ISRAEL CANCER RESEARCH FUND, INC.

FINANCIAL STATEMENTS

Years Ended December 31, 2013 and 2012

AND
INDEPENDENT AUDITOR'S REPORT

CONTENTS

December 31, 2013 and 2012

INDEPENDENT AUDITOR'S REPORT

To the International Board of Trustees of
Israel Cancer Research Fund, Inc.

We have audited the accompanying financial statements of Israel Cancer Research Fund, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2013 and 2012, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Israel Cancer Research Fund, Inc. as of December 31, 2013 and 2012, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Rosen Seymour Shapss Martin & Company LLP

CERTIFIED PUBLIC ACCOUNTANTS

New York, New York
November 20, 2014

STATEMENTS OF FINANCIAL POSITION

December 31, 2013 and 2012

	2013	2012
Assets		
Current assets:		
Cash and cash equivalents:		
Bank deposits	$ 832,836	$ 2,298,637
Money market and mutual funds	6,626,226	4,774,818
Total cash and cash equivalents	7,459,062	7,073,455
Marketable securities	86,006	103,731
Unconditional promises to give, current portion, less allowances of $21,820 for 2013 and 2012	1,070,902	1,551,336
Prepaid expenses and other current assets	77,072	62,256
Total current assets	8,693,042	8,790,778
Equipment and improvements, net	38,302	53,869
Other assets:		
Long-term investments	1,785,906	2,028,183
Unconditional promises to give, net of current portion	2,632,949	624,428
Park naming rights	250,000	250,000
Deposits	19,342	19,342
Total assets	$ 13,419,541	$ 11,766,600
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued expenses	$ 170,339	$ 261,254
Research grants payable	1,121,251	1,120,000
Gift annuities payable, current portion	23,565	26,939
Total current liabilities	1,315,155	1,408,193
Other liabilities:		
Deferred rent payable	34,719	36,143
Gift annuities payable, net of current portion	124,512	56,615
Total liabilities	1,474,386	1,500,951
Commitments and contingency		
Net assets:		
Unrestricted	5,692,341	5,946,707
Temporarily restricted	4,448,977	2,890,105
Permanently restricted	1,803,837	1,428,837
Total net assets	11,945,155	10,265,649
Total liabilities and net assets	$ 13,419,541	$ 11,766,600

The accompanying notes are an integral part of these financial statements.

STATEMENTS OF ACTIVITIES

Years Ended December 31, 2013 and 2012

	2013				2012			
	Unrestricted Net Assets	Temporarily Restricted Net Assets	Permanently Restricted Net Assets	Total	Unrestricted Net Assets	Temporarily Restricted Net Assets	Permanently Restricted Net Assets	Total
Revenues and public support:								
Contributions, legacies and bequests	$ 1,222,158	$ 3,513,361	$ 375,000	$ 5,110,519	$ 2,511,227	$ 865,385	$ -	$ 3,376,612
Investment income	3,816	49,303	-	53,119	4,407	52,510	-	56,917
Realized and unrealized gain (loss) on investments	217	(241,527)		(241,310)	(1,491)	2,246	-	755
Special event income	1,165,219	-	-	1,165,219	1,632,954	-	-	1,632,954
Less cost of direct benefit to donors	(85,595)	-	-	(85,595)	(156,634)	-	-	(156,634)
Donated services	316,313	-	-	316,313	681,909	-	-	681,909
Net assets released from restrictions	1,762,265	(1,762,265)	-	-	946,732	(946,732)	-	-
Total revenues and public support	4,384,393	1,558,872	375,000	6,318,265	5,619,104	(26,591)	-	5,592,513
Expenses:								
Program services:								
Research	2,836,568	-	-	2,836,568	1,996,060	-	-	1,996,060
Public information	92,349	-	-	92,349	75,321	-	-	75,321
Total program services	2,928,917	-	-	2,928,917	2,071,381	-	-	2,071,381
Supporting services:								
Management and general	551,564	-	-	551,564	840,958	-	-	840,958
Fund-raising	1,158,278	-	-	1,158,278	1,267,933	-	-	1,267,933
Total supporting services	1,709,842	-	-	1,709,842	2,108,891	-	-	2,108,891
Total expenses	4,638,759	-	-	4,638,759	4,180,272	-	-	4,180,272
Increase (decrease) in net assets	(254,366)	1,558,872	375,000	1,679,506	1,438,832	(26,591)	-	1,412,241
Net assets at beginning of year	5,946,707	2,890,105	1,428,837	10,265,649	4,507,875	2,916,696	1,428,837	8,853,408
Net assets at end of year	$ 5,692,341	$ 4,448,977	$ 1,803,837	$ 11,945,155	$ 5,946,707	$ 2,890,105	$ 1,428,837	$ 10,265,649

The accompanying notes are an integral part of these financial statements.

