When Martin Luther King, Jr. told us of his dream in 1963, he opened the door to hope for millions of people who were able to envision, through his words, a world different from the one they experienced each day.

This year, The Leukemia & Lymphoma Society emulated Dr. King’s great example by daring to dream of a new world for families affected by blood cancers — in which a transformed healthcare landscape produces outcomes for patients breathtakingly better than the ones they now experience.

The Society’s North Star 2015 Vision describes a future we aspire to create by the year 2015. It will guide our decision making and activities between now and then, serving as a critical milestone to be reached in the pursuit of our mission.

This year’s annual report will, as always, give an account of the fiscal year just completed. It will also provide insights and glimpses into the future to which we aspire for blood cancer patients and their families, as depicted in the North Star 2015 Vision. The vision is ambitious, setting we believe, the necessary goals for the years that lie ahead.
Soon after moving to Atlanta, Thomas visits a new physician for a routine physical exam. He receives unexpected news: He has multiple myeloma.

In 2015, the diagnosis, while unwelcome, comes with prompt identification of options and recommendations. Advances in medical informatics allow Thomas' physician to access his entire medical history securely and in seconds.

Treatment options are quickly identified: A new vaccine is being tested in a Phase III clinical trial specially designed for older myeloma patients. Other clinical trial options are available as backups. Also, a newly approved oral, targeted therapy allows patients to manage their disease as a chronic illness, with little pain or disruption to their normal lifestyle. The Society’s streamlined services arm Thomas with information to help him choose the best available option and help him obtain reimbursement for treatment.

Outcome: Thomas J. gets to live beyond his 70s with a high quality of life. His family gets to keep their grandpa.

Welcome to the World of 2015

In 2015, the majority of patients with blood cancer are either cured or able to manage their condition with good quality of life. In some cases, diseases may be prevented.

Effective treatments, information, resources and support are widely accessible and patients are aware of them, enabling patients, their families and caregivers to cope effectively throughout their cancer journeys.

Myeloma 2015

Meet Thomas J.
Cathy has options

Good options. Cathy thinks she has the flu. She has some swollen lymph glands, a fever. Nothing to be too concerned about. But when symptoms persist, tests indicate non-Hodgkin lymphoma (NHL). Cancer.

The Society’s easy-to-navigate information systems help Cathy review treatment options, which help inform her discussions with her oncologist. She considers an individualized oral therapy that combines three drugs targeted to the genetic flaws that caused her cancer; and an allogeneic transplant with stem cells donated by her sister. After making her decision, the Society puts her in touch with other patients who have undergone the same treatment.

Outcome: Six months after choosing the oral treatment, and never having missed a day of work, Cathy is feeling well, she’s optimistic and she and her family are living their lives together with a heightened appreciation for each day.
Before his birth in Brazil in 2015, there was a plan to keep new baby Davi from suffering the fate of a maternal uncle who had died of acute lymphocytic leukemia (ALL), and his brother, who had died years before, also from ALL. Genetic testing shortly after he was born showed that Davi carried the ALL predisposition.

His doctors had access to an information network for collaborating physicians, institutions and organizations around the world. They learned of a new therapeutic agent, discovered by a Society researcher, that was extremely effective in preventing onset of acute leukemia in predisposed children. Davi received the therapy that prevented him from ever getting ALL.

Outcome: Davi, 13 years after his diagnosis, is a healthy and vibrant teenager who does well in school and has a perfect attendance record.
Research

Dedicated Society-funded researchers accomplished a great deal this year. Among the achievements:

**Teaching Cells to Rebuild Immune Systems in Myeloma Patients:** Specialized Center of Research (SCOR) leader Carl June, M.D., University of Pennsylvania Abramson Family Cancer Research Center, and his team worked on innovative immunotherapeutic techniques that are likely to reduce post-transplant infections, which threaten up to 40 percent of stem cell transplant patients. Their work also validates the development of immunotherapy to induce effective anti-tumor responses that could eradicate minimal residual disease and lead to cures.

**Using Antibodies to Deliver Radiation Directly to Leukemia and Lymphoma Cells:** Another SCOR team led by Irwin D. Bernstein, M.D., Fred Hutchinson Cancer Research Center, is using a technique called radioimmunotherapy to eliminate the need for high-dose, whole-body chemotherapy or radiotherapy prior to stem cell transplantation. Results to date suggest that leukemia and lymphoma patients, including those who are not candidates for standard transplants, will benefit from this less toxic treatment.

