American Institute for Cancer Research

Financial Report
September 30, 2020

Contents

Independent Auditor's Report

Board of Directors
American Institute for Cancer Research

Report on the Financial Statements

We have audited the accompanying financial statements of American Institute for Cancer Research (the Institute), which comprise the statements of financial position as of September 30, 2020 and 2019, the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the American Institute for Cancer Research as of September 30, 2020 and 2019, 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.

RSM US LLP

McLean, Virginia
March 4, 2021

American Institute for Cancer Research

Statements of Financial Position
September 30, 2020 and 2019

	2020	2019
Assets		
Cash and cash equivalents (Note 1)	**$ 9,734,671**	$ 6,735,815
Accounts receivable, net of allowance for uncollectible accounts of $5,467 in 2020 and $6,846 in 2019	**194,554**	276,539
Due from affiliates (Note 13)	**645,518**	599,435
Bequests receivable (Note 4)	**1,682,869**	3,628,182
Investments (Notes 2 and 3)	**7,477,535**	7,507,812
Prepaid expenses and other assets	**368,072**	362,595
Property and equipment, net (Note 5)	**528,146**	711,123
Beneficial interest in perpetual trust (Notes 2 and 3)	**369,048**	365,584
Total assets	**$ 21,000,413**	$ 20,187,085
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	**$ 811,975**	$ 628,907
Due to affiliates (Note 13)	**806,788**	530,442
Note payable (Note 7)	**647,600**	-
Grants payable (Note 6)	**2,326,126**	2,546,898
Deferred rent	**1,129,661**	1,211,737
Liabilities under charitable gift annuities (Notes 2 and 3)	**1,312,357**	1,188,789
Liabilities under charitable remainder unitrusts (Notes 2 and 3)	**507,901**	708,012
Accrued benefit cost (Note 12)	**1,365,728**	1,098,950
Total liabilities	**8,908,136**	7,913,735
Commitments (Notes 3 and 15)		
Net assets:		
Without donor restrictions (Note 8)	**7,774,990**	5,515,113
With donor restrictions (Notes 9 and 10)	**4,317,287**	6,758,237
Total net assets	**12,092,277**	12,273,350
Total liabilities and net assets	**$ 21,000,413**	$ 20,187,085

See notes to financial statements.

American Institute for Cancer Research

Statement of Activities
Year Ended September 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenues:			
Public support – contributions and bequests	$ 10,688,309	$ 1,537,749	$ 12,226,058
Program service revenue	22,120	-	22,120
Affiliate service fees	1,095,432	-	1,095,432
List rental income	234,479	-	234,479
Interest income and dividends (Note 2), net of fees	172,298	35,800	208,098
Other revenue	(18,975)	-	(18,975)
Net assets released from restrictions	4,210,659	(4,210,659)	-
Total support and revenues	16,404,322	(2,637,110)	13,767,212
Expenses (Note 14):			
Program services:			
Research	2,173,380	-	2,173,380
Public health education	6,651,608	-	6,651,608
Total program services	8,824,988	-	8,824,988
Supporting services:			
Management and general	2,432,904	-	2,432,904
Fundraising	2,826,685	-	2,826,685
Total supporting services	5,259,589	-	5,259,589
Total expenses	14,084,577	-	14,084,577
Change in net assets before other changes	2,319,745	(2,637,110)	(317,365)
Pension related changes other than net periodic benefit costs (Note 12)	(219,815)	-	(219,815)
Other gains:			
Net gain on investments	287,022	144,863	431,885
Change in value of split-interest agreement liability – annuities	(127,075)	-	(127,075)
Change in value of split-interest agreement liability – trusts	-	47,833	47,833
Net gain on interest in perpetual trust (Note 2)	-	3,464	3,464
Change in net assets	2,259,877	(2,440,950)	(181,073)
Net assets:			
Beginning	5,515,113	6,758,237	12,273,350
Ending	$ 7,774,990	$ 4,317,287	$ 12,092,277

See notes to financial statements.

American Institute for Cancer Research

Statement of Activities
Year Ended September 30, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenues:			
Public support – contributions and bequests	$ 12,358,944	$ 3,920,651	$ 16,279,595
Program service revenue	137,146	-	137,146
Affiliate service fees	1,230,224	-	1,230,224
List rental income	261,176	-	261,176
Interest income and dividends (Note 2), net of fees	140,782	39,087	179,869
Other revenue	47,274	-	47,274
Net assets released from restrictions	1,463,345	(1,463,345)	-
Total support and revenues	15,638,891	2,496,393	18,135,284
Expenses (Note 14):			
Program services:			
Research	2,660,921	-	2,660,921
Public health education	7,262,721	-	7,262,721
Total program services	9,923,642	-	9,923,642
Supporting services:			
Management and general	2,278,043	-	2,278,043
Fundraising	3,010,795	-	3,010,795
Total supporting services	5,288,838	-	5,288,838
Total expenses	15,212,480	-	15,212,480
Change in net assets before other changes	426,411	2,496,393	2,922,804
Pension related changes other than net periodic benefit costs (Note 12)	(176,691)	-	(176,691)
Other gains:			
Net gain on investments	103,378	28,476	131,854
Change in value of split-interest agreement liability – annuities	(73,144)	-	(73,144)
Change in value of split-interest agreement liability – trusts	-	(48,674)	(48,674)
Net loss on interest in perpetual trust (Note 2)	-	(9,849)	(9,849)
Change in net assets	279,954	2,466,346	2,746,300
Net assets:			
Beginning	5,235,159	4,291,891	9,527,050
Ending	$ 5,515,113	$ 6,758,237	$ 12,273,350

See notes to financial statements.

