



# Conquer Cancer Foundation of the American Society of Clinical Oncology

Financial Statements  
Years Ended December 31, 2018 and 2017

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

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**Financial Statements**  
Years Ended December 31, 2018 and 2017

# Conquer Cancer Foundation of the American Society of Clinical Oncology

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Tel: 703-893-0600  
Fax: 703-893-2766  
www.bdo.com

8401 Greensboro Drive  
Suite 800  
McLean, VA 22102

## 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, 2018 and 2017, and the related statements of activities and change in net assets, and cash flows for the years then ended, and the statement of functional expenses for the year ended December 31, 2018, 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, 2018 and 2017, 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*

May 31, 2019

## Financial Statements

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

**Statements of Financial Position**

<i>December 31,</i>	2018	2017
<b>Assets</b>		
Cash and cash equivalents	\$ 9,246,912	\$ 5,800,837
Investments	56,118,569	51,505,977
Accounts receivable	889	-
Contributions receivable, net	7,889,011	9,225,263
Due from American Society of Clinical Oncology, net	1,104,031	2,842,988
Prepaid expenses and other assets	188,502	58,987
<b>Total assets</b>	<b>\$ 74,547,914</b>	<b>\$ 69,434,052</b>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts payable	\$ 3,209,061	\$ 3,387,751
Accrued expenses	107,108	-
Deferred revenue	1,037,612	874,750
<b>Total liabilities</b>	<b>4,353,781</b>	<b>4,262,501</b>
<b>Commitments and contingencies</b>		
<b>Net assets</b>		
Without donor restrictions	35,258,849	36,530,778
With donor restrictions	34,935,284	28,640,773
<b>Total net assets</b>	<b>70,194,133</b>	<b>65,171,551</b>
<b>Total liabilities and net assets</b>	<b>\$ 74,547,914</b>	<b>\$ 69,434,052</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	\$ 12,323,954	\$ 16,624,418	\$ 28,948,372
ASCO reimbursement of fundraising costs	3,050,004	-	3,050,004
Net assets released from restrictions	9,304,057	(9,304,057)	-
<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, grants and awards	11,722,734	-	11,722,734
Contributions to American Society of Clinical Oncology	8,575,801	-	8,575,801
<b>Total program operating expenses</b>	<b>20,298,535</b>	<b>-</b>	<b>20,298,535</b>
<b>Supporting services</b>			
Fundraising	3,481,300	-	3,481,300
Administration	138,995	-	138,995
<b>Total supporting services</b>	<b>3,620,295</b>	<b>-</b>	<b>3,620,295</b>
<b>Total expenses</b>	<b>23,918,830</b>	<b>-</b>	<b>23,918,830</b>
Change in net assets before investment loss	759,185	7,320,361	8,079,546
Investment loss, net	(2,031,114)	(1,025,850)	(3,056,964)
Change in net assets	(1,271,929)	6,294,511	5,022,582
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 Activities and Change in Net Assets**

<i>Year Ended December 31, 2017</i>	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue and support</b>			
Contributions	\$ 12,228,689	\$ 13,978,187	\$ 26,206,876
ASCO reimbursement of fundraising costs	3,000,000	-	3,000,000
Net assets released from restrictions	11,807,893	(11,807,893)	-
<b>Total revenue and support</b>	<b>27,036,582</b>	<b>2,170,294</b>	<b>29,206,876</b>
<b>Operating expenses</b>			
<b>Program services</b>			
Research, grants and awards	10,811,059	-	10,811,059
Contributions to American Society of Clinical Oncology	9,856,323	-	9,856,323
<b>Total program operating expenses</b>	<b>20,667,382</b>	<b>-</b>	<b>20,667,382</b>
<b>Supporting services</b>			
Fundraising	3,735,885	-	3,735,885
Administration	332,335	-	332,335
<b>Total supporting services</b>	<b>4,068,220</b>	<b>-</b>	<b>4,068,220</b>
<b>Total expenses</b>	<b>24,735,602</b>	<b>-</b>	<b>24,735,602</b>
Change in net assets before investment income	2,300,980	2,170,294	4,471,274
Investment income, net	3,892,339	1,288,477	5,180,816
Change in net assets	6,193,319	3,458,771	9,652,090
Net assets, beginning of year	30,337,459	25,182,002	55,519,461
<b>Net assets, end of year</b>	<b>\$ 36,530,778</b>	<b>\$ 28,640,773</b>	<b>\$ 65,171,551</b>

