

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

**Financial Statements
and Independent Auditor's Report**

December 31, 2023 and 2022

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

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Independent Auditor's Report

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

Opinion

We have audited the 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, 2023 and 2022, 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Conquer Cancer as of December 31, 2023 and 2022, and the change 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 ("GAAS"). 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 Conquer Cancer 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 Conquer Cancer's ability to continue as a going concern within one year after the date that the financial statements are issued or 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 GAAS 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 GAAS, 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 Conquer Cancer'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 Conquer Cancer'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 audits.



Bethesda, Maryland
May 29, 2024

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

**Statements of Financial Position
December 31, 2023 and 2022**

	<u>Assets</u>	
	<u>2023</u>	<u>2022</u>
Assets		
Cash and cash equivalents	\$ 5,985,305	\$ 9,023,972
Investments	93,675,452	83,560,282
Contributions receivable, net	10,305,846	5,402,813
Prepaid expenses and other assets	<u>85,000</u>	<u>130,103</u>
Total assets	<u><u>\$ 110,051,603</u></u>	<u><u>\$ 98,117,170</u></u>
	<u>Liabilities and Net Assets</u>	
Liabilities		
Accounts payable	\$ 6,724,249	\$ 8,376,287
Accrued expenses	186,512	160,281
Refundable advances	3,440,100	3,179,628
Due to American Society of Clinical Oncology, net	<u>2,674,871</u>	<u>2,715,846</u>
Total liabilities	13,025,732	14,432,042
Commitments and contingencies		
Net assets		
Net assets without donor restrictions	37,868,738	34,722,323
Net assets with donor restrictions	<u>59,157,133</u>	<u>48,962,805</u>
Total net assets	<u><u>97,025,871</u></u>	<u><u>83,685,128</u></u>
Total liabilities and net assets	<u><u>\$ 110,051,603</u></u>	<u><u>\$ 98,117,170</u></u>

See Notes to Financial Statements.

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

**Statement of Activities and Change in Net Assets
Year Ended December 31, 2023**

	<u>Net assets without donor restrictions</u>	<u>Net assets with donor restrictions</u>	<u>Total</u>
Revenue and support			
Contributions, grants and sponsorships	\$ 7,571,944	\$ 25,153,791	\$ 32,725,735
Employee Retention Tax Credits	678,681	-	678,681
Dues	1,136,500	-	1,136,500
Other	1,328,134	-	1,328,134
Net assets released from restrictions	<u>19,756,739</u>	<u>(19,756,739)</u>	<u>-</u>
Total revenue and support	<u>30,471,998</u>	<u>5,397,052</u>	<u>35,869,050</u>
Expenses			
Program services			
Research	16,608,439	-	16,608,439
Scientific and medical education	6,151,814	-	6,151,814
Quality and access to care	<u>1,456,370</u>	<u>-</u>	<u>1,456,370</u>
Total program services	24,216,623	-	24,216,623
Supporting services			
Fundraising	7,565,392	-	7,565,392
Administration	<u>1,943,097</u>	<u>-</u>	<u>1,943,097</u>
Total supporting services	<u>9,508,489</u>	<u>-</u>	<u>9,508,489</u>
Total expenses	<u>33,725,112</u>	<u>-</u>	<u>33,725,112</u>
Change in net assets before investment return, net	(3,253,114)	5,397,052	2,143,938
Investment return, net	<u>6,399,529</u>	<u>4,797,276</u>	<u>11,196,805</u>
Change in net assets	3,146,415	10,194,328	13,340,743
Net assets, beginning of year	<u>34,722,323</u>	<u>48,962,805</u>	<u>83,685,128</u>
Net assets, end of year	<u><u>\$ 37,868,738</u></u>	<u><u>\$ 59,157,133</u></u>	<u><u>\$ 97,025,871</u></u>

