

# **American Association for Cancer Research, Inc. and Affiliates**

Consolidated Financial Statements  
and Additional Information  
Years Ended December 31, 2016 and 2015



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# AMERICAN ASSOCIATION FOR CANCER RESEARCH, INC. AND AFFILIATES

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## INDEPENDENT AUDITOR'S REPORT

**Board of Directors  
American Association for Cancer Research, Inc.  
Philadelphia, Pennsylvania**

We have audited the accompanying consolidated financial statements of the American Association for Cancer Research, Inc. and Affiliates (nonprofit organizations), which comprise the consolidated statements of financial position as of December 31, 2016 and 2015, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

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

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of consolidated 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 consolidated financial statements based on our audits. We conducted our audits in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the American Association for Cancer Research, Inc. and Affiliates as of December 31, 2016 and 2015, and the changes in their net assets and their cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

*BBD, LLP.*

**Philadelphia, Pennsylvania  
April 25, 2017**

# AMERICAN ASSOCIATION FOR CANCER RESEARCH, INC. AND AFFILIATES

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
<b>ASSETS</b>		
Cash	\$ 19,131,898	\$ 12,860,512
Investments	69,848,604	66,318,957
Accounts receivable		
Publication revenue receivable (net of allowance of \$130,000 in 2016 and 2015)	1,560,142	1,515,158
Contributions receivable	17,606,665	19,712,959
Other receivables	6,267	7,325
Prepaid expenses and other	2,186,889	1,637,894
Property and equipment (net of accumulated depreciation of \$5,878,886 in 2016 and \$5,652,227 in 2015)	<u>154,368</u>	<u>291,801</u>
<b>Total assets</b>	<u>\$ 110,494,833</u>	<u>\$ 102,344,606</u>
<b>LIABILITIES</b>		
Accounts payable and other accrued expenses	\$ 6,451,927	\$ 5,230,826
Grants payable	17,030,889	17,558,383
Deferred income	<u>13,685,457</u>	<u>13,237,971</u>
<b>Total liabilities</b>	<u>37,168,273</u>	<u>36,027,180</u>
<b>NET ASSETS</b>		
Unrestricted		
Undesignated	35,118,684	29,895,519
Board designated		
Reserve fund	15,521,353	25,521,353
Innovation fund	<u>10,000,000</u>	<u>-</u>
<b>Total unrestricted net assets</b>	60,640,037	55,416,872
Temporarily restricted	11,091,320	10,106,074
Permanently restricted	<u>1,595,203</u>	<u>794,480</u>
<b>Total net assets</b>	<u>73,326,560</u>	<u>66,317,426</u>
<b>Total liabilities and net assets</b>	<u>\$ 110,494,833</u>	<u>\$ 102,344,606</u>

See accompanying notes

# AMERICAN ASSOCIATION FOR CANCER RESEARCH, INC. AND AFFILIATES

## CONSOLIDATED STATEMENTS OF ACTIVITIES

Years ended December 31, 2016 and 2015

	2016				2015			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>REVENUE</b>								
Membership dues	\$ 4,028,199	\$ -	\$ -	\$ 4,028,199	\$ 3,196,515	\$ -	\$ -	\$ 3,196,515
Publications	18,233,271	-	-	18,233,271	16,663,107	-	-	16,663,107
Meetings and educational workshops	19,111,543	-	-	19,111,543	19,822,200	-	-	19,822,200
Endowment spending policy distribution	156,000	-	(36,000)	120,000	37,000	-	(37,000)	-
Other	859,462	-	-	859,462	687,561	-	-	687,561
<b>Total revenue</b>	<b>42,388,475</b>	<b>-</b>	<b>(36,000)</b>	<b>42,352,475</b>	<b>40,406,383</b>	<b>-</b>	<b>(37,000)</b>	<b>40,369,383</b>
<b>SUPPORT</b>								
Contributions and grants	39,243,726	8,269,099	778,000	48,290,825	31,400,811	6,740,324	400,000	38,541,135
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>								
	7,283,853	(7,283,853)	-	-	7,753,085	(7,753,085)	-	-
<b>Total revenue and support</b>	<b>88,916,054</b>	<b>985,246</b>	<b>742,000</b>	<b>90,643,300</b>	<b>79,560,279</b>	<b>(1,012,761)</b>	<b>363,000</b>	<b>78,910,518</b>
<b>EXPENSES</b>								
<b>Program Services</b>								
Research grants and scientific awards	38,460,729	-	-	38,460,729	31,746,082	-	-	31,746,082
Meetings and educational workshops	15,633,634	-	-	15,633,634	17,545,741	-	-	17,545,741
Publications	11,359,851	-	-	11,359,851	10,736,411	-	-	10,736,411
Communications, science policy and patient education	7,953,703	-	-	7,953,703	7,195,985	-	-	7,195,985
Scientific and educational programs	3,993,352	-	-	3,993,352	2,648,648	-	-	2,648,648
<b>Total program services</b>	<b>77,401,269</b>	<b>-</b>	<b>-</b>	<b>77,401,269</b>	<b>69,872,867</b>	<b>-</b>	<b>-</b>	<b>69,872,867</b>
<b>Supporting Services</b>								
Membership development and services	2,232,479	-	-	2,232,479	2,012,154	-	-	2,012,154
General and administrative	3,789,887	-	-	3,789,887	3,700,974	-	-	3,700,974
Fundraising	3,795,012	-	-	3,795,012	3,252,576	-	-	3,252,576
<b>Total supporting services</b>	<b>9,817,378</b>	<b>-</b>	<b>-</b>	<b>9,817,378</b>	<b>8,965,704</b>	<b>-</b>	<b>-</b>	<b>8,965,704</b>
<b>Total expenses</b>	<b>87,218,647</b>	<b>-</b>	<b>-</b>	<b>87,218,647</b>	<b>78,838,571</b>	<b>-</b>	<b>-</b>	<b>78,838,571</b>
<b>CHANGE IN NET ASSETS BEFORE OTHER CHANGES</b>								
	1,697,407	985,246	742,000	3,424,653	721,708	(1,012,761)	363,000	71,947
<b>OTHER CHANGES</b>								
Investment income (loss)	3,525,758	-	60,933	3,586,691	(2,202,893)	-	(7,743)	(2,210,636)
Change in value of gift annuity obligations	-	-	(2,210)	(2,210)	-	-	(2,690)	(2,690)
	3,525,758	-	58,723	3,584,481	(2,202,893)	-	(10,433)	(2,213,326)
<b>CHANGE IN NET ASSETS</b>	<b>5,223,165</b>	<b>985,246</b>	<b>800,723</b>	<b>7,009,134</b>	<b>(1,481,185)</b>	<b>(1,012,761)</b>	<b>352,567</b>	<b>(2,141,379)</b>
<b>NET ASSETS</b>								
Beginning of year	55,416,872	10,106,074	794,480	66,317,426	56,898,057	11,118,835	441,913	68,458,805
End of year	\$60,640,037	\$11,091,320	\$1,595,203	\$73,326,560	\$55,416,872	\$10,106,074	\$794,480	\$66,317,426