*See accompanying notes to the financial statements.*

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

**Statement of Functional Expenses**

*Year Ended December 31, 2018 (with comparative totals for 2017)*

<i>Year ended December 31, 2018</i>	Program Services			Supporting Services			2018 Total	2017 Total*
	Research, Grants and Awards	Contributions to ASCO	Total Program Services	Fundraising	Administration	Total Supporting Services		
Awards and contributions	\$ 7,331,482	\$ 8,575,801	\$ 15,907,283	\$ 8,114	\$ 4,574	\$ 12,688	\$ 15,919,971	\$ 16,279,678
Salaries and benefits	2,249,790	-	2,249,790	2,661,401	96,658	2,758,059	5,007,849	4,597,244
Technology	793,873	-	793,873	38,984	17,747	56,731	850,604	669,673
Professional services	432,315	-	432,315	156,861	1,948	158,809	591,124	1,003,837
Publications	250,677	-	250,677	242,134	33	242,167	492,844	757,168
Meetings	235,737	-	235,737	11,389	3,308	14,697	250,434	335,566
Travel	232,109	-	232,109	129,554	5,408	134,962	367,071	337,092
Occupancy	84,001	-	84,001	15,836	554	16,390	100,391	343,025
Staff development	70,735	-	70,735	13,179	5,468	18,647	89,382	107,526
Office services	42,015	-	42,015	203,848	3,297	207,145	249,160	304,793
	\$ 11,722,734	\$ 8,575,801	\$ 20,298,535	\$ 3,481,300	\$ 138,995	\$ 3,620,295	\$ 23,918,830	\$ 24,735,602

*See accompanying notes to the financial statements.*

*\*Only totals are shown for the year ended December 31, 2017 as permitted under ASU 2016-14. See Note 1.*

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

**Statements of Cash Flows**

<i>Years Ended December 31,</i>	2018	2017
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 5,022,582	\$ 9,652,090
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Net realized and unrealized loss (gain) on investments	3,750,543	(4,438,909)
Bad debt on contributions receivable	100,000	-
Change in discount on contributions receivable	(41,425)	126,716
Contributions to net assets with donor restrictions - perpetual endowment	(2,133,374)	(6,042,675)
Changes in operating assets and liabilities:		
Accounts receivable	(889)	-
Contributions receivable	1,277,677	1,029,163
Due from American Society of Clinical Oncology	1,738,957	(1,501,540)
Prepaid expenses and other assets	(129,515)	21,757
Accounts payable	(178,690)	(347,008)
Accrued expenses	107,108	-
Deferred revenue	162,862	(68,925)
<b>Net cash provided by (used in) operating activities</b>	<b>9,675,836</b>	<b>(1,569,331)</b>
<b>Cash flows from investing activities</b>		
Proceeds from sales of investments	37,590,354	13,924,173
Purchases of investments	(45,953,489)	(20,923,308)
<b>Net cash used in investing activities</b>	<b>(8,363,135)</b>	<b>(6,999,135)</b>
<b>Cash flows from financing activity</b>		
Contributions to net assets with donor restrictions - perpetual endowment	2,133,374	6,042,675
<b>Net cash provided by financing activity</b>	<b>2,133,374</b>	<b>6,042,675</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>3,446,075</b>	<b>(2,525,791)</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>5,800,837</b>	<b>8,326,628</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 9,246,912</b>	<b>\$ 5,800,837</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. In 1999, Conquer Cancer was created by the American Society of Clinical Oncology (ASCO) to raise funds to support cancer research and to support the lifesaving work of ASCO and its global network of more than 43,000 oncology professionals in 100 countries. Conquer Cancer is an affiliate of ASCO and its accounts are included in the ASCO's consolidated financial statements.

#### *Operating Structure*

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

#### *Research, grants and awards*

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.

