

ROSS WISDOM CPA, PLLC

29 BROADWAY, SUITE 1412
NEW YORK, NY 10006-3249
212-986-0892
FAX 212-661-1970

INDEPENDENT AUDITORS REPORT

Board of Directors
The Sarcoma Foundation of America, Inc.
9899 Main Street, Suite 204
Damascus, MD 20872

We have audited the accompanying statements of financial position of The Sarcoma Foundation of America, Inc. (a nonprofit organization) as of December 31, 2010 and 2009, and the related statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit 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 statements presentation. We believe that our audit provides 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 Sarcoma Foundation of America, Inc. as of December 31, 2010 and 2009 and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

New York, New York
August 29, 2011



Ross Wisdom CPA, PLLC
Certified Public Accountant

THE SARCOMA FOUNDATION OF AMERICA, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2010 and 2009

	2010	2009
ASSETS		
<u>Current assets</u>		
Cash - checking	\$157,814	\$224,171
Cash - savings	1,040,316	767,218
Total cash (note 2)	1,198,130	991,389
Grants and pledges receivable (note 3)	9,647	9,771
Investments (note 4)	754,449	593,830
Total current assets	1,962,226	1,594,990
<u>Fixed assets</u>		
Machinery and equipment	21,520	18,008
Furniture and fixtures	9,551	9,551
Less: Accumulated depreciation	-22,223	-17,457
Total fixed assets (net)(note 1)	8,848	10,102
<u>Other assets</u>		
Prepaid expenses and security deposits (note 5)	45,364	24,586
Total assets	\$2,016,438	\$1,629,678
LIABILITIES & NET ASSETS		
<u>Current liabilities</u>		
Accrued expenses	\$49,526	\$37,097
Credit card payable	899	780
Total current liabilities	50,425	37,877
<u>Net assets</u>		
Unrestricted net assets	1,546,202	1,359,757
Temporarily restricted net assets (note 1)	419,811	232,044
Total unrestricted net assets	1,966,013	1,591,801
Total liabilities & net assets	\$2,016,438	\$1,629,678

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS AND ACCOUNTANT'S REPORT

THE SARCOMA FOUNDATION OF AMERICA, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEARS ENDED DECEMBER 31, 2010 and 2009

UNRESTRICTED NET ASSETS	<u>2010</u>	<u>2009</u>
Support and revenue		
Special events	\$863,688	\$962,133
Less direct expenses (note 6)	-299,833	-299,423
Donations and contributions	375,411	333,635
Interest and dividend income	40,466	36,937
Other income	628	38
Unrealized gains (note 4)	15,508	11,232
Net assets released from restrictions	<u>238,217</u>	<u>32,278</u>
Total unrestricted revenue, gains and other support	<u>1,234,085</u>	<u>1,076,830</u>
Expenses		
Programs	601,878	507,950
Management and general	205,408	199,068
Fundraising expenses	236,853	193,856
Realized gains and losses (net)	<u>3,501</u>	<u>1,747</u>
Total expenses	<u>1,047,640</u>	<u>902,621</u>
Increased in unrestricted net assets	186,445	174,209
Unrestricted net assets, beginning of year	<u>1,359,757</u>	<u>1,185,548</u>
Unrestricted net assets, end of year	<u>1,546,202</u>	<u>1,359,757</u>
TEMPORARILY RESTRICTED NET ASSETS		
Special events contributions	263,984	166,419
Donations and contributions	162,000	50,000
Net assets released from restrictions	<u>-238,217</u>	<u>-248,697</u>
Increase (decrease) in temporarily restricted net assets	<u>187,767</u>	<u>-32,278</u>
Temporarily restricted net assets, beginning of year	232,044	264,322
Temporarily restricted net assets, end of year	<u>419,811</u>	<u>232,044</u>
Net assets, end of year	<u><u>\$1,966,013</u></u>	<u><u>\$1,591,801</u></u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS AND ACCOUNTANT'S REPORT