STATEMENTS OF FUNCTIONAL EXPENSES

Year Ended December 31, 2013

	Program Services			Supporting Services				
	Research	Public Information	Total	Management and General	Fund Raising	Direct Benefit to Donors	Total	Total
Compensation and related expenses:								
Salaries and wages	$ 124,235	$ 47,308	$ 171,543	$ 260,344	$ 505,920	$ -	$ 766,264	$ 937,807
Payroll taxes	9,569	4,195	13,764	19,811	40,025	-	59,836	73,600
Employee benefits	32,031	4,366	36,397	31,342	89,313	-	120,655	157,052
Total compensation and related expenses	165,835	55,869	221,704	311,497	635,258	-	946,755	1,168,459
Research grants:								
Grants awarded	2,193,332	-	2,193,332	-	-	-	-	2,193,332
Occupancy:								
Rent	26,660	8,569	35,229	47,192	43,799	-	90,991	126,220
Utilities	2,249	723	2,972	1,365	3,695	-	5,060	8,032
Property and casualty insurance	-	-	-	15,280	-	-	15,280	15,280
Repairs and maintenance	1,612	518	2,130	1,882	2,648	-	4,530	6,660
Telephone	2,232	674	2,906	8,791	4,298	-	13,089	15,995
Professional fees:								
Accounting and legal	-	-	-	68,250	7,425	-	75,675	75,675
Consulting	-	-	-	300	15,000	-	15,300	15,300
Outside services	2,135	-	2,135	915	4,475	-	5,390	7,525
Administration:								
Mailing, printing, and postage	6,523	2,597	9,120	15,425	154,841	-	170,266	179,386
Office and miscellaneous	1,294	749	2,043	13,425	12,175	-	25,600	27,643
Equipment rental	2,146	684	2,830	5,798	3,505	-	9,303	12,133
Bank charges	-	336	336	7,047	16,811	-	23,858	24,194
Meals and entertainment	51,007	6,751	57,758	3,083	92,544	85,595	181,222	238,980
Travel	33,905	1,080	34,985	15,207	29,522	-	44,729	79,714
Conferences and meetings	7,166	-	7,166	539	6,654	-	7,193	14,359
Advertising and public relations	12,000	12,000	24,000	3,480	21,324	-	24,804	48,804
Website maintenance	3,897	-	3,897	18,439	7,032	-	25,471	29,368
Amortization and revaluation of gift annuity	-	-	-	7,879	88,079	-	95,958	95,958
Loss on disposal of assets	2,667	-	2,667	-	-	-	-	2,667
Total expenses before depreciation and donated services	2,514,660	90,550	2,605,210	545,794	1,149,085	85,595	1,780,474	4,385,684
Depreciation	5,595	1,799	7,394	5,770	9,193	-	14,963	22,357
Donated services	316,313	-	316,313	-	-	-	-	316,313
Total expenses	2,836,568	92,349	2,928,917	551,564	1,158,278	85,595	1,795,437	4,724,354
Less expenses included with revenues on the statement of activities	-	-	-	-	-	(85,595)	(85,595)	(85,595)
Total expenses included in the expense section of the statement of activities	$ 2,836,568	$ 92,349	$ 2,928,917	$ 551,564	$ 1,158,278	$ -	$ 1,709,842	$ 4,638,759

The accompanying notes are an integral part of these financial statements.

