

**INTERNATIONAL ASSOCIATION FOR THE STUDY OF LUNG CANCER
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015
WITH
INDEPENDENT AUDITOR'S REPORT**

INDEPENDENT AUDITOR'S REPORT

The Board of Directors of the International Association for the Study of Lung Cancer

We have audited the accompanying consolidated financial statements of the International Association for the Study of Lung Cancer and the IASLC Foundation (together the "Association"), which comprise the consolidated statement of financial position as of December 31, 2016 and 2015, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Association as of December 31, 2016 and 2015, and the consolidated changes in their net assets and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Denver, Colorado
August 20, 2018

Causesy Demgert Moore P.C.

INTERNATIONAL ASSOCIATION FOR THE STUDY OF LUNG CANCER
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

December 31, 2016 and 2015

<u>Assets</u>	<u>2016</u>	<u>2015</u>
Current assets:		
Cash and cash equivalents	\$ 8,439,509	\$ 6,272,818
Restricted cash (Note 2)	3,995,836	4,453,614
Accounts receivable	350,217	374,201
Accounts receivable, World Conference	1,226,844	204,374
Inventory	37,181	24,400
Prepaid expenses and other	<u>218,789</u>	<u>329,426</u>
Total current assets	14,268,376	11,658,833
Property and equipment, at cost:		
Furniture, equipment and software	487,574	315,148
Leasehold improvements	<u>398,061</u>	<u>95,338</u>
	885,635	410,486
Less accumulated depreciation	<u>(372,200)</u>	<u>(258,367)</u>
Net property and equipment	513,435	152,119
Other assets:		
Investments in marketable securities (Notes 3 and 5)	5,067,375	4,812,295
Prepaid expenses and other (Note 4)	<u>125,398</u>	<u>141,926</u>
Total other assets	<u>5,192,773</u>	<u>4,954,221</u>
Total assets	<u>\$ 19,974,584</u>	<u>\$ 16,765,173</u>
<u>Liabilities and Net Assets</u>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 1,581,613	\$ 357,390
Due to related party local organization for share of World Conference surplus	<u>317,924</u>	<u>347,924</u>
Total current liabilities	1,899,537	705,314
Commitments (Note 4)		
Net assets:		
Unrestricted	14,079,211	11,606,245
Temporarily restricted (Note 2)	<u>3,995,836</u>	<u>4,453,614</u>
Total net assets	<u>18,075,047</u>	<u>16,059,859</u>
Total liabilities and net assets	<u>\$ 19,974,584</u>	<u>\$ 16,765,173</u>

See accompanying notes.

INTERNATIONAL ASSOCIATION FOR THE STUDY OF LUNG CANCER
CONSOLIDATED STATEMENT OF ACTIVITIES
For the Years Ended December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Changes in unrestricted net assets:		
Unrestricted support:		
Meeting income (Note 4)	\$ 12,041,755	\$ 11,994,088
Fellowships	402,500	340,000
Web seminars	160,000	222,142
Publications	1,745,398	1,460,938
Membership dues	645,214	704,047
Other	<u>107,851</u>	<u>21,769</u>
Total unrestricted support	15,102,718	14,742,984
Other unrestricted revenues (losses):		
Foreign currency loss	(165,986)	(83,372)
Net realized and unrealized gain (loss) on investments	204,862	(229,899)
Investment income	<u>104,971</u>	<u>130,557</u>
Total other unrestricted revenues (loss), net	<u>143,847</u>	<u>(182,714)</u>
Total unrestricted support and other revenues	15,246,565	14,560,270
Expenses:		
General and administrative (Note 4)	2,651,164	1,728,318
Fellowship	460,000	340,000
Meeting (Note 4)	7,826,021	7,953,445
Committees	467,603	272,488
Web seminar expense	166,678	127,133
Publications	1,139,209	877,593
Investment expenses (Note 3)	<u>62,924</u>	<u>70,829</u>
Total expenses	<u>12,773,599</u>	<u>11,369,806</u>
Increase in unrestricted net assets	2,472,966	3,190,464
Changes in temporarily restricted net assets:		
Corporate contributions	1,484,739	3,592,368
Reclassifications - net assets released from restrictions	<u>(1,942,517)</u>	<u>(2,704,766)</u>
Increase (decrease) in temporarily restricted net assets	<u>(457,778)</u>	<u>887,602</u>
Increase in net assets	2,015,188	4,078,066
Net assets at beginning of year	<u>16,059,859</u>	<u>11,981,793</u>
Net assets at end of year	<u>\$ 18,075,047</u>	<u>\$ 16,059,859</u>

See accompanying notes.