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

**Statement of Activities and Change in Net Assets
Year Ended December 31, 2022**

	<u>Net assets without donor restrictions</u>	<u>Net assets with donor restrictions</u>	<u>Total</u>
Revenue and support			
Contributions, grants and sponsorships	\$ 6,282,605	\$ 23,573,584	\$ 29,856,189
Dues	1,269,000	-	1,269,000
Other	363,476	-	363,476
Net assets released from restrictions	<u>21,569,546</u>	<u>(21,569,546)</u>	<u>-</u>
Total revenue and support	<u>29,484,627</u>	<u>2,004,038</u>	<u>31,488,665</u>
Expenses			
Program services			
Research	17,675,263	-	17,675,263
Scientific and medical education	5,744,480	-	5,744,480
Quality and access to care	<u>907,277</u>	<u>-</u>	<u>907,277</u>
Total program services	24,327,020	-	24,327,020
Supporting services			
Fundraising	7,284,924	-	7,284,924
Administration	<u>1,429,344</u>	<u>-</u>	<u>1,429,344</u>
Total supporting services	<u>8,714,268</u>	<u>-</u>	<u>8,714,268</u>
Total expenses	<u>33,041,288</u>	<u>-</u>	<u>33,041,288</u>
Change in net assets before investment return, net	(3,556,661)	2,004,038	(1,552,623)
Investment return, net	<u>(8,753,671)</u>	<u>(5,511,049)</u>	<u>(14,264,720)</u>
Change in net assets	(12,310,332)	(3,507,011)	(15,817,343)
Net assets, beginning of year	<u>47,032,655</u>	<u>52,469,816</u>	<u>99,502,471</u>
Net assets, end of year	<u><u>\$ 34,722,323</u></u>	<u><u>\$ 48,962,805</u></u>	<u><u>\$ 83,685,128</u></u>

See Notes to Financial Statements.

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

**Statement of Functional Expenses
Year Ended December 31, 2023**

	Research	Scientific and medical education	Quality and access to care	Total program services	Fundraising	Administration	Total supporting services	Total
Awards	\$ 11,984,530	\$ 5,955,643	\$ 1,437,086	\$ 19,377,259	\$ 56,615	\$ -	\$ 56,615	\$ 19,433,874
Salaries and benefits	2,770,753	112,931	4,374	2,888,058	4,569,532	1,453,334	6,022,866	8,910,924
Technology	104,847	10,440	-	115,287	593,939	96,320	690,259	805,546
Office services	105,559	369	-	105,928	909,473	85,755	995,228	1,101,156
Occupancy	186,082	-	-	186,082	9,013	4,656	13,669	199,751
Services and honoraria	1,103,571	60,400	2,000	1,165,971	945,239	234,727	1,179,966	2,345,937
Sales and marketing	-	-	-	-	88,750	-	88,750	88,750
Temporary help and staff development	26,733	-	-	26,733	47,700	29,548	77,248	103,981
Travel	288,509	8,357	-	296,866	176,867	30,072	206,939	503,805
Publication production	7,424	-	-	7,424	-	-	-	7,424
Meetings production	30,431	3,674	12,910	47,015	168,264	8,685	176,949	223,964
Total expenses	<u>\$ 16,608,439</u>	<u>\$ 6,151,814</u>	<u>\$ 1,456,370</u>	<u>\$ 24,216,623</u>	<u>\$ 7,565,392</u>	<u>\$ 1,943,097</u>	<u>\$ 9,508,489</u>	<u>\$ 33,725,112</u>

**Conquer Cancer Foundation of the American Society of
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**Statement of Functional Expenses
Year Ended December 31, 2022**

	Research	Scientific and medical education	Quality and access to care	Total program services	Fundraising	Administration	Total supporting services	Total
Awards	\$ 14,125,671	\$ 5,619,139	\$ 903,822	\$ 20,648,632	\$ -	\$ -	\$ -	\$ 20,648,632
Salaries and benefits	2,069,844	107,256	3,455	2,180,555	4,509,513	793,351	5,302,864	7,483,419
Technology	43,878	96	-	43,974	665,736	144,085	809,821	853,795
Office services	97,558	2,883	-	100,441	986,494	91,765	1,078,259	1,178,700
Occupancy	262,472	4,909	-	267,381	278,356	112,907	391,263	658,644
Services and honoraria	878,378	7,724	-	886,102	465,486	204,899	670,385	1,556,487
Sales and marketing	-	-	-	-	17,235	-	17,235	17,235
Temporary help and staff development	36,490	1,059	-	37,549	99,810	46,185	145,995	183,544
Travel	115,214	516	-	115,730	119,470	15,503	134,973	250,703
Publication production	14,848	35	-	14,883	18,434	809	19,243	34,126
Meetings production	30,910	863	-	31,773	124,390	19,840	144,230	176,003
Total expenses	<u>\$ 17,675,263</u>	<u>\$ 5,744,480</u>	<u>\$ 907,277</u>	<u>\$ 24,327,020</u>	<u>\$ 7,284,924</u>	<u>\$ 1,429,344</u>	<u>\$ 8,714,268</u>	<u>\$ 33,041,288</u>