#### *Contributions to American Society of Clinical Oncology*

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

#### *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.

# Conquer Cancer Foundation of the American Society of Clinical Oncology

## Notes to the Financial Statements

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### *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.

### *Investment 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 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 \$100,000 and \$0 bad debt expense for the years ended December 31, 2018 and 2017, respectively.

### *Deferred revenue*

Deferred revenue primarily consists of sponsorships and other supporting funds received in advance for symposia held in the following year. These amounts will be recognized as revenue at the time the respective symposium is held.

### *Net assets*

To ensure observance of limitations and restrictions placed on the use of resources available to Conquer Cancer, resources are reported in classes established according to their nature and purpose:

***Net Assets Without Donor Restrictions:*** Net assets that are available for general operations and not subject to donor (or certain grantor) restrictions and net assets have been designated by the board for Mission and Lichter endowments. See Note 7 for more information on the composition of net assets without donor restrictions.

# Conquer Cancer Foundation of the American Society of Clinical Oncology

## Notes to the Financial Statements

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***Net Assets With Donor Restrictions:*** Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. 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. 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 as follows:

***CancerLinQ:*** A multi-phase initiative that promises to change the way cancer is understood and treated. This “rapid learning system” will harness technological advances to connect oncology practices, measure quality and performance, and provide physicians with decision support in real time.

***Young Investigator Award Fund (YIA):*** 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.

***Career Development Award Fund (CDA):*** 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.

***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.

***Advanced Clinical Research Award Fund (ACRA):*** 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.

***General Award Funds:*** Consists of other awards that provide support for researchers in the field of clinical oncology.

***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.

# Conquer Cancer Foundation of the American Society of Clinical Oncology

## Notes to the Financial Statements

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*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.

*Donor Restricted Net Assets in Perpetuity:* Contributions that are restricted by donors in perpetuity that permit the use of part or all of the related investment income for specific purposes.

### *Measure of operations*

Conquer Cancer includes contributions, ASCO reimbursement of fundraising costs, and income and losses critical to Conquer Cancer's mission as revenue and support from operations. Nonoperating investment income which includes interest and dividends, realized and unrealized gains and losses is considered to be other income (loss) in the statements of activities and change in net assets.

### *Contributions*

Contributions are recognized the earlier of the period received or promised. Contributions received are considered to be available for use 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.

### *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 statement of functional expenses, these costs are shown by natural and functional cost category. Accordingly, certain costs including administration 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 that is consistently applied. The expenses that are allocated include occupancy, 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, 2018 and 2017.

# Conquer Cancer Foundation of the American Society of Clinical Oncology

## Notes to the Financial Statements

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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, 2015.

### *Recent accounting pronouncements not yet adopted*

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers*, which establishes a comprehensive revenue recognition standard for virtually all industries in U.S. GAAP, including those that previously followed industry-specific guidance. For non-public entities, the new standards are effective for annual periods beginning after December 15, 2017. In August 2015, FASB issued ASU 2015-14, *Revenue from Contracts with Customers: Deferral of the Effective Date*, which defers the effective date of new revenue accounting standards to fiscal years beginning after December 31, 2018. In December 2016, FASB issued ASU 2016-20, *Technical Corrections and Improvements to Topic 606, Revenue from Contracts with Customers*, which amends the new revenue standard. The amendments do not alter the core principle of the standard, but clarify certain narrow aspects of the standard including contract cost accounting, disclosures, illustrative examples, and other matters. The effective date and transition requirements for ASU 2016-20 are the same as the effective date and transition requirements of Topic 606 which is fiscal years beginning after December 31, 2018. Conquer Cancer is currently evaluating the impact this update will have on the financial statements.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, which is the leasing standard for both lessees and lessors. Under this update, a lessee will recognize lease assets and liabilities on the statement of financial position for all arrangements with terms longer than 12 months. Lessor accounting remains largely consistent with the existing U.S. GAAP. This ASU is effective beginning after December 15, 2019, with early adoption permitted. The provisions of this ASU must be applied on a retrospective basis for all years presented although certain optional practical expedients are available. Conquer Cancer is currently evaluating the impact this update will have on the financial statements.

