LUNG CANCER RESEARCH FOUNDATION

FINANCIAL STATEMENTS

YEARS ENDED 31 DECEMBER, 2025 AND 2024

LUNG CANCER RESEARCH FOUNDATION
FOR THE YEARS ENDED 31 DECEMBER, 2025 AND 2024

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Lung Cancer Research Foundation

Opinion

We have audited the accompanying financial statements of Lung Cancer Research Foundation (a nonprofit organization), which comprise the statements of financial position as of 31 December, 2025 and 2024, and the related statements of activities, 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 Research Foundation as of 31 December, 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Lung Cancer Research 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 Lung Cancer Research Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's 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 auditor's 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 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 Lung Cancer Research 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 Lung Cancer Research 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.

Citrin Cooperman & Company, LLP

Braintree, Massachusetts
July 1, 2026

LUNG CANCER RESEARCH FOUNDATION
STATEMENTS OF FINANCIAL POSITION
31 DECEMBER, 2025 AND 2024

	2025	2024
ASSETS		
Cash and cash equivalents	$ 9,214,308	$ 7,092,931
Contributions receivable, net	451,777	223,370
Prepaid expenses	147,753	124,646
Security deposits	-	15,870
Other receivables	25,076	72,847
TOTAL ASSETS	$ 9,838,914	$ 7,529,664
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	$ 350,740	$ 619,504
Grants payable	2,068,000	1,454,059
Refundable advances	1,120,000	630,000
Total liabilities	3,538,740	2,703,563
Commitments and contingencies (Note 7)		
Net assets:		
Without donor restrictions	4,839,172	4,165,952
With donor restrictions	1,461,002	660,149
Total net assets	6,300,174	4,826,101
TOTAL LIABILITIES AND NET ASSETS	$ 9,838,914	$ 7,529,664

See accompanying notes to financial statements.

LUNG CANCER RESEARCH FOUNDATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2025

		Without Donor Restrictions	With Donor Restrictions	Total
Public support and revenue:				
Grants and contributions		$ 883,887	$ 7,477,583	$ 8,361,470
Revenue from special events:				
Gross receipts	$ 2,657,237			
Less: direct benefit to donors	(537,881)			
Revenue from special events, net		2,119,356	27,002	2,146,358
Donated services		3,692,375	-	3,692,375
Investment income		259,612	-	259,612
Net assets released from restrictions		6,703,732	(6,703,732)	-
Total public support and revenue and net assets released from restrictions		13,658,962	800,853	14,459,815
Expenses:				
Program services		11,253,075	-	11,253,075
Supporting services:				
Management and general		657,578	-	657,578
Fundraising		1,075,089	-	1,075,089
Total supporting services		1,732,667	-	1,732,667
Total expenses		12,985,742	-	12,985,742
Changes in net assets		673,220	800,853	1,474,073
Net assets - beginning of year		4,165,952	660,149	4,826,101
NET ASSETS - END OF YEAR		$ 4,839,172	$ 1,461,002	$ 6,300,174

See accompanying notes to financial statements.

LUNG CANCER RESEARCH FOUNDATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024

		Without Donor Restrictions	With Donor Restrictions	Total
Public support and revenue:				
Grants and contributions		$ 2,256,713	$ 3,393,456	$ 5,650,169
Revenue from special events:				
Gross receipts	$ 1,920,178			
Less: direct benefit to donors	(438,877)			
Revenue from special events, net		1,415,431	65,870	1,481,301
Donated services		2,549,684	-	2,549,684
Investment income		273,635	-	273,635
Net assets released from restrictions		4,772,448	(4,772,448)	-
Total public support and revenue and net assets released from restrictions		11,267,911	(1,313,122)	9,954,789
Expenses:				
Program services		7,536,368	-	7,536,368
Supporting services:				
Management and general		315,617	-	315,617
Fundraising		912,599	-	912,599
Total supporting services		1,228,216	-	1,228,216
Total expenses		8,764,584	-	8,764,584
Changes in net assets		2,503,327	(1,313,122)	1,190,205
Net assets - beginning of year		1,662,625	1,973,271	3,635,896
NET ASSETS - END OF YEAR		$ 4,165,952	$ 660,149	$ 4,826,101

See accompanying notes to financial statements.