See Notes to Financial Statements.

**Conquer Cancer Foundation of the American Society of
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**Statements of Cash Flows
Years Ended December 31, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities		
Change in net assets	\$ 13,340,743	\$ (15,817,343)
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities		
Net realized and unrealized (gain) loss on investments	(8,675,040)	16,203,190
Change in discount on contributions receivable	524,138	163,343
Change in allowance for uncollectible contributions receivable	148,727	232,172
Contributions to net assets with donor restrictions - endowments	(6,649,346)	(2,808,021)
Change in operating assets and liabilities:		
Contributions receivable	(5,575,898)	(757,995)
Prepaid expenses and other assets	45,103	34,825
Accounts payable	(1,652,038)	3,088,993
Accrued expenses	26,231	119,281
Refundable advances	260,472	(420,380)
Due to American Society of Clinical Oncology	<u>(40,975)</u>	<u>1,296,350</u>
Net cash (used in) provided by by operating activities	<u>(8,247,883)</u>	<u>1,334,415</u>
Cash flows from investing activities		
Purchases of investments	(3,440,130)	(3,566,439)
Proceeds from sales of investments	<u>2,000,000</u>	<u>3,385,346</u>
Net cash used in investing activities	<u>(1,440,130)</u>	<u>(181,093)</u>
Cash flows from financing activities		
Contributions to net assets with donor restrictions - endowments	<u>6,649,346</u>	<u>2,808,021</u>
Net cash provided by financing activities	<u>6,649,346</u>	<u>2,808,021</u>
Net (decrease) increase in cash and cash equivalents	(3,038,667)	3,961,343
Cash and cash equivalents, beginning of year	<u>9,023,972</u>	<u>5,062,629</u>
Cash and cash equivalents, end of year	<u><u>\$ 5,985,305</u></u>	<u><u>\$ 9,023,972</u></u>

See Notes to Financial Statements.

Conquer Cancer Foundation of the American Society of Clinical Oncology

Notes to Financial Statements December 31, 2023 and 2022

Note 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 accelerating breakthroughs in lifesaving research and empowering people everywhere to conquer cancer. Conquer Cancer was created by the American Society of Clinical Oncology, Inc. (the "Society") to raise funds to support cancer research and to support the lifesaving work of the Society and its global membership of more than 50,000 oncology professionals in over 170 countries. Conquer Cancer is a related entity of the Society and its accounts, along with those of another Society affiliate, ASCO Association, 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 and Career Development Awards, among others.

Scientific and medical education

Conquer Cancer helps healthcare professionals worldwide stay up to date on the latest developments 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.

Quality and access to care

Conquer Cancer helps the Society in providing the public, including patients and caregivers, 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 the Society's free patient education website, [Cancer.net](https://www.cancer.net). Conquer Cancer also funds projects that develop evidence-based guidelines, develop and validate quality measures in oncology, and conduct quality improvement and measurement activities. Additionally, Conquer Cancer supports the Society in the development of healthcare policy to improve equitable access to cancer care, support federal cancer research, and improve access to clinical trials.

Basis of accounting

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

Use of estimates

Management uses estimates and assumptions in preparing these consolidated financial statements in conformity with GAAP. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

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**Notes to Financial Statements
December 31, 2023 and 2022**

Cash and 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.

