

American Institute for Cancer Research

Financial Report
September 30, 2025

Contents

Independent auditor's report	1-2
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Financial statements	
Statements of financial position	3
Statements of activities	4-5
Statements of functional expenses	6-7
Statements of cash flows	8
Notes to financial statements	9-26



RSM US LLP

Independent Auditor's Report

Board of Directors
American Institute for Cancer Research

Opinion

We have audited the financial statements of American Institute for Cancer Research (the Institute), which comprise the statements of financial position as of September 30, 2025 and 2024, the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Institute as of September 30, 2025 and 2024, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Institute and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Institute's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Institute's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Institute's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

RSM US LLP

McLean, Virginia
May 13, 2026

American Institute for Cancer Research

**Statements of Financial Position
September 30, 2025 and 2024**

	2025	2024
Assets		
Cash and cash equivalents (Note 1)	\$ 3,095,673	\$ 3,329,472
Accounts receivable, net of allowance for credit losses of \$2,240 in 2025 and \$1,704 in 2024 (Note 1)	136,021	104,695
Due from affiliates (Note 12)	555,058	469,843
Bequests receivable (Note 4)	1,938,853	2,084,946
Investments (Notes 2 and 3)	10,621,633	10,614,539
Prepaid expenses and other assets	399,833	276,476
Operating lease right of use assets (Note 14)	594,363	636,290
Property and equipment, net (Note 5)	36,737	32,127
Beneficial interest in perpetual trust (Notes 2 and 3)	380,884	371,329
Total assets	\$ 17,759,055	\$ 17,919,717
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$ 758,805	\$ 693,970
Grants payable (Note 6)	2,484,928	1,698,011
Lease termination payable	250,000	500,000
Operating lease liabilities, net (Note 14)	608,552	644,551
Liabilities under charitable gift annuities (Notes 2 and 3)	687,458	719,040
Liabilities under charitable remainder unitrusts (Notes 2 and 3)	352,450	359,942
Total liabilities	5,142,193	4,615,514
Commitments (Notes 3, 6 and 14)		
Net assets:		
Without donor restrictions (Note 7)	5,044,640	5,072,350
With donor restrictions (Notes 8 and 9)	7,572,222	8,231,853
Total net assets	12,616,862	13,304,203
Total liabilities and net assets	\$ 17,759,055	\$ 17,919,717

See notes to financial statements.

American Institute for Cancer Research

Statement of Activities

Year Ended September 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenues:			
Public support—contributions and bequests	\$ 7,615,293	\$ 1,329,589	\$ 8,944,882
Program service revenue	9,556	-	9,556
Affiliate service fees	1,112,016	-	1,112,016
List rental income	120,763	-	120,763
Interest income and dividends, net of fees	302,787	42,999	345,786
Other revenue	1,877	-	1,877
Net assets released from restrictions	2,278,643	(2,278,643)	-
Total support and revenues	11,440,935	(906,055)	10,534,880
Expenses (Note 12):			
Program services:			
Research	2,741,878	-	2,741,878
Public health education	5,207,944	-	5,207,944
Total program services	7,949,822	-	7,949,822
Supporting services:			
Management and general	1,617,242	-	1,617,242
Fundraising	2,369,478	-	2,369,478
Total supporting services	3,986,720	-	3,986,720
Total expenses	11,936,542	-	11,936,542
Change in net assets before other changes	(495,607)	(906,055)	(1,401,662)
Other changes:			
Other gains and losses:			
Losses on foreign exchange transactions	(16,796)	-	(16,796)
Net realized and unrealized gain on investments	503,653	204,130	707,783
Change in value of split-interest agreement liability—annuities	(18,960)	-	(18,960)
Change in value of split-interest agreement liability—trusts	-	32,739	32,739
Net gain on interest in perpetual trust (Note 2)	-	9,555	9,555
Change in net assets	(27,710)	(659,631)	(687,341)
Net assets:			
Beginning	5,072,350	8,231,853	13,304,203
Ending	\$ 5,044,640	\$ 7,572,222	\$ 12,616,862

See notes to financial statements.