American Institute for Cancer Research

Statement of Functional Expenses
Year Ended September 30, 2020

	Program Services			Supporting Services			
	Research	Public Health Education	Total Program Services	Management and General	Fundraising	Total Supporting Services	Totals
Grants	$ 1,322,771	$ 339,133	$ 1,661,904	$ -	$ -	$ -	$ 1,661,904
Postage and delivery	2,098	1,438,610	1,440,708	46,461	714,005	760,466	2,201,174
Printing and publication	7,957	1,044,697	1,052,654	54,595	358,341	412,936	1,465,590
Data processing	29,012	431,613	460,625	167,562	220,127	387,689	848,314
Mailhouse fees	-	401,099	401,099	11,606	219,659	231,265	632,364
List costs	-	127,163	127,163	-	82,142	82,142	209,305
Salaries and director fees	426,520	1,341,998	1,768,518	1,164,496	513,327	1,677,823	3,446,341
Professional fees	66,536	675,728	742,264	267,193	359,853	627,046	1,369,310
Occupancy	37,398	121,543	158,941	105,961	46,748	152,709	311,650
Travel and entertainment	15,088	17,401	32,489	9,069	3,188	12,257	44,746
Benefits and payroll taxes	75,493	253,288	328,781	219,786	96,064	315,850	644,631
Pension expense (Note 12)	35,929	81,277	117,206	59,820	31,771	91,591	208,797
Office expense	25,376	90,304	115,680	74,459	44,859	119,318	234,998
Depreciation and amortization	17,827	57,937	75,764	50,509	22,284	72,793	148,557
Insurance	1,678	5,452	7,130	4,753	2,097	6,850	13,980
Advertising	-	31,335	31,335	20,591	64,781	85,372	116,707
Information technology	82,000	65,535	147,535	32,822	28,836	61,658	209,193
Conferences	8,110	4,440	12,550	474	600	1,074	13,624
Interest expense	-	-	-	97,299	-	97,299	97,299
WCRF membership dues	-	62,343	62,343	-	-	-	62,343
Miscellaneous	19,587	60,712	80,299	45,448	18,003	63,451	143,750
	$ 2,173,380	$ 6,651,608	$ 8,824,988	$ 2,432,904	$ 2,826,685	$ 5,259,589	$ 14,084,577

See notes to financial statements.

American Institute for Cancer Research

Statement of Functional Expenses
Year Ended September 30, 2019

	Program Services			Supporting Services			
	Research	Public Health Education	Total Program Services	Management and General	Fundraising	Total Supporting Services	Totals
Grants	$ 1,594,991	$ 420,946	$ 2,015,937	$ -	$ -	$ -	$ 2,015,937
Postage and delivery	3,760	1,596,625	1,600,385	57,172	743,243	800,415	2,400,800
Printing and publication	21,823	1,116,449	1,138,272	75,022	385,180	460,202	1,598,474
Data processing	29,585	452,928	482,513	153,431	220,254	373,685	856,198
Mailhouse fees	-	531,658	531,658	17,354	275,853	293,207	824,865
List costs	-	180,340	180,340	1,360	106,446	107,806	288,146
Salaries and director fees	398,049	1,265,988	1,664,037	1,067,064	519,490	1,586,554	3,250,591
Professional fees	36,840	766,905	803,745	178,289	385,360	563,649	1,367,394
Occupancy	37,506	109,633	147,139	98,093	43,277	141,370	288,509
Travel and entertainment	150,219	29,689	179,908	19,089	9,870	28,959	208,867
Benefits and payroll taxes	74,472	234,247	308,719	203,458	93,089	296,547	605,266
Pension expense (Note 12)	34,551	81,152	115,703	67,274	34,266	101,540	217,243
Office expense	56,784	65,286	122,070	49,405	31,797	81,202	203,272
Depreciation and amortization	18,042	52,736	70,778	47,185	20,817	68,002	138,780
Insurance	3,650	10,668	14,318	9,546	4,211	13,757	28,075
Advertising	152	45,094	45,246	17,996	53,531	71,527	116,773
Information technology	178,268	111,133	289,401	45,949	46,131	92,080	381,481
Conferences	5,283	13,198	18,481	795	1,516	2,311	20,792
Interest expense	-	-	-	107,588	-	107,588	107,588
WCRF membership dues	-	65,654	65,654	-	-	-	65,654
Miscellaneous	16,946	112,392	129,338	61,973	36,464	98,437	227,775
	$ 2,660,921	$ 7,262,721	$ 9,923,642	$ 2,278,043	$ 3,010,795	$ 5,288,838	$ 15,212,480

See notes to financial statements.

American Institute for Cancer Research

Statements of Cash Flows
Years Ended September 30, 2020 and 2019

	2020	2019
Cash flows from operating activities:		
Change in net assets	$ (181,073)	$ 2,746,300
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	148,557	138,780
Net gain on investments	(431,885)	(131,854)
Contributions from stock gifts	(101,488)	(7,994)
Net loss on investments held for split-interest agreements	634,261	329,346
Net (gain) loss on beneficial interest in perpetual trust	(3,464)	9,849
Donated property and equipment	-	(75,000)
Loss on sale of furniture, equipment and leasehold improvements	18,343	-
Contributions received for long-term purposes	-	(5,548)
Deferred rent	(82,076)	118,371
(Increase) decrease in assets:		
Accounts receivable	81,985	92,770
Due from affiliates	(46,083)	(64,083)
Bequests receivable	1,945,313	(2,416,884)
Prepaid expenses	(5,477)	99,963
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	183,068	(97,233)
Due to affiliates	276,346	173,873
Grants payable	(220,772)	272,231
Liabilities under charitable gift annuity agreements	123,568	26,987
Liabilities under charitable remainder unitrust agreements	(200,111)	(151,541)
Accrued benefit cost	266,778	240,379
Net cash provided by operating activities	2,405,790	1,298,712
Cash flows from investing activities:		
Acquisition of furniture, equipment and leasehold improvements	(40,580)	(33,685)
Proceeds from sale of furniture, equipment and leasehold improvements	56,657	-
Purchase of investments	(1,439,011)	(903,292)
Proceeds from maturities and sales of investments	1,368,400	845,486
Net cash used in investing activities	(54,534)	(91,491)
Cash flows from financing activities:		
Proceeds from note payable	647,600	-
Contributions received for long-term purposes	-	5,548
Net cash provided by financing activities	647,600	5,548
Net increase in cash and cash equivalents	2,998,856	1,212,769
Cash and cash equivalents:		
Beginning	6,735,815	5,523,046
Ending	$ 9,734,671	$ 6,735,815

See notes to financial statements.

Note 1. Nature of Activities and Significant Accounting Policies

Nature of activities: American Institute for Cancer Research (the Institute) was incorporated in the District of Columbia in September 1981. The primary objectives of the Institute are to promote, expand and encourage public knowledge on how the risk of cancer is reduced by healthy food and nutrition, physical activity and weight management, the causes and treatment of cancer in general, and to fund, support and encourage innovative scientific research as to the causes, prevention and treatment of cancer.