Concentrations of credit risk

Conquer Cancer maintains demand deposits with commercial banks and financial institutions. 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, 2023 approximate \$5,877,000. 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 could result in financial loss to Conquer Cancer. Historically, Conquer Cancer has not experienced losses related to these accounts.

Investments

Investments are reflected at fair value. All realized and unrealized gains and losses on investments, interest and dividends, net of management fees, are included in investment return on the statements of activities and change in net assets.

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.

The change in the discount on contributions receivable is recognized in contributions revenue in the statements of activities and change in net assets. The change in the discount on contributions receivable decreased contribution revenue by \$524,138 and \$163,343, for the years ended December 31, 2023 and 2022, respectively.

Management periodically evaluates outstanding receivables for collectability. Receivables are assessed based on various factors including donor credit history, financial conditions and current economic conditions. At December 31, 2023 and 2022, Management estimates the allowance for uncollectible contributions receivable is \$380,899 and \$232,172, respectively. The Organization recorded \$148,727 and \$232,172 of bad debt expense for the years ended December 31, 2023 and 2022, respectively.

Refundable advances

Advances received on conditional contributions are recorded as refundable advances and recognized as revenue upon satisfaction of the conditions stipulated by the donor.

Grants and contributions

Grants and contributions are classified as either unconditional or conditional. Unconditional grants and contributions, including unconditional pledges, are recognized as revenue when the commitment to contribute is received. Unconditional grants and contributions are recorded as either with donor restriction or without donor restriction. Contributions of assets, other than cash, are recorded at their estimated fair value at the date of the gift.

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A conditional grant or contribution is a transaction where Conquer Cancer has to overcome a barrier to be entitled to the resource and the resource provider is released from the obligation to fund or has the right of return of any advanced funding if Conquer Cancer fails to overcome the barrier. Conquer Cancer recognizes revenue upon overcoming the barrier. Any funding received prior to overcoming the barrier is recognized as a refundable advance.

Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Conquer Cancer had approximately \$7,305,000 and \$7,866,000 in unrecognized conditional promises to give as of December 31, 2023 and 2022, respectively.

Net assets

In accordance with GAAP, net assets are reported based on the existence or absence of donor-imposed restrictions as follows:

Net assets without donor restrictions

Net assets that are available for general operations and not subject to donor restrictions, including net assets that have been designated by the Board of Directors for a specified purpose.

Net assets with donor restrictions

Net assets subject to donor 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.

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

General award funds

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

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 is intended to provide protected research time, monetary support, and mentoring needed to start a successful research career.

Gianni Bonadonna Breast Cancer Award and Fellowship

The Gianni Bonadonna Breast Cancer Award (Bonadonna Award) is an annual award recognizing an active clinical or translational researcher with a distinguished record of accomplishments in advancing the field of breast cancer. The award includes a research fellowship grant that will provide funding to a fellow in the institution of the award recipient.

Career Development Award ("CDA") Fund

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

Conquer Cancer Foundation of the American Society of Clinical Oncology

Notes to Financial Statements December 31, 2023 and 2022

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 committed to clinical cancer research.

Merit Award Fund

Merit Awards are awarded to applicants enrolled in oncology fellowship/residency/advanced degree training programs or in a medical or doctoral degree program whose high-quality abstracts are selected for presentation at the ASCO Annual Meeting and thematic symposia.

Research Professorship Award Fund

The Research Professorship Award is a five-year grant supporting researchers who have made significant contributions to the direction of cancer research and will dedicate their time to training future cancer 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 donor-designated award or activity.

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 and dividends net of fees, realized and unrealized gains and losses, is recognized in the statements of activities and change in net assets.

Revenue recognition

Contributions, grants and sponsorships

Grants and sponsorship support related to a specific event is recognized when the related activity takes place. Conditional grants and sponsorships received in advance are included in refundable advances in the statement of financial position until the conditions under the agreement are satisfied.

Conquer Cancer receives contributions from individuals, corporations, nonprofit organizations, 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. 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. Multi-year unconditional promises to give 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 support without donor restrictions. 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.

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Contracts with customers

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 performance obligations are reflected as deferred revenue and included in refundable advances 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 for membership in the Conquer Cancer Council. Revenue is recognized at a point in time using the input method when the membership begins for one year.