INTERNATIONAL ASSOCIATION FOR THE STUDY OF LUNG CANCER
CONSOLIDATED STATEMENT OF CASH FLOWS
For the Years Ended December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Cash flows from operating activities:		
Increase in net assets from operating activities	\$ 2,015,188	\$ 4,078,066
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	113,834	82,447
Net realized and unrealized (gain) loss on investments	(204,862)	229,899
Changes in assets and liabilities:		
Accounts receivable	(998,486)	873,914
Inventory	(12,781)	174,475
Prepaid expenses and other	127,165	(74,489)
Accounts payable and accrued expenses	1,224,223	(202,491)
Due to related party local organization	<u>(30,000)</u>	<u>347,924</u>
Net cash provided by operating activities	2,234,281	5,509,745
Cash flows from investing activities:		
Acquisition of equipment	(475,150)	(14,896)
Net sales (purchases) of investments	<u>(50,218)</u>	<u>(543,354)</u>
Net cash used in investing activities	<u>(525,368)</u>	<u>(558,250)</u>
Net increase in cash, cash equivalents and restricted cash	1,708,913	4,951,495
Cash, cash equivalents and restricted cash- beginning of year	<u>10,726,432</u>	<u>5,774,937</u>
Cash, cash equivalents and restricted cash - end of year	<u>\$ 12,435,345</u>	<u>\$ 10,726,432</u>
Cash	\$ 8,439,509	\$ 6,272,818
Restricted cash	<u>3,995,836</u>	<u>4,453,614</u>
Cash, cash equivalents and restricted cash - end of year	<u>\$ 12,435,345</u>	<u>\$ 10,726,432</u>
Supplemental disclosure of cash flows:		
Cash paid for interest	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes.

INTERNATIONAL ASSOCIATION FOR THE STUDY OF LUNG CANCER
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the years ended December 31, 2016 and 2015

1. Basis of presentation and summary of significant accounting policies

The International Association for the Study of Lung Cancer ("IASLC") was organized under the laws of Colorado as a nonprofit corporation in December 2003. IASLC was founded in 1972, for the purpose of promoting the study of etiology, the epidemiology, the prevention, the diagnosis, the treatment and all other aspects of lung cancer and to disseminate information about lung cancer to the members of the IASLC, to the medical community at large, and to the public.

On August 14, 2013, the Association formed the IASLC Foundation (the "Foundation") and is the sole voting member. The Executive Committee of IASLC is the initial board of the IASLC Foundation. On August 29, 2014 the IRS approved its tax-exempt status under the provision of Internal Revenue Code Section 501(c)(3). Through December 31, 2014, the Foundation was inactive. During 2015, the Foundation commenced operations and has been consolidated in the accompanying financial statements. IASLC and the Foundation are herein collectively referred to as the "Association". All intercompany balances and activity have been eliminated in the accompanying financial statements.

Support and expenses:

Unrestricted support contributions received are measured at their fair values and are reported as an increase in net assets. The Association reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activity as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support. The Board of Directors' policy for fellowship grants received is to apply the grants received in one year to fellowships awarded in the next calendar year, unless otherwise indicated by the grantor.

Expenses are recorded when incurred in accordance with the accrual basis of accounting.

Use of estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. These estimates affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents:

The Association considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

INTERNATIONAL ASSOCIATION FOR THE STUDY OF LUNG CANCER
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the years ended December 31, 2016 and 2015

1. Basis of presentation and summary of significant accounting policies (continued)

Concentration of credit risk:

Financial instruments which potentially subject the Association to credit risk consist principally of cash and accounts receivable. The Association places its cash with a high quality financial institution. At December 31, 2016 and 2015 and at various times during the years then ended, the balance exceeded the FDIC insurance limit.