See accompanying notes

# AMERICAN ASSOCIATION FOR CANCER RESEARCH, INC. AND AFFILIATES

## CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year ended December 31, 2016 with comparative totals for 2015

	Research Grants	Meetings and		Communications,	Scientific and	Membership	General and	Totals		
	and Scientific Awards	Educational Workshops	Publications	Science Policy and Patient Education	Educational Programs	Development and Services	Administrative	Fundraising	2016	2015
Salaries and fringe benefits	\$ 1,458,951	\$ 4,134,984	\$ 5,743,231	\$3,471,254	\$1,142,961	\$1,333,684	\$2,452,901	\$2,059,728	\$21,797,694	\$20,379,401
Audio-visual services	100,659	2,222,150	9,900	62,834	310,003	55,943	23,471	23,758	2,808,718	3,210,954
Bad debt expense	-	-	195,732	-	-	-	-	-	195,732	144,036
Commercial exhibits	-	342,624	-	-	-	-	-	-	342,624	344,984
Computer programming and maintenance	125,633	390,323	103,544	78,493	33,850	26,775	96,833	42,523	897,974	808,796
Credit card fees	-	475,966	128,049	2,724	429	88,295	3,256	9,663	708,382	761,565
Depreciation	13,131	43,643	39,323	29,347	8,119	8,561	71,870	12,665	226,659	380,532
Dues and subscriptions	2,714	1,267	106,365	209,693	18,817	540	43,099	17,832	400,327	394,479
Duplication, printing and supplies	47,811	168,191	47,497	123,772	40,924	170,580	58,988	48,187	705,950	699,867
Equipment rental	278	16,963	2,042	1,845	168	180	4,854	246	26,576	39,249
Grants and awards	35,328,144	326,415	-	-	179,950	-	-	-	35,834,509	29,307,229
Honoraria	156,500	71,785	672,802	20,000	2,500	-	-	-	923,587	965,166
Hotel lodging and facilities rental	215,421	1,325,183	13,680	105,396	261,688	17,828	33,008	24,974	1,997,178	2,196,610
Insurance	11,919	53,675	31,655	21,827	7,368	7,750	13,545	11,181	158,920	103,436
Marketing	13,864	1,151,938	228,462	1,705,207	38,670	82,591	3,237	866,593	4,090,562	3,922,723
Meetings and receptions	333,560	2,190,714	76,730	140,755	419,398	112,200	39,562	100,008	3,412,927	3,495,789
Miscellaneous	25,882	73,081	55,469	26,799	11,535	6,503	128,680	105,058	433,007	506,768
On-site transportation	12,373	443,232	-	19,174	5,543	7,484	5,649	164	493,619	425,693
Postage and freight	10,421	123,049	18,333	30,919	5,853	90,032	15,540	14,581	308,728	245,752
Printing and production	-	173,970	2,708,492	613,278	-	3,444	-	-	3,499,184	3,383,283
Professional fees	150,843	310,917	341,101	617,254	1,157,795	1,893	321,892	146,663	3,048,358	2,274,593
Rent	221,489	380,509	641,516	455,337	128,384	125,113	298,754	193,482	2,444,584	2,402,040
Telecommunications	23,737	43,832	68,763	72,962	15,911	11,995	34,063	17,136	288,399	300,812
Temporary personnel	3,135	49,323	19,283	481	-	66,905	25,472	16,438	181,037	190,617
Travel, speakers and staff	193,347	1,098,357	74,199	120,627	196,738	6,690	64,468	74,476	1,828,902	1,779,303
Utilities and building maintenance	10,917	21,543	33,683	23,725	6,748	7,493	50,745	9,656	164,510	174,894
	<b>\$38,460,729</b>	<b>\$15,633,634</b>	<b>\$11,359,851</b>	<b>\$7,953,703</b>	<b>\$3,993,352</b>	<b>\$2,232,479</b>	<b>\$3,789,887</b>	<b>\$3,795,012</b>	<b>\$87,218,647</b>	<b>\$78,838,571</b>

See accompanying notes

# AMERICAN ASSOCIATION FOR CANCER RESEARCH, INC. AND AFFILIATES

## CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year ended December 31, 2015

	Research Grants and Scientific Awards	Meetings and Educational Workshops	Publications	Communications, Science Policy and Patient Education	Scientific and Educational Programs	Membership Development and Services	General and Administrative	Fundraising	Total
Salaries and fringe benefits	\$ 1,441,390	\$ 4,398,505	\$ 5,347,455	\$3,212,111	\$1,050,325	\$1,224,297	\$2,059,572	\$1,645,746	\$20,379,401
Audio-visual services	115,444	2,643,843	28,116	67,263	230,442	33,470	63,603	28,773	3,210,954
Bad debt expense	-	-	144,036	-	-	-	-	-	144,036
Commercial exhibits	-	344,984	-	-	-	-	-	-	344,984
Computer programming and maintenance	120,355	415,812	66,125	48,888	16,844	18,152	87,642	34,978	808,796
Credit card fees	-	491,677	139,650	2,967	-	114,250	2,332	10,689	761,565
Depreciation	19,893	60,346	51,129	38,888	11,104	11,103	172,733	15,336	380,532
Dues and subscriptions	2,572	1,564	107,619	205,164	5,551	1,361	55,280	15,368	394,479
Duplication, printing and supplies	47,521	185,764	47,869	139,161	33,424	120,605	77,999	47,524	699,867
Equipment rental	5,318	17,358	3,742	4,642	2,888	755	3,589	957	39,249
Grants and awards	28,802,468	365,661	-	-	139,100	-	-	-	29,307,229
Honoraria	159,750	67,835	712,856	20,000	4,725	-	-	-	965,166
Hotel lodging and facilities rental	173,434	1,655,475	26,312	56,968	183,913	24,262	54,498	21,748	2,196,610
Insurance	7,233	48,177	15,978	11,437	4,036	4,037	7,421	5,117	103,436
Marketing	500	1,429,605	211,557	1,314,497	46,981	75,296	3,152	841,135	3,922,723
Meetings and receptions	262,430	2,459,327	87,608	161,663	301,229	97,886	75,731	49,915	3,495,789
Miscellaneous	10,173	109,848	81,816	100,669	6,218	5,466	119,331	73,247	506,768
On-site transportation	21,334	373,294	-	13,982	4,377	10,762	1,944	-	425,693
Postage and freight	9,739	87,814	17,668	20,539	8,757	75,918	14,403	10,914	245,752
Printing and production	-	334,164	2,504,394	536,377	-	8,348	-	-	3,383,283
Professional fees	65,999	460,102	388,083	625,311	204,956	1,408	359,468	169,266	2,274,593
Rent	244,424	389,703	569,269	420,942	172,077	131,590	316,127	157,908	2,402,040
Telecommunications	27,886	46,568	63,852	76,353	23,802	10,790	36,254	15,307	300,812
Temporary personnel	2,221	56,755	26,233	-	-	24,080	63,507	17,821	190,617
Travel, speakers and staff	192,164	1,077,756	59,774	91,579	190,179	10,596	76,215	81,040	1,779,303
Utilities and building maintenance	13,834	23,804	35,270	26,584	7,720	7,722	50,173	9,787	174,894
	<b>\$31,746,082</b>	<b>\$17,545,741</b>	<b>\$10,736,411</b>	<b>\$7,195,985</b>	<b>\$2,648,648</b>	<b>\$2,012,154</b>	<b>\$3,700,974</b>	<b>\$3,252,576</b>	<b>\$78,838,571</b>

See accompanying notes



# AMERICAN ASSOCIATION FOR CANCER RESEARCH, INC. AND AFFILIATES

## CONSOLIDATED STATEMENTS OF CASH FLOWS

Years ended December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<i>Change in net assets</i>	\$ 7,009,134	\$ (2,141,379)
<i>Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities</i>		
Net realized (gain) loss on sale of investments	256,793	(716,851)
Net unrealized (gain) loss on investments	(2,894,250)	4,339,845
Bad debt expense	195,732	144,036
Depreciation	226,659	380,532
Contributions restricted for long-term purposes	(778,000)	(400,000)
Change in value of gift annuity obligations	2,210	2,690
(Increase) decrease in		
Accounts receivable	1,666,636	3,463,235
Prepaid expenses and other	(548,995)	68,075
Increase (decrease) in		
Accounts payable and other accrued expenses	1,218,891	401,029
Grants payable	(527,494)	(1,147,057)
Deferred income	447,486	1,712,010
<b>Net cash provided by operating activities</b>	<u>6,274,802</u>	<u>6,106,165</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of investments	4,325,609	5,925,739
Purchase of investments	(5,217,799)	(1,143,618)
Acquisition of property and equipment	(89,226)	(63,461)
<b>Net cash used for investing activities</b>	<u>(981,416)</u>	<u>(4,281,340)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Collections of contributions restricted for endowment	978,000	200,000
<b>Increase in cash</b>	6,271,386	2,024,825
<b>CASH BALANCE</b>		
Beginning of year	<u>12,860,512</u>	<u>10,835,687</u>
<b>End of year</b>	<u>\$ 19,131,898</u>	<u>\$ 12,860,512</u>
<b>SUPPLEMENTAL INFORMATION</b>		
Income taxes paid	<u>\$ 45,000</u>	<u>\$ 40,000</u>

See accompanying notes

# AMERICAN ASSOCIATION FOR CANCER RESEARCH, INC. AND AFFILIATES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2016 and 2015

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### (1) NATURE OF OPERATIONS

The American Association for Cancer Research, Inc. (the "AACR") is a not-for-profit corporation incorporated in New York with headquarters located in Pennsylvania. The mission of the AACR is to prevent and cure all cancers through research, education, communication and collaboration. Through its programs and services, the AACR fosters research in cancer and related biomedical science; accelerates the dissemination of new research findings among scientists and others dedicated to the conquest of cancer; promotes science education and training; and advances the understanding of cancer etiology, prevention, diagnosis and treatment throughout the world.