American Institute for Cancer Research

Statement of Activities Year Ended September 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenues:			
Public support—contributions and bequests	\$ 6,980,811	\$ 1,621,662	\$ 8,602,473
Program service revenue	17,643	-	17,643
Affiliate service fees	1,263,074	-	1,263,074
List rental income	139,367	-	139,367
Interest income and dividends, net of fees	228,880	51,791	280,671
Other revenue	4,312	-	4,312
Net assets released from restrictions	1,862,855	(1,862,855)	-
Total support and revenues	10,496,942	(189,402)	10,307,540
Expenses (Note 12):			
Program services:			
Research	1,851,238	-	1,851,238
Public health education	4,693,345	-	4,693,345
Total program services	6,544,583	-	6,544,583
Supporting services:			
Management and general	1,671,205	-	1,671,205
Fundraising	2,308,101	-	2,308,101
Total supporting services	3,979,306	-	3,979,306
Total expenses	10,523,889	-	10,523,889
Change in net assets before other changes	(26,947)	(189,402)	(216,349)
Other changes:			
Other gains and losses:			
Loss on sale of assets	(200,583)	-	(200,583)
Loss on termination of lease	(29,945)	-	(29,945)
Losses on foreign exchange transactions	(22,757)	-	(22,757)
Net realized and unrealized gain on investments	1,057,197	388,941	1,446,138
Change in value of split-interest agreement liability—annuities	(21,512)	-	(21,512)
Change in value of split-interest agreement liability—trusts	-	57,555	57,555
Net gain on interest in perpetual trust (Note 2)	-	49,054	49,054
Change in net assets	755,453	306,148	1,061,601
Net assets:			
Beginning	4,316,897	7,925,705	12,242,602
Ending	\$ 5,072,350	\$ 8,231,853	\$ 13,304,203

See notes to financial statements.

American Institute for Cancer Research

**Statement of Functional Expenses
Year Ended September 30, 2025**

	Program Services			Supporting Services			Totals
	Research	Public Health Education	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Grants	\$ 2,015,545	\$ 698,136	\$ 2,713,681	\$ -	\$ -	\$ -	\$ 2,713,681
Postage and delivery	1,636	1,136,926	1,138,562	50,573	651,217	701,790	1,840,352
Printing and publication	938	682,682	683,620	70,811	345,445	416,256	1,099,876
Data processing	35,467	390,327	425,794	194,255	304,528	498,783	924,577
Mailhouse fees	176	309,039	309,215	8,535	220,019	228,554	537,769
List costs	-	106,943	106,943	-	112,179	112,179	219,122
Salaries and director fees	415,792	796,430	1,212,222	575,616	253,077	828,693	2,040,915
Professional fees	88,070	606,856	694,926	312,963	301,864	614,827	1,309,753
Occupancy	24,291	64,376	88,667	46,136	23,348	69,484	158,151
Travel and entertainment	16,284	13,372	29,656	34,739	4,139	38,878	68,534
Benefits and payroll taxes	69,064	158,491	227,555	165,031	63,648	228,679	456,234
Pension expense (Note 11)	11,477	7,143	18,620	12,235	19,386	31,621	50,241
Office expense	13,576	111,665	125,241	38,659	57,177	95,836	221,077
Depreciation and amortization (Note 5)	547	1,401	1,948	1,024	444	1,468	3,416
Insurance	3,547	9,090	12,637	6,651	2,882	9,533	22,170
Information technology	33,906	22,063	55,969	32,502	5,180	37,682	93,651
Conferences	2,599	110	2,709	19	47	66	2,775
Interest expense	-	-	-	39,757	-	39,757	39,757
WCRF membership dues (Note 12)	-	65,640	65,640	-	-	-	65,640
Miscellaneous	8,963	27,254	36,217	27,736	4,898	32,634	68,851
	<u>\$ 2,741,878</u>	<u>\$ 5,207,944</u>	<u>\$ 7,949,822</u>	<u>\$ 1,617,242</u>	<u>\$ 2,369,478</u>	<u>\$ 3,986,720</u>	<u>\$ 11,936,542</u>

See notes to financial statements.

American Institute for Cancer Research

Statement of Functional Expenses Year Ended September 30, 2024

	Program Services			Supporting Services			Totals
	Research	Public Health Education	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Grants	\$ 1,099,360	\$ 407,044	\$ 1,506,404	\$ -	\$ -	\$ -	\$ 1,506,404
Postage and delivery	3,706	1,074,807	1,078,513	41,977	698,063	740,040	1,818,553
Printing and publication	877	849,558	850,435	67,816	441,741	509,557	1,359,992
Data processing	39,087	344,213	383,300	180,728	243,789	424,517	807,817
Mailhouse fees	-	267,144	267,144	6,407	200,784	207,191	474,335
List costs	-	90,220	90,220	-	101,006	101,006	191,226
Salaries and director fees	423,155	716,423	1,139,578	731,603	209,321	940,924	2,080,502
Professional fees	84,232	471,349	555,581	202,026	253,492	455,518	1,011,099
Occupancy	41,311	107,050	148,361	77,814	34,398	112,212	260,573
Travel and entertainment	14,566	14,053	28,619	30,021	4,925	34,946	63,565
Benefits and payroll taxes	65,514	144,807	210,321	149,957	54,029	203,986	414,307
Pension expense (Note 11)	8,605	-	8,605	26,160	7,313	33,473	42,078
Office expense	20,499	73,071	93,570	46,080	41,477	87,557	181,127
Depreciation and amortization (Note 5)	5,838	14,959	20,797	10,945	4,743	15,688	36,485
Insurance	3,756	7,041	10,797	7,042	3,052	10,094	20,891
Information technology	38,503	21,464	59,967	27,091	5,446	32,537	92,504
Conferences	2,229	1,101	3,330	70	163	233	3,563
Interest expense	-	-	-	42,636	-	42,636	42,636
WCRF membership dues (Note 12)	-	61,099	61,099	-	-	-	61,099
Miscellaneous	-	27,942	27,942	22,832	4,359	27,191	55,133
	<u>\$ 1,851,238</u>	<u>\$ 4,693,345</u>	<u>\$ 6,544,583</u>	<u>\$ 1,671,205</u>	<u>\$ 2,308,101</u>	<u>\$ 3,979,306</u>	<u>\$ 10,523,889</u>