A summary of the Institute's significant accounting policies follows:

Basis of accounting: The accompanying financial statements have been prepared on the accrual basis of accounting, whereby unconditional support is recognized when received, revenue is recognized when earned and expenses are recognized when incurred.

Basis of presentation: The financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). As required by the Not-for-Profit Topic of the FASB ASC, Financial Statements of Not-for-Profit Organizations, the Institute is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions: Net assets not subject to donor-imposed stipulations.

Net assets with donor restrictions: Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Institute and/or the passage of time. Net assets with donor restrictions also includes net assets subject to donor-imposed stipulations that the assets will be maintained permanently by the Institute.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law.

Expirations of restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) and changes in donor intent are reported as reclassifications between the applicable classes of net assets.

Cash and cash equivalents: The Institute maintains its cash in bank deposit accounts which, at times, may exceed federally-insured limits. The Institute has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on its cash balances.

Cash equivalents include items that are readily convertible into cash and are stated at cost, which approximates fair value. Cash equivalents of $425,311 and $226,705 at September 30, 2020 and 2019, respectively, consisted of money market accounts and overnight deposits.

Receivables: Accounts receivable are recorded at the invoiced amount and bequests receivable are recorded at the amount promised to the Institute.

The Institute maintains an allowance for uncollectable accounts for estimated losses inherent in its receivable portfolio. In establishing the required allowance, management considers historical losses and current receivable aging and current payment patterns. Account balances are charged off against the allowance when the potential for recovery is considered remote.

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Investments: Investments consist of U.S. government and government agency securities, corporate bonds, fixed income and equity mutual funds, common trust funds and stocks with readily determinable fair values and are reflected at fair value. Investments are exposed to certain risks, such as interest rate, credit and overall market volatility. Due to the level of risk associated with certain investment securities and the volatility of capital markets, changes in the value of investment securities could occur in the near-term, and these changes could materially differ from the amounts reported in the accompanying financial statements.

Prepaid expenses: Prepaid expenses consist primarily of prepaid postage, prepaid rent and security deposits.

Property and equipment, net: Expenditures for furniture and fixtures, equipment and leasehold improvements are capitalized at cost. The Institute capitalizes all property and equipment purchased with a cost of $500 or more. Furniture and fixtures and equipment are depreciated on the straight-line basis over estimated useful lives of three to five years. Leasehold improvements are amortized on a straight-line basis over the shorter of the asset life or the remaining term of the lease. Donated land is reported at fair value as of the date of donation.

Valuation of long-lived assets: The Institute reviews property and equipment for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of the long-lived asset is measured by a comparison of the carrying amount of the asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the estimated fair value of the assets. Assets to be disposed of are reported at the lower of the carrying value or fair value, less costs to sell.

Grants payable: The Institute recognizes grant expense and the related liability in the year an unconditional grant is awarded.

Deferred rent: The Institute has entered into an operating lease agreement, which contains provisions for future rent increases and periods of free or reduced rent. In accordance with generally accepted accounting principles in the United States of America (U.S. GAAP), the Institute records monthly rent expense equal to the total of the payments due over the lease term, divided by the number of months of the lease term. The difference between rent expense recorded and the amount paid is charged to deferred rent, which is reflected as a separate line item in the accompanying balance sheet. The operating lease agreement also includes a tenant improvement allowance. The tenant improvement allowance is recorded as a deferred lease incentive and included within the deferred rent liability in the accompanying balance sheet. The deferred lease incentive is amortized as a credit to rent expense over the term of the lease.

Revenue recognition: Public support is recorded as support and revenue when unconditional contributions, which include unconditional promises to give (pledges), are received. Restricted contributions are reported as increases in net assets with donor restrictions and are reclassified to net assets without donor restrictions when restrictions are met. Restricted contributions which have restrictions that are satisfied in the year received are reported as increases in net assets without donor restrictions.

Contributions due in future periods are considered as net assets with donor restrictions until the period in which they are due, at which time the restriction is released. Contributions of property and equipment are recognized at fair value at the date of contribution.

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Bequests are recognized as public support revenues when the underlying will is declared valid by the respective probate court.

Affiliate service fees represent reimbursement for services provided by the Institute to international affiliates (see Note 13) and are recognized as earned.

Program service revenue consists of income from the sale of books and bulk publications, which is recognized at the time of sale and conference revenue which is recognized upon completion of conference events.

Other revenue consists primarily of mailing list rental revenues, which are recognized at the time of broker distribution of lists to the interested parties.

Functional allocation of expenses: The costs of providing programs and services are summarized on a functional basis in the accompanying financial statements. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Joint costs of informational materials or activities that included a fundraising appeal have been allocated among fundraising and the appropriate program or management and general functions.

For the year ended September 30, 2020, the Institute's expenses totaled $14,084,577. Of that amount, 16% was spent directly in support of cancer research and 47% of expenses went in support of the Institute's public education programs in cancer prevention. Together, research and public education programs account for 63% of all expenditures by the Institute. Fundraising costs for the year were 20% of total expenses and 17% of expenses went to administrative costs.

For the year ended September 30, 2019, the Institute's expenses totaled $15,242,390. Of that amount, 17% was spent directly in support of cancer research and 48% of expenses went in support of the Institute's public education programs in cancer prevention. Together, research and public education programs account for 65% of all expenditures by the Institute. Fundraising costs for the year were 20% of total expenses and 15% of expenses went to administrative costs.

Use of estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

Adopted accounting pronouncement: In June 2018, the FASB issued Accounting Standards Update (ASU) 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made.* The purpose of the ASU is to clarify and improve the scope and the accounting guidance for contributions received and contributions made. The amendments in the ASU should assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, *Not-for-Profit Entities*, or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. The ASU was adopted by the Institute in 2020. As a result of adopting this standard, this guidance is applied on a modified prospective basis, meaning there is no cumulative-effect adjustment reflected in the opening balance of net assets. There was no material impact to the financial statements as a result of this adoption.