THE SARCOMA FOUNDATION OF AMERICA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2010

	Total	Program Services	Management and General	Fundraising Expenses
Grants (note 8)	\$307,500	\$307,500		
Salaries and wages	274,446	116,530	\$78,224	\$79,692
Employee benefits	35,451	17,016	9,572	8,863
Payroll taxes	20,373	9,779	5,501	5,093
Pension expense	4,969	2,385	1,342	1,242
Accounting fees	6,800		6,800	
Bank and credit card charges	4,841		4,841	
Conferences and conventions	4,631		3,911	720
Depreciation	4,766		4,766	
Filing fees	4,909		4,909	
Insurance	4,894		4,894	
Interest expense	1,537		1,537	
Janitorial	840		840	
Legal and professional fees	15,230		15,230	
Marketing	10,685	2,592	690	7,403
Membership fees	5,315		5,315	
Miscellaneous	235		235	
Office supplies and expenses	3,452	20	3,432	
Outside services	1,007		1,007	
Patient registry	127,205	127,205		
Parking	403			403
Payroll service fees	2,016		2,016	
Postage and mailings	7,638	2,480	2,369	2,789
Printing and publications	13,219	5,578	1,606	6,035
Professional fundraising fees	116,352			116,352
Promotion and publicity	765			765
Recruitment	3,509		3,509	
Rent	20,431		20,431	
Repairs and maintenance	1,879		1,879	
Small clinical trials	10,083	10,083		
Staff development	1,224		1,224	
Telephone	2,157		2,157	
Ticket purchases	1,908			1,908
Travel	11,372	50	7,209	4,113
Utilities	2,861		2,861	
Website and internet service	9,236	660	7,101	1,475
Total expenses	\$1,044,139	\$601,878	\$205,408	\$236,853

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS AND ACCOUNTANT'S REPORT

THE SARCOMA FOUNDATION OF AMERICA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2009

	Total	Program Services	Management and General	Fundraising Expenses
Grants (note 8)	\$255,849	\$255,849		
Salaries and wages	225,830	80,915	\$78,691	\$66,224
Employee benefits	21,181	7,625	7,413	6,143
Payroll taxes	16,981	6,113	5,943	4,925
Pension expense	4,606	1,658	1,612	1,336
Accounting fees	6,260		6,260	
Advertising and promotion	2,180			2,180
Bank and credit card charges	3,324		3,324	
Conferences and conventions	2,153		1,476	677
Depreciation	4,510		4,510	
Filing fees	5,424		5,424	
Fundraising supplies	301			301
Insurance	5,656		5,656	
Interest expense	6,370		6,370	
Legal and professional fees	7,844		7,844	
Marketing	23,493	4,663	5,417	13,413
Membership fees	5,125		5,125	
Miscellaneous	433		433	
Office supplies and expenses	4,044		3,923	121
Outside services	2,898			2,898
Patient registry	121,556	121,556		
Payroll service fees	1,734	624	607	503
Postage and mailings	11,800	7,954	1,928	1,918
Printing and publications	16,006	9,840	1,112	5,054
Professional fundraising fees	79,978			79,978
Recruitment	737		737	
Rent	19,787		19,787	
Repairs and maintenance	3,886		3,886	
Space rental	221			221
Staff development	403		403	
Telephone	2,346	605	1,595	146
Travel	11,763	1,094	5,883	4,786
Utilities	2,690		2,690	
Website and internet service	23,505	9,454	11,019	3,032
Total expenses	\$900,874	\$507,950	\$199,068	\$193,856

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS AND ACCOUNTANT'S REPORT

THE SARCOMA FOUNDATION OF AMERICA, INC.
STATEMENT OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2010 and 2009

