



# **Conquer Cancer Foundation of the American Society of Clinical Oncology**

**Financial Statements  
Years Ended December 31, 2019 and 2018**

**Conquer Cancer Foundation of  
the American Society of Clinical  
Oncology**

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Financial Statements  
Years Ended December 31, 2019 and 2018

# Conquer Cancer Foundation of the American Society of Clinical Oncology

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## **Independent Auditor's Report**

Board of Directors  
Conquer Cancer Foundation of the American Society  
of Clinical Oncology  
Alexandria, Virginia

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Conquer Cancer Foundation of the American Society of Clinical Oncology (Conquer Cancer), which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities and change in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

#### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

#### ***Auditor's Responsibility***

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Conquer Cancer Foundation of the American Society of Clinical Oncology as of December 31, 2019 and 2018, 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.

*BDO USA, LLP*

**McLean, Virginia**  
May 21, 2020

## Financial Statements

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# Conquer Cancer Foundation of the American Society of Clinical Oncology

## Statements of Financial Position

<i>December 31,</i>	2019	2018
<b>Assets</b>		
Cash and cash equivalents	\$ 5,649,132	\$ 9,246,912
Investments	76,413,045	56,118,569
Accounts receivable, net	610	889
Contributions receivable, net	6,312,068	7,889,011
Due from American Society of Clinical Oncology, net	994,172	1,104,031
Prepaid expenses and other assets	297,353	188,502
<b>Total assets</b>	<b>\$ 89,666,380</b>	<b>\$ 74,547,914</b>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts payable	\$ 3,104,659	\$ 3,209,061
Accrued expenses	266,424	107,108
Refundable advances	3,825,438	1,037,612
<b>Total liabilities</b>	<b>7,196,521</b>	<b>4,353,781</b>
<b>Commitments and contingencies</b>		
<b>Net assets</b>		
Without donor restrictions	40,974,084	35,258,849
With donor restrictions	41,495,775	34,935,284
<b>Total net assets</b>	<b>82,469,859</b>	<b>70,194,133</b>
<b>Total liabilities and net assets</b>	<b>\$ 89,666,380</b>	<b>\$ 74,547,914</b>

*See accompanying notes to the financial statements.*

# Conquer Cancer Foundation of the American Society of Clinical Oncology

## Statement of Activities and Change in Net Assets

<i>Year Ended December 31, 2019</i>	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue and support</b>			
Contributions, grants and sponsorships	\$ 7,461,188	\$ 18,887,638	\$ 26,348,826
Dues	736,500	-	736,500
Other	753,110	-	753,110
Net assets released from restrictions	15,251,840	(15,251,840)	-
<b>Total revenue and support</b>	<b>24,202,638</b>	<b>3,635,798</b>	<b>27,838,436</b>
<b>Operating expenses</b>			
<b>Program services</b>			
Research	9,797,316	-	9,797,316
Scientific and Medical Education	7,919,007	-	7,919,007
Patient and Public Information	1,466,411	-	1,466,411
Quality of Care	156,718	-	156,718
<b>Total program operating</b>	<b>19,339,452</b>	<b>-</b>	<b>19,339,452</b>
<b>Supporting services</b>			
Fundraising	5,021,954	-	5,021,954
Administration	600,125	-	600,125
<b>Total supporting services</b>	<b>5,622,079</b>	<b>-</b>	<b>5,622,079</b>
<b>Total expenses</b>	<b>24,961,531</b>	<b>-</b>	<b>24,961,531</b>
<b>Change in net assets before net investment return</b>	<b>(758,893)</b>	<b>3,635,798</b>	<b>2,876,905</b>
Investment return, net	6,474,128	2,924,693	9,398,821
<b>Change in net assets</b>	<b>5,715,235</b>	<b>6,560,491</b>	<b>12,275,726</b>
Net assets, beginning of year	35,258,849	34,935,284	70,194,133
<b>Net assets, end of year</b>	<b>\$ 40,974,084</b>	<b>\$ 41,495,775</b>	<b>\$ 82,469,859</b>

*See accompanying notes to the financial statements.*



# Conquer Cancer Foundation of the American Society of Clinical Oncology

## Statement of Activities and Change in Net Assets

<i>Year Ended December 31, 2018</i>	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue and support</b>			
Contributions, grants and sponsorships	\$ 8,220,681	\$ 22,900,219	\$ 31,120,900
Dues	575,000	-	575,000
Other	302,476	-	302,476
Net assets released from restrictions	15,579,858	(15,579,858)	-
<b>Total revenue and support</b>	<b>24,678,015</b>	<b>7,320,361</b>	<b>31,998,376</b>
<b>Operating expenses</b>			
<b>Program services</b>			
Research	10,024,751	-	10,024,751
Scientific and Medical Education	6,756,736	-	6,756,736
Patient and Public Information	1,217,049	-	1,217,049
Quality of Care	2,300,000	-	2,300,000
<b>Total program operating</b>	<b>20,298,536</b>	<b>-</b>	<b>20,298,536</b>
<b>Supporting services</b>			
Fundraising	3,481,300	-	3,481,300
Administration	138,994	-	138,994
<b>Total supporting services</b>	<b>3,620,294</b>	<b>-</b>	<b>3,620,294</b>
<b>Total expenses</b>	<b>23,918,830</b>	<b>-</b>	<b>23,918,830</b>
<b>Change in net assets before net investment return</b>	<b>759,185</b>	<b>7,320,361</b>	<b>8,079,546</b>
Investment return, net	(2,031,114)	(1,025,850)	(3,056,964)
<b>Change in net assets</b>	<b>(1,271,929)</b>	<b>6,294,511</b>	<b>5,022,582</b>
Net assets, beginning of year	36,530,778	28,640,773	65,171,551
<b>Net assets, end of year</b>	<b>\$ 35,258,849</b>	<b>\$ 34,935,284</b>	<b>\$ 70,194,133</b>