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

In March 2017, the FASB issued ASU 2017-07, *Compensation – Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost*. ASU 2017-07 requires that an entity report the service cost component of net periodic pension and postretirement cost in the same line item or items as other compensation costs arising from services rendered by the pertinent employees during the period. The remaining components of net benefit costs are required to be presented in the income statement separately from the service component and outside a subtotal of income from operations, if one is presented. The amendment further allows only the service cost component of net periodic pension and postretirement costs to be eligible for capitalization. The ASU was adopted by the Institute in 2020. As a result of adopting this standard, this guidance is applied retrospectively basis. There was no material impact to the financial statements as a result of this adoption.

Recent accounting pronouncements: In August 2018, the FASB issued ASU 2018-14, *Compensation – Retirement Benefits – Defined Benefit Plans – General (Subtopic 715-20): Disclosure Framework – Changes to the Disclosure Requirements for Defined Benefit Plans*, which modifies the disclosure requirements for defined benefit pension plans and other post-retirement plans. The amendments in ASU 2018-14 are effective for the Institute for fiscal years ending after December 15, 2021, with early adoption permitted. The adoption of ASU 2018-14 is not expected to have a material impact on the financial statements.

In August 2018, the FASB issued ASU 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement*, which modifies the disclosure requirements for fair value measurements by removing, modifying, or adding certain disclosures. ASU 2018-13 is effective for all entities for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019. An entity is permitted to early adopt any removed or modified disclosures and delay adoption of the additional disclosures until their effective date. The adoption of ASU 2018-13 is not expected to have a material impact on the financial statements.

In February 2016, the FASB issued ASU 2016-02: *Leases (Topic 842)*, an amendment to the FASB ASC. Under ASU 2016-02, lessees will recognize most leases on their statement of financial position as a right-of-use asset and a lease liability for all future lease payments. During November 2019, the FASB issued ASU 2019-10, *Leases (Topic 842) Effective Dates*, which delayed the effective date of ASU 2016-02 by one year. In June 2020, the FASB issued ASU 2020-05, *Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842): Effective Dates for Certain Entities,* further delaying the effective date an additional year, making it effective for annual reporting periods beginning after December 15, 2021. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. The Institute has not elected to early adopt the guidance and is currently evaluating the impact on financial statements and related disclosures.

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The updated standard will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective and permits the use of either a full retrospective or retrospective with cumulative effect transition method. In August 2015, the FASB issued ASU 2015-14, *Revenue from Contracts with Customers (Topic 606): Deferral of the Effective Date,* which deferred the effective date of ASU 2014-09 one year. In June 2020, the FASB issued ASU 2020-05, *Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842): Effective Dates for Certain Entities,* further delaying the effective date an additional year, making it effective for annual reporting periods beginning after December 15, 2019. The Institute has not yet selected a transition method and is currently evaluating the effect that the standard will have on its financial statements.

Subsequent events: The Institute has evaluated subsequent events from September 30, 2020, through March 4, 2021, the date the financial statements were available to be issued, and determined that there were no items to disclose.

Note 2. Investments and Fair Value Measurements

ASC Topic 820 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quote prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to measurements involving significant unobservable inputs (Level 3).

The three levels of the fair value hierarchy are as follows:

Level 1: Quoted prices in active markets for identical assets or liabilities. Level 1 assets and liabilities include debt and equity securities that are traded in an active exchange market. Stocks, equity and fixed income mutual funds, and U.S. treasuries are included in the Institute’s Level 1 assets.

Level 2: Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs considered observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. Level 2 assets and liabilities include debt securities with quoted market prices that are traded less frequently than exchange-traded instruments. U.S. government agency securities related to the Institute’s charitable gift annuities are included in the Institute’s Level 2 assets. Liabilities under charitable gift annuities and charitable remainder unitrusts are included in the Institute’s Level 2 liabilities. Liabilities under charitable gift annuities are recognized for the present value of future cash flows expected to be paid to the donor.

These liabilities are adjusted during the term of the annuities for payments, accretion of discounts and changes in life expectancies. Liabilities under charitable remainder unitrusts are recognized as the difference between the fair value of the assets contributed to the trust and the present value of future cash flows expected to be received upon expiration of the trust. These liabilities are adjusted during the term of the trusts for payments, accretion of discounts and changes in life expectancies. The Institute uses Internal Revenue Service discount rates and mortality tables.

Note 2. Investments and Fair Value Measurements (Continued)

Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation. The Institute's beneficial interest in perpetual trust is included in Level 3 assets. The fair value of the Institute's beneficial interest in perpetual trust is measured using the fair value of the assets contributed to the trust as no facts and circumstances indicate that the fair value of the beneficial interest differs from the fair value of the assets contributed to the trust.

The estimated fair value for stocks, U.S. treasuries, money market funds and mutual funds is based on quoted market prices in active markets at the reporting date multiplied by the quantity on hand. U.S. government agency securities and certificate of deposits are priced based on their stated interest rates and quality ratings. The interest and quality ratings are observable at commonly quoted intervals for the full-term of the instruments.

The Institute did not have any assets or liabilities valued at fair value on a nonrecurring basis during the years ended September 30, 2020 and 2019. Cash equivalents consisting of money market accounts and overnight deposits are included as Level 1 estimates.

The common trust funds are valued using the net asset value (NAV) or its equivalent to determine the fair value of all the underlying investments. The funds are not subject to the provisions of fair value measurement because they are held at NAV as a practical expedient rather than fair value. NAVs for these funds are valued weekly and redemptions from these funds are permitted daily. There are no unfunded commitments for these investments.

The State Street Bank and Trust Company State Street S&P 500® Ex Tobacco Index Non-Lending Common Trust Fund (a socially responsible index fund that excludes stocks in tobacco products) and the State Street Bank and Trust Company Fixed Income Fund for Charitable Trusts are common trust funds used for the investment of the Institute's gift annuity (see Note 3).

The investment objective of these funds is consistent with the Investment Policy. See Note 10 for more information about the Institute's Investment Policy. The investment objective of the funds are to approximate as closely as practicable, before expenses, the performance of the S&P 500® Ex Tobacco Index over the long-term and to obtain both reasonable current income and safety of principal through investment primarily in fixed income securities, respectively.

The NAV of each fund is determined as of the last business day of each month. Issuances and redemptions of fund units may be made on such days, based upon the NAV per unit of the respective fund.