LUNG CANCER RESEARCH FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2025

		Supporting Services			
	Program Services	Management and General	Fundraising	Direct Benefit to Donors	Total
Salaries and employee benefits	$ 1,585,402	$ 361,584	$ 834,424	$ -	$ 2,781,410
Grants	5,347,010	-	-	-	5,347,010
Professional fees	3,816,285	71,884	19,491	396,981	4,304,641
Rent	8,213	15,011	5,099	-	28,323
Conferences and meetings	3,120	5,702	1,936	79,289	90,047
Bad debt	-	-	10,900	-	10,900
Computer	59,995	109,647	37,239	-	206,881
Public relations	162,392	-	16,392	33,752	212,536
Office	198,458	26,347	123,619	894	349,318
Travel	28,331	51,777	17,587	22,517	120,212
Telephone	8,740	15,315	5,202	-	29,257
Postage	35,129	311	3,200	4,448	43,088
	11,253,075	657,578	1,075,089	537,881	13,523,623
Expenses included with revenues on the statement of activities	-	-	-	(537,881)	(537,881)
TOTAL EXPENSES	$11,253,075	$ 657,578	$ 1,075,089	$ -	$ 12,985,742

LUNG CANCER RESEARCH FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024

	Program Services	Supporting Services: Management and General	Supporting Services: Fundraising	Direct Benefit to Donors	Total
Salaries and employee benefits	$ 1,564,696	$ 277,609	$ 681,404	$ -	$ 2,523,709
Grants	2,555,478	-	-	-	2,555,478
Professional fees	2,803,764	17,350	25,445	238,002	3,084,561
Rent	62,063	3,142	13,355	-	78,560
Conferences and meetings	2,895	147	622	127,225	130,889
Bad debt	-	-	20,109	-	20,109
Computer	175,512	8,885	37,770	-	222,167
Public relations	115,718	-	11,522	49,543	176,783
Office	126,522	4,058	101,164	1,413	233,157
Travel	62,968	3,188	13,550	20,091	99,797
Telephone	20,246	1,024	4,358	-	25,628
Postage	46,506	214	3,300	2,603	52,623
	7,536,368	315,617	912,599	438,877	9,203,461
Expenses included with revenues on the statement of activities	-	-	-	(438,877)	(438,877)
TOTAL EXPENSES	$ 7,536,368	$ 315,617	$ 912,599	$ -	$ 8,764,584

See accompanying notes to financial statements.

LUNG CANCER RESEARCH FOUNDATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED 31 DECEMBER, 2025 AND 2024

	2025	2024
Cash flows from operating activities:		
Changes in net assets	$ 1,474,073	$ 1,190,205
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Bad debt expense	10,900	20,109
Non-cash lease expense	-	(1,262)
Changes in assets and liabilities:		
Contributions receivable, net	(239,307)	489,378
Prepaid expenses	(23,107)	15,769
Other receivables	63,641	(48,381)
Accounts payable and accrued expenses	(268,764)	200,213
Refundable advances	490,000	228,731
Grants payable	613,941	(969,544)
Net cash provided by operating activities	2,121,377	1,125,218
Net increase in cash and cash equivalents	2,121,377	1,125,218
Cash and cash equivalents - beginning of year	7,092,931	5,967,713
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 9,214,308	$ 7,092,931

See accompanying notes to financial statements.

NOTE 1. ORGANIZATION AND NATURE OF OPERATIONS

Lung Cancer Research Foundation (the "Foundation"), formed in 2005, is a non-profit organization operating under the laws of the state of New York. The Foundation's mission is to improve lung cancer outcomes by funding research for the prevention, early detection, diagnosis, treatment, and cure for lung cancer. The Foundation simultaneously is committed to providing superior patient education to support patients and their caregivers affected by lung cancer.

