
**INTERNATIONAL ASSOCIATION
FOR THE STUDY OF LUNG CANCER**
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025



INTERNATIONAL
ASSOCIATION
FOR THE STUDY
OF LUNG CANCER

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Independent Auditor's Report

Board of Directors
International Association for the Study of Lung Cancer
Denver, Colorado

Opinion

We have audited the accompanying consolidated financial statements of the International Association for the Study of Lung Cancer and the IASLC Foundation, LLC (collectively the Association), which comprise the consolidated statement of financial position as of December 31, 2025, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Association as of December 31, 2025, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis For Opinion

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

Emphasis Of Matter - Correction Of Error

As discussed in Note 8 to the consolidated financial statements, the Association restated its consolidated financial statements as of January 1, 2025 to correct an error. Our opinion is not modified with respect to this matter.

Responsibilities Of Management For The Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities For The Audit Of The Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 generally accepted auditing standards 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 consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 Association'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association'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.

RubinBrown LLP

October 7, 2026

INTERNATIONAL ASSOCIATION FOR THE STUDY OF LUNG CANCER

CONSOLIDATED STATEMENT OF FINANCIAL POSITION December 31, 2025

Assets

Current Assets

Cash and cash equivalents	\$ 7,598,377
Accounts receivable and promises to give (Note 2)	1,633,950
Prepaid expenses and other assets	1,410,050
Total Current Assets	<u>10,642,377</u>

Noncurrent Assets

Prepaid expenses and other assets	222,804
Investments (Note 3)	25,942,749
Property and equipment, net (Note 4)	180,973
Right-of-use assets (Note 5)	575,177
Total Noncurrent Assets	<u>26,921,703</u>

Total Assets	<u><u>\$ 37,564,080</u></u>
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Liabilities And Net Assets

Current Liabilities

Accounts payable and accrued expenses	\$ 603,952
Deferred revenue and refundable advances (Notes 2 and 8)	5,111,072
Current portion of lease liabilities (Note 5)	391,808
Total Current Liabilities	<u>6,106,832</u>

Noncurrent Liabilities

Lease liabilities (Note 5)	<u>229,656</u>
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Total Liabilities	<u>6,336,488</u>
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Net Assets

Net assets without donor restrictions	
Board designated (Note 2)	3,078,743
Undesignated (Note 8)	27,003,661
Total Net Assets Without Donor Restrictions	30,082,404
Net assets with donor restrictions (Notes 2 and 8)	1,145,188
Total Net Assets	<u>31,227,592</u>

Total Liabilities And Net Assets	<u><u>\$ 37,564,080</u></u>
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INTERNATIONAL ASSOCIATION FOR THE STUDY OF LUNG CANCER

CONSOLIDATED STATEMENT OF ACTIVITIES For The Year Ended December 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues			
Conferences and meetings	\$ 22,942,131	\$ —	\$ 22,942,131
Education	350,888	—	350,888
Scientific programs	3,388,329	—	3,388,329
Publications	1,634,310	—	1,634,310
Memberships	758,227	—	758,227
Patient advocacy	546,843	—	546,843
Contributions	335,793	229,846	565,639
Net assets released from restrictions (Note 2)	425,000	(425,000)	—
Investment income	2,731,201	—	2,731,201
Rental income (Note 2)	366,334	—	366,334
Other income (Note 2)	50,781	—	50,781
Total Revenues	33,529,837	(195,154)	33,334,683
Expenses			
Program Services			
Meetings and education	13,267,748	—	13,267,748
Scientific programs and publications	5,948,558	—	5,948,558
Research grants	2,897,146	—	2,897,146
Memberships	1,471,911	—	1,471,911
Other programs	997,130	—	997,130
Total Program Services	24,582,493	—	24,582,493
Supporting Services			
General and administrative	3,399,263	—	3,399,263
Fundraising	487,407	—	487,407
Total Supporting Services	3,886,670	—	3,886,670
Total Expenses	28,469,163	—	28,469,163
Increase (Decrease) In Net Assets	5,060,674	(195,154)	4,865,520
Net Assets - Beginning Of Year - As Originally Reported	25,254,171	7,634,196	32,888,367
Restatement (Note 8)	(232,441)	(6,293,854)	(6,526,295)
Net Assets - Beginning Of Year - Restated	25,021,730	1,340,342	26,362,072
Net Assets - End Of Year	\$ 30,082,404	\$ 1,145,188	\$ 31,227,592