*See accompanying notes to the financial statements.*

**Conquer Cancer Foundation of the American Society of  
Clinical Oncology**

**Statement of Functional Expenses**

<i>Year Ended December 31, 2019</i>	Program Services				Supporting Services				Total Expenses
	Research	Scientific and Medical Education	Patient and Public Information	Quality of Care	Total Program Services	Fundraising	Administration	Total Supporting Services	
Awards	\$ 6,838,475	\$ 6,690,010	\$ 1,354,369	\$ 137,390	\$ 15,020,244	\$ -	\$ -	\$ -	\$ 15,020,244
Salaries and benefits	1,786,793	936,993	70,813	14,521	2,809,120	2,725,735	391,854	3,117,589	5,926,709
Occupancy	283,757	145,624	26,516	2,833	458,730	413,344	153,993	567,337	1,026,067
Technology	86,023	14,209	1,754	184	102,170	748,754	5,951	754,705	856,875
Professional services	387,893	24,357	3,175	338	415,763	405,896	16,908	422,804	838,567
Publications production	110,333	1,465	4,480	25	116,303	261,984	1,352	263,336	379,639
Travel	138,932	66,307	446	698	206,383	125,859	2,511	128,370	334,753
Office services	73,324	12,167	1,845	409	87,745	208,144	10,779	218,923	306,668
Meetings production	56,348	20,690	1,953	209	79,200	106,602	11,419	118,021	197,221
Personnel and staff development	35,438	7,185	1,060	111	43,794	25,636	5,358	30,994	74,788
	\$ 9,797,316	\$ 7,919,007	\$ 1,466,411	\$ 156,718	\$ 19,339,452	\$ 5,021,954	\$ 600,125	\$ 5,622,079	\$ 24,961,531

*See accompanying notes to the financial statements.*

**Conquer Cancer Foundation of the American Society of  
Clinical Oncology**

**Statement of Functional Expenses**

<i>Year Ended December 31, 2018</i>	Program Services				Supporting Services			Total Supporting Services	Total Expenses
	Research	Scientific and Medical Education	Patient and Public Information	Quality of Care	Total Program Services	Fundraising	Administration		
Awards	\$ 7,070,283	\$ 6,437,000	\$ -	\$ 2,300,000	\$ 15,807,283	\$ 8,114	\$ 4,574	\$ 12,688	\$ 15,819,971
Salaries and benefits	2,248,695	-	-	-	2,248,695	2,661,401	96,658	2,758,059	5,006,754
Occupancy	129,470	-	151,140	-	280,610	25,521	5,527	31,048	311,658
Technology	138,135	-	459,157	-	597,292	29,421	15,108	44,529	641,821
Professional services	28,214	22,314	382,882	-	433,410	156,861	1,948	158,809	592,219
Publications production	883	33,700	64,236	-	98,819	227,134	33	227,167	325,986
Travel	106,733	117,954	7,422	-	232,109	129,554	5,408	134,962	367,071
Office services	141,987	-	-	-	141,987	203,727	962	204,689	346,676
Meetings production	99,075	135,745	917	-	235,737	11,389	3,308	14,697	250,434
Personnel and staff development	61,276	10,023	151,295	-	222,594	28,178	5,468	33,646	256,240
	\$ 10,024,751	\$ 6,756,736	\$ 1,217,049	\$ 2,300,000	\$ 20,298,536	\$ 3,481,300	\$ 138,994	\$ 3,620,294	\$ 23,918,830

*See accompanying notes to the financial statements.*

# Conquer Cancer Foundation of the American Society of Clinical Oncology

## Statements of Cash Flows

Years Ended December 31,	2019	2018
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 12,275,726	\$ 5,022,582
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Net realized and unrealized (gain) loss on investments	(7,479,049)	3,750,543
Bad debt on contributions receivable	11,560	100,000
Change in discount on contributions receivable	312,955	(41,425)
Contributions to net assets with donor restrictions - perpetual endowment	(6,995,900)	(2,133,374)
Changes in operating assets and liabilities:		
Accounts receivable	279	(889)
Contributions receivable	1,252,428	1,277,677
Due from American Society of Clinical Oncology	109,859	1,738,957
Prepaid expenses and other assets	(108,851)	(129,515)
Accounts payable	(104,402)	(178,690)
Accrued expenses	159,316	107,108
Refundable advances	2,787,826	162,862
<b>Net cash provided by operating activities</b>	<b>2,221,747</b>	<b>9,675,836</b>
<b>Cash flows from investing activities</b>		
Proceeds from sales of investments	1,704,767	37,590,354
Purchases of investments	(14,520,194)	(45,953,489)
<b>Net cash used in investing activities</b>	<b>(12,815,427)</b>	<b>(8,363,135)</b>
<b>Cash flows from financing activity</b>		
Contributions to net assets with donor restrictions - perpetual endowment	6,995,900	2,133,374
<b>Net cash provided by financing activity</b>	<b>6,995,900</b>	<b>2,133,374</b>
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>(3,597,780)</b>	<b>3,446,075</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>9,246,912</b>	<b>5,800,837</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 5,649,132</b>	<b>\$ 9,246,912</b>

*See accompanying notes to the financial statements.*

# Conquer Cancer Foundation of the American Society of Clinical Oncology

## Notes to the Financial Statements

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### 1. Organization and Summary of Significant Accounting Policies

#### *Organization*

The Conquer Cancer Foundation of the American Society of Clinical Oncology (Conquer Cancer) is a charitable organization dedicated to conquering cancer worldwide by funding breakthrough research and sharing cutting-edge knowledge. Conquer Cancer was created by the American Society of Clinical Oncology (the Society) to raise funds to support cancer research and to support the lifesaving work of the Society and its global network of more than 45,000 oncology professionals in 100 countries. Conquer Cancer is a related entity of the Society and its accounts are included in the Society's consolidated financial statements.

#### *Operating Structure*

Conquer Cancer fulfills its mission by focusing its efforts in the following service areas, which are included in the statements of activities and change in net assets:

#### *Research*

Conquer Cancer funds and awards multiple research grants for cancer researchers in all spectrums of research activities related to cancer prevention, screening, treatment and outcomes in all cancer types. Awards given include Young Investigator Awards, Career Development Awards, among others.

#### *Scientific and Medical Education*

Conquer Cancer helps oncologists worldwide stay up to date on the latest development and discoveries in cancer knowledge. Conquer Cancer supports the efforts of the Society to provide the latest information and education to physicians, researchers and caregivers through meetings, publications, websites, and other resources.

#### *Patient and Public Information*

Conquer Cancer helps the Society in providing the public, including patients, the media, legislators, physicians and other health care professionals, with accurate and up-to-date information about cancer, cancer care, treatment, research, prevention, and other issues important to the cancer community. Cancer information in lay terms is available through its free patient education website, Cancer.net.

