

**LANCE ARMSTRONG
FOUNDATION**

**Financial Statements
and Supplemental Schedules
for the Years Ended
December 31, 2011 and 2010
and Independent Auditors' Report**

LANCE ARMSTRONG FOUNDATION

TABLE OF CONTENTS

	<u>Page</u>
FINANCIAL STATEMENTS	
Independent Auditors' Report	1
Statements of Financial Position	2
Statements of Activities	3
Statements of Cash Flows	4
Notes to Financial Statements	5
SUPPLEMENTAL INFORMATION	
Schedule of Program Expenses	28
Schedule of Grant History	29



MAXWELL LOCKE & RITTER LLP

Accountants and Consultants

An Affiliate of CPAmerica International

tel (512) 370 3200 fax (512) 370 3250
www.mlrpc.com

Austin: 401 Congress Avenue, Suite 1100
Austin, TX 78701

Round Rock: 303 East Main Street
Round Rock, TX 78664

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, 2011 and 2010, 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. 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, 2011 and 2010, 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.

Our audit was conducted for the purpose of forming an opinion on the 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 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 Locke & Ritter LLP

June 8, 2012

Affiliated Company

ML&R WEALTH MANAGEMENT LLC

"A Registered Investment Advisor"

This firm is not a CPA firm

LANCE ARMSTRONG FOUNDATION

STATEMENTS OF FINANCIAL POSITION DECEMBER 31, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
ASSETS		
Cash and cash equivalents	\$ 38,349,878	\$ 25,288,810
Investment securities	42,750,381	43,040,473
Promises to give, net	4,942,119	8,181,695
Accounts receivable	7,970,960	3,534,629
Grants receivable	86,043	8,199
Prepaid expenses and other assets	1,160,633	607,497
Intangibles	564,404	564,390
Inventory	1,799,010	3,383,000
Property and equipment, net	11,925,088	11,709,401
TOTAL ASSETS	<u>\$ 109,548,516</u>	<u>\$ 96,318,094</u>
LIABILITIES AND NET ASSETS		
LIABILITIES:		
Accounts payable and accrued expenses	\$ 2,664,092	\$ 2,842,779
Grants payable, net	2,605,206	2,040,951
Deferred revenue	905,301	828,803
Total liabilities	<u>6,174,599</u>	<u>5,712,533</u>
NET ASSETS:		
Unrestricted:		
Undesignated	77,669,589	64,073,490
Designated	11,157,406	11,157,406
Total unrestricted	88,826,995	75,230,896
Temporarily restricted	4,706,791	6,984,017
Permanently restricted	9,840,131	8,390,648
Total net assets	<u>103,373,917</u>	<u>90,605,561</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 109,548,516</u>	<u>\$ 96,318,094</u>

See notes to financial statements.

LANCE ARMSTRONG FOUNDATION

STATEMENTS OF ACTIVITIES YEARS ENDED DECEMBER 31, 2011 AND 2010

	2011	2010
UNRESTRICTED NET ASSETS:		
Revenues:		
Contributions	\$ 15,875,592	\$ 14,446,807
Grant revenue	495,761	844,856
Program merchandise and services	5,318,246	7,572,548
Program merchandise and services - promotional cost	(2,104,955)	(2,797,968)
Special event revenues	8,987,228	11,484,627
Cost of direct benefits to donors	(760,276)	(1,400,738)
Investment (loss) income	(457,841)	3,978,161
Royalties and licensing fees	15,790,866	12,912,076
Total net revenues	<u>43,144,621</u>	<u>47,040,369</u>
Net assets released from restrictions	<u>5,444,256</u>	<u>2,897,988</u>
Total net revenues and net assets released from restrictions	48,588,877	49,938,357
Expenses:		
Program services	28,966,506	29,022,836
Fundraising	3,937,142	3,860,392
Management and general	2,089,130	1,978,762
Total expenses	<u>34,992,778</u>	<u>34,861,990</u>
Change in unrestricted net assets	<u>13,596,099</u>	<u>15,076,367</u>
TEMPORARILY RESTRICTED NET ASSETS:		
Contributions	3,167,030	3,377,169
Net assets released from restrictions	<u>(5,444,256)</u>	<u>(2,897,988)</u>
Change in temporarily restricted net assets	<u>(2,277,226)</u>	<u>479,181</u>
PERMANENTLY RESTRICTED NET ASSETS:		
Contributions	1,351,898	1,193,867
Investment income, net	<u>97,585</u>	<u>610,518</u>
Change in permanently restricted net assets	<u>1,449,483</u>	<u>1,804,385</u>
CHANGE IN NET ASSETS	12,768,356	17,359,933
NET ASSETS, beginning of year	<u>90,605,561</u>	<u>73,245,628</u>
NET ASSETS, end of year	<u><u>\$ 103,373,917</u></u>	<u><u>\$ 90,605,561</u></u>

See notes to financial statements.