**INTERNATIONAL ASSOCIATION
FOR THE STUDY OF LUNG CANCER**

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

For The Year Ended December 31, 2025

	Program Services					Supporting Services		
	Scientific		Research			General		
	Meetings And Education	Programs And Publications	Grants	Memberships	Other Programs	Total	And Admini- strative	Fundraising
Direct program expenses	\$ 11,459,320	\$ 2,140,309	\$ 2,683,055	\$ 133,232	\$ 552,550	\$ 16,968,466	\$ —	\$ 121
Payroll and benefits (Note 6)	1,013,509	1,817,653	98,120	797,718	241,839	3,968,839	1,786,639	287,805
Consulting and temporary help	58,193	589,475	—	12,988	—	660,656	61,292	—
Occupancy (Note 5)	91,167	159,403	11,435	86,543	21,376	369,924	159,833	29,675
Office expense	30,231	57,144	3,979	31,388	7,725	130,467	103,639	11,627
Travel	127,114	170,820	25,252	45,501	8,130	376,817	149,025	31,284
Communications	77,827	7,396	5,163	6,313	420	97,119	97,782	93,406
Information technology	324,590	7,602	31,380	294,908	152,974	811,454	387,240	17,503
Depreciation and amortization	49,113	85,873	6,160	46,622	11,516	199,284	89,082	15,986
Professional fees and other	36,684	181,889	32,602	16,698	600	268,473	37,406	—
Committee projects and meetings	—	730,994	—	—	—	730,994	—	—
Board meetings	—	—	—	—	—	—	527,325	—
	\$ 13,267,748	\$ 5,948,558	\$ 2,897,146	\$ 1,471,911	\$ 997,130	\$ 24,582,493	\$ 3,399,263	\$ 487,407
								\$ 28,469,163

See the notes to consolidated financial statements.

**INTERNATIONAL ASSOCIATION
FOR THE STUDY OF LUNG CANCER**

**STATEMENTS OF CASH FLOWS
For The Year Ended December 31, 2025**

Cash Flows From Operating Activities

Increase in net assets	\$ 4,865,520
Adjustments to reconcile increase in net assets to net cash from operating activities:	
Depreciation and amortization	304,352
Net realized and unrealized gains on investments	(1,507,539)
Changes in assets and liabilities:	
Accounts receivable and promises to give	(390,370)
Prepaid expenses and other assets	(348,639)
Accounts payable and accrued expenses	(1,085,180)
Deferred revenue and refundable advances	(1,415,223)
Right-of-use assets and lease liabilities	(32,148)
Net Cash Provided By Operating Activities	<u>390,773</u>

Cash Flows From Investing Activities

Proceeds from sale of investments	18,907,246
Purchases of investments	<u>(22,058,621)</u>
Net Cash Used In Investing Activities	<u>(3,151,375)</u>

Net Decrease In Cash And Cash Equivalents (2,760,602)

Cash And Cash Equivalents - Beginning Of Year 10,358,979

Cash And Cash Equivalents - End Of Year \$ 7,598,377

INTERNATIONAL ASSOCIATION FOR THE STUDY OF LUNG CANCER

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025

1. Organization

The mission of the International Association for the Study of Lung Cancer (IASLC) is to be the multidisciplinary world authority on lung and other thoracic cancers through collaborative science, education and advocacy in order to ensure optimal prevention and patient care. The IASLC's vision is conquering lung and other thoracic cancers worldwide in the 21st century. Since its founding in 1974, the Association's membership has grown to more than 8,000 lung and thoracic cancer specialists from all disciplines and more than 100 countries. By hosting global conferences, funding cutting-edge research, and educating the health care community and the public about thoracic cancers, the IASLC works to alleviate the burden lung cancer places on patients, families, and communities.