Note 2. Investments and Fair Value Measurements (Continued)

The following tables present a summary of the fair value measurements of the Institute's investments within the fair value hierarchy as of September 30, 2020 and 2019:

	2020			
	Total	Level 1	Level 2	Level 3
Financial assets:				
Investments:				
Operating fund:				
Equity mutual funds	$ 1,303,744	$ 1,303,744	$ -	$ -
Certificates of deposit	252,542	-	252,542	-
Total operating fund investments	1,556,286	1,303,744	252,542	-
Cancer research fund (Notes 8 and 9):				
Fixed income mutual funds	450,078	450,078	-	-
Equity mutual funds	1,380,221	1,380,221	-	-
Common stock	464,492	464,492	-	-
Total cancer research fund investments	2,294,791	2,294,791	-	-
Charitable gift annuities (Note 3):				
U.S. treasuries	220,691	220,691	-	-
U.S. government agency securities	104,756	-	104,756	-
Total charitable gift annuity investments	325,447	220,691	104,756	-
Charitable remainder unitrusts (Note 3):				
Equity mutual funds	776,793	776,793	-	-
Fixed income mutual funds	296,830	296,830	-	-
Total charitable remainder unitrusts investments	1,073,623	1,073,623	-	-
Total investments	5,250,147	4,892,849	357,298	-
Beneficial interest in perpetual trust (Note 3)	369,048	-	-	369,048
Total financial assets	$ 5,619,195	$ 4,892,849	$ 357,298	$ 369,048
Financial liabilities (Note 3):				
Liabilities under charitable gift annuities	$ 1,312,357	$ -	$ 1,312,357	$ -
Liabilities under charitable remainder unitrusts	507,901	-	507,901	-
Total financial liabilities	$ 1,820,258	$ -	$ 1,820,258	$ -

Note 2. Investments and Fair Value Measurements (Continued)

	2019			
	Total	Level 1	Level 2	Level 3
Financial assets:				
Investments:				
Operating fund:				
U.S. government agency securities	$ 68,184	$ -	$ 68,184	$ -
Equity mutual funds	977,638	977,638	-	-
Certificate of deposit	349,208	-	349,208	-
Total operating fund investments	1,395,030	977,638	417,392	-
Cancer research fund (Notes 8 and 9):				
Fixed income mutual funds	803,927	803,927	-	-
Equity mutual funds	893,176	893,176	-	-
Common stock	407,693	407,693	-	-
Total cancer research fund investments	2,104,796	2,104,796	-	-
Charitable gift annuities (Note 3):				
U.S. treasuries	214,207	214,207	-	-
U.S. government agency securities	101,892	-	101,892	-
Total charitable gift annuity investments	316,099	214,207	101,892	-
Charitable remainder unitrusts (Note 3):				
Equity mutual funds	1,158,592	1,158,592	-	-
Stocks	151,220	151,220	-	-
Fixed income mutual funds	398,072	398,072	-	-
Total charitable remainder unitrusts investments	1,707,884	1,707,884	-	-
Total investments	5,523,809	5,004,525	519,284	-
Beneficial interest in perpetual trust (Note 3)	365,584	-	-	365,584
Total financial assets	$ 5,889,393	$ 5,004,525	$ 519,284	$ 365,584
Financial liabilities (Note 3):				
Liabilities under charitable gift annuities	$ 1,188,789	$ -	$ 1,188,789	$ -
Liabilities under charitable remainder unitrusts	708,012	-	708,012	-
Total financial liabilities	$ 1,896,801	$ -	$ 1,896,801	$ -

Note 2. Investments and Fair Value Measurements (Continued)

The table below reconciles total investments to the statements of financial position at September 30, 2020 and 2019:

	2020	2019
Investments held at fair value	$ 5,250,147	$ 5,523,809
Investments held at NAV, below	2,227,388	1,984,003
	$ 7,477,535	$ 7,507,812

Investments held using NAV as a practical expedient:

	2020	2019
Common trust funds (closed fund)	$ 2,227,388	$ 1,984,003
	$ 2,227,388	$ 1,984,003

The following table presents a reconciliation of all Level 3 assets measured at fair value as of September 30, 2020 and 2019:

	Beneficial Interest in Perpetual Trust
Balance at September 30, 2018	$ 375,433
Realized and unrealized loss	(9,849)
Balance at September 30, 2019	365,584
Realized and unrealized gain	3,464
Balance at September 30, 2020	$ 369,048

In 2020, the increase in the Institute’s beneficial interest in perpetual trusts of $3,464 reflects investment gains of $21,741 and distributions of $18,277. In 2019, the decrease in the Institute’s beneficial interest in perpetual trusts of $9,849 reflects investment gains of $7,714 and distributions of $17,563.

Note 3. Split-Interest Agreements

The Institute is the beneficiary of various split-interest agreements, including charitable gift annuities (for which State Street Bank and Trust, Co. acts as trustee), charitable remainder unitrusts (for which the Institute acts as the trustee) and a perpetual trust (for which Wilmington Trust (formerly, M&T Bank) acts as the trustee).

Under charitable gift annuity agreements, the Institute pays a fixed annuity amount for the life of the beneficiary, and receives the remaining assets upon the beneficiary’s death, as set forth in the annuity agreements. Under charitable remainder unitrust agreements, the donor establishes and funds a trust. As trustee, the Institute makes specified distributions to designated beneficiaries over the trust term. Upon termination of the trust, the Institute receives all or a portion of the remaining trust assets, as set forth in the trust agreement. Under the perpetual trust, the assets are held by a trustee and the Institute receives specified income in perpetuity.

Note 3. Split-Interest Agreements (Continued)

The assets held in charitable remainder unitrusts, charitable gift annuities and perpetual trusts are stated at fair value. Recorded liabilities to beneficiaries represent the present value of the estimated future payments based on actuarial assumptions using the 2012 IAR Mortality Table. Liabilities are updated annually based on changes in life expectancies and discount rates and the changes in value are reported as change in value of split-interest agreement liability in the statements of activities. At September 30, 2020 and 2019, the discount rates used to value liabilities under charitable gift annuities and charitable remainder unitrusts was 0.4% and 2.2%, respectively.