Risks and uncertainties

The Association holds various investment securities. Investments securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in the values of investments will occur in the near term and those changes could materially affect the account balances and the amounts reported in the Consolidated Statement of Financial Position and the Consolidated Statement of Activities.

Accounts receivable:

The Association considers accounts receivable to be fully collectible, accordingly, no allowance for doubtful accounts is required. At December 31, 2016 and 2015, \$141,584 and \$0, respectively, of accounts receivable is more than 90 days past due.

Pledges receivable:

There were no unconditional promises to give (pledges receivable) as of December 31, 2016 and 2015, respectively, related to fellowships.

Inventory:

Inventory consists of costs incurred in preparing and publishing a textbook. The inventory is stated at the lower of cost or net realizable value. During the years ended December 31, 2016 and 2015, the Association recorded write downs of the inventory of \$25,000 and \$146,106, respectively.

Investments in marketable securities:

At the end of the year, investments are recorded at fair value in the consolidated statement of financial position and realized and unrealized gains and losses are recorded in the consolidated statement of activities. Investments in common stocks, bonds and mutual funds are based on quoted market prices. The investment in the alternative investment is based on the net asset value per share of the fund which is stated at fair value of the underlying assets.

INTERNATIONAL ASSOCIATION FOR THE STUDY OF LUNG CANCER
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the years ended December 31, 2016 and 2015

1. Basis of presentation and summary of significant accounting policies (continued)

Foreign currency translation:

The consolidated financial statements are presented in US dollars. Liquid funds denominated in foreign currencies are translated to US dollars at the closing rate.

Membership dues:

Membership dues are stated on the basis of the actual payments, an accrual for membership fees receivable is made only when prior year dues have been received in the following year.

Advertising costs:

All costs relating to marketing and advertising are expensed in the period incurred. Advertising expense for the years ended December 31, 2016 and 2015 amounted to \$117,194 and \$14,039, respectively.

Income taxes:

The Association has received a determination from the Internal Revenue Service (IRS) to be exempt from federal income taxes under the provision of Internal Revenue Code Section 501(c)(3). Accordingly, no provision for income taxes has been made.

The Association has adopted guidance on accounting for uncertainty in income taxes. After evaluating the tax positions taken, none are considered to be uncertain; therefore, no amounts have been recognized as of December 31, 2016 and 2015. The Association is no longer subject to U.S. Federal income tax examinations for years prior to 2013.

Property and equipment:

Property and equipment are recorded and are depreciated using the straight-line method over the following estimated useful lives of the related assets:

Furniture, equipment and software	3-5 years
Leasehold improvements	Lease term

Adoption of new accounting standard:

In May 2015, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2015-07, "Fair Value Measurement (Topic 820): Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)". ASU 2015-07 removes the requirement to categorize within the fair value hierarchy investments for which fair values are estimated using the net asset value practical expedient provided by Accounting Standards Codification 820, Fair Value Measurement. Disclosures about investments in certain entities that calculate net asset value per share are limited under ASU 2015-07 to those investments for which the entity has elected to estimate the fair value using the net asset value

INTERNATIONAL ASSOCIATION FOR THE STUDY OF LUNG CANCER
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the years ended December 31, 2016 and 2015

1. Basis of presentation and summary of significant accounting policies (continued)

practical expedient. ASU 2015-07 requires retrospective application and is effective for fiscal years beginning after December 15, 2015. The Association adopted the provisions of this new standard and the notes to the consolidated financial statements reflect such adoption.

2. Temporarily restricted net assets

Amounts included in restricted cash represent those funds set aside by agreement with the donor and corresponds with the amount of temporarily restricted net assets. Temporarily restricted net assets are available for the following specific program services as of December 31:

	<u>2016</u>	<u>2015</u>
Fellowships	\$ 399,166	\$ 396,165
Web seminars	164,915	280,915
Meetings	248,500	322,400
Smartphone application	-	59,091
World conference	153,570	704,600
JTO	1,500,000	1,750,000
Other	825,847	443,767
Membership	461,963	496,676
Foundation	<u>241,875</u>	<u>-</u>
	<u>\$ 3,995,836</u>	<u>\$ 4,453,614</u>

3. Investments in marketable securities

Investments in marketable securities consisted of the following at December 31, 2016 and 2015, respectively:

	<u>2016</u>	<u>2015</u>
Common stocks	\$ 2,636,536	\$ 2,453,112
Corporate bonds	179,736	172,328
Government bonds	510,756	534,382
Mutual funds and ETF's	1,058,603	968,917
Cash deposits	104,486	102,666
Alternative investments	<u>577,258</u>	<u>580,890</u>
	<u>\$ 5,067,375</u>	<u>\$ 4,812,295</u>

Investment expenses amounted to \$62,924 and \$70,829 for the years ended December 31, 2016 and 2015, respectively.