See notes to financial statements.

American Institute for Cancer Research

Statements of Cash Flows Years Ended September 30, 2025 and 2024

	2025	2024
Cash flows from operating activities:		
Change in net assets	\$ (687,341)	\$ 1,061,601
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization	3,416	36,485
Loss on sale of assets	-	200,583
Termination of lease writeoff	-	(720,055)
Net realized and unrealized gain on investments	(707,783)	(1,446,138)
Contributions from stock gifts	(20,279)	(32,173)
Net gain on investments held for split-interest agreements	(26,388)	(86,028)
Net gain on beneficial interest in perpetual trust	(9,555)	(49,054)
Contributions received for long-term purposes	(10,500)	(31,525)
Amortization of operating right of use asset	121,995	201,512
(Increase) decrease in assets:		
Accounts receivable	(31,326)	(28,306)
Due from affiliates	(85,215)	195,540
Bequests receivable	146,093	31,658
Prepaid expenses	(123,357)	(2,355)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	64,835	93,349
Grants payable	786,917	(158,235)
Lease termination payable	(250,000)	500,000
Operating lease liabilities	(116,067)	(268,869)
Liabilities under charitable gift annuity agreements	(31,582)	(25,747)
Liabilities under charitable remainder unitrust agreements	(7,492)	12,302
Net cash used in operating activities	(983,629)	(515,455)
Cash flows from investing activities:		
Acquisition of furniture, equipment and leasehold improvements	(8,026)	(18,626)
Purchase and reinvestment of investments	(3,596,382)	(3,606,618)
Proceeds from maturities and sales of investments	4,343,738	3,178,758
Net cash provided by (used in) investing activities	739,330	(446,486)
Cash flows from financing activities:		
Contributions received for long-term purposes	10,500	31,525
Net cash provided by financing activities	10,500	31,525
Net decrease in cash and cash equivalents	(233,799)	(930,416)
Cash and cash equivalents:		
Beginning	3,329,472	4,259,888
Ending	\$ 3,095,673	\$ 3,329,472
Supplemental disclosures of cash flow information		
Operating right of use assets obtained in exchange for new lease obligations	\$ 80,068	\$ 656,648
Cash paid for amounts included in measurement of lease liabilities		
Operating cash outflows—payments on operating leases	\$ 116,067	\$ 294,975

See notes to financial statements.

American Institute for Cancer Research

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 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 in perpetuity 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 \$1,221,846 and \$1,334,157 at September 30, 2025 and 2024, respectively, consisted of money market accounts and overnight deposits.

Accounts receivable: Accounts receivable are recorded at the invoiced amount.

American Institute for Cancer Research

Notes to Financial Statements

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

Allowance for credit losses: The measurement of expected credit losses under the current expected credit loss (CECL) methodology is applicable to financial assets measured at amortized cost, which include billed and unbilled receivables as well as contract assets. An allowance for credit losses under the CECL methodology is determined using the loss-rate approach and measured on a collective (pool) basis when similar risk characteristics exist. Where financial instruments do not share risk characteristics, they are valued on an individual basis. The CECL allowance is based on relevant available information, from internal and external sources, relating the past events, current conditions and reasonable and supportable forecasts. Based upon management's review of outstanding receivables at September 30, 2025 and September 30, 2024, allowance for credit losses was \$2,240 and \$1,704, respectively.

Contract assets: The timing of revenue recognition may not align with the right to invoice the customer. The Institute records receivables when it has the unconditional right to issue an invoice and receive payment, regardless of whether revenue has been recognized. If revenue has not yet been recognized, a contract liability (deferred revenue) also is recorded. If revenue is recognized in advance of the right to invoice, a contract asset (unbilled receivable) is recorded. Opening contract balances as of October 1, 2023, included accounts receivables of \$76,389.