	2010	2009
Cash flows from operating activities		
Increase in net assets	\$374,212	\$141,931
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	4,766	4,510
Decrease in grants receivable	124	-80,545
Increase in prepaid expenses	-20,778	-2,037
Decrease in grants payable		-218,317
Increase in accrued expenses	12,548	1,263
Net cash provided (used) by operating activities	370,872	-153,195
Cash flows from investing activities		
Acquisition of fixed assets	3,512	1,009
Cash flows from financing activities		
(Acquisition)/sale of investments (net)	-167,643	-144,550
Increase (decrease) in cash	206,741	-296,736
Cash, beginning of year	991,389	1,288,125
Cash, end of year	\$1,198,130	\$991,389
 SUPPLEMENTAL DISCLOSURES		
Interest paid	\$1,537	\$6,370

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS AND ACCOUNTANT'S REPORT

THE SARCOMA FOUNDATION OF AMERICA, INC.
Notes to Financial Statements
December 31, 2010 and 2009

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Summary of Significant Accounting Policies

The Sarcoma Foundation of America, Inc. is an organization formed to advocate and provide medical research funding for the development of novel therapies against sarcoma.

The Organization was incorporated as a not-for-profit corporation under Maryland law and has been recognized as a tax-exempt charitable organization under section 501(c)(3) of the Internal Revenue Code and is registered in California, Connecticut, Florida, Georgia, Illinois, Kentucky, Maryland, Massachusetts, Michigan, Minnesota, New Jersey, New York, North Carolina, Oregon, Pennsylvania, Virginia, Washington state and Wisconsin.

Basis of Presentation

The financial statements have been prepared on the accrual basis in accordance with generally accepted accounting principles. Net assets, revenues, expenses, gains & losses are recognized when earned or incurred and classified based on the existence or absence of donor imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted net assets - Net assets that are not subject to donor imposed stipulations.

Temporarily Restricted Net Assets - Net assets subject to donor imposed stipulations that may be met, either by actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. As of December 31, 2010 and 2009 temporarily restricted net assets consisted of the following donor specified grants:

THE SARCOMA FOUNDATION OF AMERICA, INC.
Notes to Financial Statements
December 31, 2010 and 2009

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Temporarily Restricted Net Assets (continued)

	<u>2010</u>	<u>2009</u>
Alexander Burdo/ZIOPHARM Research Grant		\$ 25,000
ARIAD and Merck Research Grant		25,000
Bassett Northeast Research Award	\$ 30,000	
Blake Cadkin Memorial Research Grant		9,582
Dominic Rizzi Memorial Research Award		65,476
Florida 5K Run Research Grant	63,984	
Fund-A-Grant	100,000	
Jay V. Jackson Memorial Research Award		25,000
Mandell/Kropp Run for Sarcoma Cure Research Award	18,827	43,828
Ashley Lau/Morgan Stanley Research Award	50,000	
Rae of Hope Walk/Run in Memory of Rae Lynn Yates		13,158
Richard and Kathy Lobo Research Award		25,000
Mark Herzlich Research Award	107,000	
Alexander Burdo/Ziopharm Research Award	50,000	0
Total	<u>\$ 419,811</u>	<u>\$ 232,044</u>

Permanently Restricted Net Assets - Net assets subject to donor imposed stipulations, maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on any related investments for general or specific purposes.

Contributions

Contributions, including unconditional promises to give, are recorded as made. All contributions are available for unrestricted use unless specifically restricted by donor. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Unconditional promises to give due in the next year are recorded at their net realizable value.

THE SARCOMA FOUNDATION OF AMERICA, INC.
Notes to Financial Statements
December 31, 2010 and 2009

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Awards and Grants

The organization makes awards and grants for medical research for the development of novel therapies against sarcoma. The amount for which the organization is obligated is recorded upon the grant's approval. Awards and grants payable beyond one year are reported at the present value of their estimated future cash flows and have been discounted at rates ranging from 2.25% to 2.50%. These rates approximate the rates of return on U.S. government securities at the origination of the awards and grants.