LANCE ARMSTRONG FOUNDATION

STATEMENTS OF CASH FLOWS YEARS ENDED DECEMBER 31, 2011 AND 2010

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 12,768,356	\$ 17,359,933
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	589,117	569,755
Unrealized and realized loss (gain) on securities, net	2,385,075	(2,860,297)
Contributions restricted for long-term investment	(1,351,898)	(1,193,867)
Investment income restricted for long-term investment	(97,585)	(610,518)
Change in assets and liabilities that provided (used) cash:		
Promises to give	3,239,576	984,177
Accounts receivable	(4,436,331)	2,217,666
Grants receivable	(77,844)	(8,091)
Prepaid expenses and other assets	(553,136)	17,158
Inventory	1,583,990	(1,544,859)
Accounts payable and accrued expenses	(210,437)	407,503
Grants payable	564,255	(1,016,082)
Deferred revenue	76,498	(117,826)
Net cash provided by operating activities	<u>14,479,636</u>	<u>14,204,652</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(773,055)	(1,857,148)
Proceeds from sale of investments	84,733	76,680
Purchase of investments	<u>(2,179,729)</u>	<u>(1,871,043)</u>
Net cash used in investing activities	<u>(2,868,051)</u>	<u>(3,651,511)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Contributions restricted for long-term investment	1,351,898	1,193,867
Investment income, net	<u>97,585</u>	<u>610,518</u>
Net cash provided by financing activities	<u>1,449,483</u>	<u>1,804,385</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	13,061,068	12,357,526
CASH AND CASH EQUIVALENTS, beginning of year	<u>25,288,810</u>	<u>12,931,284</u>
CASH AND CASH EQUIVALENTS, end of year	<u><u>\$ 38,349,878</u></u>	<u><u>\$ 25,288,810</u></u>
SUPPLEMENTAL CASH DISCLOSURES:		
Supplemental schedule of noncash investing activities-		
Acquisition of property and equipment with accounts payable	<u>\$ 31,750</u>	<u>\$ 124,437</u>

See notes to financial statements.

LANCE ARMSTRONG FOUNDATION

NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2011 and 2010

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 public awareness efforts.

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 2011, it continued to monitor and fund 30 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 those who call the Foundation, looking for help and support. In 2011, the Foundation made progress with research on several fronts. The Foundation continued to promote and collect data from survivors on 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. After the survey closed in the spring, the Foundation created a report on the findings. The data from this survey will be used throughout the year 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 late 2011, the Foundation surveyed over 100 individuals about the current drug shortage to determine how this is affecting survivors and healthcare professionals. This research study is ongoing; when it's completed, the Foundation will share the results with policymakers as part of the current discussion regarding drug shortages. In addition, the Foundation will share the findings with the cancer community through reports and presentations.

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 Cancer Center - 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

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 2011, the Community Program continued funding for several multiyear grants, funded more than 90 one-year replication awards through the Community Impact Project, and supported 27 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 the following 4 programs for replication:

- Cancer Transitions - A six-week post treatment course that helps survivors adapt to life after cancer.
- LIVESTRONG™ at the YMCA - An evidence-based physical activity and wellness program for people affected by cancer.
- LIVESTRONG™ Promotores Training Program - A cancer survivorship training curriculum to increase Hispanic/Latino community health workers', otherwise known as Promotores, knowledge and confidence on the physical, emotional and day-to-day concerns of cancer survivors.
- Camp Kesem - A university-based summer camp program where college students fundraise and host the camps, free of charge, for children with a parent who has, or has had cancer.

These 4 programs, through the Foundation's support, will offer direct and indirect support and training to an estimated 32,000 people. Sites for replication were chosen based on an online voting process, where constituents were able to vote for more than 200 programs vying for the awards (over 340,000 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 2011, the Community Program engaged over 500 hospitals and cancer centers with the Foundation's mission and resources, along with nearly 300 cancer-focused community based organizations.