In November 2022, IASLC formed the IASLC Foundation, LLC (IASLCF) to fund innovative research that leads to scientific advances in the detection and treatment of lung cancer and other thoracic malignancies. IASLC is the sole voting member of IASLCF.

2. Summary Of Significant Accounting Policies

Principles Of Consolidation

For financial reporting purposes, the accompanying consolidated financial statements include the accounts and operations of IASLC and IASLCF (collectively, the Association). All significant inter-entity transactions have been eliminated in consolidation.

Estimates And Assumptions

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

INTERNATIONAL ASSOCIATION FOR THE STUDY OF LUNG CANCER

Notes To Consolidated Financial Statements (*Continued*)

Basis Of Presentation

The consolidated financial statement presentation follows the requirements of the Financial Accounting Standards Board for not-for-profit organizations by presenting assets and liabilities within similar groups and classifying them in ways that provide relevant information about their interrelationships, liquidity, and financial flexibility. As a result, the Association is required to report its financial position and activities according to the following two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Cash And Cash Equivalents

Cash and cash equivalents consist of cash on hand and in banks and all highly liquid investment securities with a maturity of three months or less at the time of purchase. The carrying amount approximates fair value because of the short-term maturity of those instruments. The Association invests its excess cash with financial institutions with strong credit ratings and has established guidelines related to diversification and maturities that maintain safety and liquidity. At times, such amounts may be in excess of Federal Deposit Insurance Corporation (FDIC) insurance amounts. At December 31, 2025, cash and cash equivalents in excess of FDIC insurance limits was approximately \$7,111,000.

Accounts Receivable

The Association provides an allowance for credit losses on its accounts receivable, as considered necessary. To estimate the expected credit losses, receivables have been grouped based on credit risk characteristics including age of the receivable and type of transaction. The allowance is determined by applying an expected credit loss percentage to the carrying value of the assets by category. The percentages, which are updated at least annually, are based on historical experience and may be adjusted to the extent that future results are expected to differ from past experience. Given that the Association extends credit terms on a short-term basis, changes to the credit loss percentages due to future events are expected to be rare. Additionally, the allowance is also adjusted due to the changes in the collectability assessment of individual customers. Management believes that no allowance for credit losses is considered necessary at December 31, 2025.

INTERNATIONAL ASSOCIATION FOR THE STUDY OF LUNG CANCER

Notes To Consolidated Financial Statements (*Continued*)

Promises To Give

Promises to give are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual balances. Those balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to the receivable. An allowance for uncollectible promises to give is provided based upon management's judgment, including such factors as prior collection history, type of contribution, and nature of fundraising activity. Management believes that no allowance for uncollectible amounts is considered necessary at December 31, 2025.

Unconditional promises to give expected to be collected in future years are initially reported at fair value determined using the discounted present value of estimated future cash flows technique. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received, which are believed to approximate the market rate of return for similar assets. Amortization of the discounts is included in contribution revenue on the consolidated statement of activities.

Investments

Investments are reported at fair value, except for certificates of deposit held for the issuing financial institution which are reported at cost plus accrued interest. The fair values of securities with readily determinable fair values are based on quotations obtained from national securities exchanges. The fair values of investments for which quoted market prices are not available are based on significant observable inputs as described in Note 3.

Investment income, which consists of interest and dividend income earned, realized gains or losses and unrealized appreciation (depreciation) on those investments, is included in the consolidated statement of activities.

Investments are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with various types of investments, it is at least reasonably possible that changes in the value of investments will occur in the near term and that such changes could materially affect the amounts reported in the consolidated statement of financial position.

**INTERNATIONAL ASSOCIATION
FOR THE STUDY OF LUNG CANCER**

Notes To Consolidated Financial Statements (*Continued*)

Property And Equipment

Property and equipment are reported at cost on the date of acquisition or fair value at date of donation, less accumulated depreciation and amortization computed using the straight-line method over the estimated useful life of each asset which ranges from three to five years for furniture, equipment and software. Leasehold improvements are amortized over the shorter of the lease term or the respective estimated useful life.