Contribution revenue is recognized based on the net amount of the assets and liabilities of split-interest agreements received in a given period, and the changes in the values of agreements received in prior years. Contribution revenue was $3,365 and $12,784 for the years ended September 30, 2020 and 2019, respectively. Distributions were $112,671 and $141,812 for the years ended September 30, 2020 and 2019, respectively.

In accordance with New Jersey state regulations for gift annuities, the Institute maintains segregated assets of $100,000 related to specific gifts, included in investments at September 30, 2020 and 2019.

The balances related to the Institute's split-interest agreements at September 30, 2020 and 2019 were:

	2020	2019
Charitable gift annuities:		
Cash and cash equivalents	$ 5,065	$ 33,203
Investments:		
U.S. treasuries	220,691	214,207
U.S. government agency securities	104,756	101,892
Common trust funds	2,227,388	1,984,003
Total charitable gift annuities	$ 2,557,900	$ 2,333,305
Liabilities under charitable gift annuities	$ 1,312,357	$ 1,188,789
Charitable remainder unitrusts:		
Cash and cash equivalents	$ 3,923	$ 66,340
Investments:		
Equity mutual funds	776,793	1,158,592
Stocks	-	151,220
Fixed income mutual funds	296,830	398,072
Total charitable remainder unitrusts	$ 1,077,546	$ 1,774,224
Liabilities under charitable remainder unitrusts	$ 507,901	$ 708,012

Note 3. Split-Interest Agreements (Continued)

		2020		2019
Perpetual trust:				
Cash and cash equivalents	$	2,592	$	8,218
Investments:				
Fixed income mutual funds		122,175		124,698
Equity mutual funds		244,281		232,668
Total beneficial interest in perpetual trust	$	369,048	$	365,584
Net gain (loss) on beneficial interest in perpetual trust	$	3,464	$	(9,849)

Note 4. Bequests Receivable, Net

Bequests receivable, net, consists of the following as of September 30, 2020 and 2019:

		2020		2019
Unconditional bequests expected to be collected:				
One year or less	$	1,682,869	$	3,628,182
		1,682,869		3,628,182
Allowance for uncollectable bequests		-		-
	$	1,682,869	$	3,628,182

Note 5. Property and Equipment, Net

Property and equipment, net, consists of the following as of September 30, 2020 and 2019:

		2020		2019
Donated land	$	5,900	$	80,900
Furniture and fixtures		246,158		244,289
Equipment		349,242		310,531
Leasehold improvements		513,031		513,031
		1,114,331		1,148,751
Less accumulated depreciation and amortization		586,185		437,628
	$	528,146	$	711,123

Note 6. Grants Payable

The Institute awards grants for cancer research to various scientific projects and research facilities. Grants are awarded by the Board of Directors upon the recommendation of a Grant Review Panel, which is separate from the Board. The responsibility of the Grant Review Panel is to review grant requests and consult with the Board of Directors during the grant approval process. The Grant Review Panel is subject to a conflict of interest policy under which a member is disqualified from evaluating any grant proposal submitted by an organization or institution with which the particular member is affiliated.

Note 6. Grants Payable (Continued)

Grants payable at September 30, 2020, are scheduled to be funded in future fiscal years as follows:

2021	$ 1,378,333
2022	803,418
2023	144,375
	$ 2,326,126

Note 7. Note Payable

As part of the Coronavirus Aid, Relief, and Economic Security Act, the Institute applied and was approved for a forgivable loan through the Small Business Administration Paycheck Protection Program (PPP). Under the PPP, the Institute obtained a loan of $647,600, which is shown with note payable on the statements of financial position, bearing interest at 1%. Originally, the Institute was required to make monthly payments of principal and interest starting during January 2021, with any remaining principal and interest due at maturity on June 2, 2022. As part of the PPP Flexibility Act, the monthly principal and interest were further deferred and a new date has not been assigned. Interest continues to accrue during the additional deferral period. The amount of forgiveness can be up to the full principal amount of the loan and any accrued interest if it is appropriately used for eligible expenses. The Institute has accounted for the loan under FASB ASC Topic 470, Debt.

Note 8. Board Designated Net Assets

The Board has designated certain funds of net assets without donor restrictions to be part of the Institute's Cancer Research Fund. Annual distributions from the Cancer Research Fund, which are approximately 10% of its cumulative balance, support grants awarded by the Institute.

Note 9. Net Assets With Donor Restrictions

Net assets with donor restrictions were composed of the following at September 30, 2020 and 2019:

	2020	2019
Purpose restrictions:		
Cancer Research Fund (endowment earnings)	$ 1,118,948	$ 1,124,704
Time restrictions:		
Held under split-interest agreements	669,645	1,162,990
Bequests receivable	1,682,869	3,628,182
Permanent restrictions:		
Beneficial interest in perpetual trust	369,048	365,584
Endowments	476,777	476,777
	$ 4,317,287	$ 6,758,237

Net assets related to split-interest agreements are reported as net assets with donor restrictions until the gift matures. Bequests recognized as revenue that will be collected in future periods are reported as net assets with donor restrictions until the period they are collected.

Note 10. Endowment Net Assets

The Institute adopted the provisions of FASB ASC 958-205-50-1A, Reporting Endowment Funds. These provisions provide 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 of 2006 (the Act) and also require disclosures about endowment funds, both donor-restricted endowment funds and board-designated endowment funds.

The Institute's endowments are pooled with 17 individual funds established for a variety of purposes. Its endowment includes donor-restricted endowment funds, donor-restricted funds and funds designated by the Board of Directors to function as endowments. As required by U.S. GAAP, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of the Institute has interpreted the Act as requiring the preservation of the fair market value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Institute classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by the Act. In accordance with the Act, the Institute considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds (1) the duration and preservation of the fund, (2) the purposes of the Institute and the donor-restricted endowment fund, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Institute and (7) the investment policies of the organization.