#### *Quality of Care*

Conquer Cancer funds projects that develop evidence-based guidelines, develop and validate quality measures in oncology, and conduct quality improvement and measurement activities.

# Conquer Cancer Foundation of the American Society of Clinical Oncology

## Notes to the Financial Statements

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### ***Basis of accounting***

The accompanying financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) and are presented in accordance with the accrual basis of accounting. Revenue is recognized when earned and expenses are recognized when obligations have been incurred.

### ***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 of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

### ***Cash equivalents***

Short-term, highly liquid investments with original maturities of 90 days or less are considered cash equivalents, except those associated with the investment portfolio.

### ***Investments***

Investments with readily determinable fair values are reflected at fair value. All interest, dividends, and realized and unrealized gains and losses on investments are included in the statements of activities and change in net assets.

### ***Financial Instrument valuation***

Financial instruments are reported at fair value. 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. See Note 4 for further information related to fair value measurements.

### ***Contributions receivable***

Unconditional promises to give are recorded as contributions receivable and contribution revenue in the period in which Conquer Cancer is notified in writing by the donor of a commitment to contribute. Conditional promises to give are recognized 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 risks involved. Contributions receivable are recorded at net present value. Conquer Cancer evaluates outstanding contributions receivable, including the donation history of each donor on a periodic basis. As a result of this evaluation, Conquer Cancer recorded \$11,560 and \$100,000 of bad debt expense for the years ended December 31, 2019 and 2018, respectively.

# Conquer Cancer Foundation of the American Society of Clinical Oncology

## Notes to the Financial Statements

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### ***Refundable advances***

A transfer of assets (i.e. cash received) that is related to a conditional contribution which is accounted for as refundable advances until the conditions have been substantially met or explicitly waived by the donor.

### ***Net assets***

To ensure observance of limitations and restrictions placed on the use of resources available to Conquer Cancer, resources are reported in two classes established to reflect the existence or no of donor restrictions:

#### ***Net Assets Without Donor Restrictions***

Net assets that are available for general operations and not subject to donor (or certain grantor) restrictions include net assets that have been designated by the Board of Directors for a specified purpose. See Note 7 for more information on the composition of net assets without donor restrictions.

#### ***Net Assets With Donor Restrictions***

Net assets subject to donor (or certain grantor) imposed restrictions are available only for the purposes stated by the donor or at the time specified by the donor. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or use of funds for the activities specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. See Note 8 for more information on the composition of net assets with donor restrictions.

Contributions that are restricted by donors for specific purposes are as follows:

#### ***General Award Funds***

Consists of other awards that provide support for researchers in the field of clinical oncology.

#### ***Young Investigator Award (YIA) Fund***

The YIA is a one-year grant that provides funds to physicians during the transition from a fellowship program to a faculty appointment and gives them protected research time, monetary support, and mentoring needed to start a successful research career.

# Conquer Cancer Foundation of the American Society of Clinical Oncology

## Notes to the Financial Statements

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### ***Gianni Bonadonna Breast Cancer Award and Fellowship***

The Gianni Bonadonna Breast Cancer Award (“Bonadonna Award”) is an annual award designed to recognize an active clinical or translational researcher with a distinguished record of accomplishments in advancing the field of breast cancer. It also provides a research fellowship grant designed to fund an investigator whose breast cancer research has a patient-oriented focus, including clinical trials or translational research involving human subjects.

### ***Career Development Award (CDA) Fund***

The CDA is a three-year grant that funds early career physician-scientists during their first few years of faculty appointment when funding is difficult to obtain.

### ***Advanced Clinical Research Award (ACRA) Fund***

The ACRA is a three-year grant that funds cancer researchers in their 4th to 9th year of a full-time faculty appointment in a clinical department at an academic medical institution. These topic-specific grants are designed to fund investigators who are committed to clinical cancer research.

### ***Merit Award Fund***

The Merit Award Fund provides support to young researchers in the field of clinical oncology. Merit Awards are awarded to physicians in an oncology fellowship training program or doctoral degree candidates whose high quality abstracts are selected for presentation at the ASCO Annual Meeting and cosponsored thematic symposia. The award is designed to promote quality clinical research by young scientists and honors fellows with an opportunity to present their research and interact with other clinical cancer investigators at ASCO meetings.

### ***Research Professorships Award Fund***

The Research Professorships Award is a five-year grant designed to provide funds to researchers who have made significant contributions to the direction of cancer research. The grant supports qualified individuals who are dedicated to bringing advances in basic sciences into the clinical arena and to mentoring other translational researchers.

### ***Donor Restricted Net Assets in Perpetuity***

These represent contributions that are restricted by donors in perpetuity to support a particular purpose. Over time, it is expected that the related investment income will be sufficient to fund the annual support specified.



# Conquer Cancer Foundation of the American Society of Clinical Oncology

## Notes to the Financial Statements

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### *Measure of operations*

Conquer Cancer includes contributions, grants and sponsorships, dues, and other sources of income as revenue and support from operations. Nonoperating investment return which includes interest, dividends, realized and unrealized gains and losses is considered to be other income (loss) in the statements of activities and change in net assets.

### *Revenue Recognition*

Conquer Cancer adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU), 2014-09, *Revenue from Contracts with Customers (Topic 606)*, including all subsequent amendments (collectively, ASC 606) and ASU 2018-08, *Not-For-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, effective January 1, 2019. See *Accounting Pronouncements Adopted* section for further information regarding the adoption of ASC 606 and ASU 2018-08.

#### **Revenue Accounted for in Accordance with ASU 2018-08**

##### ***Contributions, Grants and Sponsorships***

Grants and sponsorship support related to a specific event is recognized when the related activity (i.e., meeting) takes place. Grants and sponsorships, and other supporting funds received in advance for symposia held in the following year is included in refundable advances in the statements of financial position until the conditions under the agreement are met.