Hispanic/Latino Outreach and Education - According to the U.S. Census Bureau, Hispanic/Latinos are the fastest growing population in the U.S. today, comprising 46.7 million of the U.S population or 15.2% of the total U.S. population. The Hispanic population is projected to nearly triple, from 46.7 million to 132.8 million during the 2008-2050 period. Cancer is the second leading cause of death among Hispanic/Latinos. Hispanic/Latinos have lower survival rates for most cancers due to delayed diagnosis.

In 2011, the Foundation continued to provide culturally and linguistically appropriate information to Hispanic/Latinos affected by cancer. During 2011, the Foundation served over 1,253 Hispanic/Latinos through LIVESTRONG™ Navigation Services and disseminated over 24,000 resources designed for the Hispanic/Latino audience.

In 2011, the Foundation's Hispanic/Latino outreach campaign was the recipient of the Hispanic Public Relations Association Premio Award as the *Hispanic Campaign of the Year*. During 2011, the Foundation was the recipient of the following 3 awards for its national campaign efforts from the Public Relations Society of America Los Angeles Chapter:

- Nonprofit Campaign of the Year
- Public Education Campaign of the Year
- Multicultural Campaign of the Year

The Foundation continued to expand the network of LIVESTRONG™ certified Promotores through partnerships with local and national community-based organizations, as well as through the Community Impact Project. In 2011, the Foundation trained over 280 Promotores nationally with over 98% 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 100,000 teachers through the partnership with Scholastic, Inc. In 2011, the Foundation developed new K-2 lessons. 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™ 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 more than 159 communities and over 195 branches nationwide. Since initiation of the program, over 6,000 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 30 additional cities in 2012 and continuing to explore 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.

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.

The LIVESTRONG™ Young Adult Alliance (the “Alliance”) is a coalition of 160 organizations with members drawn from universities, cancer centers, community hospitals, professional societies, non-profit/advocacy groups, and liaison members from government agencies such as National Cancer Institute and Centers for Disease Control and Prevention. The goals of the Alliance are to improve survival rates and quality of life for adolescents and young adults (“AYAs”) with cancer. The strength of the Alliance lies in its diversity and collaborative nature. Its greatest successes have been the result of direct collaboration among member institutions.

Several papers were published in 2011 as a result of the work accomplished in the Alliance. In 2011, a summary paper from the meeting was published by the Alliance in the Journal of the National Cancer Institute titled “Unique Characteristics of Adolescent and Young Adult Acute Lymphoblastic Leukemia, Breast Cancer, and Colon Cancer”. The general consensus from the meeting was that for colon and breast cancer there most likely are not unique characteristics for these disease types for AYAs as compared to those diagnosed at other ages, but additional studies are needed, particularly with regards to colon cancer. In addition, the workshop concluded that there are differences for AYAs diagnosed with Acute Lymphoblastic Leukemia. One of these differences being the outcome for AYAs treated on pediatric regimens versus adult regimens.

The Awareness Task Force (along with the assistance of Record Setter, a website dedicated to setting records), created BREAK CANCER - a campaign to raise awareness around adolescent and young adult cancer by creating and breaking world records. The campaign kicked off in November 2010 at the LIVESTRONG™ Young Adult Alliance annual meeting. BREAK CANCER exceeded its Facebook and Twitter goals by having generated 12,438,112 media impressions, 76% more than the original goal, and 1,835 Page “Likes” on Facebook, 55% more than the original goal. Awareness of cancer in AYAs is key as this demographic often does not consider a cancer diagnosis, thus resulting in delayed or missed diagnosis.

In 2011, the Standards of Care Task Force, part of the Alliance, led a project designed to review the feasibility of Adolescent and Young Adult Oncology (“AYAO”) guidelines at the patient and program level. A literature search to provide comprehensive evidence within the field of AYAO was initiated by the Alliance to address essential elements relevant to models of care for AYAO that will be the basis for a knowledge garden resource.

Through the Research Task Force, part of the Alliance, a cohort study was continued in 4 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, the goal is that interventions can be designed and used to improve the quality of life during and after treatment, and the survival of AYAs.

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

The goal of the Foundation’s professional education initiative is to enhance the knowledge, competence, and ability of healthcare professionals to provide quality, patient-centered care utilizing evidence-based best practices to address the needs of people affected by cancer and to benefit their quality of life.