STATEMENTS OF FUNCTIONAL EXPENSES

Year Ended December 31, 2012

	Program Services			Supporting Services				
	Research	Public Information	Total	Management and General	Fund Raising	Direct Benefit to Donors	Total	Total
Compensation and related expenses:								
Salaries and wages	$ 106,831	$ 36,618	$ 143,449	$ 178,626	$ 420,228	$ -	$ 598,854	$ 742,303
Payroll taxes	8,517	3,142	11,659	14,304	33,460	-	47,764	59,423
Employee benefits	25,662	4,666	30,328	29,223	63,860	-	93,083	123,411
Total compensation and related expenses	141,010	44,426	185,436	222,153	517,548		739,701	925,137
Research grants:								
Grants awarded	1,440,000	-	1,440,000	-	-	-	-	1,440,000
Occupancy:								
Rent	22,585	9,333	31,918	44,266	46,662	-	90,928	122,846
Utilities	2,009	830	2,839	1,312	4,151	-	5,463	8,302
Property and casualty insurance	-	-	-	15,107	-	-	15,107	15,107
Repairs and maintenance	1,476	610	2,086	3,034	3,051	-	6,085	8,171
Telephone	2,313	925	3,238	5,430	5,292	-	10,722	13,960
Event facility rental	13,045	-	13,045	-	24,424	-	24,424	37,469
Professional fees:								
Accounting and legal	-	-	-	55,519	12,106	-	67,625	67,625
Consulting and computer support	-	-	-	3,900	70,000	-	73,900	73,900
Outside services	-	-	-	10,829	73,039	-	83,868	83,868
Administration:								
Mailing, printing and postage	6,502	-	6,502	14,060	201,128	-	215,188	221,690
Office and miscellaneous	2,810	555	3,365	13,845	23,334	-	37,179	40,544
Equipment rental	1,806	746	2,552	5,543	25,658	-	31,201	33,753
Bank charges	-	318	318	11,899	15,830	-	27,729	28,047
Meals and entertainment	50,755	7,423	58,178	3,754	59,523	156,634	219,911	278,089
Travel	35,391	801	36,192	17,790	45,498	-	63,288	99,480
Conferences and meetings	-	-	-	1,040	3,902	-	4,942	4,942
Advertising and public relations	7,500	7,500	15,000	2,695	30,925	-	33,620	48,620
Website maintenance	2,463	-	2,463	18,012	8,456	-	26,468	28,931
Amortization of gift annuity	-	-	-	5,888	-	-	5,888	5,888
Bad debts	-	-	-	133	48,137	-	48,270	48,270
Total expenses before depreciation and donated services	1,729,665	73,467	1,803,132	456,209	1,218,664	156,634	1,831,507	3,634,639
Depreciation	4,486	1,854	6,340	4,749	9,269	-	14,018	20,358
Donated services	261,909	-	261,909	380,000	40,000	-	420,000	681,909
Total expenses	1,996,060	75,321	2,071,381	840,958	1,267,933	156,634	2,265,525	4,336,906
Less expenses included with revenues on the statement of activities	-	-	-	-	-	(156,634)	(156,634)	(156,634)
Total expenses included in the expense section of the statement of activities	$ 1,996,060	$ 75,321	$ 2,071,381	$ 840,958	$ 1,267,933	$ -	$ 2,108,891	$ 4,180,272

The accompanying notes are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

Years Ended December 31, 2013 and 2012

	2013	2012
Cash flows from operating activities:		
Increase in net assets	$ 1,679,506	$ 1,412,241
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	22,357	20,358
Loss on disposal of equipment	2,667	-
Donated marketable securities	(6,137)	(260,279)
Deferred rent expense	(1,424)	744
Net realized and unrealized loss (gain) on investments	242,025	(755)
Changes in assets and liabilities:		
(Increase) decrease in:		
Unconditional promises to give	(1,528,087)	338,935
Prepaid expenses and other current assets	(14,816)	(15,846)
Increase (decrease) in:		
Accounts payable and accrued expenses	(90,915)	104,442
Research grants payable	1,251	453,750
Gift annuities payable	64,523	(25,546)
Net cash provided by operating activities	370,950	2,028,044
Cash flows from investing activities:		
Purchases of investments	(7,243,509)	(6,265,544)
Proceeds from sales and redemptions of investments	7,267,623	5,234,211
Purchase of equipment and improvements	(9,457)	(18,228)
Net cash provided by (used in) investing activities	14,657	(1,049,561)
Net increase in cash and cash equivalents	385,607	978,483
Cash and cash equivalents:		
Beginning of year	7,073,455	6,094,972
End of year	$ 7,459,062	$ 7,073,455

The accompanying notes are an integral part of these financial statements.