INTERNATIONAL ASSOCIATION FOR THE STUDY OF LUNG CANCER
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the years ended December 31, 2016 and 2015

4. Commitments

In September 2013, the Association entered into a cancelable service agreement with the Regents of The University of Colorado, a body corporate, acting on behalf of the Cancer Center, University of Colorado School of Medicine ("CU") and University Physicians, Inc. ("UPI"). Under the agreement, CU and UPI allow the Chief Executive Officer of the Association to provide services and as much time and effort as are reasonably needed for the proper conduct of such services for him and support staff assistance. Under the agreement, the Association agreed to partially reimburse UPI, a portion of the salary of the Chief Executive Officer. For the years ended December 31, 2016 and 2015, the Association reimbursed UPI \$319,650 and \$319,520, respectively, for a portion of the salary of the Chief Executive Officer.

The Association has entered into a cancelable Conference Management Agreement for services related to the preparation and coordination of the 2013, 2015, 2016, 2017, 2018 and 2019 conferences. Minimum management fees due under the agreement for the 2013 conference was \$370,000 with an inflation increase, not to exceed 3% per year, for 2015 through 2019, plus an additional fee for attendees in excess of an agreed upon number each year. During 2016 and 2015, the Association paid management fees of \$537,333 and \$528,330, respectively.

Effective January 1, 2013, the Association entered into a cancelable Editor-in-Chief agreement with an individual (the "Editor"). Under the agreement, the Editor will provide his services as Editor-in-Chief of the "Journal of Thoracic Oncology" (the "Journal") published by the Association. The Editor is primarily responsible for control of the editorial policy and scientific content of the Journal. For the years ended December 31, 2016 and 2015, in accordance with the agreement, the Association paid the Editor \$100,000 each year which amount will be adjusted as the parties mutually agree through the term of the agreement which expires December 31, 2017.

On November 21, 2014, the Association entered into a publishing agreement with a Publisher to publish the Journal. The Association received an up-front payment of \$1,750,000 in 2015 and will receive royalties of 45% of the Publisher's revenues from the Journal. Certain financial guarantees are included in the agreement which the Association expects will generate approximately \$500,000 in net revenue per year.

In August 2011, the Association entered into an office space lease for a ten-year period, which commenced on December 1, 2011 and terminates November 30, 2021. In November 2015, the lease was extended to November 30, 2025. Monthly rental payments escalate periodically over the term of the lease and range from approximately \$12,292 to \$15,274 from lease inception to termination, respectively. The Association paid a security deposit of \$12,818 related to this lease. The Association is responsible for 3.37% of excess operating expenses, as defined in the lease agreement. Future minimum cash payments are as follows:

INTERNATIONAL ASSOCIATION FOR THE STUDY OF LUNG CANCER
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the years ended December 31, 2016 and 2015

4. Commitments (continued)

For the year ending December 31,		
2017	\$	150,699
2018		153,713
2019		156,787
2020		159,923
2021		163,257
Thereafter		687,764
	\$	1,472,143

5. Fair value measurements

Financial Accounting Standards Board (FASB) *Accounting Standards Codification* (ASC) 820, *Fair Value Measurements and Disclosures*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are described below:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Association has the ability to access.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

INTERNATIONAL ASSOCIATION FOR THE STUDY OF LUNG CANCER
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the years ended December 31, 2016 and 2015

5. Fair value measurements (continued)

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2016 and 2015.

Investments in common stocks, bonds and mutual funds are based on quoted market prices.