The Foundation collaborates with partners, including participation in development and sponsorship of course outlines. Partners include professional organizations and education/content provider companies that administer the programs, although some professional organizations also manage education themselves. 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. Currently, the Foundation’s professional organization partners for the physician education efforts *Focus Under Forty* initiative are:

- American Society of Clinical Oncology
- American Society of Pediatric Hematology Oncology
- Association of Physician Assistants in Oncology
- American College of Surgeons Commission on Cancer

Continuing Medical Education - The Foundation collaborated with ASCO to develop and offer a curriculum series at no cost to healthcare providers. Courses are available to physicians, physicians’ assistants and nurse practitioners.

The curriculum series includes 9 modules (as of December 2011), each accredited at 1-contact hour around AYAs, ages 15-39 that have been diagnosed with cancer. The topic areas include cancer care, supportive care, role of the primary care provider, survivorship, diagnosis/treatment, fertility preservation issues for males and females, clinical trials and melanoma. Modules 10 and 11, which are scheduled for launch in May 2012, will address issues surrounding breast cancer and Hodgkin lymphoma. As of December 31, 2011, approximately 900 healthcare professionals participated in at least one module from this series.

Continuing Education for Nurses - The Foundation offers accredited nursing education through collaborations with 2 continuing education providers, Nurse Oncology Education Program (“NOEP”), which is affiliated with the Texas Nurses Association, and Nurse.com, to develop and offer continuing education (“CE”) opportunities around best practices for cancer care at no cost to nurses.

- NOEP - *At the Crossroads: Cancer in Ages 15-39* is a 1-contact hour accredited CE video for nurses about the unique issues faced by AYAs with cancer. Outreach for this CE course has been expanded through an offering to nursing schools/nursing faculty through a collaborative effort involving LIVESTRONG™, NOEP and ATI Nursing Education, an e-learning provider. A second CE video related to cancer issues experienced in the Hispanic/Latino population is under development, and will be launched in July 2012. During 2011, 2,045 nursing professionals took the LIVESTRONG™ - NOEP AYA CE course. Prior to 2011, 2,060 healthcare professionals had participated in the course, which totals 4,105 participants as of December 2011.

- Nurse.com - Accredited nurse CE courses are offered at no cost on-line, in webinars and in print through the website. During 2011, 8 AYA CE webinars and 2 print CE courses were offered through NOEP at no cost, courtesy of the Foundation, utilizing partial funding from a CDC grant (Note 14). During 2011, 39,606 AYA Nurse.com CE tests were taken by 23,572 unique test takers.

Direct Services

LIVESTRONG™ Navigation Services - LIVESTRONG™ Navigation Services are for anyone affected by cancer. At any point in a survivor's or caregiver's cancer experience, the Foundation provides free, one-on-one, confidential, 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 March 2011, the Foundation had a community event officially opening the LIVESTRONG™ Navigation Center (the "Center") to the public.

In addition to direct support with cancer needs, the Center provides educational resources that help survivors learn more about their diagnosis. The Center 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. All services provided through the Center are available in English and Spanish, Monday through Friday during regular business hours.

Throughout 2011, the Foundation touched over 500,000 lives of individuals affected by cancer through the Center's services, as well as all print and online education materials. A few highlights of 2011 include:

- Saved clients approximately \$3.2 million through negotiation of discounts, maximization of available medication programs and overturned denials from insurance companies.
- Connected more than 13,700 individuals to over 47,000 services.
- Distributed more than 188,000 Living After Cancer Treatment brochures and LIVESTRONG™ Guidebooks.
- Served more than 1,200 Austin area clients, which is the most ever served in one year.

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 for the cancer fight and to show support for people affected by cancer around the world in their local communities

In 2011, more than 27,000 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.
- 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.
- Participated in an athletic event or exercise activity.
- Hosted an awareness event in their local community where they talked about LIVESTRONG™'s resources and mission.

Advocacy Coalitions - The Foundation participates as a member of a number of cancer advocacy coalitions including the One Voice Against Cancer coalition and the Cancer Leadership Council in Washington, D.C. In addition, the Foundation is a member of The Non-Communicable Disease Alliance ("NCD Alliance").

Policy and Government Relations - The primary focus of 2011 was establishing cancer as a national and global priority. The Foundation worked with the NCD Alliance to raise awareness and develop recommendations for the first-ever United Nations meeting on cancer and other non-communicable diseases. In addition, the Foundation encouraged US government leadership to promote bilateral and multilateral programs that leverage existing resources to address the global cancer burden. Finally, the Foundation, through advocacy coalitions, worked to sustain resources for federal and state cancer programs.