Income Taxes

The Organization has qualified as a publicly supported tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and had no unrelated business tax and therefore has made no provision for Federal income taxes.

Functional Allocation of Expenses

The cost of providing the various programs and other activities has been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Statement of Cash Flows

The organization considers all short-term investments with a maturity of three month or less to be cash equivalents.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

THE SARCOMA FOUNDATION OF AMERICA, INC.
Notes to Financial Statements
December 31, 2010 and 2009

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and Equipment

Purchases of property & equipment are recorded at cost. Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Property and equipment are depreciated using the straight-line method over the expected useful lives of the assets.

Fair Value of Financial Instruments

On October 1, 2008, the Organization adopted Accounting Standards Codification 820, Fair Value Measurements. This Statement defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles (GAAP), and expands disclosures about fair value measurements. This Statement applies under other accounting pronouncements that require or permit fair value measurements.

In February 2008, the FASB Staff Position (FSP) delays the effective dates of Accounting Standard Codification 820 for all non-financial liabilities, excluding those assets that are recognized or disclosed at fair value on a recurring basis for the fiscal year beginning after November 15, 2008, and interim periods within those fiscal years.

On October 1, 2008, the Organization adopted Accounting Standards Codification 825, The fair Value Option for Financial Assets and Financial Liabilities - Including an Amendment of Accounting Standards Codification 320. A provision of Codification 825 permits an entity to measure financial instruments and certain other items at estimated fair value. Most of the provisions of Codification 825 are elective; however, the amendment to Accounting Standards Codification 320, Accounting for Certain Investments in Debt and Equity Securities, applies to all entities that own trading and available-for-sale securities, The fair value option created by Accounting Standards Codification 825 permits an entity to measure eligible items at fair value as of specified election dates.

THE SARCOMA FOUNDATION OF AMERICA, INC.
Notes to Financial Statements
December 31, 2010 and 2009

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The fair value option (a) may generally be applied instrument by instrument, (b) is irrevocable unless a new election date occurs, and (c) must be applied to the entire instrument and not only a portion of the instrument. The Adoption of the Accounting Standards Codification 825 did not have a significant impact on the Organization's results of operations and financial condition. The Organization's financial instruments consist principally of cash and cash equivalents, prepaid expenses, receivables, investments, other assets, accounts payable, and accrued expenses. The Organization believes all of the financial instruments' recorded values approximate fair value.

Recent Accounting Pronouncements - In August 2008, FASB issued Accounting Standards Codification 958, Endowments for Not-for-Profit Foundation: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act and Enhanced Disclosures for All Endowment Funds. Accounting Standards Codification 958 responds to accounting questions raised by the model Uniform Prudent Management of Institutional Funds Act (UPMIFA) that was approved by the Uniform Law Commission to modernize the Uniform Management of Institutional Funds Act of 1972 (UMIFA) for governing the investment and management of donor-restricted endowment funds by not-for-profit Foundation. Among UPMIFA's more significant changes is the elimination of UMIFA's concept of historic dollar threshold, the amount below which a Foundation could not spend from the fund, in favor of a more robust set of guidelines about what constitutes prudent spending. The provisions of Accounting Standards Codification 958 expand disclosures about the Foundation's endowment funds (both donor-restricted and board-designated). In addition, Accounting Standards Codification 958 requires that the portion of a donor-restricted endowment fund that is not classified as permanently restricted net asset be classified as temporarily restricted net assets until appropriated for expenditure. The Foundation adopted the provisions under Accounting Standards Codification 958 as of October 1, 2008.