**Killing Cancer Cells by Inhibiting Molecules on Which They Depend:** Society-funded researchers Robert Orlowski, M.D., Ph.D., Lineberger Comprehensive Cancer Center, University of North Carolina at Chapel Hill; and Owen O’Connor, M.D., Ph.D., Memorial Sloan-Kettering Cancer Center, are working on the application of the targeted drug Velcade® (currently approved for treating relapsed myeloma patients) for some types of NHL, with promising results. These investigators are also testing Velcade in combination with conventional drugs. Favorable preliminary findings are expected to lead to additional applications for other blood cancers as well as in the broader cancer arena.

Four new and two renewal SCOR grants were awarded during fiscal year 2006, increasing to 15 the number of these large-scale, multi-disciplinary, collaborative programs.

Canada
This year the major focus was on growth through new fundraising programs, services for patients and an additional office location:

- The Canadian patient services program officially got underway by providing patient services managers in the Western Region and Greater Toronto Area.
- Successful startup programs of Team In Training®, Light The Night® Walk and School & Youth™ Programs were implemented.
- Plans got underway for a new office in Montreal, Quebec.

Advocacy

Society advocates continued to make important contributions this year. Significant milestones included:

- For the third consecutive year, Society advocacy has secured funding for blood cancer education at the Centers for Disease Control and Prevention. To date, the Society has received almost $1 million in funding from this program to reach elderly and underserved blood cancer patients.
- **Society advocates speaking up for patients now number more than 36,000, enhancing the patient voice for research and quality care.**

- For the fifth consecutive year, Society advocacy has secured $5 million in blood cancer research funding through the U.S. Department of Defense. Almost $25 million has now been provided for this program.

Patient Services

This year, the Society made 4.2 million contacts with patients, caregivers and healthcare professionals. The audience we serve has grown substantially in recent years as we reach out to provide information and support in more national and chapter-based programs and service venues.

- **Information is available for free:**
  - By phone or email, from the Society’s professional staff at the Information Resource Center, (800) 955-4572, (infocenter@lls.org)
  - On the Internet at www.LLS.org
  - Through teleconferences and Webcasts on blood cancers, treatment options and all aspects of the cancer journey, archived for ongoing use

- **Support services are available through the Society’s 66 chapters in the United States and Canada.**

- **Chapter-based programs in 2006 reached 41,000 patients and caregivers. New programs included:**
  - Paving the Way to Progress: Clinical Trials in Blood Cancers
  - Meet the Expert on Non-Hodgkin Lymphoma
  - Exploring Myeloma
  - Breaking the Age Barrier: Getting the Best Cancer Treatment

Grants for fiscal year 2006 were $61.6 million, bringing our cumulative research investment to $486 million.
The Society’s signature fundraising event continued its steady growth, with 35,000 participants raising $114 million as they trained for marathons, 100-mile cycle rides and triathlons. TNT also surpassed a major milestone during the year, as the number of participants trained over its history reached 305,000. The Society salutes and thanks the loyal TNT alumni whose fundraising support has given new meaning to the field of endurance sports events.

Light The Night

Thousands of people in 250 communities in the United States and Canada participated in a Light The Night Walk event in fiscal year 2006, raising nearly $27 million to help advance the Society’s mission. These friends, families and corporate teams have earned a special place in the heart of the Society, and we extend our gratitude to each one of them for their efforts on behalf of patients everywhere who are battling blood cancer.

In its seventh year, Light The Night Walk has raised a cumulative total of $110 million for cancer research and services for patients.
School & Youth

Students across the country raised more than $15 million and demonstrated the collective power of kids to make a large impact on the search for cures for cancer. This was the program’s biggest year ever!

Nearly 19 percent of all U.S. (K-12) schools were recruited by the Society’s School & Youth Programs this year.

Donor Development

The Society relies on generous donors to help make progress in the fulfillment of its mission. This year, major donors and members of the Society’s Legacy Circle were responsible for contributions totaling $31.5 million, exceeding goals and reflecting a 21-percent increase over fiscal year 2005. Our gratitude to these supporters runs deep and is given on behalf of more than 785,000 blood cancer patients and their families.