The Institute's Investment Policy contains a section on donor-restricted funds which includes the following: the classification of restricted gifts, the investment of restricted gifts, the definition of income earned and the calculation of annual distributions. The classifications of restricted gifts are outlined in Note 2. Gifts are pooled and invested to ensure assets increase over time thereby enhancing the funds' long-term health and fiscal viability. The Institute relies on a total return strategy in which investment returns are achieved through both capital appreciation and current yield. The Institute targets a diversified asset allocation that utilizes fixed income and equity-based investments to achieve its long-term objectives within prudent risk constraints. Income earned includes interest, dividends and realized/unrealized gains and losses unless otherwise specified by the donor. Distributions are made annually at a rate not to exceed 5% of the average fair market value of the permanently restricted funds, calculated on the basis of market values determined annually and averaged over a period of three years immediately preceding the year for which the distribution is to be made. Annual distributions are also made at a rate not to exceed 10% of the fair market value of the net assets with donor restrictions and board-designated funds. The most recent Investment Policy was reviewed and approved by the Board of Directors in April 2018.

Note 10. Endowment Net Assets (Continued)

Endowment net assets composition by type of fund as of September 30, 2020:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	$ -	$ 1,595,725	$ 1,595,725
Board-designated endowment funds	449,280	-	449,280
	$ 449,280	$ 1,595,725	$ 2,045,005

Changes in endowment net assets for the fiscal year ended September 30, 2020:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	$ 521,553	$ 1,601,481	$ 2,123,034
Investment return:			
Investment income	12,981	35,800	48,781
Net gains (realized and unrealized)	48,967	144,863	193,830
Total investment return	61,948	180,663	242,611
Contributions	-	3,365	3,365
Appropriation of endowment assets for expenditure	(134,221)	(189,784)	(324,005)
Endowment net assets, end of year	$ 449,280	$ 1,595,725	$ 2,045,005

Endowment net assets composition by type of fund as of September 30, 2019:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	$ 14,932	$ 1,601,481	$ 1,616,413
Board-designated endowment funds	506,621	-	506,621
	$ 521,553	$ 1,601,481	$ 2,123,034

Note 10. Endowment Net Assets (Continued)

Changes in endowment net assets for the fiscal year ended September 30, 2019:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	$ 549,547	$ 1,361,499	$ 1,911,046
Investment return:			
Investment income	19,978	39,087	59,065
Net gains (realized and unrealized)	4,762	28,476	33,238
Total investment return	24,740	67,563	92,303
Contributions	-	292,469	292,469
Appropriation of endowment assets for expenditure	(52,734)	(120,050)	(172,784)
Endowment net assets, end of year	$ 521,553	$ 1,601,481	$ 2,123,034

Funds in deficiencies: From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the original value of the gift donated to the permanent endowment. Deficiencies of this nature are reported as net assets without donor restrictions. At September 30, 2020, the Institute had no funds with deficiencies. At September 30, 2019, the Institute had deficiencies of $2,426 reported as net assets without donor restrictions. These deficiencies were a result of unfavorable market activity. Subsequent gains that restore the fair value of the assets of the endowment fund to the required level will be classified as an increase in net assets without donor restrictions.

Note 11. Income Taxes

The Institute is recognized as exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (IRC) on income other than unrelated business income. No provision for income taxes is required as of September 30, 2020 and 2019, since the Institute had no unrelated business income. The Institute has been recognized by the IRS as a publicly supported organization and is therefore not a private foundation. Management annually reviews its tax position and has determined that there are no uncertain tax positions that require recognition in the financial statements.

Note 12. Employee Benefits

Defined contribution plan: The Institute sponsors a defined contribution retirement plan for those employees who have completed one year of service with the Institute. Employees vest in the retirement plan at a rate of 20% a year until fully vested. Employees become fully vested at age 59½ regardless of start date. The minimum number of hours required for eligibility is 1,000 hours worked in a plan year. The age of eligibility for participation in the plan is age 18. Employees may borrow a percentage of their vested account balance.

Retirement plan contributions for the year ended September 30, 2020 and 2019, were approximately $111,000 and $140,000, respectively.

Note 12. Employee Benefits (Continued)

Defined contribution 403(b) plan: The Institute also provides a defined contribution 403(b) retirement plan to all employees. Participants may elect to contribute a portion of their pretax compensation to the plan. Annual contributions may not exceed the limits prescribed by IRC Section 402(g). Employees are eligible for this plan upon employment, and immediately have a fully vested interest in their contributions. The Institute does not make contributions to this plan.

Employment agreements: To retain the services of a key employee, the Institute entered into an employment agreement in 2011. This agreement provides for annual compensation and other compensation such as bonuses, supplemental retirement and other benefits.

In accordance with ASC Topic 715, Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans, the gains or losses and prior service costs that arise during the period but are not recognized as components of net periodic benefit costs are recognized separately on the statements of activities as pension related changes other than net periodic benefit costs.

The components of accrued benefit costs and net periodic benefit costs for other postretirement benefits as of September 30, 2020 and 2019 are as follows:

	2020	2019
Change in benefit obligation:		
Benefit obligation at beginning of year	$ 1,098,950	$ 858,571
Service cost	48,046	42,183
Interest cost	34,622	35,042
Actuarial loss	234,545	176,691
Benefits paid	(50,435)	(13,537)
Benefit obligation at end of year	1,365,728	1,098,950
Funded status at end of year	(1,365,728)	(1,098,950)
Accrued benefit cost	$ (1,365,728)	$ (1,098,950)

The funded status is included in accrued benefit cost in the accompanying statements of financial position. The Institute uses an annual measurement date of September 30 to determine benefit obligations for the plan.

For the years ended September 30, 2020 and 2019, the benefit obligations were calculated using a discount rate of 2.4% and 3.17%, respectively, and the net periodic benefit cost was calculated using a discount rate of 3.17% and 4.29%, respectively. The rate of future compensation increases is estimated at 3% for the years ended September 30, 2020 and 2019.

	2020	2019
Net periodic benefit cost:		
Service cost	$ 48,046	$ 42,183
Interest cost	34,622	35,042
Amortization of net loss	14,730	-
Net periodic benefit cost	$ 97,398	$ 77,225

Note 12. Employee Benefits (Continued)

The estimated prior service cost and net loss for the defined benefit pension plan that will be amortized into net periodic benefit cost over the next fiscal year is $0.