Research

The Foundation has awarded 450 research grants to date, totaling nearly $53 million, making it the largest non-governmental organization dedicated to funding lung cancer research. This support from the patient community, researchers, strategic partners, and industry collaborators has been instrumental in its success and will continue to drive the future vision of finding a cure for lung cancer.

Each year, the Foundation selects outstanding researchers from around the world to receive grants, recognizing their promise and innovative approaches to lung cancer research. These investigators come from diverse backgrounds, including scientists, physicians, students, and fellows, and are working on a wide range of groundbreaking projects aimed at improving outcomes for lung cancer patients.

Lung cancer remains the leading cause of cancer-related deaths, yet it receives far less research funding per death compared to other cancers. This makes funding from non-governmental organizations like ours critical in driving forward research and discoveries. The Foundation plays a pivotal role in filling this funding gap.

Since its founding in 2005, and through its predecessor organizations, the Foundation has been at the forefront of supporting cutting-edge research to transform the lung cancer treatment landscape. In its inception, the mission was clear: provide hope by funding the best research and bring advancements to patients. In less than two decades, the Foundation has become one of the largest private funders of lung cancer research, enabling earlier detection, a deeper understanding of the mechanisms behind lung cancer, and the development of new treatment options that have saved many lives.

The Foundation's Scientific Advisory Board has grown to be one of the leading bodies in the lung cancer research community, helping ensure the highest caliber of research is supported. Additionally, ongoing investments in early-career investigators continue to nurture the next generation of talent, as demonstrated by the follow-on funding many of our past grantees have received since their initial grant.

Patient Education and Outreach

The Foundation provides up-to-date, credible information on lung cancer diagnosis, treatment, and what to expect from treatment through free education materials. The Foundation's mission is to help patients understand new treatments and the hope they offer. These materials educate the public about lung cancer's impact as a healthcare issue and teach how to identify symptoms of the disease.

NOTE 1. ORGANIZATION AND NATURE OF OPERATIONS (CONTINUED)

Patient Education and Outreach (Continued)

Available in both digital download and print formats, these resources are provided at no cost. The Foundation also offers tools to help patients and caregivers engage in meaningful discussions with healthcare teams, understand treatment options, and make informed decisions about treatment, including clinical trials and biomarker testing. The Foundation's educational materials are evidence-based and developed in collaboration with the Education and Engagement Committee, which includes oncologists, researchers, oncology nurses, social workers, and patients/caregivers. Feedback from our community also plays a key role in shaping these materials.

In 2025, the Foundation distributed over 178,000 educational resources to lung cancer patients, caregivers, advocates, and healthcare professionals nationwide, in both print and digital formats, at no cost. Our website, which hosts links to valuable resources, attracted nearly 520,000 visitors in 2025. We aim to increase distribution, particularly digital downloads, as demand for accessible information continues to grow.

The key objectives of the portfolio include:

- Empowering patients and caregivers with knowledge of lung cancer, biomarker testing, clinical trials, and treatment options.
- Providing up-to-date, reliable information on available treatments, and educating patients on what to expect and what is needed for optimal outcomes.
- Offering tools to facilitate discussions between patients and healthcare providers.
- Raising awareness of lung cancer's scope as a healthcare issue and the importance of early detection, tumor biomarker testing, and clinical trial participation.
- Sharing the progress and impact of research funded by the Foundation and emphasizing the need for continued funding to advance new treatments.
- Ensuring materials are culturally appropriate, accessible, and available through various delivery methods, including online, community groups, healthcare providers, and patient/caregiver-focused events.

Lung Cancer Support Line

The Foundation's Support Line is a toll-free service available at (844) 835-4325, operating Monday through Friday from 9 a.m. to 5 p.m. ET. It is designed to assist those affected by lung cancer, particularly patients and caregivers. Managed by a licensed clinical social worker, the Support Line offers comprehensive, up-to-date resource guides covering various needs, including financial assistance, transportation or lodging for medical appointments, support groups, and more. Lung cancer patients and caregivers can call or email as often as needed, at no cost.