100% of restricted gifts from donors is used to advance the Society’s mission.
Research Grants*

2003

The Specialized Center of Research Program
University of New Mexico
Cheryl L. Willman, MD

University of Chicago
Tak Mak, PhD

Stanford University
Ronald Levy, MD

University of California, San Diego
Anthony Green, MD, PhD

Oregon Health & Science University
Riccardo Dalla-Favera, MD

University of Virginia
John Bushweller, PhD

University of Pennsylvania
Irwin D. Bernstein, MD

Frederick Alt, PhD

American Society for Clinical Research

Beck, The John and Frances Beck Family Foundation.

General Motors Corp.

Beck, The John and Frances Beck Family Foundation.

Research Grants

1 The Specialized Center of Research Program

2 The Specialized Center of Research Program

3 Dr. John Bushweller is funded in part by the Beck, The John and Frances Beck Family Foundation.

4 Dr. John Bushweller is funded in part by the Beck, The John and Frances Beck Family Foundation.

5 Dr. Irwin D. Bernstein is funded in part by the Beck, The John and Frances Beck Family Foundation.

6 Dr. Frederick Alt is funded in part by the Beck, The John and Frances Beck Family Foundation.

7 Dr. Anthony Green is funded in part by the Beck, The John and Frances Beck Family Foundation.

8 Dr. Richard Bernstein is funded in part by the Beck, The John and Frances Beck Family Foundation.

9 Dr. John Bushweller is funded in part by the Beck, The John and Frances Beck Family Foundation.

10 Dr. Irwin D. Bernstein is funded in part by the Beck, The John and Frances Beck Family Foundation.

11 Dr. Rupert C. Miller is funded in part by the Beck, The John and Frances Beck Family Foundation.

12 Dr. Anthony Green is funded in part by the Beck, The John and Frances Beck Family Foundation.

13 Dr. Irwin D. Bernstein is funded in part by the Beck, The John and Frances Beck Family Foundation.

14 Dr. Anthony Green is funded in part by the Beck, The John and Frances Beck Family Foundation.

15 Dr. Irwin D. Bernstein is funded in part by the Beck, The John and Frances Beck Family Foundation.

16 Dr. Anthony Green is funded in part by the Beck, The John and Frances Beck Family Foundation.

17 Dr. Irwin D. Bernstein is funded in part by the Beck, The John and Frances Beck Family Foundation.

18 Dr. Anthony Green is funded in part by the Beck, The John and Frances Beck Family Foundation.

19 Dr. Irwin D. Bernstein is funded in part by the Beck, The John and Frances Beck Family Foundation.

20 Dr. Anthony Green is funded in part by the Beck, The John and Frances Beck Family Foundation.
### Donors (continued)

<table>
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<tr>
<th>Sponsor Partnerships</th>
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<tr>
<td><strong>$1,000,000 and above</strong></td>
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<td><strong>Toyota</strong></td>
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<td>Southwestern Community Hospitals Health System</td>
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<td>Western Asset Management</td>
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<td>Windward Houses</td>
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<td><strong>$500,000 – $999,999</strong></td>
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<td><strong>Anson Inc.</strong></td>
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<td><strong>Celanese Corporation</strong></td>
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<td><strong>Novartis Oncology</strong></td>
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<td><strong>The Harri &amp; Jeanette Weinberg Foundation</strong></td>
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<td><strong>$100,000 – $499,999</strong></td>
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<td><strong>American Beverage</strong></td>
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<td><strong>Lance Armstrong Foundation</strong></td>
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<td><strong>Boeing</strong></td>
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<td><strong>Capitation Oncology</strong></td>
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<td><strong>Coca-Cola North America</strong></td>
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<td><strong>Finish Line</strong></td>
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<td><strong>General Motors Corp.</strong></td>
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<td><strong>Gents, Inc.</strong></td>
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<td><strong>Glasbein-Smiths</strong></td>
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<td><strong>The Jeff Gordon Foundation</strong></td>
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<td><strong>Lighthouse Charitable Foundation</strong></td>
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<td><strong>MCI Capital Corporation</strong></td>
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<td><strong>Mercedes-Benz USA, LLC</strong></td>
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<td><strong>Rogers Foundation</strong></td>
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<td><strong>Sarkisian Foundation</strong></td>
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<td><strong>William G. Rohrer Charitable Foundation</strong></td>
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<td><strong>Robin Charities</strong></td>
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<td><strong>Sun Pier Golf Tournament</strong></td>
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<td><strong>Surate Charitable Trust</strong></td>
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<td><strong>Phil and Terry Scherer</strong></td>