The American Association for Cancer Research Foundation (the "AACR Foundation") is a Pennsylvania nonprofit corporation. The AACR is the sole member of the AACR Foundation. The purpose of the AACR Foundation is to raise funds and solicit grants and contributions to benefit, support and promote the AACR's mission as described in the preceding paragraph.

AACR International – Canada was established in 2014 as a Canadian not-for-profit corporation and received its charity status in 2015. It is a wholly owned subsidiary of the AACR. Its purpose is to promote health by supporting, managing and conducting new and innovative research for the cure, prevention and treatment of cancer, and by fostering collaboration amongst scientists engaged in cancer research. It intends to advance education by developing and operating programs, conferences, seminars and workshops designed to train students and scientists and advance their understanding of cancer etiology, prevention, diagnosis and treatment.

AACR programs and activities include:

#### Publications

- The AACR publishes a portfolio of eight highly rated peer-reviewed journals that present leading research articles. Our scientific breadth and excellence continue to attract the premier researchers in the field. More than 26,000 pages of peer reviewed, original cancer research are published through the AACR journals annually.

#### Meetings and Educational Workshops

- The AACR convenes topical scientific conferences, workshops and an annual meeting that draws more than 19,000 participants from the cancer research community. Through these meetings the AACR educates a global audience on the latest findings in cancer research.

#### Research Grants and Scientific Awards

- The AACR provides critical cancer research funding for cancer researchers at various stages in their careers, from fellowships to career development awards to grants for independent investigators. Through its grants and awards, the AACR helps to sustain a robust cancer workforce by supporting high-quality cancer research and related biomedical science.

#### Communications, Science Policy and Patient Education

- The AACR collaborates with cancer survivors, raises public awareness of the progress in and cause for hope in cancer research, advocates for strong federal research funding and publishes Cancer Today for cancer patients, survivors and caregivers

#### Scientific and Educational Programs

- The AACR provides for the professional development of underrepresented populations in the cancer research community and convenes groundbreaking collaborations through its think tanks, task forces and scientific advisory committees.

# AMERICAN ASSOCIATION FOR CANCER RESEARCH, INC. AND AFFILIATES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2016 and 2015

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### (2) SIGNIFICANT ACCOUNTING POLICIES

#### **Principles of Consolidation**

The consolidated financial statements include the accounts of the AACR, the AACR Foundation and AACR International – Canada. All significant interorganization balances and transactions have been eliminated.

#### **Financial Statement Presentation**

The AACR and Affiliates report information regarding their financial position and activities according to the following three classes of net assets:

##### ***Unrestricted net assets***

Net assets that are not subject to donor-imposed restrictions. Included in unrestricted net assets are two Board designated funds, the Reserve and Innovation funds. The Reserve Fund is to be used as a reserve for future years' operations. The Innovation Fund is to implement novel initiatives and projects that are aligned with AACR's strategic plan. These funds can be increased or decreased annually at the discretion of the Board of Directors and have no other restrictions as to their use.

##### ***Temporarily restricted net assets***

Net assets that are subject to donor-imposed restrictions that will be satisfied by actions of the AACR and Affiliates and/or the passage of time. When a restriction is satisfied, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as *net assets released from restrictions*.

##### ***Permanently restricted net assets***

Net assets that are subject to donor-imposed restrictions that neither expire by passage of time nor can be satisfied by actions of the AACR and Affiliates.

#### **Accounting Estimates**

In preparing financial statements in conformity with U.S. generally accepted accounting principles, ("**GAAP**") management makes estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

#### **Fair Value Measurements**

GAAP defines fair value as the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants at the measurement date. GAAP establishes a fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the AACR and Affiliates. Unobservable inputs reflect the AACR and Affiliates' assumptions about the inputs market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The fair value hierarchy is categorized into three levels based on the inputs as follows:

**Level 1** – Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the AACR and Affiliates have the ability to access. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these assets and liabilities does not entail a significant degree of judgment.

# AMERICAN ASSOCIATION FOR CANCER RESEARCH, INC. AND AFFILIATES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2016 and 2015

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**Level 2** – Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

**Level 3** – Valuations based on inputs that are unobservable, that is, inputs that reflect the AACR and Affiliates' own assumptions.

### **Investments**

Investments in equity securities with readily determinable fair values and all investments in debt securities are reported at fair value with gains and losses included in the statement of activities. Dividend and interest income is recorded as earned.

The AACR and Affiliates invest in a professionally-managed portfolio that contains various types of securities (**See Note 3**). Such investments are exposed to market and credit risk. Due to the level of risk associated with such investments, and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that the amounts reported in the financial statements could change materially in the near term.

### **Publication Revenue Receivable**

Publication revenue receivable is stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. Changes in the valuation allowance have not been material to the financial statements. The AACR does not charge interest on outstanding balances.

### **Property and Equipment**

The AACR and Affiliates capitalize all expenditures for property and equipment in excess of \$10,000. Property and equipment are carried at cost. Depreciation is computed on the straight-line basis over the estimated useful lives of the assets.

### **Revenue**

Membership dues and subscriptions are recognized as revenue in the year to which they relate. Registration fees for the annual meeting, special conferences and educational workshops are recognized as revenue in the year of the meetings. Accordingly, such revenues received in advance of the applicable year are included in deferred income in the accompanying statements of financial position.

### **Grants**

Grants are recognized as revenue as the related expenses are incurred.

### **Contributions**

Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted net assets depending on the absence or existence and nature of any donor restrictions. Donor-restricted contributions whose restrictions are satisfied in the same period are reported as unrestricted.

Unconditional contributions are recognized as revenue when the related promise to give is received. Conditional contributions are recognized as revenue when the conditions are satisfied.

# AMERICAN ASSOCIATION FOR CANCER RESEARCH, INC. AND AFFILIATES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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### Functional Allocation of Expenses

The costs of providing the various program and supporting services have been presented on a functional basis in the statements of activities and functional expenses. Accordingly, certain costs have been allocated among the program and supporting services benefited, primarily based upon the relative time spent by the AACR and Affiliates employees on each function.

### Income Tax Status

The AACR and AACR Foundation are exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Organizations' tax-exempt purpose is subject to taxation as unrelated business income. During 2016 and 2015, the AACR incurred \$31,261 and \$50,405, respectively, of unrelated business income tax resulting from net advertising revenue. In addition, the Organizations qualify for the charitable contribution deduction under Section 170(b)(1)(A) and the AACR and AACR Foundation have been classified as organizations other than a private foundation under Section 509(a)(2) and 509(a)(3), respectively.

AACR International – Canada was established in 2014 as a Canadian not for profit corporation and received its charity status in 2015. It is a wholly owned subsidiary of the AACR.

GAAP prescribes a minimum recognition threshold that a tax position is required to meet in order to be recognized in the financial statements. The AACR and Affiliates believe that they had no uncertain tax positions as defined in GAAP.

### Concentrations of Credit Risk

Financial instruments which potentially subject the AACR and Affiliates to concentrations of credit risk are cash, publication revenue receivable, contributions receivable and other receivables.

The AACR maintains cash deposits at various financial institutions. At times, such deposits may exceed federally-insured limits.

Publication revenue receivable consists principally of non-member subscription revenues and reprints and page charges due from authors who submit articles to the AACR's journals. Contributions receivable are due primarily from Foundations and companies in the pharmaceutical industry (**See Note 4**).

## (3) INVESTMENTS

Investments at December 31, consisted of the following:

	<u>2016</u>	<u>2015</u>
Money market funds	\$ 604,001	\$ 326,943
Marketable equity securities	6,006,843	6,079,775
Mutual funds		
Fixed income	12,692,559	12,495,670
Equity	19,926,651	18,346,462
Limited partnerships	<u>30,618,550</u>	<u>29,070,107</u>
	<u>\$69,848,604</u>	<u>\$66,318,957</u>

# AMERICAN ASSOCIATION FOR CANCER RESEARCH, INC. AND AFFILIATES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2016 and 2015

Investment income (loss) was comprised of the following:

	<u>2016</u>	<u>2015</u>
Net realized gain (loss)	\$ (256,793)	\$ 716,851
Net unrealized gain (loss)	2,894,250	(4,339,845)
Interest and dividends	<u>1,069,234</u>	<u>1,412,358</u>
	<u>\$ 3,706,691</u>	<u>\$ (2,210,636)</u>

Limited partnerships consisted of the following at December 31, 2016:

	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
Equity long/short hedge funds (a)	\$12,521,753	none	daily, semi-annual	90 days
Commodities hedge fund (b)	1,339,443	none	daily	5 days
S&P 500 index hedge fund (c)	13,369,012	none	quarterly	60 days
Emerging markets hedge fund (d)	1,865,698	none	monthly	30 days
Private equity funds (e)	<u>1,522,644</u>	880,100	none	none
	<u>\$30,618,550</u>			

(a) – This category includes investments in two hedge funds of fund managers that invest in direct hedge fund managers employing long/short and absolute return strategies. The fair values of the investments in this category have been estimated using the net asset value per share. There are no initial lock-up restrictions at December 31, 2016.