THE SARCOMA FOUNDATION OF AMERICA, INC.
Notes to Financial Statements
December 31, 2010 and 2009

NOTE 2 - CASH AND CASH EQUIVALENTS

Cash and cash equivalents are considered to be all highly liquid debt instruments with a maturity date of 90 days or less from the date of purchase. At December 31, 2010 and 2009 these accounts consisted primarily of cash in bank as follows:

	<u>2010</u>	<u>2009</u>
Sandy Spring Bank	\$ 242,707	\$ 269,488
Citibank	361,708	105,153
Paypal	1	1
Sandy Spring Bank Investments-MMKT & CD'S	215,697	335,314
M&T Bank	2,962	102,567
Damascus Community Bank	369,705	175,633
Wells Fargo	5,350	3,233
Total	<u>\$1,198,130</u>	<u>\$ 991,389</u>

NOTE 3 - GRANTS AND PLEDGES RECEIVABLE

This account consists of grants and pledges receivable as follows:

	<u>2010</u>	<u>2009</u>
Other receivables	\$ 9,646	\$ 9,771
Total	<u>\$ 9,646</u>	<u>\$ 9,771</u>

NOTE 4 - INVESTMENTS:

Investments in marketable securities are presented in the financial statements at fair market value in accordance with SFAS 124. At December 31, 2010 and 2009 the aggregate fair market value was as follows:

	<u>2010</u>	<u>2009</u>
Corporate bonds	\$ 523,097	\$ 593,830
Mutual funds	231,352	0
Total	<u>\$ 754,449</u>	<u>\$ 593,830</u>

This includes net unrealized gains for the year ended December 31, 2010 and 2009 of \$15,508 and \$11,232.

THE SARCOMA FOUNDATION OF AMERICA, INC.
Notes to Financial Statements
December 31, 2010 and 2009

NOTE 5 - PREPAID EXPENSES AND OTHER ASSETS AND DEPOSITS

Prepaid expenses and other assets consist of 2010 special event venue advance payments paid as of December 31, 2010 of \$41,364 and other assets and deposits of \$2,425.

NOTE 6 - SPECIAL EVENTS

During the years ended December 31, 2010 and 2009 the organization ran or benefited from a series of special events. The total amount received amounted to \$ 1,127,671 (\$707,860 unrestricted and \$419,811 temporarily restricted) for the year 2010, and \$1,128,552 (\$962,133 unrestricted and \$166,419 temporarily restricted) for the year 2009. Related expenses were as follows:

	<u>2010</u>	<u>2009</u>
Advertising and promotion	\$ 540	\$ 6,102
Auction and awards expenses	23,655	32,076
Conferences and meetings		743
Entertainment	16,246	600
Fees	13,402	9,064
Flowers	3,172	2,949
Food, beverage and catering	16,747	1,055
Insurance		1,680
Outside services	6,592	6,051
Photographers & audiovisual	1,625	18,616
Postage, supplies and miscellaneous	12,388	9,257
Printing	24,526	17,943
Security	1,977	1,927
Travel	23,568	15,423
Venue	111,602	139,104
Total expenses	<u>\$ 256,040</u>	<u>\$ 262,590</u>

The above amounts do not include exchange transactions of \$43,793 for 2010 and \$36,833 for 2009 (note 7).

NOTE 7 - EXCHANGE TRANSACTIONS AND CONTRIBUTED MERCHANDISE

Exchange transactions are reciprocal transfers in which each party receives and sacrifices something of equal value as opposed to a nonreciprocal transaction (i.e., a contribution) in which a donor provides resources to support the Organization's mission and expects to receive nothing of value in exchange.

THE SARCOMA FOUNDATION OF AMERICA, INC.
Notes to Financial Statements
December 31, 2010 and 2009

NOTE 7 - EXCHANGE TRANSACTIONS AND CONTRIBUTED MERCHANDISE
(continued)

Costs of exchange transactions that benefit the recipient of the exchange and are not directly related to the Organization mission are reported as exchange expenses. Items donated and sold at fundraising events amounted to \$43,793.