Bequests receivables: 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.

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.

Financial risk: The Institute invests funds in professionally managed portfolios that are exposed to various risks, such as interest rate, credit and market value 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 reasonable possible that changes in risks in the near term would materially affect investment balances and the amount reported in the financial statements. As a result, investment balances reported in the accompanying consolidated financial statements may not be reflective of the portfolio's value during subsequent periods.

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 \$2,000 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.

American Institute for Cancer Research

Notes to Financial Statements

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

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.

Leases: The Institute determines if an arrangement is or contains a lease at inception, which is the date on which the terms of the contract are agreed to, and the agreement creates enforceable rights and obligations. A contract is or contains a lease when (i) explicitly or implicitly identified assets have been deployed in the contract and (ii) the Institute obtains substantially all of the economic benefits from the use of that underlying asset and directs how and for what purpose the asset is used during the term of the contract. The Institute also considers whether its service arrangements include the right to control the use of an asset.

The Institute recognizes most leases on its statements of financial position as a right-of-use (ROU) asset representing the right to use an underlying asset and a lease liability representing the obligation to make lease payments over the lease term, measured on a discounted basis. Leases are classified as either finance leases or operating leases based on certain criteria. Classification of the lease affects the pattern of expense recognition in the statements of activities.

The Institute made an accounting policy election available generally not to recognize ROU assets and lease liabilities for leases with a term of 12 months or less. For all other leases, ROU assets and lease liabilities are measured based on the present value of future lease payments over the lease term at the commencement date of the lease (or October 1, 2022, for existing leases upon the adoption of Topic 842). The ROU assets also include any initial direct costs incurred and lease payments made at or before the commencement date and are reduced by any lease incentives received. To determine the present value of lease payments, the Institute made an accounting policy election available to nonpublic companies to utilize a risk-free borrowing rate, which is aligned with the lease term at the lease commencement date (or remaining term for leases existing upon the adoption of Topic 842).

Future lease payments may include fixed rent escalation clauses or payments that depend on an index (such as the consumer price index), which is initially measured using the index or rate at lease commencement. Subsequent changes of an index and other periodic market-rate adjustments to base rent are recorded in variable lease expense in the period incurred. Residual value guarantees or payments for terminating the lease are included in the lease payments only when it is probable they will be incurred.

The Institute has made an accounting policy election to account for lease and non-lease components in its contracts as a single lease component for its real estate and equipment asset classes. The non-lease components typically represent additional services transferred to the Institute, such as common area maintenance for real estate, which are variable in nature and recorded in variable lease expense in the period incurred.

American Institute for Cancer Research

Notes to Financial Statements

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

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.

Conditional contributions are recognized when donor-imposed conditions are met. These revenue are subject to right of return if funds are not spent, and also have barriers that must be met in order to be entitled to the funds. Accordingly, amounts received but not yet recognized as revenue are classified as refundable advances in the statements of financial position. As of September 30, 2025 and 2024, there were no revenues to be earned on conditional grants. Conditional grants recognized as net assets without donor restrictions at the time conditions have been met and no donor-imposed restrictions remain.

Bequests are recognized as public support revenues when the underlying will is declared valid by the respective probate court and amounts to be received can be reasonably estimated.

The Institute's revenue streams under contracts with customers are comprised of affiliate service fees, program service revenue and mailing list rental revenues. The Institute's revenue is recognized when a given performance obligation is satisfied, either over a period of time or at a point in time. The majority of the Institute's revenue under contracts from customers is earned in the United States.

Affiliate service fees represent reimbursement for services provided by the Institute to international affiliates (see Note 12) 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.

All of the Institute's revenue from contracts with customers are derived from contracts with an initial duration of one year or less. Prices are specific to a distinct performance obligation and do not consist of multiple transactions. There were no changes in affiliate service fees, program service revenue and mailing list rental revenue that would affect the economic seasonality of the statements of financial position. The Institute did not have any impairment or credit losses on any receivables arising from contracts with customers. There are also no incremental costs of obtaining a contract and no significant financing components. Finally, there are no significant changes in the judgements affecting the determination of the amount and timing of revenue from contracts with customers.

Revenue and expense activities: The statements of activities include the Institute's support and revenues including interest and dividend income and all expenses. Other changes are comprised of other gains and losses including gains and losses on sales of assets, lease transactions, foreign exchange transactions, net realized and unrealized gain and losses on investments and changes in split-interest agreements and perpetual trusts.