The Association reviews the carrying value of property and equipment for impairment whenever events and circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. No impairment loss has been recognized in 2025.

Leases

As further described in Note 5, the Association maintains leases for office space. Lease right-of-use (ROU) assets and lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at commencement date. The ROU asset represents the lease liability, plus any lease payments made at or before the commencement date, less any lease incentives received. The Association does not record ROU assets or lease liabilities for leases with an initial expected lease term of 12 months or less. For operating leases, lease expense for minimum lease payments is recognized on a straight-line basis over the term of the lease.

The lease terms utilized in determining ROU assets and lease liabilities include the noncancellable portion of the underlying leases along with renewal periods, only if it is reasonably certain that the option will be exercised. When determining if a renewal option is reasonably certain of being exercised, the factors considered include, but are not limited to, the cost of moving to another location, the cost of disruption of operations, the purpose or location of the lease asset and the terms associated with extending the lease. The Association has not included any termination penalties in its lease payments nor shortened any lease terms related to options to terminate a lease.

INTERNATIONAL ASSOCIATION FOR THE STUDY OF LUNG CANCER

Notes To Consolidated Financial Statements (*Continued*)

Additionally, certain leases may contain incentives, such as rent abatements subsequent to taking possession of the leased property and tenant improvement allowances. If applicable, these incentives reduce the ROU asset related to the lease and are amortized as reductions of expense over the lease term. The Association's leases do not contain any residual value guarantees or material restrictive covenants.

As most leases do not provide an implicit discount rate, the Association has made an election available to not-for-profit organizations that allows the use of the risk-free rate at the lease commencement date to determine the present value of the lease payments.

The Association's operating leases may contain fixed rent escalations over the lease term, and the Association recognizes expense for these leases on a straight-line basis over the lease term of the respective ROU asset. The Association recognizes the related lease expense on a straight-line basis and records the difference between the recognized lease expense and amounts payable under the lease as part of the ROU asset.

The Association does not separate nonlease components of a contract from the lease components to which they relate for all classes of lease assets.

Revenue And Revenue Recognition

Overall economic conditions can impact the nature, timing and uncertainty of the Association's revenue and cash flows.

The opening and closing balances of gross receivables from contracts with clients included in accounts receivable and promises to give on the consolidated statement of financial position for the year ended December 31, 2025 were \$612,620 and \$1,377,535, respectively.

The opening and closing balances of contract liabilities included in deferred revenue and refundable advances for the year ended December 31, 2025 are \$1,081,881 and \$1,044,789, respectively.

INTERNATIONAL ASSOCIATION FOR THE STUDY OF LUNG CANCER

Notes To Consolidated Financial Statements (*Continued*)

The Association's primary revenue streams consist of the following:

Conferences And Meetings

In addition to sponsorships which are recognized in accordance with the policy below, the Association also recognizes revenue related to registrations (both in-person and virtual) for attendees at these educational events as well as revenue from exhibitors and advertisers. The Association recognizes this revenue over the period of time the conference or meeting occurs. At times, payment is collected in advance of the event, and is deferred until the event occurs.

Publications

The Association recognizes revenue related to royalties, advertising and editorial fees from the publication of the *Journal of Thoracic Oncology* (the JTO) and *JTO Clinical and Research Reports* (the JTO CRR). Access to the JTO is available to the Association's members as part of their membership as well as available for purchase to others. The JTO CRR is an open access journal. Revenue is recognized at the point in time each monthly publication is issued.

Memberships

Memberships are considered reciprocal transactions based on the value of benefits provided to members. Memberships provide discounted registrations to conferences and meetings, access to education and resources and engagement and development opportunities. Due to the nature of these benefits, memberships are recognized evenly over the membership period.

Education, Scientific Programs, Patient Advocacy And Contributions

The Association's educational, scientific and patient advocacy programs are primarily funded by sponsorships, grants and contributions.

Sponsorships, grants, and contributions, including unconditional promises to give due in future periods, are recognized as support in the period received. Conditional promises to give, that is, those with a measurable performance or other barrier, are not recognized until the conditions on which they depend have been met.

