

LUNG CANCER FOUNDATION OF AMERICA

FINANCIAL STATEMENTS

December 31, 2025 and 2024

CONTENTS

Independent Auditors' Report	1-2
Statements of Financial Position	3
Statements of Activities and Changes in Net Assets	4-5
Statements of Functional Expenses	6-7
Statements of Cash Flows	8
Notes to the Financial Statements	9-15

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Lung Cancer Foundation of America

Opinion

We have audited the accompanying financial statements of Lung Cancer Foundation of America (a nonprofit organization), which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lung Cancer Foundation of America (the Foundation) as of December 31, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.



Long Beach, California
May 21, 2026

LUNG CANCER FOUNDATION OF AMERICA

STATEMENTS OF FINANCIAL POSITION

ASSETS

	December 31,	
	2025	2024
CURRENT ASSETS		
Cash	\$ 1,553,274	\$ 1,563,954
Certificates of deposit	369,966	358,218
Pledges receivable, net	583,758	191,996
Other assets	<u>9,805</u>	<u>-</u>
TOTAL ASSETS	<u><u>\$ 2,516,803</u></u>	<u><u>\$ 2,114,168</u></u>

LIABILITIES AND NET ASSETS

LIABILITIES		
Accounts payable	\$ 64,259	\$ 183,408
Grants payable	<u>291,640</u>	<u>425,000</u>
	<u>355,899</u>	<u>608,408</u>
NET ASSETS		
Without donor restrictions	1,366,404	1,027,010
With donor restrictions	<u>794,500</u>	<u>478,750</u>
	<u>2,160,904</u>	<u>1,505,760</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 2,516,803</u></u>	<u><u>\$ 2,114,168</u></u>

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

LUNG CANCER FOUNDATION OF AMERICA

**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2025**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
SUPPORT AND REVENUE			
Contributions	\$ 1,559,599	\$ 1,201,500	\$ 2,761,099
Interest and investment income	39,582	-	39,582
Net assets released from restrictions	<u>885,750</u>	<u>(885,750)</u>	<u>-</u>
Total Support and Revenue	<u>2,484,931</u>	<u>315,750</u>	<u>2,800,681</u>
EXPENSES			
Program services	1,935,783	-	1,935,783
General and administrative	62,949	-	62,949
Fundraising	<u>146,805</u>	<u>-</u>	<u>146,805</u>
Total Expenses	<u>2,145,537</u>	<u>-</u>	<u>2,145,537</u>
CHANGE IN NET ASSETS	339,394	315,750	655,144
NET ASSETS AT BEGINNING OF YEAR	<u>1,027,010</u>	<u>478,750</u>	<u>1,505,760</u>
NET ASSETS AT END OF YEAR	<u>\$ 1,366,404</u>	<u>\$ 794,500</u>	<u>\$ 2,160,904</u>

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

LUNG CANCER FOUNDATION OF AMERICA

**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2024**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
SUPPORT AND REVENUE			
Contributions	\$ 1,200,119	\$ 1,100,000	\$ 2,300,119
Interest and investment income	33,902	-	33,902
Net assets released from restrictions	<u>825,556</u>	<u>(825,556)</u>	<u>-</u>
Total Support and Revenue	<u>2,059,577</u>	<u>274,444</u>	<u>2,334,021</u>
EXPENSES			
Program services	1,945,962	-	1,945,962
General and administrative	51,089	-	51,089
Fundraising	<u>99,521</u>	<u>-</u>	<u>99,521</u>
Total Expenses	<u>2,096,572</u>	<u>-</u>	<u>2,096,572</u>
CHANGE IN NET ASSETS	(36,995)	274,444	237,449
NET ASSETS AT BEGINNING OF YEAR	<u>1,064,005</u>	<u>204,306</u>	<u>1,268,311</u>
NET ASSETS AT END OF YEAR	<u>\$ 1,027,010</u>	<u>\$ 478,750</u>	<u>\$ 1,505,760</u>