American Institute for Cancer Research

Notes to Financial Statements

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

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. Overhead department allocations based on salaries include salaries and director fees, benefits and payroll taxes, pension expense and information technology. 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, 2025, the Institute's expenses totaled \$11,936,542. Of that amount, 23% was spent directly in support of cancer research and 44% of expenses went in support of the Institute's public education programs in cancer prevention. Together, research and public education programs account for 67% of all expenditures by the Institute. Fundraising costs for the year were 20% of total expenses and 13% of expenses went to administrative costs.

For the year ended September 30, 2024, the Institute's expenses totaled \$10,523,889. Of that amount, 18% was spent directly in support of cancer research and 44% of expenses went in support of the Institute's public education programs in cancer prevention. Together, research and public education programs account for 62% of all expenditures by the Institute. Fundraising costs for the year were 22% of total expenses and 16% of expenses went to administrative costs.

Use of estimates: The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect reported amounts of assets and liabilities, 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.

Subsequent events: The Institute has evaluated subsequent events through May 13, 2026, the date on which the financial statements were available to be issued.

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.

American Institute for Cancer Research

Notes to Financial Statements

Note 2. Investments and Fair Value Measurements (Continued)

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 (IRS) discount rates and mortality tables.

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, 2025 and 2024. 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).

American Institute for Cancer Research

Notes to Financial Statements

Note 2. Investments and Fair Value Measurements (Continued)

The investment objective of these funds is consistent with the Investment Policy. See Note 9 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.

The following table presents a summary of the fair value measurements of the Institute's investments within the fair value hierarchy at September 30, 2025:

	2025			
	Total	Level 1	Level 2	Level 3
Financial assets:				
Investments at fair value:				
Operating fund:				
Equity mutual funds	\$ 2,024,432	2,024,432	\$ -	\$ -
U.S. treasuries	266,677	266,677	-	-
Certificates of deposit	3,161	-	3,161	-
Total operating fund investments	2,294,270	2,291,109	3,161	-
Cancer research fund (Notes 7 and 8):				
Fixed income mutual funds	2,319,167	2,319,167	-	-
Equity mutual funds	1,489,235	1,489,235	-	-
Common stock	711,393	711,393	-	-
Total cancer research fund investments	4,519,795	4,519,795	-	-
Charitable gift annuities (Note 3):				
U.S. treasuries	542,736	542,736	-	-
Fixed income mutual funds	779,093	779,093	-	-
Total charitable gift annuity investments	1,321,829	1,321,829	-	-
Charitable remainder unitrusts (Note 3):				
Equity mutual funds	899,620	899,620	-	-
Total charitable remainder unitrusts investments	899,620	899,620	-	-
Total investments at fair value	9,035,514	9,032,353	3,161	-
Beneficial interest in perpetual trust (Note 3)	380,884	-	-	380,884
Total financial assets at fair value	\$ 9,416,398	\$ 9,032,353	\$ 3,161	\$ 380,884
Financial liabilities (Note 3):				
Liabilities under charitable gift annuities	\$ 687,458	\$ -	\$ 687,458	\$ -
Liabilities under charitable remainder unitrusts	352,450	-	352,450	-
Total financial liabilities	\$ 1,039,908	\$ -	\$ 1,039,908	\$ -

American Institute for Cancer Research

Notes to Financial Statements

Note 2. Investments and Fair Value Measurements (Continued)

The following table presents a summary of the fair value measurements of the Institute's investments within the fair value hierarchy at September 30, 2024:

	2024			
	Total	Level 1	Level 2	Level 3
Financial assets:				
Investments at fair value:				
Operating fund:				
Equity mutual funds	\$ 1,330,884	1,330,884	\$ -	\$ -
U.S. treasuries	628,240	628,240	-	-
Certificates of deposit	710,794	-	710,794	-
Total operating fund investments	2,669,918	1,959,124	710,794	-
Cancer research fund (Notes 7 and 8):				
Fixed income mutual funds	2,190,644	2,190,644	-	-
Equity mutual funds	1,526,656	1,526,656	-	-
Common stock	652,097	652,097	-	-
Total cancer research fund investments	4,369,397	4,369,397	-	-
Charitable gift annuities (Note 3):				
U.S. treasuries	498,449	498,449	-	-
Fixed income mutual funds	709,309	709,309	-	-
Total charitable gift annuity investments	1,207,758	1,207,758	-	-
Charitable remainder unitrusts (Note 3):				
Equity mutual funds	874,545	874,545	-	-
Total charitable remainder unitrusts investments	874,545	874,545	-	-
Total investments at fair value	9,121,618	8,410,824	710,794	-
Beneficial interest in perpetual trust (Note 3)	371,329	-	-	371,329
Total financial assets at fair value	\$ 9,492,947	\$ 8,410,824	\$ 710,794	\$ 371,329
Financial liabilities (Note 3):				
Liabilities under charitable gift annuities	\$ 719,040	\$ -	\$ 719,040	\$ -
Liabilities under charitable remainder unitrusts	359,942	-	359,942	-
Total financial liabilities	\$ 1,078,982	\$ -	\$ 1,078,982	\$ -