In 2025, the Foundation received over 2,100 inquiries through the Support Line, with more than half coming from newly diagnosed patients or their caregivers - highlighting the timeliness and importance of the service. The Support Line also receives numerous inquiries from healthcare providers and community organizations seeking resources for their patients.

NOTE 1. ORGANIZATION AND NATURE OF OPERATIONS (CONTINUED)

Lung Cancer Support Line (Continued)
Looking forward, the Foundation plans to expand the Support Line's reach by 10% over the next year through targeted outreach and increased promotion. Our ongoing goal is to strengthen communication with newly diagnosed individuals and those engaged in our educational programs, ensuring they have the support they need.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation
The financial statements of the Foundation have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), which require the Foundation to report information regarding its financial position and activities according to the following net assets classifications:

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

*Net Assets With Donor Restriction*s - Net assets subject to stipulations imposed by donors and grantors. Some restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or by the passage of time. Other restrictions are perpetual in nature, whereby the donor had stipulated the funds be maintained in perpetuity. The Foundation does not have any net assets restricted by donors in perpetuity at December 31, 2025 and 2024.

Cash and Cash Equivalents
Cash and cash equivalents consist primarily of cash on deposit and a money market fund. The Foundation considers all highly liquid investments with maturities of three months or less from the date of purchase to be cash equivalents.

Revenue Recognition
The Foundation provides research grants toward a cure for lung cancer. Special event and community endurance event revenue is recognized over the period the event takes place. The Foundation reports revenue as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or by law. Expirations of net assets with donor restrictions (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

Grants and Contributions
Contributions are presented as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Grants and contributions received with donor-imposed or grantor-imposed restrictions that are fulfilled in the same year as received are reported as support without donor restrictions.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Grants and Contributions (Continued)
Contributions, including unconditional promises to give, are recognized as revenues in the period the promise is received. Conditional promises to give, that is, those with a measurable performance or other barriers, are not recognized until they become unconditional, that is, at the time when the conditions on which they depend are substantially met.

Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risk involved. Amortization of the discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any.

Refundable Advances
The Foundation receives refundable cash advances on conditional grants received in advance of the conditions being met.

Contributions Receivable
Contributions receivable are stated at the amount management expects to collect from outstanding balances. Management evaluates such receivables and establishes an allowance for doubtful accounts based on a history of write-offs and collections and current credit conditions. At both December 31, 2025 and 2024, the allowance for doubtful accounts amounted to $20,000.

Donated Goods and Services
Donated goods and services are recognized as contributions if the services received create or enhance nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Donated legal and media services amounting to $3,692,375 and $2,549,684 were provided to the Foundation and have been recorded as "Professional fees" in the accompanying statements of functional expenses for the years ended December 31, 2025 and 2024, respectively. Donated services are valued based on hours of services provided and rates for services the Foundation would otherwise have to pay through third parties at comparable rates. The donated services were used to support the Foundation's program activities, fundraising efforts and administrative functions, depending on the nature and purpose of the services provided.

In addition, a number of unpaid volunteers have made or have agreed to make significant contributions of their time. The value of such contributions is not reflected in these financial statements since these services do not require specialized skills.

Property and Equipment
The Foundation follows the policy of capitalizing property and equipment purchases of $2,500 or more. Property and equipment are recorded at cost, less accumulated depreciation. Major expenditures for property and equipment and those which substantially increase useful lives of assets are capitalized. Maintenance, repairs and minor renewals are expended as incurred. Depreciation is provided using the straight-line method over the estimated useful lives of the assets.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of Long-Lived Assets

The Foundation's long-lived assets are reviewed for impairment in accordance with the guidance of Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 360, *Property, Plant, and Equipment*, whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of the long-lived asset is measured by a comparison of the carrying amount of the asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the estimated fair value of the assets. Assets to be disposed of are reportable at the lower of the carrying amount or fair value, less costs to sell. At December 31, 2025 and 2024, management has determined that no long-lived assets are impaired.

Grants Payable

The Foundation records grants expense and the related grants payable when the board of directors formally approves each award at which point the commitment becomes unconditional. The Foundation had no conditional grant commitments as of year-end.