INTERNATIONAL ASSOCIATION FOR THE STUDY OF LUNG CANCER

Notes To Consolidated Financial Statements (*Continued*)

A portion of the Association's sponsorships and grants for conferences and meetings as well as educational, scientific and patient advocacy programs is conditional upon the achievement of certain performance requirements and outcomes. Revenue is recognized when these specific requirements and outcomes are achieved. Amounts received prior to these achievements are reported as refundable advances on the consolidated statement of financial position and amounted to \$4,066,283 at December 31, 2025. At December 31, 2025, promises to give included in accounts receivable and promises to give on the consolidated statement of financial position include \$247,150 of sponsorships and grants for which the conditions have been met but not yet received. The Association has been awarded conditional grants of approximately \$1,351,000 that have not been recognized at December 31, 2025 because the conditions have not yet been met.

Rental Income

One of the Association's leased properties is subleased to a tenant under a noncancellable operating lease. The Association has elected not to separate the lease component, comprised of the monthly rent, from the associated nonlease components, comprised of operating costs and taxes. Rental income is recognized on a straight-line basis over the term of the lease. Based on the remaining term of the lease agreement, the Association expects to receive the following future lease payments:

<u>Year</u>	<u>Amount</u>
2026	\$ 249,912
<u>2027</u>	<u>192,641</u>
	<u>\$ 442,553</u>

Net Asset Classification

Net assets and revenues, gains, other support, expenses, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and the changes therein are classified as follows:

Net Assets Without Donor Restrictions

Net assets without donor restriction are those whose use is not restricted by donors. All contributions are considered to be available for use without donor restrictions unless specifically restricted by the donor.

**INTERNATIONAL ASSOCIATION
FOR THE STUDY OF LUNG CANCER**

Notes To Consolidated Financial Statements (*Continued*)

Net assets without donor restrictions include investments designated by the Board of Directors as follows at December 31, 2025:

IASLC Academy professional development program	\$ 200,000
International mentorship program	255,298
IASLC Committee-led projects and initiatives	1,244,218
Career advancement research grants	500,000
IASLC Staging Project	1,068
Software development	90,025
AI Taskforce	100,000
IASLC African Impact Grant	100,000
Projects in Latin America	100,000
Women in Thoracic Oncology Taskforce	100,000
External resources and general operating support	<u>388,134</u>
	<u><u>\$ 3,078,743</u></u>

Subsequent to year end, the Board of Directors approved the following designations for future periods:

IASLC Academy professional development program	\$ 200,000
International mentorship program	200,000
IASLC Committee-lead projects and initiatives	500,000
Career advancement research grants	700,000
IASLC Staging Project	2,200,000
Conflict of interest software development	100,000
Membership initiatives	100,000
Global Council	100,000
Survivorship Taskforce	100,000
Initiatives in developing countries	300,000
Leadership program	100,000
<i>Journal of Thoracic Oncology</i> 20th Celebration	150,000
External resources and general operating support	<u>100,000</u>
	<u><u>\$ 4,850,000</u></u>

INTERNATIONAL ASSOCIATION FOR THE STUDY OF LUNG CANCER

Notes To Consolidated Financial Statements (*Continued*)

Net Assets With Donor Restrictions

Net assets with time and purpose restrictions are subject to donor-imposed stipulations that will be met by actions of the Association and/or the passage of time. After the donor-imposed time or purpose restrictions are satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported within the consolidated statement of activities as net assets released from restrictions. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction is met in the same reporting period as receipt of the contribution. The Association has adopted the policy of reporting net assets released from restrictions upon completion of the donor purpose restriction, regardless of whether the related cash has been received.