The table below reconciles total investments to the statements of financial position at September 30, 2025 and 2024:

	2025	2024
Investments held at fair value	\$ 9,035,514	\$ 9,121,618
Investments held at NAV, below	1,586,119	1,492,921
	<u>\$ 10,621,633</u>	<u>\$ 10,614,539</u>

American Institute for Cancer Research

Notes to Financial Statements

Note 2. Investments and Fair Value Measurements (Continued)

Investments held using NAV as a practical expedient:

	2025	2024
Common trust funds (closed fund)	\$ 1,586,119	\$ 1,492,921
	<u>\$ 1,586,119</u>	<u>\$ 1,492,921</u>

Note 3. Split-Interest Agreements

The Institute is the beneficiary of various split-interest agreements, including charitable gift annuities (for which a financial institution acts as trustee), charitable remainder unitrusts (for which the Institute acts as the trustee) and a perpetual trust (for which a financial institution 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.

The assets held in charitable remainder unitrusts, charitable gift annuities and perpetual trusts are stated at fair value based on underlying securities. 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, 2025 and 2024, the discount rates used to value liabilities under charitable gift annuities and charitable remainder unitrusts was 4.6% and 4.8%, 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 \$10,000 and \$15,000 for the years ended September 30, 2025 and 2024, respectively. Distributions were \$185,215 and \$73,519 for the years ended September 30, 2025 and 2024, 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, 2025 and 2024.

American Institute for Cancer Research

Notes to Financial Statements

Note 3. Split-Interest Agreements (Continued)

The balances related to the Institute's split-interest agreements at September 30, 2025 and 2024, were:

	2025	2024
Charitable gift annuities:		
Cash and cash equivalents	\$ 33,861	\$ 29,342
Investments:		
U.S. treasuries	542,736	498,449
Fixed income mutual funds	779,093	709,309
Common trust funds	1,586,119	1,492,921
Total charitable gift annuities	<u>\$ 2,941,809</u>	<u>\$ 2,730,021</u>
Liabilities under charitable gift annuities	<u>\$ 687,458</u>	<u>\$ 719,040</u>
Charitable remainder unitrusts:		
Cash and cash equivalents	\$ 4,306	\$ 4,133
Investments:		
Equity mutual funds	899,620	874,545
Total charitable remainder unitrusts	<u>\$ 903,926</u>	<u>\$ 878,678</u>
Liabilities under charitable remainder unitrusts	<u>\$ 352,450</u>	<u>\$ 359,942</u>
	2025	2024
Perpetual trust:		
Beneficial interest in perpetual trust	<u>\$ 380,884</u>	<u>\$ 371,329</u>
Net gain on beneficial interest in perpetual trust	<u>\$ 9,555</u>	<u>\$ 49,054</u>

Note 4. Bequests Receivable

Bequests receivable consists of the following at September 30, 2025 and 2024:

	2025	2024
Unconditional bequests expected to be collected:		
One year or less	\$ 1,938,853	\$ 2,084,946
	<u>\$ 1,938,853</u>	<u>\$ 2,084,946</u>

There is no allowance for uncollectable bequests at September 30, 2025 and 2024.

American Institute for Cancer Research

Notes to Financial Statements

Note 5. Property and Equipment, Net

Property and equipment, net consists of the following at September 30, 2025 and 2024:

	2025	2024
Donated land	\$ 5,900	\$ 5,900
Furniture and fixtures	74,658	74,658
Equipment	320,343	312,317
Leasehold improvements	3,625	3,625
	<u>404,526</u>	<u>396,500</u>
Less accumulated depreciation and amortization	367,789	364,373
	<u>\$ 36,737</u>	<u>\$ 32,127</u>

Depreciation expense for the years ended September 30, 2025 and 2024, was \$3,416 and \$36,485, respectively.

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.

Grants payable at September 30, 2025, are scheduled to be funded in future fiscal years as follows:

Years ending September 30:	
2026	\$ 1,401,295
2027	814,282
2028	269,351
	<u>\$ 2,484,928</u>

Note 7. 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. Distributions for the years ended September 30, 2025 and 2024, were \$43,541 and \$43,334, respectively. At September 30, 2025 and 2024 board designated net assets were \$391,873 and \$390,011, respectively.

