundation. The contributions charged to operations were \$166,644 in 2010 and \$134,141 in 2009.

13. RELATED PARTY TRANSACTIONS

During 2010 and 2009, the Foundation received contributions of \$1,512,579 and \$908,091, respectively, from board members. During 2010 and 2009, the Foundation made payments of \$90,216 and \$13,044, respectively, to related parties who consisted of various board members and their companies. During 2010 and 2009, the Foundation had promises to give due from board members of \$4,626,522 and \$5,470,971, respectively.

14. FEDERAL GRANT AWARDED

The Department of Health and Human Services' Centers for Disease Control ("CDC") awarded the Foundation two federal grants for the CDC 2009-2010 fiscal year in support of the LIVESTRONG™ Cancer Survivorship Resource Center and cancer prevention and control. The CDC awarded an additional federal grant in support of early detection or survivorship of cancer in underserved populations. The grants vary in length from one to five years and are based upon allowable expenses paid. These grants are awarded each year and are subject to annual renewal. Through December 31, 2010 and 2009, the Foundation had incurred reimbursable expenditures of \$844,856 and \$1,145,064, respectively.

15. PROGRAM ACTIVITIES

The Foundation conducts a variety of program services to cancer survivors, their caregivers, and families. Specifically, program expenses were as follows for the year ended December 31:

	2010	2009
Grants and Programs	\$ 10,377,881	\$ 11,775,916
Education and Program Development	8,601,642	6,156,224
Programs and Policy	7,739,334	2,724,623
Grassroots Advocacy	1,644,746	7,446,926
Government Relations	699,233	729,377
	<u>\$ 29,022,836</u>	<u>\$ 28,833,066</u>

16. JOINT COSTS

The Foundation conducts activities that include fundraising appeals as well as program and management and general components. These activities include direct mail and other constituent relationship activities. The costs of conducting these joint activities which meet the purpose, audience, and content criteria of ASC 958-720 were \$238,916 in 2010 and \$407,942 in 2009.

They were comprised of the following:

	2010	2009
Fundraising	\$ 175,453	\$ 234,681
Program service costs	54,387	150,478
Management and general	9,076	22,783
	<u>\$ 238,916</u>	<u>\$ 407,942</u>

17. FUNCTIONAL EXPENSES

Functional expenses for the year ended December 31, 2010 consisted of the following:

	<u>Total</u>	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>
Grants and awards	9,058,100	9,058,100	-	-
Salaries, wages, and benefits	7,005,814	4,809,596	641,717	1,554,501
Legal and professional	6,166,990	5,709,829	239,881	217,280
Advertising	3,238,511	2,643,649	270,426	324,436
Technology	1,677,669	1,100,023	246,853	330,793
Travel	1,222,754	897,376	104,229	221,149
Guidebook and merchandise giveaway	942,722	936,000	1,451	5,271
Other rent	713,865	475,497	99,663	138,705
Contract services	651,311	534,423	37,198	79,690
Depreciation and amortization	569,755	393,911	21,313	154,531
Bank service fees	432,892	258,625	48,119	126,148
Printing and publications	429,796	361,469	25,950	42,377
Payroll taxes	429,111	301,127	34,837	93,147
Postage and supplies	361,808	296,922	13,405	51,481
Professional fundraising fees	312,619	169,275	15,563	127,781
Retirement plan contributions	166,644	109,920	16,763	39,961
Occupancy	151,429	105,536	5,483	40,410
Insurance	122,667	85,366	12,279	25,022
Telephone	93,252	49,844	19,142	24,266
Bad debt/taxes/miscellaneous	66,732	41,740	5,524	19,468
Permits	29,520	17,242	4,396	7,882
Entertainment	5,321	3,311	1,022	988
Other	1,012,708	664,055	113,548	235,105
	<u>\$ 34,861,990</u>	<u>29,022,836</u>	<u>1,978,762</u>	<u>3,860,392</u>

Functional expenses for the year ended December 31, 2009 consisted of the following:

	Total	Program	Management and General	Fundraising
Legal and professional	\$ 9,418,842	8,535,457	203,068	680,317
Salaries, wages, and benefits	5,958,391	4,387,556	222,831	1,348,004
Grants and awards	4,992,484	4,992,484	-	-
Advertising	4,195,187	3,359,191	434,287	401,709
Travel	1,922,995	1,652,246	83,069	187,680
Contract services	1,218,719	947,068	88,428	183,223
Technology	1,213,003	851,690	188,885	172,428
Other rent	1,016,554	698,059	142,639	175,856
Bad debt/taxes/miscellaneous	519,493	211,779	30,037	277,677
Bank service fees	486,200	294,423	61,002	130,775
Guidebook and merchandise giveaway	481,775	467,857	2,481	11,437
Depreciation and amortization	450,118	124,153	130,023	195,942
Professional fundraising fees	415,874	284,607	13,416	117,851
Payroll taxes	362,016	268,238	12,912	80,866
Occupancy	349,529	95,303	101,537	152,689
Printing and publications	323,250	259,085	23,876	40,289
Postage and supplies	267,661	207,130	15,955	44,576
Retirement plan contributions	134,141	100,261	4,612	29,268
Telephone	116,339	64,768	28,141	23,430
Insurance	95,631	55,430	14,843	25,358
Permits	44,337	23,939	5,808	14,590
Entertainment	12,904	12,253	330	321
Other	1,288,772	940,089	138,392	210,291
	<u>\$ 35,284,215</u>	<u>28,833,066</u>	<u>1,946,572</u>	<u>4,504,577</u>