In August 2016, the FASB issued ASU 2016-15, *Classification of Certain Receipts and Cash Payments*, 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. This ASU 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. This ASU is effective for fiscal years beginning after December 15, 2018, with early adoption permitted. Conquer Cancer is currently evaluating the impact this update will have on the financial statements.

# Conquer Cancer Foundation of the American Society of Clinical Oncology

## Notes to the Financial Statements

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In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958), Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. This ASU was issued to standardize how grants and other contracts received and made are classified across the sector, as either an exchange transaction or a contribution. The standard provides guidance to assist in the determination of whether a transaction is a contribution or an exchange transaction. If the transaction is deemed to be a contribution the guidance provides factors to consider with regard to whether the contribution is conditional or unconditional. For contributions received, if determined to be an unconditional contribution, the determination will then need to be made as to whether the contribution is restricted. The ASU will assist in the determination of the nature of the transaction which will then govern the revenue and expense recognition methodology and timing of the transaction. The ASU is effective for resource recipients fiscal years beginning after December 15, 2018 and for resource providers for fiscal years beginning after December 15, 2019. Conquer Cancer is currently evaluating the impact of this ASU on the financial statements.

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.

### *Accounting pronouncements adopted*

In August 2016, the FASB issued ASU 2016-14, *Not-for-Profit Entities (Topic 958) - Presentation of Financial Statements of Not-for-Profit Entities*. This update amends the current reporting model for nonprofit organizations and enhances their required disclosures. The major changes include: (a) requiring the presentation of only two classes of net assets now entitled "net assets without donor restrictions" and "net assets with donor restrictions", (b) modifying the presentation of underwater endowment funds and related disclosures, (c) requiring the use of the placed in service approach to recognize the expirations of restrictions on gifts used to acquire or construct long-lived assets absent explicit donor stipulations otherwise, (d) requiring that all nonprofits present an analysis of expenses by function and nature in either the statement of activities and change in net assets, a separate statement, or in the notes and disclose a summary of the allocation methods used to allocate costs, (e) requiring the disclosure of quantitative and qualitative information regarding liquidity and availability of resources, (f) presenting investment return net of external and direct internal investment expenses, and (g) modifying other financial statement reporting requirements and disclosures intended to increase the usefulness of nonprofit financial statements. Conquer Cancer has adopted this standard during the year ended December 31, 2018 and adjusted the presentation of the financial statements accordingly. The ASU has been applied retrospectively to all periods presented except Conquer Cancer has opted to present the liquidity and availability and functional expense allocation information for 2018 only as permitted under the ASU in the year of adoption. There was no effect on the change in net assets reported at December 2017.

# Conquer Cancer Foundation of the American Society of Clinical Oncology

## Notes to the Financial Statements

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### 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:

*December 31, 2018*

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Cash and cash equivalents	\$ 9,246,912
Accounts receivable, net	889
Due from affiliate	1,104,031
Contributions receivable	100,025
Investments	531,442
Maximum spend on board designated endowments	1,575,185
Maximum spend on restricted endowments	559,519
	<hr/>
	\$ 13,118,003

Conquer Cancer has donor-restricted endowment funds of \$34,935,284. Donor-restricted endowment funds are used in accordance with the donor's designation and not available for general use. Investments related to endowments and quasi-endowments are subject to an annual spending rate of up to 6% of a trailing average market value.

Conquer Cancer has board-designated quasi-endowments which include \$28,911,921 of unrestricted net assets 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. 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, 2018 approximate \$10.3 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 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.

# Conquer Cancer Foundation of the American Society of Clinical Oncology

## Notes to the Financial Statements

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### *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.

**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.

# Conquer Cancer Foundation of the American Society of Clinical Oncology

## Notes to the Financial Statements

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.

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

<i>Description</i>	As of December 31, 2018			
	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.