(b) – This category includes investments in a hedge fund that invests in commodities. This long-only fund provides direct commodities exposure through futures. The fair values of the investments in this category have been estimated using the net asset value per share. There are no initial lock-up restrictions at December 31, 2016.

(c) – This category includes investments in a hedge fund that seeks to outperform the S&P 500 Index using a risk-controlled, analyst-driven approach. The fair values of the investments in this category have been estimated using the net asset value per share. There are no initial lock-up restrictions at December 31, 2016 on this fund.

(d) – This category includes investments in a hedge fund that invests in publicly traded equity securities principally operating in emerging market countries. The fair values of the investments in this category have been estimated using the net asset value per share. There are no initial lock-up restrictions at December 31, 2016 on this fund.

(e) – This category includes a fund of fund managers that invests in direct private equity and venture capital partnerships across all industries. These investments can be redeemed early, albeit at a substantial discount. If not redeemed early, distributions will be received through the liquidation of the underlying assets of the fund. The fair values of the investments in this category have been estimated using the net asset value per share.

# AMERICAN ASSOCIATION FOR CANCER RESEARCH, INC. AND AFFILIATES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2016 and 2015

### (4) CONTRIBUTIONS RECEIVABLE

Contributions receivable are due as follows:

	<u>2016</u>	<u>2015</u>
In less than one year	\$12,522,832	\$13,711,709
In one to five years	<u>5,123,833</u>	<u>6,041,250</u>
	17,646,665	19,752,959
Less allowance for uncollectible contributions receivable	<u>(40,000)</u>	<u>(40,000)</u>
	<u>\$17,606,665</u>	<u>\$19,712,959</u>

No discount has been recorded on contributions receivable at December 31, 2016 and 2015.

### (5) GRANTS PAYABLE

Grants authorized but unpaid at year-end are reported as liabilities. No discount has been recorded due to immateriality since most grants will be paid by June 30, 2016 and 2017. The following is a summary of grants authorized and payable at December 31,:

	<u>2016</u>	<u>2015</u>
To be paid in less than one year	\$12,096,255	\$12,641,808
To be paid in one to five years	<u>4,934,634</u>	<u>4,916,575</u>
	<u>\$17,030,889</u>	<u>\$17,558,383</u>

### (6) TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes and periods:

	<u>Balance</u> <u>December 31, 2015</u>	<u>Additions</u>	<u>Releases</u>	<u>Balance</u> <u>December 31, 2016</u>
Purpose restrictions				
Research Grants and Fellowships	\$ 6,349,474	\$6,163,099	\$(4,687,426)	\$ 7,825,147
Meetings and Educational Workshops	1,626,630	710,000	(1,241,500)	1,095,130
Scientific Initiatives	540,000	-	(10,000)	530,000
Education and Training	1,292,543	126,000	(1,087,500)	331,043
Other	40,000	-	-	40,000
Time restrictions				
Future periods	<u>257,427</u>	<u>1,270,000</u>	<u>(257,427)</u>	<u>1,270,000</u>
	<u>\$10,106,074</u>	<u>\$8,269,099</u>	<u>\$(7,283,853)</u>	<u>\$11,091,320</u>

# AMERICAN ASSOCIATION FOR CANCER RESEARCH, INC. AND AFFILIATES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2016 and 2015

	<u>Balance</u> <u>December 31, 2014</u>	<u>Additions</u>	<u>Releases</u>	<u>Balance</u> <u>December 31, 2015</u>
Purpose restrictions				
Research Grants and Fellowships	\$ 8,613,792	\$4,223,897	\$(6,488,215)	\$ 6,349,474
Meetings and Educational Workshops	1,301,100	1,239,000	(963,470)	1,576,630
Patient Education	125,000	-	(75,000)	50,000
Scientific Initiatives	550,000	-	(10,000)	540,000
Education and Training	363,943	1,020,000	(91,400)	1,292,543
Other	40,000	-	-	40,000
Time restrictions				
Future periods	<u>125,000</u>	<u>257,427</u>	<u>(125,000)</u>	<u>257,427</u>
	<u>\$11,118,835</u>	<u>\$6,740,324</u>	<u>\$(7,753,085)</u>	<u>\$10,106,074</u>

### (7) PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted net assets consist of the following:

	<u>2016</u>	<u>2015</u>
Endowment		
Cash	\$ 978,000	\$ -
Contributions receivable	-	200,000
Investments	610,475	587,566
Gift annuity	<u>6,728</u>	<u>6,914</u>
	<u>\$1,595,203</u>	<u>\$794,480</u>

The AACR Foundation's permanently restricted endowment provides income to support the programs, services and mission of the AACR. The endowment intends to pay out 5% annually. In 2016 and 2015, \$36,000 and \$37,000, respectively, of income was spent for these purposes.

Permanently restricted net assets also consist of a charitable gift annuity. Upon the death of the donor, the remaining balance of the annuity will be used to fund an endowment.

### (8) ENDOWMENT FUNDS

An accounting standard exists which provides guidance on the net asset classification of donor-restricted endowment funds for a nonprofit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act ("**UPMIFA**"). The AACR is not subject to this guidance since Pennsylvania has not enacted a version of UPMIFA. The standard also requires additional disclosures about an organization's endowment funds (both donor-restricted endowment funds and unrestricted endowment funds) whether or not the organization is subject to UPMIFA.

In accordance with Pennsylvania statutes, the AACR has adopted investment and spending policies for its endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowments while seeking to maintain the purchasing power of these endowment assets over the long-term. The AACR's spending and investment policies work together to achieve this objective. The investment policy establishes an achievable return objective through diversification of asset classes.



# AMERICAN ASSOCIATION FOR CANCER RESEARCH, INC. AND AFFILIATES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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The spending policy calculates the amount of money annually distributed from the permanently restricted endowment fund to support various programs. The current spending policy is to distribute an amount equal to 5% of a moving three-year average of the fair value of the endowment fund.

	<u>Unrestricted</u>	<u>Permanently Restricted</u>	<u>Total Endowment Assets</u>
Endowment net assets, beginning of year	\$ -	\$ 787,566	\$ 787,566
Additions	2,425,634	778,000	3,203,634
Investment income	173,432	58,909	232,341
Spending policy distribution	<u>(120,000)</u>	<u>(36,000)</u>	<u>(156,000)</u>
Endowment net assets, end of year	<u>\$2,479,066</u>	<u>\$1,588,475</u>	<u>\$4,067,541</u>

### (9) PENSION PLAN AND OTHER BENEFITS

The AACR has a defined contribution pension plan covering substantially all eligible employees. Contributions to the plan, which are determined by the Board of Directors, were \$935,617 and \$841,794 for 2016 and 2015, respectively.

The AACR has an employment contract with its chief executive officer that provides for various types of compensated leave. The liability to the chief executive officer resulting from this contract and the AACR's standard leave policies, which is included in "accounts payable and other accrued expenses" in the accompanying statements of financial position, was \$1,716,447 at December 31, 2016 and \$1,538,448 at December 31, 2015.

### (10) COMMITMENTS

#### Operating Leases

The AACR leases office space for its headquarters in Philadelphia, Pennsylvania under a lease which expires in 2025 and satellite offices in Washington, D.C. and Boston, MA under leases which expire in 2017 and 2019, respectively. The Philadelphia lease may be renewed for a ten-year period, the Washington D.C. lease may be renewed at the AACR's discretion for a five-year period and the Boston lease may be renewed for a three-year period. Each lease requires the AACR to pay its share of escalations in real estate taxes and operating expenses. Rent expense was \$2,444,584 and \$2,439,800 for 2016 and 2015, respectively.

The leases for office facilities contain scheduled rent increases which are being recognized on a straight-line basis over the lease terms.

Minimum annual lease commitments under noncancelable office leases are approximately as follows:

#### Year ending December 31,

2017	\$ 2,408,662
2018	2,160,536
2019	2,192,736
2020	2,144,453
2021	2,174,535
Thereafter	<u>8,998,965</u>
<b>Total</b>	<b><u>\$20,079,887</u></b>

# AMERICAN ASSOCIATION FOR CANCER RESEARCH, INC. AND AFFILIATES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2016 and 2015

### Other Commitments

The AACR also entered into agreements with hotels providing room accommodations for its meetings and educational workshops through the year 2019. These agreements include a guarantee by the AACR that a minimum number of rooms will be rented by conference attendees.