Conquer Cancer receives contributions from individuals, government, private institutions and other organizations. Contributions are transactions under which the donor does not receive commensurate value. Contributions may be either conditional or unconditional transactions. Depending on the type of the agreement, if unconditional, Conquer Cancer recognizes the revenue the earlier of the period received or promised, or if conditional, when the condition has been met. Contributions received are considered to be without donor restriction unless specifically restricted by the donor. Amounts received that are designated for a future period, or are restricted by the donor for specific purposes are reported as net assets with donor restrictions. Unconditional promises to give, which do not state a due date, are presumed to be time-restricted by the donor until received and are reported as net assets with donor restrictions. When the donor-imposed restrictions are met, the funds are released with an offset to without donor restrictions support. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service.

#### **Contracts with Customers Accounted for in Accordance with ASC 606**

In accordance with the provisions of ASC 606, revenue is recognized when Conquer Cancer satisfies a performance obligation by transferring a promised good to, or performing a service for, a customer. The amount of revenue recognized reflects the consideration Conquer Cancer expects to receive in exchange for satisfying distinct performance obligations. If a performance obligation does not meet the criteria to be considered distinct, Conquer Cancer combines it with other performance obligations until a distinct bundle of goods or services exists. Fees or amounts received in advance of satisfying contractual

# Conquer Cancer Foundation of the American Society of Clinical Oncology

## Notes to the Financial Statements

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performance obligations are reflected as deferred revenue in the statements of financial position. Revenue is recognized either over time or at the point in time that contractual obligations are met.

Specifically, for the various types of contracts, Conquer Cancer recognizes revenue as follows:

### *Dues*

Dues are related to the Conquer Cancer Council membership. Revenue is recognized at a point in time and when the membership begins for one year.

### *Other*

Other fees received are recognized as earning process is completed.

### *Functional expense allocation*

The cost of providing various programs and other activities has been summarized on a functional basis in the statements of activities and change in net assets. On the statements of functional expenses, these costs are shown by natural and functional cost category. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function, requiring allocation of these expenses on a reasonable basis consistently applied. The expenses that are allocated include occupancy which is allocated based on square footage, as well as certain salaries and benefits, professional services, office expenses, technology, travel and staff development, which are allocated on the basis of estimates of time and effort.

### *Income taxes*

Conquer Cancer is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. It has been granted public charity status by the Internal Revenue Service (the IRS) and has been classified as other than a private foundation. Conquer Cancer incurred no net unrelated business income tax for the years ended December 31, 2019 and 2018.

In accordance with U.S. GAAP, Conquer Cancer may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. Conquer Cancer believes that it has appropriate support for tax positions taken, and therefore, does not have uncertain tax positions that are material to the financial statements. Generally, Conquer Cancer is no longer subject to income tax examinations by the U.S. federal, state or local tax authorities for years before December 31, 2016.

# Conquer Cancer Foundation of the American Society of Clinical Oncology

## Notes to the Financial Statements

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### *Accounting pronouncements adopted*

In May 2014, the FASB issued ASU 2014-09 which requires an entity to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which entities expect to be entitled in exchange for those goods or services. The update also requires additional disclosure to enable readers of the financial statements to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. Conquer Cancer adopted this update, along with all subsequent amendments in 2019 under the prospective method. Additionally, Conquer Cancer applied the practical expedient (i) to account for revenues with similar characteristics as a collective group rather than individually, (ii) to not adjust the transaction price for the effects of significant financing components (if any), and (iii) to not disclose the transaction price allocated to unsatisfied or partially unsatisfied performance obligations as of the end of the reporting period when the performance obligations relate to contracts with an expected duration of less than one year. Conquer Cancer adopted ASU 2014-09 effective January 1, 2019, and did not have significant changes to revenue recognition other than regrouping certain performance obligations that are either distinct and homogenous or both. As a result of the adoption, certain prior year balances have been reclassified to conform to the 2019 presentation. See the *Revenue Recognition* section for description of revenue recognition for each revenue stream. There was no effect on the change in net assets reported at December 31, 2018 as a result of adopting ASU 2014-09.

In June 2018, the FASB issued ASU 2018-08 which clarified and improved current guidance by providing criteria for determining whether a nonprofit is receiving commensurate value in return for the resources transferred. The outcome of the analysis determines whether the contract or grant constitutes either a contribution or an exchange transaction (i.e., ASC 606). The guidance also provides a more robust framework for determining whether a contribution is conditional or unconditional, and for distinguishing a donor-imposed condition from a donor-imposed restriction. Conquer Cancer adopted this update on a prospective basis. The ASU is effective for resource recipients for fiscal years beginning after December 15, 2018 and for resource providers for fiscal years beginning after December 15, 2019. As both a resource recipient and a resource provider, Conquer Cancer adopted the full guidance effective January 1, 2019. With the clarifications outlined in ASU 2018-18, Conquer Cancer reviewed existing agreements at January 1, 2019, as well as new agreements in 2019, and concluded that some existing agreements are conditional due to rights of returns/release and barriers to entitlement to funds. As a result, contributions, grants and scholarships which were previously recognized at the earlier of the period received or promised as net assets with donor restrictions, was changed to revenue recognition when the condition is either satisfied or when qualifying expenses or satisfying a milestone or other deliverable is met. Conquer Cancer adopted this on a modified prospective basis. There was no effect on the change in net assets reported at December 31, 2018 as a result of adopting ASU 2018-08.

In January 2016, the FASB issued ASU 2016-01, *Financial Instruments - Overall (Subtopic 825-10), Recognition and Measurement of Financial Assets and Financial Liabilities*. The update affects the accounting for equity investments and financial liabilities, and presentation and disclosure requirements for financial instruments. This ASU was adopted during 2019 and did not have a significant impact on Conquer Cancer's financial statements. There was no effect on the change in net assets reported at December 31, 2018 as a result of adopting ASU 2016-01.

# Conquer Cancer Foundation of the American Society of Clinical Oncology

## Notes to the Financial Statements

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In August 2016, the FASB issued ASU 2016-15, *Classification of Certain Cash Receipts and Cash Payments (Topic 230)*, which clarifies how certain cash receipts and cash payments are presented and classified in the statement of cash flows. The amendments are intended to reduce diversity in practice. ASU 2016-15 contains additional guidance clarifying when an entity should separate cash receipts and cash payments and classify them into more than one class of cash flows (including when reasonable judgment is required to estimate and allocate cash flows) versus when an entity should classify the aggregate amount into one class of cash flows on the basis of predominance. Conquer Cancer adopted ASU 2016-15 and there was no significant impact in the presentation of the statements of cash flows. There was no effect on the change in net assets reported at December 31, 2018 as a result of adopting ASU 2016-15.