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<td><strong>The Schuman Foundation, Inc.</strong></td>
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<td><strong>The Sentinels Foundation</strong></td>
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<td><strong>Wetherill Family</strong></td>
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<td><strong>Wells Fargo Foundation</strong></td>
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<td><strong>Marvin Wanger</strong></td>
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<td><strong>Whitaker Brothers, Inc.</strong></td>
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<td><strong>The Whitaker Foundation</strong></td>
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<td><strong>Mrs. Mary Lou and Leona Simon Foundation</strong></td>
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<td><strong>Stacy Reck</strong></td>
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<td><strong>Robert M. Anderson</strong></td>
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<td><strong>Jack Moore Memorial Golf Tournament</strong></td>
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<td><strong>Sara Gilks Moore Foundation</strong></td>
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<td><strong>Merriam Levy Key Food Stores Foundation, Inc.</strong></td>
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<td><strong>Barbara and Jim Morrison</strong></td>
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<td><strong>MPD Foundation</strong></td>
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<td><strong>Matt and Jennifer Myers</strong></td>
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<td><strong>Thomas Names, The Names Family Foundation</strong></td>
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<td><strong>Berlin and Ruth Nartel Foundation</strong></td>
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<td><strong>National Philanthropic Trust</strong></td>
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<td><strong>The Netter Foundation, Inc.</strong></td>
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<td><strong>New York State Department of Health</strong></td>
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<td><strong>Nike Employee Matching Gift Program</strong></td>
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<td><strong>North Broward Hospital District Total</strong></td>
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<td><strong>Kohli Lefkoge and the Tony Lefkoge Foundation</strong></td>
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<td><strong>The Lehman Brothers Foundation</strong></td>
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<td><strong>Lehman Motors Volvo/Saab</strong></td>
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<td><strong>Carl H. Lindner, Jr.</strong></td>
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<td><strong>Bruce Luman</strong></td>
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<td><strong>Thomas J. Long Foundation</strong></td>
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<td><strong>Lawrence, Dworkin, Doctor</strong></td>
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<td><strong>Kanter and Reed, PA</strong></td>
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<td><strong>Rodger Lacey Memorial Foundation</strong></td>
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<td><strong>Mammoth Foundation</strong></td>
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<td><strong>Samuel P. Mandell Foundation</strong></td>
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<td><strong>Thomas Marano</strong></td>
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<td><strong>Stanley M. Marks, MD</strong></td>
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<td><strong>Marsh, Inc.</strong></td>
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<td><strong>Mr. and Mrs. Mark E. Mason</strong></td>
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<td><strong>Jefrey and Katrina Mayer</strong></td>
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<td><strong>Duncan and Lauren McFarren</strong></td>
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<td><strong>The Lael McHugh Foundation</strong></td>
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<td><strong>John McNiff</strong></td>
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<td><strong>Gary McLean</strong></td>
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</table>
The Legacy Circle honors those whose gifts have included the Society in an estate plan.

Laura M. Breise
William Boyd
Mart Bort
James Bolton
Robert H. and Janet Bohannon
Dennis Beardsley
Ryan Beagin
Ruth Bartlett
Thomas Chack
Hope Chesman
David Beem
Robert Chaven
Pauque R. and Nancy Chocel
Thomas Chock
Charles and Echoh Foster
Grant Fox
James Fox
Mr. and Mrs. James T. Fox
John Frank
Frank Pontes
John Fosing
Lee Morgan
Diana Cotter
Lois King
Ellen Coleman
Bruce and Carrie Collins
Katherine Wagen-Cook
Wayne Cup
Michael and Liz Copley
Susan Corson
Dr. Anthony Corinne
Matilda Cotter
Dana Cournial
Raymond Cox
Mr. and Mrs. Craig and Sanou Linsane
Marylyn C. Chohan
Michelle Connwell
Kathryn T. Chang
Lisa D’Agosto
Ettie Dall
Edmund D’Allelio
Pamela Dunn
Donald Durr
Judy Edlin
James Edlin
Robert D. Deveau
Carrie Deve
Ruth Dilson
David and Connie Dinkins
Barbara Diez
Kathleen Dricks
Julian Dodge Trust*
Burt Dodge
M. Dorothy Doodson
Joel Dooly
Harrie and Barbara Dunlap
John G. Dunn
Pegy and Margaret Dugasque Trust*
Timothy J. Dunn
Don Dunlap
Deborah Eddy
David Elledge
Edward Elkins
Alice Ellert
Larry Elston
Patricia Elston Trust*