### (11) STAND UP TO CANCER

Stand Up To Cancer, a program of the Entertainment Industry Foundation, was created through an unprecedented collaboration uniting the major television networks, entertainment industry executives and celebrities, and prominent leaders in cancer research and patient advocacy. Stand Up To Cancer embarked on a series of projects to raise significant dollars to fund research that will positively impact patient care and prevention. Since 2008, more than \$280 million has been pledged to the AACR by Stand Up To Cancer to accelerate groundbreaking research and bring new treatments to patients.

The AACR has a long-term contract with the Entertainment Industry Foundation to serve as the scientific partner for Stand Up To Cancer. The AACR provides scientific oversight, conducts expert peer review and is responsible for all aspects related to grant administration for Stand Up To Cancer. The funds for the Stand Up To Cancer initiative are recorded as the donor's conditions are satisfied. In 2016, AACR distributed over \$31 million in payments to fund Stand Up To Cancer Research Grants.

### (12) ASSETS AND LIABILITIES MEASURED AT FAIR VALUE ON A RECURRING BASIS

The following is a summary of assets and liabilities measured at fair value on a recurring basis and the valuation inputs used to value them at December 31:

<b>2015</b>	<b>Fair Value</b>	<b>Quoted Prices in Active Markets (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>Significant Unobservable Inputs (Level 3)</b>
<b>Assets</b>				
Investments				
Money market funds	\$ 326,943	\$ 326,943	\$ -	\$ -
Marketable equity securities	6,079,775	4,615,741	1,464,034	-
Mutual funds				
Fixed income	12,495,670	12,495,670	-	-
Equity	18,346,462	16,010,799	2,335,663	-
Limited partnerships measured at net asset value (a)	<u>29,070,107</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total investments</b>	<b>66,318,957</b>	<b>33,449,153</b>	<b>3,799,697</b>	<b>-</b>
Contributions receivable	<u>19,712,959</u>	<u>-</u>	<u>19,712,959</u>	<u>-</u>
<b>Total assets</b>	<b><u>\$86,031,916</u></b>	<b><u>\$33,449,153</u></b>	<b><u>\$23,512,656</u></b>	<b><u>\$ -</u></b>
<b>Liabilities</b>				
Grants payable	<u>\$17,558,383</u>	<u>\$ -</u>	<u>\$17,558,383</u>	<u>\$ -</u>

# AMERICAN ASSOCIATION FOR CANCER RESEARCH, INC. AND AFFILIATES

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December 31, 2016 and 2015

<b>2016</b>	<b>Fair Value</b>	<b>Quoted Prices in Active Markets (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>Significant Unobservable Inputs (Level 3)</b>
<b>Assets</b>				
Investments				
Money market funds	\$ 604,001	\$ 604,001	\$ -	\$ -
Marketable equity securities	6,006,843	6,006,843	-	-
Mutual funds				
Fixed income	12,692,559	12,692,559	-	-
Equity	19,926,651	19,926,651	-	-
Limited partnerships measured at net asset value (a)	<u>30,618,550</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total investments</b>	<b>69,848,604</b>	<b>39,230,054</b>	<b>-</b>	<b>-</b>
Contributions receivable	<u>17,606,665</u>	<u>-</u>	<u>17,606,665</u>	<u>-</u>
<b>Total assets</b>	<b><u>\$87,455,269</u></b>	<b><u>\$39,230,054</u></b>	<b><u>\$17,606,665</u></b>	<b><u>\$ -</u></b>
<b>Liabilities</b>				
Grants payable	<u>\$17,030,889</u>	<u>\$ -</u>	<u>\$17,030,889</u>	<u>\$ -</u>

(a) Certain investments that are measured at fair value using the net asset value per share practical expedient have not been classified in the fair value hierarchy. These investments have been included in this table to permit reconciliation to the amounts presented in the statement of financial position.

### (13) SUBSEQUENT EVENTS

Management has evaluated subsequent events through April 25, 2017, the date on which the financial statements were available to be issued. No material subsequent events have occurred since December 31, 2016 that required recognition in the financial statements.

## **ADDITIONAL INFORMATION**



## INDEPENDENT AUDITOR'S REPORT ON ADDITIONAL INFORMATION

**Board of Directors**  
**American Association for Cancer Research, Inc.**  
**Philadelphia, Pennsylvania**

We have audited the consolidated financial statements of American Association for Cancer Research, Inc. and Affiliates as of and for the years ended December 31, 2016 and 2015, and our report thereon dated April 25, 2017, which expressed an unmodified opinion on those consolidated financial statements appears on page 1. Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The additional information on Pages 19 through 24 is presented for the purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

*BBD, LLP.*

**Philadelphia, Pennsylvania**  
**April 25, 2017**

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# AMERICAN ASSOCIATION FOR CANCER RESEARCH, INC. AND AFFILIATES

## PUBLICATIONS UNRESTRICTED REVENUE AND EXPENSES

Years ended December 31, 2016 and 2015

	Cancer Research		Molecular Cancer Research		Cancer Epidemiology Biomarkers & Prevention		Clinical Cancer Research	
	2016	2015	2016	2015	2016	2015	2016	2015
<b>REVENUE</b>								
Subscriptions	\$ 3,950,471	\$ 3,507,546	\$ 402,972	\$ 389,811	\$ 573,016	\$ 664,188	\$ 2,647,768	\$ 2,966,460
Page charges	583,714	397,085	75,678	112,490	113,671	116,023	601,225	361,580
Color charges	1,592,848	1,225,675	213,818	267,325	61,215	39,950	1,135,945	738,575
Author choice fees	384,725	339,010	80,075	61,500	43,675	46,000	402,200	354,000
Reprint sales	12,949	10,744	975	3,613	1,897	13,353	128,009	98,573
Advertising sales	168,082	234,286	1,046	19,619	8,538	18,786	31,691	65,960
Royalties	102,479	97,888	12,975	12,542	43,419	51,371	180,345	192,928
Miscellaneous	1,310	2,639	125	60	-	240	730	2,321
<b>Total unrestricted revenue</b>	<b>6,796,578</b>	<b>5,814,873</b>	<b>787,664</b>	<b>866,960</b>	<b>845,431</b>	<b>949,911</b>	<b>5,127,913</b>	<b>4,780,397</b>
<b>EXPENSES</b>								
Salaries and fringe benefits	1,249,258	1,185,524	485,756	454,122	446,741	422,184	933,851	850,218
Audio-visual services	1,287	3,655	1,287	3,655	1,188	3,374	1,287	3,655
Bad debt expense	49,547	35,136	18,990	20,785	2,040	5,370	72,220	38,100
Computer programming and maintenance	21,821	15,055	7,834	4,857	7,817	4,849	18,735	9,617
Credit card fees	46,923	51,448	4,963	6,695	4,960	6,726	31,344	30,211
Depreciation	7,413	10,177	2,612	3,238	2,612	3,238	6,354	6,477
Dues and subscriptions	13,534	13,778	13,534	13,778	12,901	12,934	13,534	13,778
Duplication, printing and supplies	6,821	6,566	2,393	3,199	2,785	4,065	5,852	5,982
Equipment rental	157	692	55	220	55	220	134	440
Honoraria	170,916	174,500	40,000	42,500	70,975	70,300	119,125	154,951
Hotel lodging and facilities rental	2,704	9,021	2,607	1,402	5,222	5,557	1,182	3,475
Insurance	6,728	3,700	2,371	1,177	2,371	1,177	5,767	2,355
Marketing	25,714	23,371	23,272	27,250	26,196	26,210	42,762	36,082
Meetings and receptions	25,101	20,628	21,464	13,770	16,463	12,950	2,195	14,673
Miscellaneous	35,584	53,394	2,069	2,528	1,970	2,810	4,755	7,568
Postage and freight	3,013	2,225	1,535	981	1,479	932	4,257	3,363
Printing and production	849,214	717,479	163,959	176,074	189,539	194,626	687,906	596,936
Professional fees	27,622	45,835	21,045	20,990	24,736	34,955	44,106	47,271
Rent	143,793	141,712	41,084	40,489	41,084	40,489	102,709	80,978
Telecommunications	10,976	10,789	4,072	3,356	4,040	3,361	9,297	6,503
Temporary personnel	3,861	8,043	2,011	2,718	1,857	2,509	2,011	2,718
Travel, speakers and staff	14,020	16,815	6,559	6,603	5,836	7,794	7,393	8,418
Utilities and building maintenance	6,162	7,078	2,171	2,252	2,171	2,252	5,282	4,504
<b>Total expenses</b>	<b>2,722,169</b>	<b>2,556,621</b>	<b>871,643</b>	<b>852,639</b>	<b>875,038</b>	<b>868,882</b>	<b>2,122,058</b>	<b>1,928,273</b>
<b>Excess (deficiency) of unrestricted revenue over expenses</b>	<b>\$ 4,074,409</b>	<b>\$ 3,258,252</b>	<b>\$ (83,979)</b>	<b>\$ 14,321</b>	<b>\$ (29,607)</b>	<b>\$ 81,029</b>	<b>\$ 3,005,855</b>	<b>\$ 2,852,124</b>