In November 2016, the FASB issued ASU 2016-18, *Statement of Cash Flows: Restricted Cash (Topic 230)*, to address the classification and presentation of changes in restricted cash in the statement of cash flows. The ASU requires that a statement of cash flows present the change in the total cash, cash equivalents, and amounts described as restricted cash and restricted cash equivalents. Thus, amounts described as restricted cash or restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. Conquer Cancer adopted ASU 2016-18 and there was no significant impact in the presentation of the statements of cash flows. There was no effect on the change in net assets reported at December 31, 2018 as a result of adopting ASU 2016-18.

### ***Recent accounting pronouncement not yet adopted***

In August 2018, the FASB issued ASU 2018-13, *Disclosure Framework - Changes to the Disclosure Requirements for Fair Value Measurement*. The update modifies certain disclosure requirements in Topic 820, *Fair Value Measurement*. The ASU is effective for Conquer Cancer's financial statements for fiscal years beginning after December 15, 2019. Conquer Cancer is currently evaluating the impact of this ASU on the financial statements.

### ***Reclassifications***

Certain amounts in the 2018 financial statements have been reclassified to conform to the 2019 presentation, with no effect on the change in net assets, as previously reported.

# Conquer Cancer Foundation of the American Society of Clinical Oncology

## Notes to the Financial Statements

### 2. Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following at December 31:

	2019	2018
Cash and cash equivalents	\$ 5,649,132	\$ 9,246,912
Investments	76,413,045	56,118,569
Due from affiliate	994,172	1,104,031
Accounts and contributions receivable, net	6,312,678	7,889,900
<b>Total financial assets</b>	<b>89,369,027</b>	<b>74,359,412</b>
Less: Financial assets unavailable for general expenditures within one year, due to:		
Donor restricted net assets	(41,495,775)	(34,935,284)
Board-designated net assets	(33,803,951)	(28,911,921)
Refundable advances	(3,825,438)	(1,037,612)
Add: Board approved spending from endowments and quasi-endowments:		
Maximum spending on restricted endowments	1,142,000	559,519
Maximum spending on board-designated endowments	1,694,217	1,575,185
	<b>\$ 13,080,080</b>	<b>\$ 11,609,299</b>

Conquer Cancer has net assets with donor restrictions of \$41,495,775 and \$34,935,284 as of December 31, 2019 and 2018, respectively. Donor-restricted endowment funds and unspent donor restricted gifts are not available for general use.

Conquer Cancer has board-designated quasi-endowments of \$33,803,951 and \$28,911,921 as of December 31, 2019 and 2018, respectively. The funds are included in net assets without donor restrictions and are subject to a Board-imposed annual spending rate limit of up to 6% of average earnings from the previous 16 consecutive quarters ending June 30 of each year for Conquer Cancer. Although Conquer Cancer does not intend to spend from board-designated quasi-endowment funds, these amounts could be made available if necessary.

### 3. Concentrations of Credit and Market Risk

#### *Credit risk*

Conquer Cancer maintains demand deposits with commercial banks and financial institutions. At times, certain balances held within these accounts may not be fully guaranteed or insured by the U.S. federal government. Amounts on deposit in excess of federally insured limits at December 31, 2019 approximate \$7.1 million. The uninsured portions of cash and cash equivalents are backed solely by the assets of the underlying institution. Therefore, the failure of an underlying institution

# Conquer Cancer Foundation of the American Society of Clinical Oncology

## Notes to the Financial Statements

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could result in financial loss to Conquer Cancer. Historically, Conquer Cancer has not experienced losses related to these accounts.

Credit risk with respect to the contributions receivable consists primarily of amounts due from individuals and corporations. Historically, Conquer Cancer has not experienced significant losses related to receivables and, therefore, believes the credit risk related to contributions receivable is minimal.

### ***Market risk***

Conquer Cancer invests funds in various types of marketable securities. Such investments are exposed to market and credit risks. Conquer Cancer's investments may be subject to significant fluctuations in fair value. As a result, the investment balances reported in the accompanying financial statements may not be reflective of the portfolio's value during subsequent periods.

### **4. Fair Value Measurements**

Investments are reported at fair value in accordance with U.S. GAAP that establishes a fair value hierarchy that is based on the valuation inputs used in the fair value measurements. U.S. GAAP defines fair value as the price that would be received to sell an asset or price to transfer a liability between market participants in an orderly transaction on the measurement date. The market in which the reporting entity would sell the asset or transfer the liability with the greatest volume and level of activity for the asset or liability is known as the principal market. When no principal market exists, the most advantageous market is used. This is the market in which the reporting entity would sell the asset or transfer the liability with the price that maximizes the amount that would be received or minimizes the amount that would be paid. Fair value is based on assumptions market participants would make in pricing the asset or liability. Generally, fair value is based on observable quoted market prices or derived from observable market data when such market prices or data are available. When such prices or inputs are not available, the reporting entity should use valuation models.

Conquer Cancer reports certain investments using the net asset value per share as determined by investment managers under the so-called "practical expedient". The practical expedient allows net asset value per share to represent fair value for reporting purposes when the criteria for using this method are met.

Conquer Cancer's assets and liabilities recorded at fair value are recognized based on the priority of inputs used to measure fair value. The input levels used for valuing investments are not necessarily an indication of risk and are categorized into three levels, as follows:

**Level 1** - Observable inputs that reflect quoted prices for identical assets or liabilities in active markets, such as stock quotes.

**Level 2** - Includes inputs that are based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar investments in markets that are not active, or models based on valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the investment.

# Conquer Cancer Foundation of the American Society of Clinical Oncology

## Notes to the Financial Statements

**Level 3** - Unobservable inputs which reflect the reporting entity's assessment of the assumptions that market participants would use in pricing the asset or liability including assumptions about risk, such as bid/ask spreads and liquidity discounts. The inputs into the determination of fair value are based upon the best information in the circumstances and may require significant management judgment or estimation.

The following section describes the valuation methodologies Conquer Cancer uses to measure assets at fair value:

Investments classified within Level 1 are valued based on quotes obtained from active public exchanges or reported on the NASDAQ national market and are stated at the last reported sales price on the day of valuation. Fair value of exchange-traded contracts is based upon exchange settlement prices.