International Program - In 2011, the Foundation continued its international work, with two innovative pilot projects in South Africa and Mexico. These projects continue to focus on key goals of the Foundation's Global Cancer Campaign of empowering cancer survivors and ending the stigma associated with cancer.

Anti-Stigma Initiative - In 2011, the Foundation continued its work with the Anti-Stigma Initiative nationally in South Africa and launched the initiative in Mexico with implementing partner, John Snow, Inc. Through a mass media campaign which shares the stories of South African and Mexican 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.

After the campaign closed in South Africa, the Foundation:

- Had 56,000,000 media impressions throughout the entire campaign.
- Launched a Short Message Service campaign to cell phone users with a 28% response.
- Trained over 150 community leaders.
- Launched a door-to-door educational campaign reaching over 17,000 households with information on cancer and stigma.
- Held 4 large special events in 3 different communities countrywide with an overall attendance of about 4,000 people.

According to survey results, at the end of the campaign:

- 45% of South Africans surveyed either learned something new or did something different regarding cancer because of this initiative.
- 89% of South Africans surveyed agreed that cancer is an important national health issue.
- 9% fewer South Africans believe cancer patients are in constant pain.

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 in 2010, 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 1 year of training and planning with leadership of local non-governmental organizations (“NGOs”), the South African Survivor Forum occurred in Cape Town. Bringing together survivors, media, NGOs, advocates, and representatives from the health sector and government, the Forum gave a voice to cancer survivors and the issues they face, and not only launched a national call to action on cancer in South Africa, but started 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 brought 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.

Accounts Receivable - Accounts receivable are recorded at the value of the revenue earned. Delinquent account receivable invoices do not accrue interest. The Foundation continually monitors each customer's credit worthiness individually and recognizes allowances for estimated bad debts on customer accounts that are no longer estimated to be collectible. The Foundation regularly adjusts any allowance for subsequent collections and final determination that an account receivable is no longer collectible.

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 175,920 and 239,041 hours to the Foundation's program services and fundraising campaigns during the years ended December 31, 2011 and 2010, 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, 2011, balances due from three partners represented 50% of the total receivables balance. At December 31, 2010, balances due from one donor represented 28% 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.

Investments - 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, 2011 and 2010 are included in the changes in net assets. Realized gains and losses are determined by the specific identification method.

The limited partnership investment consists of an investment in TIFF Private Equity Partners (“TPEP”) 2005, a limited liability company, which is accounted for under the equity method of accounting. The Foundation has accounted for their investment in TPEP 2005 under the equity method by recording their respective share of earnings or loss.

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. The Foundation evaluates indefinite-lived intangible assets for impairment annually on December 31, or more frequently if impairment indicators arise.

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, 2011 and 2010 was \$6,416,427 and \$3,238,511, 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.

Reclassifications - Certain amounts in the prior year have been reclassified to conform to the presentation adopted in the current year. There was no impact on net assets.

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, 2011:

	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	\$ 37,028,182	-	37,028,182	-
TIFF Short-Term Fund	3,976,233	-	3,976,233	-
Total common stocks and mutual funds	41,004,415	-	41,004,415	-
Limited Partnership-TPEP2005	1,745,966	-	-	1,745,966
	<u>\$ 42,750,381</u>	<u>-</u>	<u>41,004,415</u>	<u>1,745,966</u>

The Level 2 investments have been valued using a market approach. Level 3 investments have been valued using an income approach. Investments measured at fair value on a recurring basis using significant unobservable inputs (Level 3):

January 1, 2011	\$ 1,395,570
New investment contributions	180,000
Total net gains (realized/unrealized)	170,396
December 31, 2011	<u>\$ 1,745,966</u>

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	-
Total common stocks and mutual funds	41,644,903	-	41,644,903	-
Limited Partnership-	1,395,570	-	-	1,395,570
TPEP2005	\$ 43,040,473	-	41,644,903	1,395,570

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	\$ 1,395,570

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

	2011	2010
Unrealized (loss) gains, net	\$ (2,385,075)	\$ 2,862,081
Dividends	541,792	808,439
Capital gain distributions	1,441,393	896,219
Interest	44,376	23,724
Realized losses, net	(2,742)	(1,784)
	\$ (360,256)	\$ 4,588,679