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

LUNG CANCER FOUNDATION OF AMERICA

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2025**

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Grants	\$ 200,000	\$ -	\$ -	\$ 200,000
Salaries	555,550	32,679	65,359	653,588
Employee benefits	44,258	2,603	5,207	52,068
Payroll taxes	43,121	2,537	5,073	50,731
Fundraising fees	6,653	-	33,300	39,953
Accounting fees	21,166	7,859	16,933	45,958
Advertising	54,354	-	-	54,354
Professional fees	7,784	-	666	8,450
Education awareness	476,121	-	-	476,121
Patient education	16,000	-	-	16,000
Speakers bureau	432,250	-	-	432,250
Postage	-	69	4,448	4,517
Printing and copying	-	-	5,208	5,208
Rent	-	1,468	-	1,468
Travel	66,525	-	10,611	77,136
Conference, convention, and meeting	9,078	-	-	9,078
Insurance	-	3,635	-	3,635
Other expenses	2,923	12,099	-	15,022
 Total	 <u>\$ 1,935,783</u>	 <u>\$ 62,949</u>	 <u>\$ 146,805</u>	 <u>\$ 2,145,537</u>

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

LUNG CANCER FOUNDATION OF AMERICA

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024**

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Grants	\$ 400,000	\$ -	\$ -	\$ 400,000
Salaries	468,827	27,578	55,156	551,561
Employee benefits	18,948	1,115	2,229	22,292
Payroll taxes	35,811	2,107	4,213	42,131
Fundraising fees	-	642	17,354	17,996
Accounting fees	15,736	6,186	12,865	34,787
Advertising	25,270	-	-	25,270
Professional fees	8,026	-	1,395	9,421
Education awareness	634,141	-	-	634,141
Patient education	25,948	-	-	25,948
Speakers bureau	200,696	-	-	200,696
Postage	216	1,198	-	1,414
Printing and copying	6,183	-	-	6,183
Rent	-	3,074	-	3,074
Travel	87,420	-	-	87,420
Conference, convention, and meeting	15,162	-	-	15,162
Insurance	-	3,176	-	3,176
Other expenses	3,578	6,013	6,309	15,900
 Total	 <u>\$ 1,945,962</u>	 <u>\$ 51,089</u>	 <u>\$ 99,521</u>	 <u>\$ 2,096,572</u>

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

LUNG CANCER FOUNDATION OF AMERICA

STATEMENTS OF CASH FLOWS

	For the Year Ended December 31,	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 655,144	\$ 237,449
Adjustments to reconcile change in net assets to net cash from operating activities:		
Contributions of investments	(26,855)	(19,864)
Realized gain on investments	(8,907)	(1,185)
Reinvested earnings on certificates of deposit	(11,748)	(8,218)
Change in operating assets and liabilities:		
Pledges receivable	(391,762)	(99,956)
Other assets	(9,805)	-
Accounts payable	(119,149)	103,685
Grants payable	(133,360)	225,000
Net Cash (Used In) Provided By Operating Activities	(46,442)	436,911
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of certificates of deposit	-	(250,000)
Proceeds from sale of investments	35,762	21,049
Net Cash Provided by (Used In) Investing Activities	35,762	(228,951)
NET CHANGE IN CASH	(10,680)	207,960
CASH AT BEGINNING OF YEAR	1,563,954	1,355,994
CASH AT END OF YEAR	\$ 1,553,274	\$ 1,563,954

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

LUNG CANCER FOUNDATION OF AMERICA

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2025 AND 2024

NOTE 1 – Summary of Significant Accounting Policies

Nature of the Foundation

Lung Cancer Foundation of America (the Foundation) was established in 2007 as a Minnesota nonprofit corporation. The purpose of the Foundation is to dramatically improve the survivorship of lung cancer patients through the funding of transformative science, with the ultimate goal of curing the disease. To accomplish this, the Foundation works to raise both the funds and the national profile of lung cancer in order to substantially increase support of innovative and groundbreaking research efforts.

Financial Statement Presentation

The financial statements of the Foundation have been prepared under the accrual basis of accounting. The accompanying financial statements include statements of financial position that present the amounts for each of two classes of net assets – net assets without donor restrictions and net assets with donor restrictions based on the existence or absence of donor-imposed restrictions. They also include statements of activities and changes in net assets that reflect the changes in those categories of net assets, and statements of functional expenses that associate expenses with service efforts.