Net assets with donor restrictions are restricted for the following donor-imposed purpose restrictions at December 31, 2025:

IASLC Adi F. Gazdar research grants	<u>\$ 1,145,188</u>
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The sources of net assets released from net assets with time and purpose donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of events specified by the donors are as follows for the year ended December 31, 2025:

IASLC Adi F. Gazdar research grants	<u>\$ 425,000</u>
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Description Of Program Services And Supporting Services

The following program services and supporting services are included in the accompanying consolidated financial statements:

Program Services

Meetings And Education: The Association convenes the world of thoracic oncology across the globe through numerous meetings and conferences, including the annual World Conference which reaches more than 7,500 participants. In addition, the Association's education center, Lung Cancer 360, shares crucial knowledge across various formats including microlearnings, live webinars, on-demand learning and podcasts.

INTERNATIONAL ASSOCIATION FOR THE STUDY OF LUNG CANCER

Notes To Consolidated Financial Statements (*Continued*)

Scientific Programs and Publications: Led by experts on the Association's Committees, the Association drives progress towards improving patient outcomes in lung and other thoracic cancers through investments in scientific projects and studies. One of the most significant achievements in this area in 2025 was the Staging and Prognostic Factors Group's recommended revisions being adopted by the American Joint Committee on Cancer for its version 9 staging protocols for lung cancer, thymic tumors and pleural mesothelioma. The Association also works with corporate partners with a shared purpose. One such project in 2025 was focused on understanding how biomarker testing is implemented worldwide and why gaps persist despite advances in precision oncology.

In addition, the Association's journals, JTO and JTO CRR, serve as trusted platforms for disseminating high-quality scientific findings, clinical insights and emerging research worldwide.

Research Grants: The Association makes awards and grants to advance innovative lung cancer research that detects and diagnoses the disease as well as improves the care of individuals with lung cancers. These awards and grants are available to professionals at all stages of their career development. The Association is deeply committed to awarding research grants and has significantly increased the number in recent years as operating results have allowed.

Memberships: Representing a diverse range of over 40 specialties, from clinicians, scientists, patients, advocates, and caregivers, the Association's membership program provides access to education, insights, and meaningful connections that support members' engagement in a mission that matters to them. During 2025, the Association launched the Thoracic Circle, an online community platform designed to foster engagement, encourage knowledge sharing and facilitate collaboration among members.

Other Programs: The Association's Patient Advocacy Program connects and collaborates with regional and national lung cancer patient organizations from around the world to provide essential information, support and advocacy for individuals affected by lung and thoracic cancers, including patients, caregivers, and the public. The Association also hosts quarterly meetings with corporate partners to advance a partnership strategy centered on long-term collaboration and shared purpose.

INTERNATIONAL ASSOCIATION FOR THE STUDY OF LUNG CANCER

Notes To Consolidated Financial Statements (*Continued*)

Supporting Activities

General and Administrative: Provides the functions necessary to maintain an equitable employment program, ensure an adequate working environment, provide coordination and articulation of the Association's program strategy, market earned revenue activities, secure proper administrative functioning of the Board of Directors, and manage the financial and budgetary responsibilities of the Association.

Fundraising: Provides the structure necessary to encourage and secure financial support from individuals, organizations, corporations, and foundations.

Research Awards And Grants

Recipients are required to meet certain qualifications and to provide accountability to the Association for funds disbursed. Except for the translational thoracic oncology research grants, the liability and related expense for awards and grants are recognized at the time of award and notification to, and acceptance by, the recipient.

Functional Expenses

Expenses are charged to programs and supporting activities on the basis of management's estimates on how resources are specifically utilized. Expenses that are directly identifiable with a specific function are allocated directly to that function. Salaries and related expenses are charged to program services and supporting activities on the basis of time and expense studies. Expenses that are related to space and resource usage, including occupancy, office expense, communications and depreciation and amortization, are allocated based on the number of full-time employees performing each function. All remaining expenses are classified based on the nature of the expenditures.

Foreign Currency Transactions

The Association's bank account denominated in Euros is included in cash and cash equivalents on the consolidated statement of financial position after translation to U.S. dollars at the appropriate rate of exchange. The loss on foreign currency translation amounted to \$303 during the year ended December 31, 2025 and is included in other income on the consolidated statement of activities.

INTERNATIONAL ASSOCIATION FOR THE STUDY OF LUNG CANCER

Notes To Consolidated Financial Statements (*Continued*)

Gains and losses on transactions denominated in other currencies are reflected within the respective revenues or expenses on the consolidated statement of activities.