Other

Other fees received are recognized at a point in time using the input method 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. Accordingly, certain costs have been allocated proportionately among the programs and supporting services to which they relate. Salaries and related expenses are allocated based on time reported by program staff and by management estimates of effort for administrative and fundraising staff. Occupancy is allocated based on square footage and information technology expenses are allocated based on the proportion of personnel costs in each of the programs.

Income taxes

Conquer Cancer is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code ("IRC"). It has been granted public charity status by the Internal Revenue Service (the "IRS") and has been classified as other than a private foundation. In 2023 and 2022, Conquer Cancer generated no unrelated business income and accordingly had related business income tax of \$0 in 2023 and 2022, respectively.

Conquer Cancer accounts for uncertainty in income taxes in accordance with the Income Tax Topic of the Financial Accounting Standards Board Accounting Standards Codification ("FASB ASC"). Conquer Cancer believes that it has appropriate support for any tax positions taken and, as such, does not have any 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 2020.

New accounting pronouncement

For the year ended December 31, 2023, the Organization adopted the FASB Accounting Standards Update ("ASU") 2016-13, Measurement of Credit Losses on Financial Instruments and its related amendments. The new standard changes the impairment model for most financial assets that are measured at amortized cost and certain other instruments including trade receivables, from an incurred loss model to a current and expected loss model and adds certain new required

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disclosures. The organization had no trade receivables at December 31, 2023, thus adoption of the new standard did not significantly effect the financial position or activities of the organization.

Subsequent events

The Organization has evaluated subsequent events for potential recognition or disclosure through May 29, 2024, the date the financial statements were available to be issued.

Note 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:

	December 31,	
	2023	2022
Financial assets		
Cash and cash equivalents	\$ 5,985,305	\$ 9,023,972
Investments	93,675,452	83,560,282
Contributions receivable, net	10,305,846	5,402,813
	<hr/>	<hr/>
Total financial assets	109,966,603	97,987,067
Less those unavailable for general expenditure within one year due to		
Net assets subject to donor restrictions	(59,157,133)	(48,962,805)
Board-designated net assets	(35,162,088)	(31,609,361)
Refundable advances	(3,440,100)	(3,179,628)
Add Board approved spending from endowments and quasi-endowments		
Maximum spending on restricted endowments	1,470,639	1,276,921
Maximum spending on board designated endowments	1,778,310	1,698,410
	<hr/>	<hr/>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 15,456,231</u>	<u>\$ 17,210,604</u>

Donor-restricted endowment funds and unspent donor-restricted gifts are not available for general use. Board-designated quasi-endowments are included in net assets without donor restrictions and are available to creditors. For purposes of evaluating liquidity, Conquer Cancer treats Board-designated funds as not available for general use. Refundable advances include advances on conditional contributions.

The Board imposes a maximum annual spending rate of up to 6% of average market value from the previous 16 consecutive quarters ending June 30 of each year for Conquer Cancer endowment and quasi-endowments.

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Note 3 - Investments

Investments consist of the following:

	December 31,	
	2023	2022
Equity mutual funds, ETF's and common stock	\$ 45,094,440	\$ 39,430,463
Fixed income mutual funds	48,581,012	44,129,819
	<u>\$ 93,675,452</u>	<u>\$ 83,560,282</u>

Investment return, net, consists of:

	December 31,	
	2023	2022
Interest and dividends	\$ 2,573,967	\$ 1,978,770
Realized gain (loss) on investments	855,297	(141,082)
Unrealized gain (loss) on investments	7,819,743	(16,062,108)
Less investment fees	(52,202)	(40,300)
	<u>\$ 11,196,805</u>	<u>\$ (14,264,720)</u>

Note 4 - Contributions receivable, net

Contributions receivable consists of the following at:

	December 31,	
	2023	2022
Receivable in less than one year	\$ 6,339,082	\$ 4,240,905
Receivable in one to five years	5,104,472	1,626,751
Total contributions receivable	11,443,554	5,867,656
Less discount to present value (.12%-3.32%)	(756,809)	(232,671)
Less allowance for uncollectible receivables	(380,899)	(232,172)
Contributions receivable, net	<u>\$ 10,305,846</u>	<u>\$ 5,402,813</u>