# Conquer Cancer Foundation of the American Society of Clinical Oncology

## Notes to the Financial Statements

As of December 31, 2017

<i>Description</i>	Total	Fair Value Hierarchy Level		
		Level 1	Level 2	Level 3
Investments, at fair value:				
Equity mutual funds	\$ 31,627,800	\$ 31,627,800	\$ -	\$ -
Corporate stock	125	125	-	-
Fixed income asset backed securities	61,257	-	61,257	-
Fixed income mutual funds	13,505,045	13,505,045	-	-
	45,194,227	\$ 45,132,970	\$ 61,257	\$ -
Investments, at cost:				
Cash and money market funds*	256,731			
Investments measured at net asset value**				
	6,055,019			
	\$ 51,505,977			

\*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 (loss) income, net of investment fees, consists of the following:

<i>Years ended December 31,</i>	2018	2017
Interest and dividends	\$ 719,934	\$ 908,055
Net realized and unrealized (loss) gain on investments	(3,750,543)	4,438,909
Investment fees to investment advisor	(26,355)	(166,148)
	\$ (3,056,964)	\$ 5,180,816

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

<i>December 31, 2018</i>	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

<i>December 31, 2017</i>	Fair Value	Redemption Frequency	Redemption Notice Period
AlphaKeys Double Black Diamond Fund LLC	\$ 2,548,649	See (a) below	See (a) below
UBS Millennium Fund (Offshore), Ltd.	3,506,370	See (b) below	See (b) below
	<b>\$ 6,055,019</b>		

(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 requested liquidation of this investment in 2018 and expects to receive 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 requested liquidation of this investment in 2018 and expects to receive the balance of funds in 2019.

### 5. Contributions Receivable

Contributions receivable consists of the following at:

<i>December 31,</i>	2018	2017
Receivable in less than one year	\$ 7,071,650	\$ 8,638,974
Receivable in one to five years	1,296,652	1,024,155
	8,368,302	9,663,129
Discount to present value (0.12% - 1.70%)	(479,291)	(437,866)
	<b>\$ 7,889,011</b>	<b>\$ 9,225,263</b>

# Conquer Cancer Foundation of the American Society of Clinical Oncology

## Notes to the Financial Statements

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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 \$41,425 and \$(126,716) for the years ended December 31, 2018 and 2017, respectively.

### 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 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>	2018	2017
Within one year	\$ 1,157,504	\$ 2,008,340
More than one year	1,700,000	916,670
	<u>\$ 2,857,504</u>	<u>\$ 2,925,010</u>

### 7. Net Assets Without Donor Restrictions

Net assets without donor restrictions consist of the following at:

<i>December 31,</i>	2018	2017
Undesignated	\$ 6,346,928	\$ 5,714,692
Board-designated for Mission Endowment	28,871,761	30,772,006
Board-designated for Lichter Endowment	40,160	44,080
	<u>\$ 35,258,849</u>	<u>\$ 36,530,778</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>	2018	2017
Subject to expenditures for specified purpose:		
General Award Funds	\$ 5,152,204	\$ 33,143
YIA Fund	3,800,352	2,637,330
Bonadonna Award	1,032,712	1,154,186
CDA Fund	760,430	558,763
Merit Award Fund	148,303	37,501
Research Professorship	114,564	224,564
ACRA	2,114	2,114
CancerLinQ	-	234,834
Promises to give, proceeds of which have been restricted by donors for:		
General Award Funds	3,450,136	1,018,797
YIA Fund	1,058,964	983,750
ACRA	1,000,000	1,000,000
CDA Fund	815,000	908,334
Merit Award Fund	28,750	111,250
CancerLinQ	-	2,555,000
	17,363,529	11,459,566
Endowments (see Note 9):		
Subject to appropriation and expenditure when a specified event occurs:		
YIA Fund	15,100,330	11,020,645
Merit Award Fund	954,303	696,562
Promises to give, proceeds of which have been restricted by donors for:		
YIA Fund	2,552,500	5,464,000
Merit Award Fund	276,466	-
Underwater endowments	(1,311,844)	-
	17,571,755	17,181,207
	\$ 34,935,284	\$ 28,640,773

### 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 classifies as purpose-restricted net assets (1) the original value of gifts donated to the permanent endowment, (2) the original value of subsequent gifts to the permanent endowment, (3) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument, and (4) amount that appropriations exceed investment gains

# Conquer Cancer Foundation of the American Society of Clinical Oncology

## Notes to the Financial Statements

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and losses on the invested endowment funds. Conquer Cancer's current endowments accumulate investment income, gains and losses as part of the endowment as presently instructed by the 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, we 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 us in a manner consistent with the standard of prudence prescribed by VA UPMIFA. We consider the following factors in making a determination to appropriate or 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.