	2020	2019
Pension related changes other than net periodic benefit cost consist of:		
Net loss	$ (234,545)	$ (176,691)
Amortization of net loss	14,730	-
	$ (219,815)	$ (176,691)
Items not yet recorded as a component of net periodic benefit cost:		
Net loss	$ 359,170	$ 139,355

The benefits expected to be paid for future years ending September 30 are as follows:

Year ending September 30:	
2021	$ 1,390,000

Note 13. Related Parties

Fundraising and professional services: Direct Response Consulting Services (DRCS) provides fundraising and other professional services to the Institute. The Institute's management performs a periodic review of amounts paid for fundraising services and believes that the payments are comparable to or less than payments that would be made to unrelated parties for such services. DRCS is owned by the founders of the Institute who are not currently Board Members. Under the Institute's governing legal instruments, the above individuals may not vote to elect or remove members of the Board of Directors while under a service contract with the Institute and for a period of three years thereafter.

For the years ended September 30, 2020 and 2019, the Institute incurred expenses of approximately $372,000 and $436,000, respectively, for fundraising and other professional services, for which payment was made to DRCS and DRCS' related companies. As of September 30, 2020 and 2019, the Institute owed an outstanding payable balance to DRCS and DRCS' related companies of $8,686 and $2,551, respectively.

Affiliated charities: The Institute operates jointly with affiliates in the United Kingdom, through the World Cancer Research Fund (WCRF United Kingdom – founded 1990); in the Netherlands, through the Stichting Wereld Kanker Onderzoek Fonds (WCRF NL) (WCRF Netherlands – founded 1994) and in Hong Kong, through the World Cancer Research Fund Limited (WCRF Hong Kong – founded 1997). These organizations promote, fund, support and encourage research and public education as to the causes and treatment of cancer for the general benefit of the public.

In 2000, the Institute entered into a written membership agreement with the World Cancer Research Fund International (WCRF International). As part of this membership agreement, the Institute will pay membership dues in return for services being provided by WCRF International. WCRF International is an umbrella association comprised of AICR and the WCRF entities. In 2020 and 2019, the Institute paid dues of $62,343 and $65,654 to WCRF International (USD equivalent of £50,000), respectively.

Note 13. Related Parties (Continued)

WCRF International also signed membership agreements with WCRF United Kingdom, WCRF Netherlands and WCRF Hong Kong. These entities are each affiliated charities of the Institute, but are not consolidated by the Institute under U.S. GAAP.

WCRF International is funded by contributions from the Institute and its affiliates. In 2020 and 2019, the Institute paid contributions totaling $339,149 and $408,946, respectively, to WCRF International. The Institute also provided services to WCRF International and recognized related affiliate service fees of $1,095,444 in 2020 and $1,230,228 in 2019. The cost of services incurred by the Institute and billed to WCRF International are allocated among research, public health education, management and general and fundraising based upon the service provided.

When necessary, the Institute will make payments to U.S. vendors on behalf of WCRF affiliates who purchase goods or services in the U.S. The Institute is reimbursed by the respective affiliate for the payment and does not report revenue or expense associated with these transactions.

The affiliate transactions described above are recorded in due from affiliates and due to affiliates in the statements of financial position. The summary activity in these accounts for the years ended September 30, 2020 and 2019 is as follows:

	2020				
	WCRF International	WCRF United Kingdom	WCRF Netherlands	WCRF Hong Kong	Totals
Beginning balance	$ 551,229	$ (530,442)	$ 35,606	$ 12,600	$ 68,993
Reimbursed expenses	76,808	(76,346)	1,164	24,610	26,236
Dues	(62,343)	-	-	-	(62,343)
Contributions	(339,149)	(200,000)	-	-	(539,149)
Service fee	1,095,444	-	-	-	1,095,444
Payments received	(715,476)	-	(34,975)	-	(750,451)
Ending balance	$ 606,513	$ (806,788)	$ 1,795	$ 37,210	$ (161,270)

	2019				
	WCRF International	WCRF United Kingdom	WCRF Netherlands	WCRF Hong Kong	Totals
Beginning balance	$ 474,210	$ (356,569)	$ 48,542	$ 12,600	$ 178,783
Reimbursed expenses	119,955	26,127	37,039	-	183,121
Dues	(65,654)	-	-	-	(65,654)
Contributions	(408,946)	(200,000)	-	-	(608,946)
Service fee	1,230,228	-	-	-	1,230,228
Payments received	(798,564)	-	(49,975)	-	(848,539)
Ending balance	$ 551,229	$ (530,442)	$ 35,606	$ 12,600	$ 68,993

Note 14. Allocation of Joint Costs

The Institute incurred joint costs of $4,085,558 and $4,758,041 in 2020 and 2019, respectively, for informational materials used for direct mail, telemarketing and other campaigns that included fundraising appeals. In fiscal year 2020, $1,548,733 was allocated to fundraising, $2,526,978 was allocated to education and $9,847 was allocated to management and general expense. In fiscal year 2019, $1,748,923 was allocated to fundraising, $2,983,929 was allocated to education and $25,189 was allocated to management and general expense.

Note 15. Lease Commitments

In December 2016, the Institute entered into a new operating lease agreement for its headquarters to be located in Arlington, Virginia, with a commencement date of August 2017. The Institute will lease the building and related improvements under an 11-year and 2-month lease agreement with an option to cancel the lease with one year's notice any time after September 2023. The rental cost of the headquarters includes a base rental, real estate and personal property taxes and other operating costs associated with the building. The lease agreement includes provisions for fixed rent escalations and building operating costs.

Rent expense was approximately $300,000 in 2020 and $275,000 in 2019.

Future minimum payments under the noncancelable portion of the operating lease for years ending September 30 are as follows:

Years ended September 30:		
2021	$	399,192
2022		410,184
2023		421,464
	$	1,230,840

Note 16. Liquidity and Availability of Financial Assets

The Institute regularly monitors liquidity to meet its annual operating needs and other contractual commitments while also striving to maximize the return on investment of its funds not required for annual operations. Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

	2020	2019
Cash and cash equivalents	$ 9,734,671	$ 6,735,815
Accounts receivable, net	194,554	276,539
Due from affiliates	645,518	599,435
Bequests receivable	1,682,869	3,628,182
Investments	7,477,535	7,507,812
Beneficial interest in perpetual trust	369,048	365,584
	20,104,195	19,113,367
Less those unavailable for general expenditure within one year due to:		
Board-designated endowment funds:	(449,280)	(506,621)
Donor imposed restrictions:	(4,317,287)	(6,758,237)
Financial assets available to meet cash needs for general expenditure within one year	$ 15,337,628	$ 11,848,509