Dr. Mark H. and Bette Elston
Dr. Mark H. and Bette Elston
David Eldridge
Tim Dwyer
Harry and Barbara Dunlap
Julian Dodge Trust
Kathleen Dirckx
Barbara Dimock
David and Connie Dimling
Paule Daum
Lydia D’Agosto
Kathleen T. Culhane
Marilyn J. Crohan
Dena Coukoulis
Michael and Liz Copley
Katherine Wagen-Cook
Wayne Cup
Michael and Liz Copley
Susan Corson
Dr. Anthony Corinne
Matilda Cotter
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Edward Elkins
Alice Ellert
Larry Elston
Patricia Elston Trust*

Dr. Mark H. and Bette Elston
Dr. Mark H. and Bette Elston
The Board of Directors
The Leukemia & Lymphoma Society, Inc.

We have audited the accompanying consolidated statement of financial position of The Leukemia & Lymphoma Society, Inc. (the Society) as of June 30, 2006, and the related consolidated statements of activities, cash flows, and functional expenses for the year then ended. These consolidated financial statements are the responsibility of the Society’s management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. The prior year summarized comparative information has been derived from the Society’s 2005 consolidated financial statements and, in our report dated September 30, 2005, we expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society’s internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of The Leukemia & Lymphoma Society, Inc. as of June 30, 2006, and the changes in its net assets and its cash flows for the year then ended in conformity with U.S. generally accepted accounting principles.

October 24, 2006
New York, NY
Consolidated Statement of Activities
The Leukemia & Lymphoma Society, Inc.
Year ended June 30, 2006
(with summarized totals for the year ended June 30, 2005)
(in thousands)

Revenue

<table>
<thead>
<tr>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Permanently Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Campaign contributions</td>
<td>$248,722</td>
<td>$16,762</td>
<td>$112</td>
</tr>
<tr>
<td>Less direct donor benefit costs</td>
<td>(38,556)</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Net campaign contributions</td>
<td>210,166</td>
<td>16,762</td>
<td>112</td>
</tr>
<tr>
<td>Legacies</td>
<td>2,707</td>
<td>38</td>
<td>–</td>
</tr>
<tr>
<td>Donated services (note 1)</td>
<td>4,896</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Net interest and dividend income (note 3)</td>
<td>3,724</td>
<td>64</td>
<td>–</td>
</tr>
<tr>
<td>Net increase in fair value of investments</td>
<td>1,374</td>
<td>108</td>
<td>56</td>
</tr>
<tr>
<td>Grant refunds</td>
<td>1,387</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Net assets released from restrictions</td>
<td>16,064</td>
<td>(16,064)</td>
<td>–</td>
</tr>
<tr>
<td>Total revenue</td>
<td>240,318</td>
<td>908</td>
<td>168</td>
</tr>
</tbody>
</table>

Expenses (note 8)

Program Services:

- Research | 63,570 | – | – | 63,570 | 54,037 |
- Patient and community service | 62,912 | – | – | 62,912 | 58,821 |
- Public health education | 35,078 | – | – | 35,078 | 32,598 |
- Professional education | 8,020 | – | – | 8,020 | 9,846 |
| Total program services | 169,580 | – | – | 169,580 | 155,382 |

Supporting Services:

- Management and general | 23,017 | – | – | 23,017 | 16,225 |
- Fund raising | 42,667 | – | – | 42,667 | 35,161 |
| Total supporting services | 65,684 | – | – | 65,684 | 51,386 |
| Total expenses | 235,264 | – | – | 235,264 | 206,688 |
| Excess of revenue over expenses | 5,054 | 908 | 168 | 6,130 | 11,877 |

The Leukemia & Lymphoma Society of Canada ("LLSC") net assets as of July 1, 2004 (note 1)

- Beginning of year | $59,574 | 4,495 | 2,663 | $66,732 | $51,459 |
- End of year | $84,828 | 5,403 | 2,631 | $72,862 | $66,732 |

Changes in net assets

- Change in net assets | 5,054 | 908 | 168 | 6,130 | 13,273 |

Net Assets

- Beginning of year | $59,574 | 4,495 | 2,663 | $66,732 | $51,459 |
- End of year | $84,828 | 5,403 | 2,631 | $72,862 | $66,732 |

See accompanying notes to consolidated financial statements.