### *Donor-restricted endowments*

Donor-restricted endowments are spent in accordance with the terms of the applicable gift agreements.

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## Notes to the Financial Statements

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### *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, 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 7). There were no gifts with deficiencies as of December 31, 2017.

### *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 2018 and 2017 was 5% and 4%, respectively.

### *Endowment net asset composition*

Endowment funds consists of the following at:

<i>December 31, 2018</i>	Without Donor Restrictions	With Donor Restrictions	Total
<b>Donor-restricted endowment funds:</b>			
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)
<b>Board-designated endowment funds</b>	<b>28,911,921</b>	<b>-</b>	<b>28,911,921</b>
	<b>\$ 28,911,921</b>	<b>\$ 17,571,755</b>	<b>\$ 46,483,676</b>

**Conquer Cancer Foundation of the American Society of  
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**Notes to the Financial Statements**

<i>December 31, 2017</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	-	\$ 16,659,490	\$ 16,659,490
Accumulated investment gains	-	521,717	521,717
Board-designed endowment funds	30,816,086	-	30,816,086
	\$ 30,816,086	\$ 17,181,207	\$ 47,997,293

*Changes in endowment net assets*

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

<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	1,200,000	2,133,374	3,333,374
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)
Endowment net assets, end of year	\$ 28,911,921	\$ 17,571,755	\$ 46,483,676

<i>December 31, 2017</i>	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 26,976,904	\$ 10,430,010	\$ 37,406,914
Contributions	1,015,549	6,170,675	7,186,224
Investment income	3,727,758	1,125,396	4,853,154
Appropriations of endowment assets pursuant to spending-rate policy	(904,125)	(544,874)	(1,448,999)
Endowment net assets, end of year	\$ 30,816,086	\$ 17,181,207	\$ 47,997,293

# Conquer Cancer Foundation of the American Society of Clinical Oncology

## Notes to the Financial Statements

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### 10. Related Party Transactions

Conquer Cancer solicits contributions in support of ASCO's educational and quality programs. Conquer Cancer provided contributions to ASCO totaling \$8,575,801 and \$9,856,323 for the years ended December 31, 2018 and 2017, respectively, to support these programs. Conquer Cancer also entered into a guarantee agreement to secure payment of ASCO's bond financing.

ASCO reimburses Conquer Cancer for the fundraising costs related to the contributions supporting ASCO's programs. This reimbursement was \$3,050,004 and \$3,000,000 for the years ended December 31, 2018 and 2017, respectively. In addition, ASCO provides certain services to Conquer Cancer including staff, office, and equipment rental and general administrative services. Conquer Cancer reimburses ASCO for these costs. In addition, Conquer Cancer was charged rent expense for the use of office space from ASCO amounting to \$226,200 for the years ended December 31, 2018 and 2017.

Further, ASCO 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 \$1,995,000 and \$1,681,000 for the year ended December 31, 2018 and 2017, respectively, and is included in contributions in the statements of activities and change in net assets. ASCO also collects contributions on behalf of Conquer Cancer.

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

	2018	2017
Contributions for grant programs	\$ 2,371,463	\$ 3,736,000
Conquer Cancer contributions collected by ASCO	22,732	12,541
	<u>\$ 2,394,195</u>	<u>\$ 3,748,541</u>

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

	2018	2017
Grants for educational programs	\$ 884,042	\$ 585,140
Administrative expenses	406,122	320,413
	<u>\$ 1,290,164</u>	<u>\$ 905,553</u>

### 11. Subsequent Events

Conquer Cancer has evaluated subsequent events through May 31, 2019, which is the date the financial statements were available to be issued. Conquer Cancer is not aware of any subsequent events which would require recognition or disclosure in the financial statements.