Net assets without donor restrictions include those net assets that may be used by the Foundation for any of its programs or administrative support. Net assets with donor restrictions include those net assets whose use by the Foundation has been limited by donors to specified purposes or time restrictions, including those that would restrict the net assets into perpetuity. However, donor-imposed stipulations on contributions that are met in the same reporting period are recorded as net assets without donor restrictions.

Use of Estimates and Assumptions

Management uses estimates and assumptions in preparing financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Actual results could vary from the estimates that were assumed in preparing the financial statements.

LUNG CANCER FOUNDATION OF AMERICA

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2025 AND 2024

NOTE 1 – Summary of Significant Accounting Policies (Continued)

Cash

For purposes of the accompanying statements of cash flows, the Foundation considers all demand deposits, money market funds, and unrestricted highly liquid investments with original maturities of three months or less to be cash.

Certificates of Deposit

Certificates of deposit are reported at the original amount deposited plus accrued interest, which approximates fair value because of the short-term nature of these deposits (12 months or less). Realized and unrealized gains and losses are included in interest and investment income, along with interest and dividends and investment fees, in the statements of activities and changes in net assets.

Pledges Receivable

Unconditional promises to give (pledges) are recorded as receivables and contributions, distinguishing between contributions received for each net asset class in accordance with donor-imposed restrictions. Conditional pledges are recorded when such conditions have been satisfied. An allowance for uncollectible pledges receivable is provided, based on management's judgment, including such factors as prior collection history, type of donation, nature of fundraising activity, and when time requirements are expected to be met. Management believes the remaining outstanding pledges receivable as of December 31, 2025 and 2024 are collectible in full and, accordingly, no allowance for uncollectible pledges receivable has been provided. Pledges receivable expected to be collected in more than 12 months are recorded at the net present value of the estimated future cash flows, when such discount is determined to be material.

Revenue and Support

Contributions, including pledges, whether with or without donor restrictions, are recognized as support in the period received or pledged. Amounts received or promised that are designated for future periods or restricted by the donor for specific purposes are reported as restricted support that increases those net asset classes. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities and changes in net assets as net assets released from restrictions.

LUNG CANCER FOUNDATION OF AMERICA

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2025 AND 2024

NOTE 1 – Summary of Significant Accounting Policies (Continued)

Donated Goods and Services

A substantial number of volunteers make significant contributions of their time in the furtherance of the Foundation's purpose. For those services that do not require special expertise, the estimated value of such donated services has not been recorded in the financial statements. In-kind donations and services for which fair value can be validated and requiring specific expertise have been reflected in the financial statements at their estimated fair value. During the years ended December 31, 2025 and 2024, the Foundation recorded no donated goods or services within contributions or special event revenue or expenses.

Grants Payable

During 2022, the Foundation's Board of Directors (the Board) approved the awarding of multi-year lung cancer research grants. These grants called for the awarding of \$400,000 in 2022. The Foundation paid \$150,000 and \$200,000 of the award during the years ended December 31, 2022 and 2023, respectively. The remaining \$50,000 was paid during the year ended December 31, 2024.

During 2023, the Board approved the awarding of another multi-year lung cancer research grant. This grant called for the awarding of \$200,000 in 2023. The Foundation paid \$50,000 and \$100,000 of the award during the years ended December 31, 2023 and 2024, respectively. The remaining \$50,000 was paid during the year ended December 31, 2025.

During 2024, the Board of Directors approved the awarding of additional multi-year lung cancer research grants. These grants called for the awarding of \$400,000 in 2024. The Foundation paid \$25,000 and \$233,360 of the award during the years ended December 31, 2024 and 2025, respectively. The remaining \$141,640 will be paid out in the year ended December 31, 2026.

During 2025, the Board of Directors approved the awarding of an additional multi-year lung cancer research grant. This grant called for the awarding of \$200,000 in 2025. The Foundation paid \$50,000 of the award during the year ended December 31, 2025. The remaining \$150,000 will be paid out in the years ended December 31, 2026 and 2027.