Molecular Cancer Therapeutics		Cancer Prevention Research		Cancer Discovery		Cancer Immunology Research		Totals	
2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
\$ 743,423	\$ 676,228	\$ 429,668	\$ 419,686	\$ 1,364,180	\$ 1,031,209	\$ 402,459	\$ 382,646	\$ 10,513,957	\$ 10,037,774
240,656	203,765	64,140	68,210	70,013	93,500	54,480	68,980	1,803,577	1,421,633
520,925	457,250	86,440	118,375	109,885	26,250	120,730	177,990	3,841,806	3,051,390
142,450	148,125	34,670	36,000	57,405	87,000	27,020	88,100	1,172,220	1,159,735
10,147	10,585	3,506	1,850	67,190	10,490	2,815	10,479	227,488	159,687
497	1,892	-	3,505	6,371	8,172	3,603	22,281	219,828	374,501
39,491	45,670	11,732	11,239	40,885	31,090	19,779	8,704	451,105	451,432
-	245	-	60	-	780	1,125	610	3,290	6,955
1,697,589	1,543,760	630,156	658,925	1,715,929	1,288,491	632,011	759,790	18,233,271	16,663,107
460,390	527,537	367,550	343,207	1,279,708	1,118,864	519,977	445,799	5,743,231	5,347,455
1,287	3,655	1,188	3,374	1,188	3,374	1,188	3,374	9,900	28,116
33,230	23,485	11,530	18,345	6,500	-	1,675	2,815	195,732	144,036
9,479	6,217	6,376	4,170	23,049	15,680	8,433	5,680	103,544	66,125
10,364	12,728	3,594	4,511	16,933	17,364	8,968	9,967	128,049	139,650
3,177	4,163	2,118	2,776	12,213	17,359	2,824	3,701	39,323	51,129
13,534	13,778	12,901	12,934	13,526	13,733	12,901	12,906	106,365	107,619
3,176	3,859	2,798	3,523	21,439	16,955	2,233	3,720	47,497	47,869
67	283	45	189	1,469	1,446	60	252	2,042	3,742
52,666	49,000	89,252	108,155	30,000	30,000	99,868	83,450	672,802	712,856
306	1,402	283	2,964	1,093	836	283	1,655	13,680	26,312
2,884	1,514	1,922	1,009	7,049	3,700	2,563	1,346	31,655	15,978
27,668	23,114	28,833	24,884	29,435	29,103	24,582	21,543	228,462	211,557
334	6,541	6,740	10,176	2,284	4,527	2,149	4,343	76,730	87,608
2,219	2,344	1,983	2,460	4,438	8,159	2,451	2,553	55,469	81,816
1,709	1,210	1,336	868	3,325	2,001	1,679	6,088	18,333	17,668
263,094	246,201	131,580	133,800	242,577	241,804	180,623	197,474	2,708,492	2,504,394
20,163	20,605	22,018	25,486	159,009	159,376	22,402	33,565	341,101	388,083
51,355	50,612	30,813	30,367	179,323	134,010	51,355	50,612	641,516	569,269
5,317	4,855	3,350	2,890	27,371	28,315	4,340	3,783	68,763	63,852
2,011	2,718	3,818	2,509	1,857	2,509	1,857	2,509	19,283	26,233
6,417	2,553	7,477	9,768	20,977	4,949	5,520	2,874	74,199	59,774
2,641	2,896	1,761	1,930	11,147	11,784	2,348	2,574	33,683	35,270
973,488	1,011,270	739,266	750,295	2,095,910	1,865,848	960,279	902,583	11,359,851	10,736,411
\$ 724,101	\$ 532,490	\$ (109,110)	\$ (91,370)	\$ (379,981)	\$ (577,357)	\$ (328,268)	\$ (142,793)	\$ 6,873,420	\$ 5,926,696



# AMERICAN ASSOCIATION FOR CANCER RESEARCH, INC. AND AFFILIATES

## MEETINGS AND EDUCATIONAL WORKSHOPS UNRESTRICTED REVENUE AND EXPENSES

Years ended December 31, 2016 and 2015

	Annual Meeting		Special Conferences		AACR-NCI-EORTC Molecular Targets and Cancer Therapeutics Meeting	
	2016	2015	2016	2015	2016	2015
<b>REVENUE</b>						
Registration	\$ 10,541,892	\$ 9,826,569	\$ 2,032,315	\$ 2,239,662	\$ -	\$ 2,252,819
Commercial exhibits	3,641,360	3,141,055	16,550	16,800	-	159,700
Abstract submission fees	360,180	370,140	-	-	-	-
Mail list rentals	104,093	105,744	-	-	-	779
Sale of <i>Proceedings</i>	106,913	97,695	-	220	-	40
Advertising	160,088	183,283	-	-	-	-
Royalties	19,356	22,858	-	-	-	-
Miscellaneous	171,168	180	11,152	40	-	10,750
<b>Total revenue</b>	<b>15,105,050</b>	<b>13,747,524</b>	<b>2,060,017</b>	<b>2,256,722</b>	<b>-</b>	<b>2,424,088</b>
<b>SUPPORT</b>						
Contributions and grants	1,899,735	1,927,019	803,900	1,246,153	-	653,030
<b>Total unrestricted revenue</b>	<b>17,004,785</b>	<b>15,674,543</b>	<b>2,863,917</b>	<b>3,502,875</b>	<b>-</b>	<b>3,077,118</b>
<b>EXPENSES</b>						
Salaries and fringe benefits	2,315,939	2,278,802	1,120,160	1,326,897	7,017	150,228
Audio-visual services	1,421,971	1,524,423	432,149	489,440	-	308,761
Commercial exhibits	317,628	304,140	-	-	-	3,654
Computer programming and maintenance	330,647	315,194	23,794	26,964	-	57,905
Credit card fees	374,917	336,187	50,978	51,848	424	69,708
Depreciation	32,447	44,615	6,922	10,735	-	925
Dues and subscriptions	777	740	360	620	-	46
Duplication, printing and supplies	58,513	68,251	65,147	70,314	1,518	4,770
Equipment rental	14,365	15,138	144	735	-	1,208
Grants and awards	248,002	201,252	18,550	51,100	-	1,500
Honoraria	1,500	12,250	-	-	-	-
Hotel lodging and facilities rental	650,035	585,249	303,433	297,753	7,260	291,598
Insurance	43,562	42,454	6,251	3,905	-	336
Marketing	711,548	741,329	238,640	351,107	21,888	122,437
Meetings and receptions	324,267	300,053	1,072,049	1,054,445	-	237,373
Miscellaneous	17,491	18,994	7,757	10,569	-	6,562
On-site transportation	419,260	346,279	-	-	993	1,170
Postage and freight	48,003	9,090	36,850	33,864	2,275	11,448
Printing and production	158,561	266,171	-	-	-	47,146
Professional fees	132,945	242,248	2,364	8,826	-	60,445
Rent	211,626	202,446	105,942	122,474	-	20,245
Telecommunications	25,321	26,158	10,120	11,114	-	3,936
Temporary personnel	33,970	47,615	1,200	1,068	-	4,786
Travel, speakers and staff	622,850	531,030	240,075	286,829	18,380	54,299
Utilities and building maintenance	12,262	12,869	5,737	7,462	-	643
<b>Total expenses</b>	<b>8,528,407</b>	<b>8,472,977</b>	<b>3,748,622</b>	<b>4,218,069</b>	<b>59,755</b>	<b>1,461,129</b>
<b>Excess (deficiency) of unrestricted revenue over expenses</b>	<b>\$ 8,476,378</b>	<b>\$ 7,201,566</b>	<b>\$ (884,705)</b>	<b>\$ (715,194)</b>	<b>\$ (59,755)</b>	<b>\$ 1,615,989</b>