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, 2011 and 2010 the Foundation had a remaining commitment to TPEP 2005 of \$150,000 and \$240,000, respectively. 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>2011</u>	<u>2010</u>
Contributions due in less than one year	\$ 1,513,315	\$ 2,293,775
Contributions due in one to five years	3,432,964	5,454,320
Contributions due in more than five years	<u>449,855</u>	<u>1,098,384</u>
	5,396,134	8,846,479
Less allowance for bad debts	(145,877)	(166,972)
Less discount to net present value	<u>(308,138)</u>	<u>(497,812)</u>
	<u>\$ 4,942,119</u>	<u>\$ 8,181,695</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 2011 and 2010.

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:

	<u>2011</u>	<u>2010</u>
January 1	\$ 8,181,695	\$ 9,165,872
New promises to give	884,854	1,224,995
Payments received on existing promises	(4,335,199)	(2,653,235)
Change in allowance for bad debts	21,095	231,751
Change in present value	<u>189,674</u>	<u>212,312</u>
December 31	<u>\$ 4,942,119</u>	<u>\$ 8,181,695</u>

5. INTANGIBLES

In 2005, the Foundation purchased the rights to the trademark name Live Long...Live Strong™. As a result of evaluating the intangible assets for impairment, 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, 2011 and 2010.

6. INVENTORY

Inventory consisted of finished goods program merchandise at December 31, 2011 and 2010 of \$1,799,010 and \$3,383,000, respectively.

7. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31:

	<u>2011</u>	<u>2010</u>
Building	\$ 9,106,352	\$ 9,068,435
Furniture, fixtures and equipment	3,040,705	2,843,887
Land	2,039,211	1,958,336
Data systems not yet in service	471,033	-
Equipment not yet in service	18,163	-
	<u>14,675,464</u>	<u>13,870,658</u>
Less accumulated depreciation	<u>(2,750,376)</u>	<u>(2,161,257)</u>
Property and equipment, net	<u>\$ 11,925,088</u>	<u>\$ 11,709,401</u>

8. GRANTS PAYABLE

During the years ended December 31, 2011 and 2010, the Foundation made grants to fund cancer research, support long term survivor clinics, and fund various community grants and sponsorships. The Schedule of Grant History reflects the grants awarded as unconditional promises to give. Unconditional promises to give were as follows at December 31:

	<u>2011</u>	<u>2010</u>
Payable in less than one year	\$ 2,483,484	\$ 1,619,930
Payable in one to five years	130,000	448,101
	<u>2,613,484</u>	<u>2,068,031</u>
Less discount to net present value	<u>(8,278)</u>	<u>(27,080)</u>
Grants payable, net	<u>\$ 2,605,206</u>	<u>\$ 2,040,951</u>

The discount rate applied to unconditional promises to give extending beyond one year from the grant date was 3% for 2011 and 2010. These are classified as Level 3 in accordance with the fair value hierarchy and have been valued using an income approach as follows:

	<u>2011</u>	<u>2010</u>
January 1	\$ 2,040,951	\$ 3,057,033
Grants awarded	5,354,612	7,303,518
Grants paid	(4,547,038)	(8,242,303)
Grant cancellations	(262,121)	(100,000)
Change in present value	18,802	22,703
December 31	<u>\$ 2,605,206</u>	<u>\$ 2,040,951</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, 2011 and 2010 were \$45,649 and \$42,326, respectively. Minimum future rentals are as follows:

2012	\$	35,145
2013		32,400
2014		<u>17,466</u>
	\$	<u><u>85,011</u></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:

	<u>2011</u>	<u>2010</u>
Time restrictions	\$ 2,891,340	\$ 5,440,084
Volunteer and Intern Programs	731,884	816,293
International Programs	527,000	-
Programs and Partnerships	157,427	180,182
Navigation Services	149,300	37,136
Fertility Services	145,673	305,023
Survivorship Centers of Excellence	104,167	205,299
	<u>\$ 4,706,791</u>	<u>\$ 6,984,017</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. The pro-rata share of investment income and related fund expenses are restricted 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 purpose 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:

	<u>2011</u>	<u>2010</u>
Individual named funds (54 individual funds)	\$ 9,517,655	\$ 8,021,822
Unnamed funds	185,145	186,318
Pledged and undesignated funds	<u>137,331</u>	<u>182,508</u>
	<u>\$ 9,840,131</u>	<u>\$ 8,390,648</u>