Investments classified within Level 2 are valued by pricing vendors using outside data. In determining the fair value of the investments, the pricing vendors use a market approach and pricing spreads based on the credit risk of the issuer, maturity, current yield, and other terms and conditions of each security.

There were no changes in the valuation techniques for 2019 and 2018.

Investments are measured on a recurring basis and consist of the following at December 31:

<i>Description</i>	As of December 31, 2019			
	Total	Fair Value Hierarchy Level		
		Level 1	Level 2	Level 3
Investments, at fair value:				
Equity mutual funds	\$ 41,905,589	\$ 41,905,589	\$ -	\$ -
Alternative mutual funds	13,481,762	13,481,762	-	-
Fixed income mutual funds	20,706,822	20,706,822	-	-
	76,094,173	\$ 76,094,173	\$ -	\$ -
Investments, at cost:				
Cash and money market funds*	318,872			
	\$ 76,413,045			

\*Cash and money market funds included in the investment portfolio are not subject to the provisions of fair value measurements as they are recorded at cost.

# Conquer Cancer Foundation of the American Society of Clinical Oncology

## Notes to the Financial Statements

As of December 31, 2018

Description	Total	Fair Value Hierarchy Level		
		Level 1	Level 2	Level 3
Investments, at fair value:				
Equity mutual funds	\$ 28,670,479	\$ 28,670,479	\$ -	\$ -
Alternative mutual funds	9,965,218	9,965,218	-	-
Fixed income mutual funds	16,938,220	16,938,220	-	-
	55,573,917	\$ 55,573,917	\$ -	\$ -
Investments, at cost:				
Cash and money market funds*	474			
Investments measured at net asset value**	544,178			
	\$ 56,118,569			

\*Cash and money market funds included in the investment portfolio are not subject to the provisions of fair value measurements as they are recorded at cost.

\*\*Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been categorized in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statements of financial position.

Investment return, net of investment fees, consists of the following:

Years ended December 31,	2019	2018
Interest and dividends	\$ 1,952,963	\$ 719,934
Net realized and unrealized gain (loss) on investments	7,479,049	(3,750,543)
Investment fees to investment advisor	(33,191)	(26,355)
	\$ 9,398,821	\$ (3,056,964)

The following presents further information regarding the composition of Conquer Cancer's investments measured at net asset value:

December 31, 2018	Fair Value	Redemption Frequency	Redemption Notice Period
AlphaKeys Double Black Diamond Fund LLC	\$ 384,169	See (a) below	See (a) below
UBS Millennium Fund (Offshore), Ltd.	160,009	See (b) below	See (b) below
	\$ 544,178		



# Conquer Cancer Foundation of the American Society of Clinical Oncology

## Notes to the Financial Statements

(a) AlphaKeys Double Black Diamond Fund LLC

AlphaKeys Double Black Diamond Fund LLC invests substantially all of its assets into the Double Black Diamond Fund L.P., whose investment objective is to generate attractive risk adjusted returns with relative value investment strategies by identifying and exploiting inefficiencies in the global financial markets while minimizing exposure to risk. This goal is accomplished through hedging strategies and the pursuit of investment strategies which are generally not market sensitive. The strategy encompasses three principal areas of investing: equity relative value, credit relative value, and event-driven investing. A notice period of 75 days is required to redeem shares and shares may only be redeemed quarterly, subject to a 25% gate. In addition to the limited liquidity, lock-up periods may apply. Conquer Cancer received the balance of funds in 2019.

(b) UBS Millennium Fund (Offshore), Ltd.

UBS Millennium Fund (Offshore) Ltd. is a UBS feeder fund that invests substantially all of its assets in Millennium International Ltd., which in turn invests substantially all of its assets in the Millennium Partners LP (the Master Fund). The Master Fund's investment objective is to achieve above-average capital appreciation by opportunistically trading and investing in a wide variety of asset classes and strategies. The Master Fund is a hedge fund that utilizes multiple strategies and portfolio managers to seek to achieve attractive, risk-adjusted, non-market correlated returns. A notice period of 105 days is required to redeem shares and shares may only be redeemed quarterly, subject to a 25% gate and 4% early withdrawal fee within the first 4 quarters of the initial investment. In addition to the limited liquidity, lock-up periods may apply. Conquer Cancer received the balance of funds in 2019.

### 5. Contributions Receivable

Contributions receivable consists of the following at:

<i>December 31,</i>	2019	2018
Receivable in less than one year	\$ 3,855,290	\$ 7,071,650
Receivable in one to five years	2,623,115	1,296,653
Discount to present value (0.12% - 3.32%)	6,478,405 (166,337)	8,368,303 (479,292)
	\$ 6,312,068	\$ 7,889,011

A charge (credit) to contributions revenue in the statements of activities and change in net assets was recorded to recognize the change in discount on contributions receivable in the amount of less revenue of \$(312,955) and additional revenue of \$41,425 for the years ended December 31, 2019 and 2018, respectively.

# Conquer Cancer Foundation of the American Society of Clinical Oncology

## Notes to the Financial Statements

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### 6. Awards Payable

Awards payable, which are included in accounts payable in the accompanying statements of financial position, represent amounts authorized but not paid to grant award recipients. Conquer Cancer has determined that the impact of discounting awards payable beyond one year to their net present value is immaterial to the overall financial statements.