NOTE 8 - GRANTS DISBURSEMENTS AND ALLOCATION

During the years December 31, 2010 and 2009 the organization awarded and disbursed research grants to the following organizations:

	<u>2010</u>	<u>2009</u>
1) Alfred L. Dupont Hospital for Children	\$ 25,000	
2) ASCO Cancer Foundation	57,500	\$ 166,666
3) Baylor College of Medicine	25,000	25,000
4) Cedars-Sinai Medical Center		25,000
5) Centre Hospitalier Universitaire de Quebec	25,000	
6) Children's Hospital Los Angeles	25,000	
7) Dana-Farber Cancer Institute		25,000
8) Dartmouth Medical School	25,000	
9) Fred Hutchinson Cancer Research Center		25,000
10) Kansas State University		25,000
11) Massachusetts General Hospital	50,000	50,000
12) M.D. Anderson Cancer Center		25,000
13) Moffitt Cancer Center		25,000
14) The Trustees of Columbia University	25,000	
15) The Trustees University of Pennsylvania	25,000	
14) University of Kansas Center for Research	25,000	
15) Vanderbilt University Medical Center	0	25,000
Total cash grants disbursed	307,500	416,666
Grants expensed not disbursed in 2009	0	(160,817)
 Total grant expenses	 \$ 307,500	 \$ 255,849

*On August 15, 2007 The Sarcoma Foundation of America signed a grant agreement with the ASCO Cancer Foundation (an affiliate of the American Society of Clinical Oncology) to grant \$500,000 payable over three years in annual installments of \$166,666.67 each for The ASCO Foundation's 2008 Annual Advanced Clinical Research Award in Sarcoma research.

THE SARCOMA FOUNDATION OF AMERICA, INC.
Notes to Financial Statements
December 31, 2010 and 2009

NOTE 8 - GRANTS DISBURSEMENTS AND ALLOCATION (continued)

Accordingly, this grant has been accrued and expensed at \$488,302 (\$500,000 net of a present value adjustment \$11,698, also see note 6) of which \$166,667 was disbursed during the year ended December 31, 2008, \$166,667 during the year December 31, 2007 and \$167,666 (net present value of \$160,817) has been approved for disbursement in year 2009. On November 11, 2008 the organization signed another agreement with the ASCO Foundation to grant an additional \$57,500 for the ASCO Cancer Foundation's 2009 Young Investigator Award Grant in Sarcoma research.

NOTE 9 - CONCENTRATION OF CREDIT RISK

The Sarcoma Foundation of America maintains several bank accounts. Accounts at an institution are insured by the Federal Deposit Insurance Corporation (FDIC) for up to \$250,000. Cash at these institutions does exceed federally insured limits for year ended December 31, 2010. Sandy Spring Bank Investment's account of \$458,404 includes various certificates of deposits at various banks and a money market account which does exceed federally insured limits for the year ended December 31, 2010. In addition, the Foundation maintains checking and money market accounts at both Citibank and Damascus Community Bank of \$361,708 and \$369,705 respectively which does exceed the federally insured limits for the year ended December 31, 2010.

NOTE 10 - DONATED SERVICES

During the year ended December 31, 2010 contributed services were received by the organization related to their annual gala. No amounts have been reflected in the financial statements for those contributed services since they do not meet the criteria for recognition in the financial statements under SFAS No. 116, Accounting for Contributions Received and Contributions Made.

NOTE 11 - COMMITMENTS AND CONTINGENCIES

The organization has not negotiated a new lease with the landlord. The organization has a monthly base rent of \$1,527 for office space located at 9884 Main Street, Damascus, MD.

THE SARCOMA FOUNDATION OF AMERICA, INC.
Notes to Financial Statements
December 31, 2010 and 2009

NOTE 12 - RELATED PARTY TRANSACTIONS

There were no related party transactions identified for the year ended December 31, 2010.

NOTE 13 - SUBSEQUENT EVENTS

No subsequent events of material nature came to our attention warranting adjustment or disclosure.