Tax Status

The Association is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and a similar provision of state law on related, exempt income.

Subsequent Events

Management evaluates subsequent events through the date the consolidated financial statements are available for issue, which is the date of the Independent Auditors' Report.

3. Investments

Investments consist of the following at December 31, 2025:

Common stocks	\$ 8,445,504
Certificates of deposit	2,069,890
Real estate investment trusts	99,182
Mutual funds	5,441,619
Fixed income securities	<u>9,886,554</u>
	<u>\$ 25,942,749</u>

The Association accounts for investments at fair value as required by generally accepted accounting principles. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The valuation techniques are required to maximize the use of observable inputs and minimize the use of unobservable inputs.

There are three general valuation techniques that may be used to measure fair value, as described below:

- *Market approach* - Uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities.

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Notes To Consolidated Financial Statements (*Continued*)

- *Cost approach* - Based on the amount that currently would be required to replace the service capacity of an asset.
- *Income approach* - Uses valuation techniques to convert future amounts to a single present amount based on current market expectations about the future amounts.

Investments measured and reported at fair value are classified and disclosed in one of the following three categories:

- Level 1* Quoted prices that are readily available in active markets/exchanges for identical investments.
- Level 2* Pricing inputs other than quoted prices included within Level 1 that are observable for the investment, either directly or indirectly.
- Level 3* Significant pricing inputs that are unobservable for the investment and includes investments for which there is little, if any, market activity for the investment.

The following are the major categories of assets measured at fair value on a recurring basis during the years ended December 31, 2025:

	Level 1	Level 2	Level 3	Total
Common stocks	\$ 8,445,504	\$ —	\$ —	\$ 8,445,504
Real estate investment trusts	99,182	—	—	99,182
Mutual funds:				
Loan participation funds	626,524	—	—	626,524
Multi-sector bond	1,765,267	—	—	1,765,267
Intermediate core-plus bond	1,164,963	—	—	1,164,963
Short government	633,259	—	—	633,259
Sector equity funds	421,812	—	—	421,812
Real estate	396,589	—	—	396,589
Energy limited partnerships	433,205	—	—	433,205
Fixed income securities:				
Treasury notes	—	1,288,582	—	1,288,582
Treasury bills	—	290,722	—	290,722
Government agency bonds	—	996,871	—	996,871
Corporate bonds	—	7,310,379	—	7,310,379
	\$ 13,986,305	\$ 9,886,554	\$ —	\$ 23,872,859

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Notes To Consolidated Financial Statements (*Continued*)

The Level 2 assets utilize the following valuation techniques and inputs:

Fixed income securities: The fair values of investments in fixed income securities are primarily determined using techniques that are consistent with the market approach. Significant observable inputs include benchmark yields, reported trades, observable broker-dealer quotes, issue spreads, and security specific characteristics, such as early redemption options.

During 2025, there were no changes in the methods and/or assumptions utilized to derive the fair value of the Association's assets.

4. Property And Equipment

Property and equipment consist of the following at December 31, 2025:

Furniture, equipment and software	\$ 872,647
Leasehold improvements	930,181
	<u>1,802,828</u>
Less: Accumulated depreciation and amortization	<u>(1,621,855)</u>
	<u><u>\$ 180,973</u></u>

5. Commitments

Lease Commitments

The Association has two operating leases for office space, which expire during 2027. As further described in Note 2, one of these operating leases is subleased to another tenant. The leases both include a renewal option for one successive rental period. As of December 31, 2025, the Association has not included this renewal period in the term when determining the ROU asset and lease liability as management is not reasonably certain if such renewal will be exercised. Accordingly, only the initial term was included in the lease term when calculating the ROU asset and lease liability with respect to the office space leases. The leases include escalating rents, which are reported as a reduction of the ROU asset as of December 31, 2025.

Subsequent to year end, management did elect to exercise the renewal option.