Endowment net asset composition by type of fund was as follows at December 31, 2011:

	<u>Unrestricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ -	9,840,131	9,840,131
Undesignated endowment funds	14,738,796	-	14,738,796
Board-designated endowment funds	9,157,406	-	9,157,406
Total funds	<u>\$ 23,896,202</u>	<u>9,840,131</u>	<u>33,736,333</u>

The changes in endowment net assets for the year ended December 31, 2011 were as follows:

	<u>Unrestricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 21,273,048	8,390,648	29,663,696
Investment return	(366,529)	74,881	(291,648)
Contributions	3,000,000	1,351,898	4,351,898
Appropriation of endowment assets for expenditure	(10,317)	22,704	12,387
Endowment net assets, end of year	<u>\$ 23,896,202</u>	<u>9,840,131</u>	<u>33,736,333</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>

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 \$171,841 and \$166,644 as of December 31, 2011 and 2010, respectively.

13. RELATED PARTY TRANSACTIONS

During 2011 and 2010, the Foundation received contributions of \$2,388,585 and \$1,512,579, respectively, from board members. During 2011 and 2010, the Foundation made payments of \$315,146 and \$90,216, respectively, to related parties who consisted of various board members and their companies for services provided and related expense reimbursements. During 2011 and 2010, the Foundation had promises to give due from board members of \$2,285,970 and \$4,626,522, respectively.

14. FEDERAL AND STATE GRANTS

The Department of Health and Human Services' Centers for Disease Control ("CDC") awarded the Foundation a federal grant for the CDC 2010-2011 fiscal year in support of the LIVESTRONG™ Cancer Survivorship Resource Center and cancer prevention and control. The purpose of the grant is to support and encourage early detection or survivorship of cancer in underserved populations. The grant, which is based upon allowable expenses paid, is awarded each year and is subject to annual renewal.

The Cancer Prevention & Research Institute of Texas ("CPRIT") awarded the Foundation a grant for the August 2010 to July 2012 term in support of health promotion, public education and outreach programs. The grant is based upon allowable expenses paid.

During the years ended December 31, 2011 and 2010, the Foundation incurred reimbursable expenditures of \$495,761 and \$844,856, 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:

	<u>2011</u>	<u>2010</u>
Grants and Programs	\$ 10,961,533	\$ 10,337,881
Programs and Policy	8,771,578	7,739,334
Education and Program Development	6,932,491	8,601,642
Grassroots Advocacy	1,192,906	1,644,746
Government Relations	1,107,998	699,233
	<u>\$ 28,966,506</u>	<u>\$ 29,022,836</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 were comprised of the following as of December 31:

	<u>2011</u>	<u>2010</u>
Fundraising	\$ 160,907	\$ 175,453
Management and general	10,325	9,076
Program service costs	-	54,387
	<u>\$ 171,232</u>	<u>\$ 238,916</u>

17. FUNCTIONAL EXPENSES

Functional expenses for the year ended December 31, 2011 consisted of the following:

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries, wages, and benefits	\$ 5,605,032	639,352	1,610,399	7,854,783
Advertising and public awareness	5,851,976	250,916	313,535	6,416,427
Legal and professional	5,204,301	290,609	381,300	5,876,210
Grants and awards	4,948,141	-	-	4,948,141
Travel	1,185,685	95,899	196,302	1,477,886
Technology	962,159	273,033	216,393	1,451,585
Guidebook and merchandise giveaway	963,581	4,368	9,940	977,889
Contract services	659,990	97,229	154,004	911,223
Facility and Miscellaneous Rental Charges	516,982	88,387	82,799	688,168
Depreciation and amortization	400,599	23,565	164,953	589,117
Payroll taxes	349,848	34,504	98,183	482,535
Printing and publications	306,669	24,616	37,399	368,684
Bank service fees	207,274	39,230	95,937	342,441
Professional fundraising fees	124,281	20,269	163,042	307,592
Postage and supplies	214,930	10,753	67,561	293,244
Occupancy	141,573	26,223	65,821	233,617
Retirement plan contributions	132,484	12,956	33,951	179,391
Insurance	94,892	12,879	27,511	135,282
Telephone	56,759	26,882	23,020	106,661
Bad debt/taxes/miscellaneous	101,674	(1,202)	(7,337)	93,135
Permits	9,122	2,263	3,750	15,135
Entertainment	9,389	1,642	2,872	13,903
Other	919,165	114,757	195,807	1,229,729
	<u>\$ 28,966,506</u>	<u>2,089,130</u>	<u>3,937,142</u>	<u>34,992,778</u>