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Note 5 - 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:

	December 31,	
	2023	2022
Within one year	\$ 4,089,332	\$ 4,761,360
More than one year	1,983,323	1,999,986
	<u>\$ 6,072,655</u>	<u>\$ 6,761,346</u>

Note 6 - Net assets without donor restrictions

Net assets without donor restrictions consist of the following at:

	December 31,	
	2023	2022
Undesignated	\$ 2,706,650	\$ 3,112,962
Board designated for		
Mission endowment	35,116,546	31,568,291
Lichter endowment	45,542	41,070
	<u>35,162,088</u>	<u>31,609,361</u>
Total board designated for quasi-endowments		
	<u>\$ 37,868,738</u>	<u>\$ 34,722,323</u>

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Note 7 - Net assets with donor restrictions

Net assets with donor restrictions consist of the following at:

	December 31,	
	2023	2022
Subject to expenditures for specific purpose	\$ 7,853,111	\$ 8,538,651
Subject to the passage of time	<u>6,184,370</u>	<u>5,142,073</u>
	<u>14,037,481</u>	<u>13,680,724</u>
Endowments		
Subject to appropriation and expenditure when a specified event occurs		
Young investigator award	34,255,082	30,232,682
Merit and other award fund	5,630,386	4,576,155
Promises to give, proceeds of which have been restricted by donor for		
Young investigator award	4,757,930	17,000
Merit and other award fund	<u>476,254</u>	<u>456,244</u>
	<u>45,119,652</u>	<u>35,282,081</u>
Total net assets with donor restrictions	<u><u>\$ 59,157,133</u></u>	<u><u>\$ 48,962,805</u></u>

Note 8 - 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 until appropriated for spending.

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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 retains 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.

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 the specified award.

Board-designated quasi-endowments

Conquer Cancer may spend up to 6% of the average market value of board-designated endowment funds per year, subject to approval by the Board of Directors. The actual spending rate in 2023 and 2022 was 5% and 4.9%, respectively.

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**Notes to Financial Statements
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Underwater endowments

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. Deficiencies existed in 33 donor-restricted endowment funds at December 31, 2023, which together have an original gift value of \$19,571,649, a current fair value of \$18,146,834, and a deficiency of \$1,424,815 at December 31, 2023. Deficiencies existed in 66 donor-restricted endowment funds at December 31, 2022, which together have an original gift value of \$29,521,133, a current fair value of \$26,113,117, and a deficiency of \$3,408,016 at December 31, 2022. The deficiencies resulted from unfavorable market fluctuations.

Endowment net asset composition

Endowment funds consists of the following at:

<u>December 31, 2023</u>	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Donor-restricted endowment funds			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	\$ -	\$ 44,986,377	\$ 44,986,377
Accumulated Investment gain	-	133,275	133,275
Board-designed quasi-endowment funds	<u>35,162,088</u>	<u>-</u>	<u>35,162,088</u>
Total	<u>\$ 35,162,088</u>	<u>\$ 45,119,652</u>	<u>\$ 80,281,740</u>
<u>December 31, 2022</u>			
Donor-restricted endowment funds			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	\$ -	\$ 38,337,031	\$ 38,337,031
Accumulated Investment (loss)	-	(3,054,950)	(3,054,950)
Board-designed quasi-endowment funds	<u>31,609,361</u>	<u>-</u>	<u>31,609,361</u>
Total	<u>\$ 31,609,361</u>	<u>\$ 35,282,081</u>	<u>\$ 66,891,442</u>

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Changes in endowment net assets