Mid-Sized Conferences		International Meetings		Educational Workshops		Totals	
2016	2015	2016	2015	2016	2015	2016	2015
\$ 1,046,573	\$ 408,265	\$ 184,061	\$ 230,188	\$ 294,830	\$ 299,875	\$ 14,099,671	\$ 15,257,378
28,250	5,100	171,198	136,678	-	-	3,857,358	3,459,333
-	-	-	-	-	-	360,180	370,140
-	-	-	-	-	-	104,093	106,523
-	-	-	-	-	-	106,913	97,955
-	-	2,545	-	-	-	162,633	183,283
-	-	-	-	-	-	19,356	22,858
199,064	313,760	19,955	-	-	-	401,339	324,730
1,273,887	727,125	377,759	366,866	294,830	299,875	19,111,543	19,822,200
1,119,000	579,100	99,401	329,467	1,031,927	923,994	4,953,963	5,658,763
2,392,887	1,306,225	477,160	696,333	1,326,757	1,223,869	24,065,506	25,480,963
310,984	309,992	94,692	99,126	286,192	233,460	4,134,984	4,398,505
122,429	127,200	68,465	12,414	177,136	181,605	2,222,150	2,643,843
-	-	24,996	37,190	-	-	342,624	344,984
15,965	5,738	8,764	5,418	11,153	4,593	390,323	415,812
48,153	33,341	-	-	1,494	593	475,966	491,677
1,641	1,610	485	611	2,148	1,850	43,643	60,346
105	112	25	46	-	-	1,267	1,564
25,371	13,622	7,616	16,710	10,026	12,097	168,191	185,764
34	110	10	42	2,410	125	16,963	17,358
57,030	101,250	2,833	3,959	-	6,600	326,415	365,661
-	-	-	-	70,285	55,585	71,785	67,835
69,397	135,200	15,388	18,159	279,670	327,516	1,325,183	1,655,475
1,479	585	435	222	1,948	675	53,675	48,177
111,494	149,145	26,577	46,832	41,791	18,755	1,151,938	1,429,605
292,663	193,479	177,438	296,050	324,297	377,927	2,190,714	2,459,327
1,872	375	36,235	62,277	9,726	11,071	73,081	109,848
-	911	3,557	4,592	19,422	20,342	443,232	373,294
13,371	6,619	1,715	8,295	20,835	18,498	123,049	87,814
5,410	13,571	9,999	7,276	-	-	173,970	334,164
3,230	2,944	115,077	89,639	57,301	56,000	310,917	460,102
24,550	17,612	7,167	6,681	31,224	20,245	380,509	389,703
4,656	1,682	687	593	3,048	3,085	43,832	46,568
14,076	-	77	3,286	-	-	49,323	56,755
50,424	58,154	77,738	58,248	88,890	89,196	1,098,357	1,077,756
1,359	1,120	401	425	1,784	1,285	21,543	23,804
1,175,693	1,174,372	680,377	778,091	1,440,780	1,441,103	15,633,634	17,545,741
\$ 1,217,194	\$ 131,853	\$ (203,217)	\$ (81,758)	\$ (114,023)	\$ (217,234)	\$ 8,431,872	\$ 7,935,222

# AMERICAN ASSOCIATION FOR CANCER RESEARCH, INC. AND AFFILIATES

## RESEARCH GRANTS AND SCIENTIFIC AWARDS UNRESTRICTED REVENUE AND EXPENSES

Years ended December 31, 2016 and 2015

	Stand Up To Cancer		Stand Up To Cancer Canada		Research Grants and Scientific Awards		Totals	
	2016	2015	2016	2015	2016	2015	2016	2015
<b>SUPPORT</b>								
Contributions and grants	\$ 27,958,697	\$ 22,559,144	\$ 1,287,706	\$ 233,849	\$ 8,818,167	\$ 8,797,146	\$ 38,064,570	\$ 31,590,139
<b>EXPENSES</b>								
Salaries and fringe benefits	977,941	961,283	-	-	481,010	480,107	1,458,951	1,441,390
Audio-visual services	68,902	91,656	-	8,645	31,757	15,143	100,659	115,444
Computer programming and maintenance	37,423	20,242	-	750	88,210	99,363	125,633	120,355
Depreciation	6,354	8,790	-	-	6,777	11,103	13,131	19,893
Dues and subscriptions	-	-	-	-	2,714	2,572	2,714	2,572
Duplication, printing and supplies	17,706	10,970	-	632	30,105	35,919	47,811	47,521
Equipment rental	134	4,563	-	-	144	755	278	5,318
Grants and awards	25,668,333	20,455,043	1,209,666	108,131	8,450,145	8,239,294	35,328,144	28,802,468
Honoraria	146,500	152,250	10,000	7,500	-	-	156,500	159,750
Hotel lodging and facilities rental	194,777	148,668	4,186	4,067	16,458	20,699	215,421	173,434
Insurance	5,767	3,196	-	-	6,152	4,037	11,919	7,233
Marketing	832	-	-	-	13,032	500	13,864	500
Meetings and receptions	196,622	183,092	1,760	11,822	135,178	67,516	333,560	262,430
Miscellaneous	11,247	2,596	2,062	510	12,573	7,067	25,882	10,173
On-site transportation	11,412	21,334	961	-	-	-	12,373	21,334
Postage and freight	6,723	5,079	-	1,779	3,698	2,881	10,421	9,739
Professional fees	99,146	13,739	41,053	50,655	10,644	1,605	150,843	65,999
Rent	112,980	111,345	664	1,489	107,845	131,590	221,489	244,424
Telecommunications	10,638	11,612	-	-	13,099	16,274	23,737	27,886
Temporary personnel	-	-	-	-	3,135	2,221	3,135	2,221
Travel, speakers and staff	132,918	107,087	8,114	27,551	52,315	57,526	193,347	192,164
Utilities and building maintenance	5,282	6,113	-	-	5,635	7,721	10,917	13,834
<b>Total expenses</b>	<b>27,711,637</b>	<b>22,318,658</b>	<b>1,278,466</b>	<b>223,531</b>	<b>9,470,626</b>	<b>9,203,893</b>	<b>38,460,729</b>	<b>31,746,082</b>
<b>Excess (deficiency) of unrestricted revenue over expenses</b>	<b>\$ 247,060</b>	<b>\$ 240,486</b>	<b>\$ 9,240</b>	<b>\$ 10,318</b>	<b>\$ (652,459)</b>	<b>\$ (406,747)</b>	<b>\$ (396,159)</b>	<b>\$ (155,943)</b>