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

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

18. SUBSEQUENT EVENTS

The Foundation has evaluated subsequent events through June 8, 2012 (the date the financial statements were available to be issued). In April 2012, the Foundation submitted a formal application to own and use the specific .Livestrong domain name. As a part of the application, the Foundation was required to submit a standby letter of credit guaranteeing the financial resources to operate this program for three years which the Foundation determined to be \$122,000. On April 11, 2012, the Foundation secured a standby letter of credit in the amount of \$122,000 that expires on April 12, 2013. As of June 8, 2012 (the date the financial statements were available to be issued), nothing has been drawn against the standby letter of credit.

SUPPLEMENTAL INFORMATION

LANCE ARMSTRONG FOUNDATION

SCHEDULE OF PROGRAM EXPENSES YEAR ENDED DECEMBER 31, 2011

	Grants and Programs	Programs and Policy	Education and Program Development	Grassroots Advocacy	Government Relations	Total Programs
Advertising and public awareness	\$ 1,016,769	3,044,867	1,244,740	440,298	105,302	5,851,976
Salaries, wages, and benefits	2,215,914	1,556,299	1,038,500	451,115	343,204	5,605,032
Legal and professional	2,232,580	919,216	1,613,142	45,484	393,879	5,204,301
Grants and awards	2,463,352	817,502	1,667,287	-	-	4,948,141
Travel	487,253	206,458	352,062	64,526	75,386	1,185,685
Guidebook and merchandise giveaway	9,491	942,694	9,467	1,072	857	963,581
Technology	783,406	88,867	68,922	9,990	10,974	962,159
Other	413,680	216,802	195,216	43,185	50,282	919,165
Contract services	243,539	241,636	133,994	20,808	20,013	659,990
Facility and Miscellaneous Rental Charges	213,857	144,435	119,906	19,298	19,486	516,982
Depreciation	151,595	121,309	95,867	16,505	15,323	400,599
Payroll taxes	139,141	95,404	65,086	27,958	22,259	349,848
Printing and publications	103,367	54,994	131,747	6,120	10,441	306,669
Postage and supplies	76,737	104,899	27,559	3,910	1,825	214,930
Bank service fees	78,363	63,240	49,271	8,540	7,860	207,274
Professional fundraising fees	65,661	25,816	26,030	3,513	3,261	124,281
Occupancy	53,602	42,857	33,869	5,831	5,414	141,573
Retirement plan contributions	48,526	39,285	21,900	12,797	9,976	132,484
Bad debt/taxes/miscellaneous	97,957	2,033	1,148	279	257	101,674
Insurance	35,909	28,735	22,709	3,909	3,630	94,892
Telephone	24,412	9,451	10,292	4,839	7,765	56,759
Entertainment	2,970	2,017	1,594	2,553	255	9,389
Permits	3,452	2,762	2,183	376	349	9,122
	<u>\$ 10,961,533</u>	<u>8,771,578</u>	<u>6,932,491</u>	<u>1,192,906</u>	<u>1,107,998</u>	<u>28,966,506</u>

LANCE ARMSTRONG FOUNDATION

SCHEDULE OF GRANT HISTORY DECEMBER 31, 2011

	2002 and Prior	2003	2004	2005	2006	2007	2008	2009	2010	2011	TOTAL
Grants payable January 1,	\$ -	2,736,149	3,420,931	4,561,969	9,540,676	7,337,123	7,590,025	6,833,099	3,057,033	2,040,951	-
Grants awarded	6,087,097	3,623,374	6,186,800	14,976,455	12,891,166	9,534,130	8,800,140	4,995,469	7,303,518	5,354,612	79,752,761
Grant payments and other changes	(3,350,948)	(2,938,592)	(5,045,762)	(9,997,748)	(15,094,719)	(9,281,228)	(9,557,066)	(8,771,535)	(8,319,600)	(4,790,357)	(77,147,555)
Grants payable December 31,	\$ 2,736,149	3,420,931	4,561,969	9,540,676	7,337,123	7,590,025	6,833,099	3,057,033	2,040,951	2,605,206	2,605,206