Functional Allocation of Expenses

The costs of providing the various programs and supporting services have been summarized on a functional basis in the accompanying statements of functional expenses. Accordingly, certain costs have been allocated among the program and supporting services in reasonable amounts and ratios determined by management.

The expenses that are allocated include the following:

Expense	Method of allocation
Salaries and employee benefits	Time and effort
Rent	Time and effort

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Income Taxes

The Foundation is organized as a New York State nonprofit corporation and has been recognized by the Internal Revenue Service ("IRS") as exempt from federal income taxes under Internal Revenue Code ("IRC") Section 501(a) as organizations described in IRC Section 501(c)(3). The Foundation is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the entity is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purposes. The Foundation has determined that it is not subject to unrelated business income tax.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes (Continued)

The Foundation recognizes and measures its unrecognized tax benefits in accordance with FASB ASC 740, *Income Taxes*. Under that guidance, the Foundation assesses the likelihood, based on their technical merit, that tax positions will be sustained upon examination based on the facts, circumstances and information available at the end of each period. The measurement of unrecognized tax benefits is adjusted when new information is available, or when an event occurs that requires a change.

Management has evaluated the Foundation's tax positions and believes that the Foundation has taken no uncertain tax positions that would require adjustments to the financial statements.

Subsequent Events

In accordance with FASB ASC 855, *Subsequent Events*, the Foundation has evaluated subsequent events through July 1, 2026, the date on which these financial statements were available to be issued. The Foundation is not aware of any material subsequent events that required recognition or additional disclosure in these financial statements.

NOTE 3. LIQUIDITY AND AVAILABILITY

The Foundation receives contributions with and without donor restrictions. Contributions received with donor restrictions are to be used in accordance with the associated purpose and/or time restrictions. Typically, restrictions are released during the year received and combined support with and without donor restrictions have historically represented 100% of annual program funding needs.

General expenditures include management and general expenses, fundraising expenses and grant program expenses expected to be paid in the subsequent year. Annual operations are defined as activities occurring during the Foundation's fiscal year.

The Foundation manages its cash available to meet general expenditures following three guiding principles:

(1) Operating within a prudent range of financial soundness and stability;

(2) Maintaining adequate liquid assets to fund near-term operating needs; and

(3) Maintaining sufficient reserves to provide reasonable assurance that long-term grant commitments that support the mission's fulfillment will continue to be met, ensuring the sustainability of the Foundation.

NOTE 3. LIQUIDITY AND AVAILABILITY (CONTINUED)

The table below presents financial assets available for general expenditures at December 31, 2025 and 2024:

	2025	2024
Cash and cash equivalents	$ 9,214,308	$ 7,092,931
Contributions receivable, net	451,777	223,370
Other receivables	25,076	72,847
Total financial assets	9,691,161	7,389,148
Less amounts not available for general obligations within one year:		
Net assets with donor restrictions	(1,461,002)	(660,149)
Financial assets available to meet cash needs for general expenditures within one year	$ 8,230,159	$ 6,728,999

The Foundation's board of directors meets annually in October to review and approve grant requests. Due to this timing, the Foundation strives to maintain financial assets available to meet general expenditures at a level that anticipates 10 to 12 months of expenses for administrative, general and fundraising cash outlays plus an amount that represents the next expected payment for semi-annual grant commitments approved by the committee, which typically represents approximately 80% of the expected annual grant cash needs.

NOTE 4. CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject the Foundation to concentrations of credit risk consist of cash and cash equivalents. The Foundation maintains cash and cash equivalent balances with a financial institution which at times may exceed the Federal Deposit Insurance Corporation insurance limits. The total amount in excess of these limits was approximately $8,789,000 as of December 31, 2025. The Foundation believes it is not exposed to any significant credit risk regarding its cash and cash equivalents.

Approximately 82% of the Foundation's total contributions receivable, net were due from one donor at December 31, 2025. Approximately 82% of the Foundation's total contributions receivable, net were due from two donors at December 31, 2024.