Consolidated Statement of Cash Flows
The Leukemia & Lymphoma Society, Inc.
Year ended June 30, 2006
(with comparative amounts for the year ended June 30, 2005)
(in thousands)

Cash flows from operating activities:

- Change in net assets | $6,130 | $13,273 |
- Adjustments to reconcile change in net assets to net cash provided by operating activities:
  - Net assets of LLSC at merger | – | (1,396) |
  - Net increase in fair value of investments | (1,538) | (2,708) |
  - Permanently restricted revenue collected | (112) | (89) |
  - Depreciation and amortization | 1,246 | 1,186 |
| Net cash provided by operating activities | 19,802 | 28,005 |

Cash flows from investing activities:

- Purchases of fixed assets | (1,397) | (1,244) |
- Purchases of investments | (128,388) | (202,996) |
- Sales of investments | 112,960 | 158,310 |
| Net cash used in investing activities | (16,825) | (45,930) |

Cash flows from financing activities:

- LLSC cash at merger | – | 1,249 |
- Permanently restricted revenue collected | 312 | 89 |
| Net cash provided by financing activities | 112 | 1,338 |

Net increase (decrease) in cash and cash equivalents | 3,089 | (16,587) |
Cash and cash equivalents at beginning of year | 6,116 | 22,703 |
| Cash and cash equivalents at end of year | $9,205 | $6,116 |

See accompanying notes to consolidated financial statements.
Notes to Consolidated Financial Statements

The Leukemia & Lymphoma Society, Inc.
June 30, 2006
(with comparative totals as of and for the year ended June 30, 2005)

1. Organization and Significant Accounting Policies

Organization

The Leukemia & Lymphoma Society, Inc. (the “Society”) is an international not-for-profit health agency dedicated to seeking the cause and cure of leukemia, lymphoma, Hodgkin’s disease and myeloma and improving the quality of life of patients and their families. The Society’s principal activities include: awarding research grants; facilitating psychosocial support groups; providing financial aid to patients; answering phone requests for blood cancer information made to the Society’s Information Resource Center; and disseminating educational information about blood cancers in the form of publications, internet sites, conference calls and symposium sponsorship for both the medical community and the general public.

The Society entered into a merger agreement with Leukemia Research Fund Canada (“LRFC”), effective July 1, 2004, under which the Society has approval rights over all LRFC resolutions. As part of this agreement, the name of LRFC was changed to The Leukemia & Lymphoma Society of Canada, Inc. ("LLSC"). The merger was accounted for in accordance with purchase method concepts whereby a contribution of LLSC’s net assets (at fair value) was recorded by the Society.

Tax-Exempt Status

The Society qualifies as a charitable organization as defined by Internal Revenue Code Section 501(c)(3) and, accordingly, is exempt from federal income taxes under Internal Revenue Code Section 501(a). Additionally, since the Society is publicly-supported, contributions to the Society qualify for the maximum charitable contribution deduction under the Internal Revenue Code.

Permanently restricted net assets: Consist of funds that contain donor-imposed restrictions requiring that the principal be invested in perpetuity and that only the income be used. Income earned on these funds may be unrestricted or temporarily restricted, depending upon the donor-imposed restrictions.

Contributions and Deferred Revenue

Contributions are recorded as revenue, at their fair value, when received or promised unconditionally. Contributions received with donor restrictions that limit their use are reported as either temporarily or permanently restricted revenue. When a donor restriction is met through the passage of time or fulfillment of a purpose restriction, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Conditional contributions are recognized as revenue when the conditions have been substantially met.

Deferred revenue includes amounts received for special events that will be held subsequent to the fiscal year-end.

Donated Services

The Society has determined that certain of the donated services it receives meet the criteria for recognition in the financial statements. Specifically, the donated services of family support group facilitators and research grant reviewers have been valued and are reported as both revenue and expense.