American Institute for Cancer Research

Notes to Financial Statements

Note 8. Net Assets With Donor Restrictions

Net assets with donor restrictions were composed of the following at September 30, 2025 and 2024:

	2025	2024
Purpose restrictions:		
Gould Trust	\$ 742,500	\$ 1,237,500
Ford Trust	1,595,000	1,760,000
Cancer Research Fund (endowment earnings)	1,560,232	1,456,064
Time restrictions:		
Held under split-interest agreements	651,476	618,737
Bequests receivable	1,938,853	2,084,946
Permanent restrictions:		
Beneficial interest in perpetual trust	380,884	371,329
Endowments (perpetual portion)	703,277	703,277
	<u>\$ 7,572,222</u>	<u>\$ 8,231,853</u>

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 9. 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 24 individual funds established for a variety of purposes. Its endowment includes donor-restricted endowment 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 net assets held in perpetuity (a) the original value of gifts donated to the perpetual endowment, (b) the original value of subsequent gifts to the perpetual endowment and (c) accumulations to the perpetual 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 net assets held in perpetuity 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.

American Institute for Cancer Research

Notes to Financial Statements

Note 9. Endowment Net Assets (Continued)

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 net assets held in perpetuity, 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 including funds deemed to be underwater. Distributions amounted to \$33,555 and \$35,300 for the years ended September 30, 2025 and 2024, respectively.

Annual distributions of restricted funds not related to net assets held in perpetuity are made at a rate not to exceed 10% of the fair market value of those funds. Distributions amounted to \$119,906 and \$118,261 for the years ended September 30, 2025 and 2024, respectively.

Annual distributions of board designated funds are made at a rate not to exceed 10% of the fair market value of the board designated funds. The most recent Investment Policy was reviewed and approved by the Board of Directors in April 2018.

Endowment net assets composition by type of fund at September 30, 2025:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	\$ -	\$ 2,263,509	\$ 2,263,509
Board-designated endowment funds	391,874	-	391,874
	<u>\$ 391,874</u>	<u>\$ 2,263,509</u>	<u>\$ 2,655,383</u>

Changes in endowment net assets for the fiscal year ended September 30, 2025:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 390,011	\$ 2,159,341	\$ 2,549,352
Investment return:			
Investment income	7,853	42,999	50,852
Net gains (realized and unrealized)	37,551	204,130	241,681
Total investment return	<u>45,404</u>	<u>247,129</u>	<u>292,533</u>
Contributions	-	10,500	10,500
Appropriation of endowment assets for expenditure	<u>(43,541)</u>	<u>(153,461)</u>	<u>(197,002)</u>
Endowment net assets, end of year	<u>\$ 391,874</u>	<u>\$ 2,263,509</u>	<u>\$ 2,655,383</u>

American Institute for Cancer Research

Notes to Financial Statements

Note 9. Endowment Net Assets (Continued)

Endowment net assets composition by type of fund at September 30, 2024:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	\$ -	\$ 2,159,341	\$ 2,159,341
Board-designated endowment funds	390,011	-	390,011
	<u>\$ 390,011</u>	<u>\$ 2,159,341</u>	<u>\$ 2,549,352</u>

Changes in endowment net assets for the fiscal year ended September 30, 2024:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 349,695	\$ 1,840,644	\$ 2,190,339
Investment return:			
Investment income	9,910	51,791	61,701
Net gains (realized and unrealized)	73,740	388,941	462,681
Total investment return	83,650	440,732	524,382
Contributions	-	31,525	31,525
Appropriation of endowment assets for expenditure	(43,334)	(153,560)	(196,894)
Endowment net assets, end of year	<u>\$ 390,011</u>	<u>\$ 2,159,341</u>	<u>\$ 2,549,352</u>

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 perpetual endowment. Deficiencies of this nature are reported as net assets with donor restrictions. At September 30, 2025 and 2024, the Institute had no funds in deficiencies.

Note 10. 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 at September 30, 2025 and 2024, 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.

American Institute for Cancer Research

Notes to Financial Statements

Note 11. 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 years ended September 30, 2025 and 2024, were approximately \$50,100 and \$42,000, respectively.

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.

Note 12. 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 one of the founders of the Institute who is not currently a board member. Under the Institute's governing legal instruments, the above individual 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, 2025 and 2024, the Institute incurred expenses of approximately \$265,000 and \$255,000, respectively, for fundraising and other professional services, for which payment was made to DRCS and DRCS' related companies. At September 30, 2025 and 2024, the Institute owed an outstanding payable balance to DRCS and DRCS' related companies of \$15,051 and \$20, 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 2025 and 2024, the Institute paid dues of \$65,640 and \$61,099 to WCRF International (USD equivalent of £50,000), respectively.