LUNG CANCER FOUNDATION OF AMERICA

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

NOTE 1 – Summary of Significant Accounting Policies (Continued)

Income Taxes

The Foundation has received tax-exempt status from the Internal Revenue Service under Section 501(c)(3) of the Internal Revenue Code.

The Foundation recognizes the financial statement benefit of tax positions, such as its position of being tax exempt, only after determining that the relevant tax authority would more likely than not sustain the position following an audit. The Foundation is subject to potential income tax audits on open tax years by any taxing jurisdiction in which it operates. The statute of limitations for federal and state purposes is generally three and four years, respectively.

Concentrations of Risk

During the years ended December 31, 2025 and 2024, two donors represented 53% and 46%, respectively, of the Foundation's total revenue. As of December 31, 2025, the two donors represented 46% of total pledges receivable. As of December 31, 2024, there were no outstanding pledges receivable from these donors.

During the years ended December 31, 2025 and 2024, one vendor represented 21% and 19%, respectively, of the Foundation's total expenses.

Subsequent Events

The Foundation's management has evaluated subsequent events from the statements of financial position date through May 21, 2026, the date the financial statements were available to be issued for the year ended December 31, 2025, and management has determined that there were no items to disclose.

LUNG CANCER FOUNDATION OF AMERICA

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

NOTE 2 – Liquidity and Availability of Resources

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position date, comprise the following:

	December 31,	
	2025	2024
Cash	\$ 1,553,274	\$ 1,563,954
Certificates of deposit	369,966	358,218
Pledges receivable	<u>583,758</u>	<u>191,996</u>
	2,506,998	2,114,168
Less amounts unavailable for general expenditure within one year due to:		
Donor imposed purpose or time restrictions	<u>(794,500)</u>	<u>(478,750)</u>
	<u>\$ 1,712,498</u>	<u>\$ 1,635,418</u>

The Foundation maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

LUNG CANCER FOUNDATION OF AMERICA

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

NOTE 3 – Pledges Receivable

Pledges receivable are expected to be collected as follows:

	<u>December 31,</u>	
	<u>2025</u>	<u>2024</u>
Amounts due in:		
One year	\$ 561,820	\$ 125,000
Two to five years	<u>25,000</u>	<u>87,500</u>
	586,820	212,500
 Present value discount	 <u>(3,062)</u>	 <u>(20,504)</u>
 Pledges receivable, net	 <u>\$ 583,758</u>	 <u>\$ 191,996</u>

NOTE 4 – Net Assets With Donor Restrictions

Net assets with donor restrictions at December 31, 2025 consists of the following:

	<u>Available December 31, 2024</u>	<u>New Revenue</u>	<u>Expenditures Released from Restrictions</u>	<u>Available December 31, 2025</u>
Patient education	\$ 210,000	\$ 750,000	\$ (472,500)	\$ 487,500
Time restrictions	<u>268,750</u>	<u>451,500</u>	<u>(413,250)</u>	<u>307,000</u>
	<u>\$ 478,750</u>	<u>\$ 1,201,500</u>	<u>\$ (885,750)</u>	<u>\$ 794,500</u>

LUNG CANCER FOUNDATION OF AMERICA

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

NOTE 4 – Net Assets With Donor Restrictions (Continued)

Net assets with donor restrictions at December 31, 2024 consists of the following:

	<u>Available December 31, 2023</u>	<u>New Revenue</u>	<u>Expenditures Released from Restrictions</u>	<u>Available December 31, 2024</u>
Satellite TV, radio, media, and podcasts	\$ 204,306	\$ 140,000	\$ (344,306)	\$ -
Patient education	-	660,000	(450,000)	210,000
Time restrictions	<u>-</u>	<u>300,000</u>	<u>(31,250)</u>	<u>268,750</u>
	<u>\$ 204,306</u>	<u>\$ 1,100,000</u>	<u>\$ (825,556)</u>	<u>\$ 478,750</u>