# AMERICAN ASSOCIATION FOR CANCER RESEARCH, INC. AND AFFILIATES

## COMMUNICATIONS, SCIENCE POLICY AND PATIENT EDUCATION UNRESTRICTED REVENUE AND EXPENSES

Years ended December 31, 2016 and 2015

	Communications		Scientist ↔ Survivor Program		Cancer Today Magazine		Science Policy and Government Affairs		Totals	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
<b>REVENUE</b>										
Subscriptions	\$ -	\$ -	\$ -	\$ -	\$ 21,656	\$ 21,858	\$ -	\$ -	\$ 21,656	\$ 21,858
Advertising sales	-	-	-	-	586,313	326,713	-	-	586,313	326,713
<b>Total unrestricted revenue</b>	-	-	-	-	607,969	348,571	-	-	607,969	348,571
<b>SUPPORT</b>										
Contributions and grants	-	-	175,000	150,000	-	80,000	280,000	153,000	455,000	383,000
<b>Total unrestricted revenue</b>	-	-	175,000	150,000	607,969	428,571	280,000	153,000	1,062,969	731,571
<b>EXPENSES</b>										
Salaries and fringe benefits	1,567,564	1,476,081	111,264	106,602	413,199	352,290	1,379,227	1,277,138	3,471,254	3,212,111
Audio-visual services	3,731	19,655	12,696	40,580	165	180	46,242	6,848	62,834	67,263
Computer programming and maintenance	31,024	20,309	3,993	1,360	7,200	4,758	36,276	22,461	78,493	48,888
Credit card fees	-	-	-	-	2,724	2,967	-	-	2,724	2,967
Depreciation	10,237	13,416	706	926	2,471	3,238	15,933	21,308	29,347	38,888
Dues and subscriptions	64,459	73,168	-	-	83	70	145,151	131,926	209,693	205,164
Duplication, printing and supplies	11,061	11,556	1,127	3,460	4,890	3,721	106,694	120,424	123,772	139,161
Equipment rental	216	912	14	62	52	220	1,563	3,448	1,845	4,642
Honoraria	-	-	-	-	20,000	20,000	-	-	20,000	20,000
Hotel lodging and facilities rental	9,431	5,037	44,311	31,377	-	-	51,654	20,554	105,396	56,968
Insurance	9,292	4,878	640	336	2,243	1,177	9,652	5,046	21,827	11,437
Marketing	1,522,542	1,154,787	590	625	18,236	19,456	163,839	139,629	1,705,207	1,314,497
Meetings and receptions	38,372	54,082	30,527	31,291	-	-	71,856	76,290	140,755	161,663
Miscellaneous	6,646	83,055	188	86	2,423	1,553	17,542	15,975	26,799	100,669
On-site transportation	-	-	-	-	-	-	19,174	13,982	19,174	13,982
Postage and freight	3,606	2,472	410	129	2,018	2,642	24,885	15,296	30,919	20,539
Printing and production	-	-	-	-	612,641	535,584	637	793	613,278	536,377
Professional fees	148,052	215,856	-	-	284,779	229,063	184,423	180,392	617,254	625,311
Rent	154,064	151,835	10,270	10,122	35,948	45,550	255,055	213,435	455,337	420,942
Telecommunications	17,112	18,032	990	1,041	3,629	3,196	51,231	54,084	72,962	76,353
Temporary personnel	-	-	-	-	-	-	481	-	481	-
Travel, speakers and staff	25,710	23,344	30,015	22,591	3,241	5,714	61,661	39,930	120,627	91,579
Utilities and building maintenance	8,510	9,330	586	644	2,054	2,252	12,575	14,358	23,725	26,584
<b>Total expenses</b>	3,631,629	3,337,805	248,327	251,232	1,417,996	1,233,631	2,655,751	2,373,317	7,953,703	7,195,985
<b>Deficiency of unrestricted revenue over expenses</b>	\$(3,631,629)	\$(3,337,805)	\$ (73,327)	\$(101,232)	\$ (810,027)	\$ (805,060)	\$(2,375,751)	\$(2,220,317)	\$(6,890,734)	\$(6,464,414)

# AMERICAN ASSOCIATION FOR CANCER RESEARCH, INC. AND AFFILIATES

## SCIENTIFIC AND EDUCATIONAL PROGRAMS UNRESTRICTED REVENUE AND EXPENSES

Years ended December 31, 2016 and 2015

	Scientific Projects and Programs		Programs for Special Constituencies		Totals	
	2016	2015	2016	2015	2016	2015
<b>REVENUE</b>						
Cancer Careers Program	\$ -	\$ -	\$ 153,848	\$ 150,210	\$ 153,848	\$ 150,210
Dues - MEG	-	-	9,465	9,555	9,465	9,555
Other	5,550	159,494	-	-	5,550	159,494
<b>Total unrestricted revenue</b>	<b>5,550</b>	<b>159,494</b>	<b>163,313</b>	<b>159,765</b>	<b>168,863</b>	<b>319,259</b>
<b>SUPPORT</b>						
Contributions and grants	1,045,000	-	273,174	321,915	1,318,174	321,915
<b>Total unrestricted revenue</b>	<b>1,050,550</b>	<b>159,494</b>	<b>436,487</b>	<b>481,680</b>	<b>1,487,037</b>	<b>641,174</b>
<b>EXPENSES</b>						
Salaries and fringe benefits	510,260	449,440	632,701	600,885	1,142,961	1,050,325
Audio-visual services	193,535	122,005	116,468	108,437	310,003	230,442
Computer programming and maintenance	17,745	6,332	16,105	10,512	33,850	16,844
Credit card fees	424	-	5	-	429	-
Depreciation	3,882	4,163	4,237	6,941	8,119	11,104
Dues and subscriptions	365	1,390	18,452	4,161	18,817	5,551
Duplication, printing and supplies	10,357	9,214	30,567	24,210	40,924	33,424
Equipment rental	81	2,416	87	472	168	2,888
Grants and awards	-	-	179,950	139,100	179,950	139,100
Honoraria	-	-	2,500	4,725	2,500	4,725
Hotel lodging and facilities rental	145,777	106,456	115,911	77,457	261,688	183,913
Insurance	3,524	1,514	3,844	2,522	7,368	4,036
Marketing	21,174	-	17,496	46,981	38,670	46,981
Meetings and receptions	201,896	133,310	217,502	167,919	419,398	301,229
Miscellaneous	7,363	3,815	4,172	2,403	11,535	6,218
On-site transportation	5,543	4,377	-	-	5,543	4,377
Postage and freight	4,121	4,327	1,732	4,430	5,853	8,757
Professional fees	1,157,396	201,206	399	3,750	1,157,795	204,956
Rent	56,490	70,856	71,894	101,221	128,384	172,077
Telecommunications	6,943	10,804	8,968	12,998	15,911	23,802
Travel, speakers and staff	122,876	110,655	73,862	79,524	196,738	190,179
Utilities and building maintenance	3,227	2,895	3,521	4,825	6,748	7,720
<b>Total expenses</b>	<b>2,472,979</b>	<b>1,245,175</b>	<b>1,520,373</b>	<b>1,403,473</b>	<b>3,993,352</b>	<b>2,648,648</b>
<b>Deficiency of unrestricted revenue over expenses</b>	<b>\$ (1,422,429)</b>	<b>\$ (1,085,681)</b>	<b>\$ (1,083,886)</b>	<b>\$ (921,793)</b>	<b>\$ (2,506,315)</b>	<b>\$ (2,007,474)</b>

# AMERICAN ASSOCIATION FOR CANCER RESEARCH, INC. AND AFFILIATES

## SUPPORTING SERVICES EXPENSES

Years ended December 31, 2016 and 2015

EXPENSES	Membership Development and Services		General and Administrative		Fundraising		Totals	
	2016	2015	2016	2015	2016	2015	2016	2015
Salaries and fringe benefits	\$ 1,333,684	\$ 1,224,297	\$ 2,452,901	\$ 2,059,572	\$ 2,059,728	\$ 1,645,746	\$ 5,846,313	\$ 4,929,615
Audio-visual services	55,943	33,470	23,471	63,603	23,758	28,773	103,172	125,846
Computer programming and maintenance	26,775	18,152	96,833	87,642	42,523	34,978	166,131	140,772
Credit card fees	88,295	114,250	3,256	2,332	9,663	10,689	101,214	127,271
Depreciation	8,561	11,103	71,870	172,733	12,665	15,336	93,096	199,172
Dues and subscriptions	540	1,361	43,099	55,280	17,832	15,368	61,471	72,009
Duplication, printing and supplies	170,580	120,605	58,988	77,999	48,187	47,524	277,755	246,128
Equipment rental	180	755	4,854	3,589	246	957	5,280	5,301
Hotel lodging and facilities rental	17,828	24,262	33,008	54,498	24,974	21,748	75,810	100,508
Insurance	7,750	4,037	13,545	7,421	11,181	5,117	32,476	16,575
Marketing	82,591	75,296	3,237	3,152	866,593	841,135	952,421	919,583
Meetings and receptions	112,200	97,886	39,562	75,731	100,008	49,915	251,770	223,532
Miscellaneous	6,503	5,466	128,680	119,331	105,058	73,247	240,241	198,044
On-site transportation	7,484	10,762	5,649	1,944	164	-	13,297	12,706
Postage and freight	90,032	75,918	15,540	14,403	14,581	10,914	120,153	101,235
Printing and production	3,444	8,348	-	-	-	-	3,444	8,348
Professional fees	1,893	1,408	321,892	359,468	146,663	169,266	470,448	530,142
Rent	125,113	131,590	298,754	316,127	193,482	157,908	617,349	605,625
Telecommunications	11,995	10,790	34,063	36,254	17,136	15,307	63,194	62,351
Temporary personnel	66,905	24,080	25,472	63,507	16,438	17,821	108,815	105,408
Travel, speakers and staff	6,690	10,596	64,468	76,215	74,476	81,040	145,634	167,851
Utilities and building maintenance	7,493	7,722	50,745	50,173	9,656	9,787	67,894	67,682
<b>Total expenses</b>	<b>\$ 2,232,479</b>	<b>\$ 2,012,154</b>	<b>\$ 3,789,887</b>	<b>\$ 3,700,974</b>	<b>\$ 3,795,012</b>	<b>\$ 3,252,576</b>	<b>\$ 9,817,378</b>	<b>\$ 8,965,704</b>