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Notes To Consolidated Financial Statements (*Continued*)

Rent expense was \$355,422 and variable lease costs were \$203,303 for the year ended December 31, 2025, which are included in occupancy expenses on the consolidated statement of functional expenses.

The reconciliation of the undiscounted cash flows for the remaining term of the lease liabilities recorded on the consolidated statement of financial position is as follows:

2026	\$	399,029
2027		<u>242,157</u>
Total minimum lease payments		641,186
Less: Amount of lease payments representing interest		<u>19,722</u>
Present value of minimum lease payments		621,464
Less: Current portion		<u>391,808</u>
Noncurrent lease liabilities	\$	<u>229,656</u>

Cash Flow Information:

Cash paid for operating leases included in operating activities	\$	387,570
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Other Information:

Weighted-average remaining term - operating leases	1.63 years
Weighted-average discount rate - operating leases	1.91%

Debt Commitments

The Association has margin account borrowings available with its investment broker. As of December 31, 2025, no balance was outstanding on the margin loan. No borrowings were made from the margin loan during 2025. Any margin borrowing bears interest at 4.6% at December 31, 2025. Investments and cash held at the investment broker serve as collateral on the margin borrowings.

Other Commitments

The Association has a conference management agreement for services related to the preparation and coordination of the 2026 through 2028 World Conferences. The minimum annual management fee due under the agreement is \$275,000 for up to 4,000 registrants with \$70 due per additional registrant over 4,000. In addition, the management of any other conference or meeting, the minimum management fee is \$66,500 for up to 500 registrants with \$133 due per additional registrant over 500.

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Notes To Consolidated Financial Statements (*Continued*)

Subsequent to year end, the Association entered into a contract for website redesign in the next year in the amount of approximately \$272,000.

6. Employee Retirement Plan

The Association's full-time employees who met the eligibility requirements may participate in a 401(k) retirement plan. Eligible employees may contribute up to 60% of their base salary, subject to certain limitations. The Association may make discretionary matching contributions and has elected to match 200% of each employee's deferrals up to 5% of that employee's compensation. For the year ended December 31, 2025, employer contributions were \$412,628 and are included in payroll and benefits on the consolidated statement of functional expenses.

7. Liquidity And Availability Of Resources

The Association has the following financial assets available for general expenditures in the next year, which represent the Association's financial liquidity in the upcoming year before factoring in the Association's obligations already committed as of year end:

Cash and cash equivalents	\$ 7,598,377
Accounts receivable and promises to give	1,633,950
Investments	<u>25,942,749</u>
Total liquid assets	35,175,076
Less amounts not available for general expenditure:	
Net assets with donor restrictions	1,145,188
Net assets with board designations	<u>3,078,743</u>
	<u>4,223,931</u>
Financial Assets Available To Meet General Expenditures Over The Next Year	<u><u>\$ 30,951,145</u></u>

The Association regularly monitors liquidity required to meet its operating needs and contractual commitments, while also striving to maximize the investment of its available funds. This approach provides the Association with the financial flexibility to support its mission-driven activities including conferences, education and scientific research independent of the individual financial performance of each program.

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Notes To Consolidated Financial Statements (*Continued*)

As part of its liquidity management plan, the Association invests excess cash in short-term investments included within cash equivalents on the consolidated statement of financial position. In addition, all of the Association's investments can be readily liquidated to support the Association's programmatic initiatives.

8. Prior-Period Adjustment

The Association has identified an error related to the recognition of revenue before the underlying performance obligation or condition was met, resulting in revenue being recognized in the wrong period, which has resulted in an adjustment to beginning net assets as of January 1, 2025. In addition, beginning net assets were also restated to capture prior donor-restricted contributions in the proper net asset class. As a result, as of January 1, 2025, to reflect these corrections, \$6,526,295 of beginning net assets have been adjusted due to errors related to revenue recognized in previous years, deferred revenue and refundable advances have been increased by \$6,526,295, net assets without donor restrictions have been decreased by \$232,441 and net assets with donor restrictions have been decreased by \$6,293,854. This would have also decreased the consolidated change in net assets for the year ended December 31, 2024 by approximately \$1,405,000.