Investments in alternative investments are based on the net asset value per share of the funds which are stated at the fair value of the underlying assets some of which the Association does not have the ability to fully redeem its investment at net asset value as of the measurement date or within the near term.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Association believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Association's assets at fair value as of December 31, 2016:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Common stocks and mutual funds:				
Consumer discretionary	\$ 361,694	\$ -	\$ -	\$ 361,694
Consumer staples	98,743	-	-	98,743
Energy	231,630	-	-	231,630
Financials	381,809	-	-	381,809
Health care	381,671	-	-	381,671
Industrials	351,703	-	-	351,703
Information technology	530,379	-	-	530,379
Materials	100,008	-	-	100,008
Telecommunication services	91,732	-	-	91,732
Utilities	42,512	-	-	42,512
Other	<u>64,655</u>	<u>-</u>	<u>-</u>	<u>64,655</u>
Total common stocks	2,636,536	-	-	2,636,536
Fixed income	794,978	-	-	794,978
Mutual funds, fixed income	<u>1,058,603</u>	<u>-</u>	<u>-</u>	<u>1,058,603</u>
Total investments in the fair value hierarchy	4,490,117	-	-	4,490,117
Investments measured at net asset value (1)	<u>-</u>	<u>-</u>	<u>-</u>	<u>577,258</u>
Investments at fair value	<u>\$ 4,490,117</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,067,375</u>

INTERNATIONAL ASSOCIATION FOR THE STUDY OF LUNG CANCER
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the years ended December 31, 2016 and 2015

5. Fair value measurements (continued)

The following table sets forth by level, within the fair value hierarchy, the Association's assets at fair value as of December 31, 2015:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Common stocks and mutual funds:				
Consumer discretionary	\$ 435,907	\$ -	\$ -	\$ 435,907
Consumer staples	72,048	-	-	72,048
Energy	133,265	-	-	133,265
Financials	374,162	-	-	374,162
Health care	366,192	-	-	366,192
Industrials	336,609	-	-	336,609
Information technology	495,066	-	-	495,066
Materials	31,320	-	-	31,320
Telecommunication services	111,341	-	-	111,341
Utilities	66,493	-	-	66,493
Other	<u>30,709</u>	-	-	<u>30,709</u>
Total common stocks	2,453,112	-	-	2,453,112
Fixed income	809,376	-	-	809,376
Mutual funds, fixed income	<u>968,917</u>	-	-	<u>968,917</u>
Total investments in the fair value hierarchy	4,231,405	-	-	4,231,405
Investments measured at net asset value (1)	-	-	-	<u>580,890</u>
Investments at fair value	<u>\$ 4,231,405</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,812,295</u>

The following tables summarize investments for which fair value is measured using the net asset value per share expedient as of December 31, 2016 and 2015:

	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption frequency</u>	<u>Redemption notice period</u>
December 31, 2016				
Alternative investments	<u>\$ 577,258</u>	n/a	Daily	n/a
Investments measured at net asset value (1)	<u>\$ 577,258</u>			
December 31, 2015				
Alternative investments	<u>\$ 580,890</u>	n/a	Daily	n/a
Investments measured at net asset value (1)	<u>\$ 580,890</u>			

INTERNATIONAL ASSOCIATION FOR THE STUDY OF LUNG CANCER
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the years ended December 31, 2016 and 2015

5. Fair value measurements (continued)

(1) In accordance with Subtopic 820-10, certain investments that were measured at net asset value per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the consolidated statement of financial position.

6. Employee benefit plan

The Association has a 401(k) retirement savings plan ("the Plan") pursuant to which eligible employees may defer compensation for income tax purposes. Participation in the Plan is available to full-time employees who meet eligibility requirements. Eligible employees may contribute up to 60% of their base salary, subject to certain limitations. Association discretionary matching contributions to the Plan may be made as described in the Plan documents and for 2016 and 2015, the Association elected to match employee deferrals up to 7% of compensation. For the years ended December 31, 2016 and 2015, respectively, the Association contributed \$51,513 and \$33,894 to the Plan.

7. Subsequent events

The Association has evaluated all subsequent events from December 31, 2016 through August 20, 2018, which is the date the financial statements were available for issuance. There has been no material events noted in this period which would impact the results reflected in this report, the Association's results going forward or require additional disclosure.