American Institute for Cancer Research

Notes to Financial Statements

Note 12. 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 2025 and 2024, the Institute paid contributions totaling \$698,195 and \$407,044, respectively, to WCRF International. The Institute also provided services to WCRF International and recognized related affiliate service fees of \$1,112,016 and \$1,267,574 in 2025 and 2024, respectively. 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, 2025 and 2024, is as follows:

	2025				
	WCRF International	WCRF United Kingdom	WCRF Netherlands	WCRF Hong Kong	Totals
Beginning balance	\$ 722,596	\$ (289,963)	\$ -	\$ 37,210	\$ 469,843
Reimbursed expenses	125,736	8,911	-	-	134,647
Dues	(65,640)	-	-	-	(65,640)
Contributions	(698,195)	(371,112)	-	-	(1,069,307)
Service fee	1,112,016	-	-	-	1,112,016
Payments received	(566,508)	540,007	-	-	(26,501)
Ending balance	\$ 630,005	\$ (112,157)	\$ -	\$ 37,210	\$ 555,058

	2024				
	WCRF International	WCRF United Kingdom	WCRF Netherlands	WCRF Hong Kong	Totals
Beginning balance	\$ 497,724	\$ 130,449	\$ -	\$ 37,210	\$ 665,383
Reimbursed expenses	331,843	(94,144)	-	-	237,699
Dues	(61,099)	-	-	-	(61,099)
Contributions	(407,044)	(326,268)	-	-	(733,312)
Service fee	1,267,574	-	-	-	1,267,574
Payments received	(906,402)	-	-	-	(906,402)
Ending balance	\$ 722,596	\$ (289,963)	\$ -	\$ 37,210	\$ 469,843

American Institute for Cancer Research

Notes to Financial Statements

Note 13. Allocation of Joint Costs

The Institute incurred joint costs of \$3,259,762 and \$3,221,219 in 2025 and 2024, respectively, for informational materials used for direct mail, telemarketing and other campaigns that included fundraising appeals. In fiscal year 2025, \$1,250,757 was allocated to fundraising, \$2,007,713 was allocated to education and \$1,291 was allocated to management and general expense. In fiscal year 2024, \$1,247,584 was allocated to fundraising, \$1,972,633 was allocated to education and \$1,002 was allocated to management and general expense.

Note 14. Leases

The Institute leases office space for its headquarters located in Arlington, Virginia.

The original lease commenced during August 2017. The Institute leased a portion of the building and related improvements under an 11-year and two-month lease agreement with an option to cancel the lease with one year's notice any time after September 2023. The rental cost of this space includes a base rental, real estate and personal property taxes and other operating costs associated with the building. The lease agreement included provisions for fixed rent escalations and building operating costs. This original lease was terminated in April 2024, with a termination fee of \$750,000. Loss on the termination was \$29,945, which was recognized during the year ended September 30, 2024.

A new lease was signed for a new space in the same building. The Institute considers this lease to be a separate contract. This new lease expires in October 2030. The rental cost of this space 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.

The Institute has two operating equipment leases that expire in 2029.

For the years ended September 30, 2025 and 2024, total operating lease cost was approximately \$594,000 and \$336,000, respectively.

At September 30, 2025 and 2024, the weighted-average remaining lease term for operating leases is 4.99 and 5.96 years, respectively. At September 30, 2025 and 2024, the weighted-average discount rate for operating leases was 4.26% and 4.35%, respectively.

Future undiscounted cash flows for each of the next five years and thereafter, and reconciliation to the lease liabilities recognized on the accompanying statement of financial position, at September 30, 2025, is as follows:

Years ended September 30:	
2026	\$ 130,524
2027	133,363
2028	136,273
2029	139,256
2030	128,198
Thereafter	10,595
Total lease payments	<u>678,209</u>
Less imputed interest	(69,657)
Total present value of lease liabilities	<u>\$ 608,552</u>

American Institute for Cancer Research

Notes to Financial Statements

Note 15. 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 statement of financial position date, comprise the following at September 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 3,095,673	\$ 3,329,472
Accounts receivable, net	136,021	104,695
Due from affiliates	555,058	469,843
Bequests receivable	1,938,853	2,084,946
Investments	10,621,633	10,614,539
Beneficial interest in perpetual trust	380,884	371,329
	<u>16,728,122</u>	<u>16,974,824</u>
Less those unavailable for general expenditure within one year due to:		
Board-designated endowment funds	(391,874)	(390,011)
Donor imposed purpose restrictions and time restrictions held under split interest agreement	(5,633,369)	(6,146,907)
	<u>(5,633,369)</u>	<u>(6,146,907)</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 10,702,879</u>	<u>\$ 10,437,906</u>