Cash Equivalents

Cash equivalents consist of short-term investments with a maturity of three months or less from purchase date, except for amounts held for long-term purposes reported as investments.

Fixed Assets and Depreciation

Fixed assets, which consist principally of equipment and leasehold improvements, are reported at cost, at purchased cost, or at fair value at date of donation, if contributed, and are depreciated or amortized using the straight-line method over the estimated useful lives of the assets or the terms of the leases, if shorter.

Estimates

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

Summarized Financial Information

The financial statements are presented with 2005 summarized or comparative information. With respect to the statement of activities, such prior year information is not presented by net asset class and, in the statement of functional expenses, 2005 expenses by object are presented in total rather than by functional category. Accordingly, such information should be read in conjunction with the Society’s 2005 consolidated financial statements from which the summarized information was derived.
2. Legacies and Contributions Receivable

The Society’s legacies and contributions receivable at June 30, 2006 and 2005 consist of unconditional promises to give and legacies for which the underlying wills have been declared valid by the probate court and no other conditions are required to be met. Amounts are scheduled to be received as follows (in thousands):

- Less than one year: $3,028 in 2006, $4,795 in 2005
- 1 to 5 years: $1,340 in 2006, $256 in 2005
- 5 years or more: $8,197 in 2006, $9,531 in 2005

The approximate minimum future annual rental commitments are summarized as follows (in thousands):

- Less than one year: $2,598 in 2006, $2,250 in 2005
- 1 to 5 years: $5,440 in 2006, $4,104 in 2005
- 5 years or more: $26,259 in 2006, $25,577 in 2005

3. Investments

The following is a summary of investments at June 30, 2006 and 2005 (in thousands):

<table>
<thead>
<tr>
<th>Year ended June 30</th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Temporarily restricted</td>
<td>$14,000</td>
<td>$13,500</td>
</tr>
<tr>
<td>Permanently restricted</td>
<td>$41,600</td>
<td>$39,700</td>
</tr>
</tbody>
</table>

Debt and equity securities are recorded at fair value as determined by quoted market prices. Mutual funds are recorded at fair value using published unit values. Investment expenses of $335,000 and $284,000 have been netted against interest and dividend income for the years ended June 30, 2006 and 2005, respectively.

4. Awards and Grants

Awards and grants for research are recognized as expense in the year approved by the Society’s Board of Directors. Multi-year grants, which are generally two to five years in length, are approved on an annual basis and may be terminated at the discretion of the Society’s Board of Directors. In addition to unconditional grants payable of $70,000,000 at June 30, 2006, the Society has grant commitments of $111,500,000 that are conditioned upon future events and, accordingly, are not recorded.

5. Pension Plan

The Society has a noncontributory, defined contribution 403(b) pension plan covering all employees meeting age and service requirements. Contributions are based on a percentage of each eligible employee’s salary and years of service. Expense under this plan aggregated $3,020,000 and $3,272,000 for the years ended June 30, 2006 and 2005, respectively.

6. Lease Commitments

The leases for premises which the Society’s Home Office and chapters occupy expire on various dates through December 31, 2012 and provide for certain payments subject to escalation and periodic rate increases relating to real estate taxes, operating expenses and utilities.

7. Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets and the income earned on permanently restricted net assets are available for the following purposes at June 30, 2006 and 2005 in thousands:

<table>
<thead>
<tr>
<th>Year ended June 30</th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Temporary</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Permanently</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

8. Joint Costs Allocation

In 2006 and 2005, the Society incurred joint costs for informational materials and activities that included fund-raising appeals as follows (in thousands):

- Fund raising: $13,055 in 2006, $14,166 in 2005
- Patient and community service: $1,565 in 2006, $1,612 in 2005
- Public health education: $11,087 in 2006, $8,816 in 2005

Total: $25,707 in 2006, $24,544 in 2005
Medical Advisory Board
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Dana-Farber Cancer Institute
Donald Pinkel, MD
San Luis Obispo, CA
Louis W. Sullivan, MD
Atlanta, GA
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Field Management
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Research & Medical Programs
Louis DeGennaro, PhD
Senior Vice President
Research Administration
The Leukemia & Lymphoma Society of Canada
Rudy Putno
Chief Executive Officer

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The Leukemia & Lymphoma Society

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The Leukemia & Lymphoma Society

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