NOTE 5. CONTRIBUTIONS RECEIVABLE

Contributions receivable are due as follows at December 31, 2025 and 2024:

	2025	2024
Receivable in less than one year	$ 471,777	$ 243,370
Less: allowance for doubtful accounts	(20,000)	(20,000)
	$ 451,777	$ 223,370

NOTE 6. GRANTS PAYABLE

The Foundation made one grant for approximately $90,000 (2025 Board Approved Award), two grants of $250,000 (Mid Career HER2 Bayer/LCRF 2025-2027), four grants of $150,000 (Prevention + Early Detection 2025-2027), two grants of $150,000 (Overcoming Resistance 2025-2027), four grants of $150,000 (Leading Edge 2025-2027), one grant of $150,000 (Minority Career Development 2025-2027), three grants of $250,000 (Early Career HER2 BI/LCRF 2025-2027), and five grants of $150,000 (Early Career Development/Overcoming Resistance/Leading Edge) for the year ended December 31, 2025, and seven grants for approximately $150,000 (Minority CDA, Early Detection, Understanding Resistance and Leading Edge Grants), one grant of $625,000 (IASLC Team Science Award) and one grant of $320,000 (American Lung Cancer Screening Initiative grant) for the year ended December 31, 2024. Grant expense amounting to $5,347,010 and $2,555,478 has been recognized in the accompanying statements of functional expenses for the years ended December 31, 2025 and 2024, respectively.

The recipients of these grants are unrelated, nonprofit organizations and universities with programs focused on developing early diagnostics and improved outcomes for the treatment of lung cancer.

Outstanding grants payable are expected to be paid within the next fiscal year. The balances amounting to $2,068,000 and $1,454,059 have been included in the statements of financial position as of December 31, 2025 and 2024, respectively.

NOTE 7. CONDITIONAL PROMISES TO GIVE

During the year ended December 31, 2025, the Foundation received grants totaling approximately $3,270,000 (the "Conditional Grants"). The Conditional Grants contain grantor conditions (primarily completion of specifically identified events and milestones) and represent conditional promises to give. As such, they are not recorded as contribution revenue until the conditions are met.

Donations received from donors in advance of the conditions being met amounted to approximately $1,120,000 and $630,000 and are included as "Refundable advances" in the accompanying statements of financial position at December 31, 2025 and 2024, respectively.

NOTE 8. NET ASSETS WITH DONOR RESTRICTIONS

The Foundation's net assets with donor restrictions are available to satisfy the following purposes as of December 31, 2025 and 2024:

	2025	2024
Research	$ 1,034,000	$ 616,489
Marketing, communications, and donor development	400,000	43,660
Special events	27,002	-
	$ 1,461,002	$ 660,149

NOTE 8. NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

During the years ended December 31, 2025 and 2024, net assets were released from donor restrictions by incurring expenses satisfying the purpose restrictions or due to the passage of time as follows:

	2025	2024
Research	$ 5,179,905	$ 3,386,442
Patient education and outreach	1,363,086	937,934
Events	-	116,072
Marketing, communications, and donor development	160,741	332,000
	$ 6,703,732	$ 4,772,448

NOTE 9. 401(k) PLAN

The Foundation sponsors a 401(k) profit-sharing plan (the "Plan") for all eligible employees. Contributions to the Plan are made at the discretion of the board of directors. For the years ended December 31, 2025 and 2024, the Foundation made contributions to the Plan amounting to $61,709 and $57,906, respectively, which are included in "Salaries and employee benefits" in the accompanying statements of functional expenses.

NOTE 10. RELATED-PARTY TRANSACTIONS

For the years ended December 31, 2025 and 2024, the Foundation received contributions without donor restrictions amounting to $641,950 and $217,462, respectively, from individuals who are on the board of directors.

NOTE 11. JOINT COSTS

For the years ended December 31, 2025 and 2024, the Foundation incurred expenses to conduct activities that had both fundraising appeals as well as mission program components ("Joint activities"). The Joint activities include direct mail campaigns. Such costs are allocated among functional expense categories as follows:

	2025	2024
Program services	$ 11,793	$ 8,188
Fundraising	17,688	12,282
	$ 29,481	$ 20,470