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

<u>December 31, 2023</u>	Without donor restrictions	With donor restrictions	Total
Endowment net assets, beginning of year	\$ 31,609,361	\$ 35,282,081	\$ 66,891,442
Contributions	890,000	6,649,346	7,539,346
Other revenue	-	-	-
Investment return, net	4,441,037	4,658,864	9,099,901
Appropriations of endowment assets to spending-rate policy	<u>(1,778,310)</u>	<u>(1,470,639)</u>	<u>(3,248,949)</u>
Endowment net assets, end of year	<u>\$ 35,162,088</u>	<u>\$ 45,119,652</u>	<u>\$ 80,281,740</u>
<u>December 31, 2022</u>			
Endowment net assets, beginning of year	\$ 37,921,984	\$ 39,078,370	\$ 77,000,354
Contributions	930,000	2,822,771	3,752,771
Investment (loss), net	(5,544,213)	(5,342,139)	(10,886,352)
Appropriations of endowment assets to spending-rate policy	<u>(1,698,410)</u>	<u>(1,276,921)</u>	<u>(2,975,331)</u>
Endowment net assets, end of year	<u>\$ 31,609,361</u>	<u>\$ 35,282,081</u>	<u>\$ 66,891,442</u>

Note 9 - Related party transactions

Conquer Cancer solicits contributions in support of the Society's educational, research, and quality programs. Conquer Cancer provided contributions to the Society totaling \$7,804,140 and \$9,233,468 for the years ended December 31, 2023 and 2022, respectively, to support these programs.

The Society contributes annually to Conquer Cancer to recognize the fundraising efforts related to the Conquer Cancer awards supporting the Society's programs. This reimbursement was \$3,595,000 and \$3,457,000 for the years ended December 31, 2023 and 2022, 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. From time to time, there may be changes in the shared services agreement between the Society and Conquer Cancer which result in an increase or decrease in certain expenses recorded in Conquer Cancer's financial statements. Conquer Cancer was charged rent expense for the use of office space from the Society amounting to \$158,550 and \$484,420 for the years ended December 31, 2023 and 2022, respectively.

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 \$114,134 and \$69,632 for the years ended December 31, 2023 and 2022, 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.

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

	December 31,	
	2023	2022
Contributions for grant programs	\$ -	\$ 110,000
Conquer Cancer contributions collected by the Society	100,743	297,579
Due from the Society	100,743	407,579
Grants for educational programs	(1,928,184)	(1,975,869)
Administrative expenses	(847,430)	(1,147,556)
Due to the Society	(2,775,614)	(3,123,425)
Due to the Society, net	\$ (2,674,871)	\$ (2,715,846)

Note 10 - Fair value measurements

The Organization has determined the fair value of certain assets through Topic 820, *Fair Value Measurement*, of the FASB ASC. Fair values of assets measured on a recurring basis at December 31, 2023 and 2022 are as follows:

- Level 1 - Observable inputs that reflect quoted prices for identical assets or liabilities in active markets.
- Level 2 - Inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value can be determined through the use of models or other valuation techniques.
- Level 3 - Inputs to the valuation methodology are unobservable inputs in situations where there is little or no market activity for the asset or liability and the reporting entity makes estimates and assumptions related to the pricing of the asset or liability including assumptions regarding risk.

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

	Fair value measurements at reporting date using			
	Fair value	Quoted prices in active markets for identical assets/liabilities (Level 1)	Significant other observable inputs (Level 2)	Significant observable inputs (Level 3)
<u>December 31, 2023</u>				
Equity mutual funds, ETFs and common stock	\$ 45,094,440	\$ 45,094,440	\$ -	\$ -
Fixed income mutual funds	48,581,012	48,581,012	-	-
	<u>\$ 93,675,452</u>	<u>\$ 93,675,452</u>	<u>\$ -</u>	<u>\$ -</u>
<u>December 31, 2022</u>				
Equity mutual funds	\$ 39,430,463	\$ 39,430,463	\$ -	\$ -
Fixed income mutual funds	44,129,819	44,129,819	-	-
	<u>\$ 83,560,282</u>	<u>\$ 83,560,282</u>	<u>\$ -</u>	<u>\$ -</u>

This FASB ASC topic establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and provide the highest quality inputs. Level 2 inputs are based primarily on quoted prices for identical assets in inactive markets or similar assets in active or inactive markets as significant other observable inputs. Level 3 inputs provide the lowest quality inputs because there are no significant observable inputs. The Organization uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Organization measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. There have been no changes in the valuation methodologies used during the current year. All assets have been valued using a market approach.



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