Awards payable are committed for the following periods:

<i>December 31,</i>	2019	2018
Within one year	\$ 2,255,397	\$ 1,157,504
More than one year	816,669	1,700,000
	<u>\$ 3,072,066</u>	<u>\$ 2,857,504</u>

### 7. Net Assets Without Donor Restrictions

Net assets without donor restrictions consist of the following at:

<i>December 31,</i>	2019	2018
Undesignated	\$ 7,170,133	\$ 6,346,928
Board-designated for:		
Mission Endowment	33,758,513	28,871,761
Lichter Endowment	45,438	40,160
Total Board-designated for quasi-endowments	<u>33,803,951</u>	<u>28,911,921</u>
	<u>\$ 40,974,084</u>	<u>\$ 35,258,849</u>

# Conquer Cancer Foundation of the American Society of Clinical Oncology

## Notes to the Financial Statements

### 8. Net Assets With Donor Restrictions

Net assets with donor restrictions consist of the following at:

<i>December 31,</i>	2019	2018
Subject to expenditures for specified purpose:		
General Award Funds	\$ 7,269,843	\$ 5,152,204
Young Investigator Award	1,857,419	3,800,352
Bonadonna Award	1,128,067	1,032,712
Career Development Award	1,006,931	760,430
Advanced Clinical Research Award	168,779	2,114
Merit Award Fund	84,915	148,303
Research Professorship	-	114,564
		-
Subject to the passage of time:		
General Award Funds	72,500	3,450,136
Young Investigator Award	362,960	1,058,964
Advanced Clinical Research Award	500,000	1,000,000
Career Development Award	1,248,000	815,000
Merit Award Fund	56,200	28,750
	13,755,614	17,363,529
Endowments (perpetual in nature) (see Note 9):		
Subject to appropriation and expenditure when a specified event occurs:		
Young Investigator Award Fund	24,184,412	15,100,330
Merit Award Fund	2,087,386	954,303
Promises to give, proceeds of which have been restricted by donors for:		
Young Investigator Award Fund	1,528,165	2,552,500
Merit Award Fund	293,967	276,466
Underwater endowments	(353,769)	(1,311,844)
	27,740,161	17,571,755
	\$ 41,495,775	\$ 34,935,284

# Conquer Cancer Foundation of the American Society of Clinical Oncology

## Notes to the Financial Statements

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows:

<i>December 31,</i>	2019	2018
Satisfaction for purpose restrictions and passage of time:		
Education Grants	\$ 5,742,494	\$ 6,275,801
Young Investigator Award	4,545,375	3,922,642
General Awards Funds	2,170,138	442,522
Career Development Award	1,866,831	1,366,664
Advanced Clinical Research Award	500,000	450,000
Merit Award Fund	254,938	162,396
Research Professorship	114,564	110,000
Bonadonna Award	57,500	60,000
CancerLinq	-	2,789,833
	\$ 15,251,840	\$ 15,579,858

### 9. Endowments and Quasi-Endowments

Conquer Cancer's endowments consist of donor-restricted funds which are classified within donor restricted net assets that are perpetual in nature and of funds designated by the Board as a quasi-endowment. Conquer Cancer's current endowments accumulate investment income, gains and losses as part of the endowment as presently instructed by donors and these are classified as net assets with donor restrictions to the extent that they exceed cumulative allocations. Donors, at times, remove the restriction from a portion of the endowment to be used for awards or scholarships. Absent explicit direction from the donor regarding the classification of investment income from the permanently restricted endowments, investment income is recorded in net assets with donor restrictions activities until appropriated for spending.

The Board of Directors has interpreted the Virginia Uniform Prudent Management of Institutional Funds Act (VA UPMIFA) as requiring the preservation of the fair value of the original gift as of the date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary. As a result of this interpretation, Conquer Cancer retain in perpetuity (a) the original value of initial and subsequent gift amounts, including promises to give at fair value donated to the Endowment and (b) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by Conquer Cancer in a manner consistent with the standard of prudence prescribed by VA UPMIFA. Conquer Cancer considers the following factors in making a determination to appropriate or to accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the organization and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the organization
- The investment policies of the organization

# Conquer Cancer Foundation of the American Society of Clinical Oncology

## Notes to the Financial Statements

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### *Investment objectives and risk strategies*

Conquer Cancer has adopted an investment policy that attempts to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Conquer Cancer makes reasonable efforts to control risk of loss, and investments are evaluated regularly to ensure that the risk assumed is commensurate with the given investment style and objectives. Conquer Cancer recognizes that some risk is present in all types of securities and investment portfolios, and that some risk is necessary to produce long-term investment results that meet its objectives. Leveraging through the use of futures and margining of marketable securities, unless approved in advance by the Board or employed within alternative investments, is not allowed under the investment policy.

### *Spending policy*

#### *Donor-restricted endowments*

Donor-restricted endowments are spent in accordance with the terms of the applicable gift agreements, typically funding the annual amount of specified award.

#### *Underwater endowments*

Conquer Cancer considers an endowment fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. Conquer Cancer has interpreted VA UPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law.

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or VA UPMIFA requires Conquer Cancer to retain as a fund of perpetual duration. In accordance with U.S. GAAP, deficiencies of this nature are reported as net assets with donor restrictions. At December 31, 2019, funds with original gift values of \$8,159,313, with fair values of \$7,805,544 and deficiencies of \$(353,769) were reported in net assets with donor restrictions. At December 31, 2018, funds with original gift values of \$12,914,537, with fair values of \$11,602,693 and deficiencies of \$(1,311,844) were reported in net assets with donor restrictions (see Note 8).

#### *Board-designated quasi-endowments*

Conquer Cancer has an endowment spending policy for its long-term investments designated as a quasi-endowment. A percentage of the average market value may be annually calculated to support programs and operations. The amount to fund programs and operations may not exceed 6% of the average market value of Conquer Cancer's quasi-endowment fund balance for not less than the previous 16 consecutive quarters ending June 30 of each year. The actual spending rate in 2019 and 2018 was 4.5% and 5%, respectively.

# Conquer Cancer Foundation of the American Society of Clinical Oncology

## Notes to the Financial Statements

### *Endowment net asset composition*

Endowment funds consists of the following at:

<i>December 31, 2019</i>	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	\$ -	\$ 27,027,770	\$ 27,027,770
Accumulated investment gain	-	712,391	712,391
Board-designed quasi-endowment funds	33,803,951	-	33,803,951
	\$ 33,803,951	\$ 27,740,161	\$ 61,544,112

<i>December 31, 2018</i>	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	\$ -	\$ 18,792,863	\$ 18,792,863
Accumulated investment loss	-	(1,221,108)	(1,221,108)
Board-designed quasi-endowment funds	28,911,921	-	28,911,921
	\$ 28,911,921	\$ 17,571,755	\$ 46,483,676

# Conquer Cancer Foundation of the American Society of Clinical Oncology

## Notes to the Financial Statements

### *Changes in endowment net assets*

The following table represents the changes in endowment net assets at:

<i>December 31, 2019</i>	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 28,911,921	\$ 17,571,755	\$ 46,483,676
Contributions	-	8,235,900	8,235,900
Additional board-designations during the year	1,253,500	-	1,253,500
Investment return, net	4,879,197	2,772,005	7,651,202
Appropriations of endowment assets pursuant to spending-rate policy	(1,240,667)	(839,499)	(2,080,166)
<b>Endowment net assets, end of year</b>	<b>\$ 33,803,951</b>	<b>\$ 27,740,161</b>	<b>\$ 61,544,112</b>

<i>December 31, 2018</i>	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 30,816,086	\$ 17,181,207	\$ 47,997,293
Contributions	-	2,133,374	2,133,374
Additional board-designations during the year	1,200,000	-	1,200,000
Investment loss, net	(1,669,493)	(964,377)	(2,633,870)
Appropriations of endowment assets pursuant to spending-rate policy	(1,434,672)	(778,449)	(2,213,121)
<b>Endowment net assets, end of year</b>	<b>\$ 28,911,921</b>	<b>\$ 17,571,755</b>	<b>\$ 46,483,676</b>

### **10. Related Party Transactions**

Conquer Cancer solicits contributions in support of the Society's educational and quality programs. Conquer Cancer provided contributions to the Society totaling \$9,115,520 and \$8,575,801 for the years ended December 31, 2019 and 2018, respectively, to support these programs. Conquer Cancer also entered into a guarantee agreement to secure payment of the Society's bond financing.

The Society reimburses Conquer Cancer for the fundraising costs related to the contributions supporting the Society's programs. This reimbursement was \$3,150,000 and \$3,050,004 for the years ended December 31, 2019 and 2018, respectively. In addition, the Society provides certain services to Conquer Cancer including staff, office, and equipment rental and general administrative services. Conquer Cancer reimburses the Society for these costs. During the year, there were changes in the shared services agreement between the Society and Conquer Cancer which resulted to an increase in certain expenses recorded in the Conquer Cancer's financial statements. Conquer Cancer was charged rent expense for the use of office space from the Society amounting to \$602,493 and \$226,200 for the years ended December 31, 2019 and 2018.

# Conquer Cancer Foundation of the American Society of Clinical Oncology

## Notes to the Financial Statements

Further, the Society provides funds to Conquer Cancer in support of its grant programs including funding endowments for Young Investigator awards. The amount provided for support of grant awards totaled \$1,764,000 and \$1,995,000 for the year ended December 31, 2019 and 2018, respectively, and is included in contributions in the statements of activities and change in net assets. The Society collects contributions on behalf of Conquer Cancer.

The amounts due from the Society consist of the following at December 31:

	2019	2018
Contributions for grant programs	\$ 1,675,649	\$ 2,371,463
Conquer Cancer contributions collected by the Society	28,138	22,732
	\$ 1,703,787	\$ 2,394,195

The amounts due to the Society consist of the following at December 31:

	2019	2018
Grants for educational programs	\$ 112,871	\$ 884,042
Administrative expenses	596,744	406,122
	\$ 709,615	\$ 1,290,164

As of December 31, 2019, Conquer Cancer guaranteed \$55,450,000 in variable interest rate tax exempt and taxable bonds issued by the Society. The bonds issued to finance the Society's headquarters in which Conquer Cancer rents space, have annual principal payments due through 2038. As part of the direct bank placement of the bonds with BB&T (now Truist) through 2022, BB&T required Conquer Cancer to guarantee the bonds, and to pledge its unrestricted liquid assets in support of the guarantee. As of December 31, 2019, the Society was current and met all of the debt agreement covenants. In addition, Conquer Cancer guarantees the Society's \$17,500,000 line of credit with BB&T. There was no outstanding balance on the line of credit as of December 31, 2019.

### 11. Subsequent Events

On January 30, 2020, the World Health Organization (WHO) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the COVID-19 outbreak), and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the novel coronavirus as a global pandemic, based on the rapid increase in exposure globally.

Conquer Cancer's operations are heavily dependent on donations from individuals, foundations, and corporations. This public health emergency stands to substantially impact the global economy, including significant volatility in the financial markets. The COVID-19 outbreak and government responses are creating disruption in global supply chains and adversely impacting many industries. The outbreak could have a continued material adverse impact on economic and market conditions, triggering a period of global economic slowdown. The rapid development and fluidity of this situation precludes any prediction as to the ultimate material adverse impact of the COVID-19



# Conquer Cancer Foundation of the American Society of Clinical Oncology

## Notes to the Financial Statements

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outbreak as of the date of this report. Nevertheless, the COVID-19 outbreak presents material uncertainty and risk with respect to Conquer Cancer, its performance, liquidity and financial results. As such, Conquer Cancer's financial condition and liquidity may be negatively impacted for the fiscal year 2020. As of the date of this report, the investment values have experienced a temporary decline of approximately \$3.3 million.

On May 8, 2020, the Society entered a second line-of-credit to cover the Society's cash flow needs with Truist (formerly BB&T) in the amount of \$32.5 million which Conquer Cancer guarantees.

In response to the outbreak, Conquer Cancer has deferred two of its fundraising events in 2020. While these events have not been rescheduled, overall fundraising goals are still projected to be met. Fundraising for programs supporting the response to COVID-19 outbreak have commenced and Conquer Cancer has received positive responses.

### ***CARES Act***

On March 27, 2020, President Trump signed into law the "Coronavirus Aid, Relief and Economic Security (CARES) Act." The CARES Act, among other things, includes provisions relating to refundable payroll tax credits, deferment of employer side social security payments, net operating loss carryback periods, alternative minimum tax credit refunds, modifications to the net interest deduction limitations, increased limitations on qualified charitable contributions and technical corrections to tax depreciation methods for qualified improvement property.

It also appropriated funds for the SBA Paycheck Protection Program loans that are forgivable in certain situations to promote continued employment, as well as Economic Injury Disaster Loans to provide liquidity to small businesses harmed by COVID-19 outbreak. Conquer Cancer is not eligible for these loans.

Conquer Cancer continues to examine the impact that the CARES Act may have. Currently, management is unable to determine the impact that the CARES Act will have on the Conquer Cancer's financial condition, results of operation or liquidity.

Conquer Cancer has evaluated subsequent events through May 21, 2020, which is the date the financial statements were available to be issued. Other than the matters described above, Conquer Cancer is not aware of any other subsequent events which would require recognition or disclosure in the financial statements.