18. SUBSEQUENT EVENTS

The Foundation has evaluated subsequent events through June 11, 2011 (the date the financial statements were available to be issued). On January 27, 2011, the Foundation sold 113,826 shares of stock in a company that it received in exchange for licensing rights to Livestrong.com. This sale resulted in license fee revenues of \$1,799,589 that will be recognized and reported in 2011. In addition, the Foundation continues to hold 69,997 shares that it intends to liquidate when the lock up restrictions imposed during a public offering expires in the summer of 2011.

SUPPLEMENTAL INFORMATION

LANCE ARMSTRONG FOUNDATION

STATEMENT OF PROGRAM EXPENSES YEAR ENDED DECEMBER 31, 2010

	Total Programs	Grassroots Advocacy	Grants and Programs	Programs and Policy	Government Relations	Education and Program Development
Grants and awards	\$ 9,058,100	-	2,880,635	3,101,477	-	3,075,988
Legal and professional	5,710,435	561,520	1,740,191	722,199	256,791	2,429,734
Salaries, wages, and benefits	4,809,605	612,097	1,764,843	1,194,976	244,411	993,278
Advertising	2,643,651	117,331	1,561,552	211,531	16,274	736,963
Technology	1,100,025	79,863	778,312	109,478	10,735	121,637
Guidebook and merchandise giveaway	936,000	1,859	8,110	917,458	638	7,935
Travel	897,377	62,584	349,864	197,481	57,652	229,796
Other	663,584	33,390	241,232	183,977	31,287	173,698
Contract services	534,512	23,516	177,061	194,493	9,235	130,207
Other rent	475,500	34,279	168,262	126,086	11,028	135,845
Depreciation	393,913	22,334	140,194	105,090	9,495	116,800
Printing and publications	361,469	5,582	59,309	172,954	9,437	114,187
Payroll taxes	301,128	36,684	111,790	74,044	16,357	62,253
Postage and supplies	296,922	7,391	58,295	200,530	1,943	28,763
Bank service fees	258,379	14,631	92,424	68,724	6,209	76,391
Professional fundraising fees	169,277	(4,815)	64,016	47,925	4,805	57,346
Retirement plan contributions	109,921	11,172	35,860	34,119	5,413	23,357
Occupancy	105,537	5,985	37,546	28,162	2,544	31,300
Insurance	85,365	4,838	30,401	22,766	2,057	25,303
Telephone	49,844	10,914	17,670	9,512	1,395	10,353
Bad debt/taxes/miscellaneous	41,740	2,431	12,950	10,889	1,034	14,436
Permits	17,241	977	6,141	4,598	415	5,110
Entertainment	3,311	183	1,223	865	78	962
	<u>\$ 29,022,836</u>	<u>1,644,746</u>	<u>10,337,881</u>	<u>7,739,334</u>	<u>699,233</u>	<u>8,601,642</u>

LANCE ARMSTRONG FOUNDATION

STATEMENT OF GRANT HISTORY DECEMBER 31, 2010

	2001 and Prior	2002	2003	2004	2005	2006	2007	2008	2009	2010	TOTAL
Grants payable January 1,	\$ 694,747	2,078,272	2,736,149	3,420,931	4,561,969	9,540,676	7,337,123	7,590,025	6,833,099	3,057,033	694,747
Grants awarded	2,042,171	2,225,643	3,623,374	6,186,800	14,976,455	12,891,166	9,534,130	8,800,140	4,995,469	7,303,518	72,578,866
Grant payments and other	(658,646)	(1,567,766)	(2,938,592)	(5,045,762)	(9,997,748)	(15,094,719)	(9,281,228)	(9,557,066)	(8,771,535)	(8,319,600)	(71,232,662)
Grants payable December 31,	\$ <u>2,078,272</u>	<u>2,736,149</u>	<u>3,420,931</u>	<u>4,561,969</u>	<u>9,540,676</u>	<u>7,337,123</u>	<u>7,590,025</u>	<u>6,833,099</u>	<u>3,057,033</u>	<u>2,040,951</u>	<u>2,040,951</u>