1. Summary of Significant Accounting Policies

Nature of Activities

Israel Cancer Research Fund, Inc. (the "Organization") was created as a nonprofit corporation in August 1975 to support cancer research in Israel. The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. The Organization is supported primarily through donor contributions, and maintains chapters and offices in New York, California, and Illinois. The Organization has affiliates in Toronto, Montreal and Jerusalem.

Basis of Accounting

The financial statements of the Organization have been prepared in accordance with generally accepted accounting principles in the United States of America ("GAAP") and accordingly reflect all significant receivables, payables, and other liabilities.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of management's estimates. The Organization uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all investments with an initial maturity of three months or less to be cash equivalents.

Restricted Cash

The temporarily and permanently restricted cash represents contributions received from donors restricted for research grants.

Marketable Securities and U.S. Treasury Bonds

The Organization carries investments in marketable securities and U.S. Treasury Bonds at fair values in the statements of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statements of activities. See Note 3 for a discussion of fair value measurements.

Investment Pools

The Organization maintains master investment accounts for its donor-restricted endowments. Income from securities in the master investment accounts are allocated monthly to the individual endowments based on the relationship of the market value of each endowment to the total market value of the master investment accounts, as adjusted for additions to or deductions from those accounts.

Deferred Rent Payable

Deferred rent payable represents the excess of recognized rental expense over scheduled operating lease facility payments. This amount will be credited to future operations.

Net Assets Released From Restrictions

Support and other revenues restricted by donors are recorded initially as increases in temporarily restricted net assets in the reporting period in which the income and gains are recognized. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Equipment and Improvements and Depreciation

All acquisitions of equipment and improvements, above a certain amount are capitalized. Expenditures and betterments for repairs and maintenance that materially prolong the useful lives of assets are also capitalized. Equipment and improvements are carried at cost or, if donated, at the fair value at the date of donation. Depreciation is computed primarily using the straight-line method. Leasehold improvements are depreciated over the lower of the asset's life or the term of the lease for office space. When equipment and improvements are retired, sold, or otherwise disposed of, the asset's carrying amount and related accumulated depreciation are removed from the accounts and any gain or loss is included in the Organization's activities.

Donated Assets

Donated marketable securities, including bonds and other noncash donations are recorded as contributions at their fair values at the date of donation.

Promises to Give

"Promises to Give" includes bequests that the Organization has been informed of, that it is a beneficiary from the estates of donors of blessed memory. In the case of bequests, the Organization records the best estimate of the anticipated bequest based on information available.

Unconditional promises to give are recognized as revenues (or gains) in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions are met and the promises become unconditional (see Note 2).

Restricted and Unrestricted Revenue

Contributions received are recorded as increases in unrestricted, temporarily restricted, or permanently restricted net assets, depending on the existence and/or nature of any donor restrictions. Contributions without specific donor designation are recognized as unrestricted contributions.

The Organization has received gifts to establish endowments. The principal portion of permanent endowments is held in perpetuity and recorded as permanently restricted net assets. The principal portion of endowments that allow for the use of principal under certain conditions is recorded as temporarily restricted net assets. The income and net appreciation on endowments is recorded as unrestricted, temporarily restricted, or permanently restricted, as specified by the donors. Accrued interest on U.S. treasury bonds is included as permanently and temporarily restricted other assets until the cash is received.

Donated Services

The Organization generally pays for services requiring specific expertise. However, individuals also volunteer their time and perform a variety of tasks that assist the Organization with specific assistance programs, and various committee assignments. The Organization recognizes contributions of services only if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. Donated professional services as part of a program, fundraising activity, or general and administrative expense are recorded as in-kind contributions in the accompanying financial statements at their fair value on date of use or receipt to the extent that such amounts can be reasonably estimated.

The value of such services was computed for the hourly rates of scientists that are on the Scientific Review Panel for the awarding of research grants (Note 9), lawyers of Latham & Watkins, LLP that performed pro-bono work for matters regarding unpaid promises to give, and Sentrix Health Communications for design services related to marketing materials and brochures. For the year ended December 31, 2013, the Organization received $316,313 in program research services. For the year ended December 31, 2012, the Organization received $261,909 and $420,000, in program research services and in supporting management and general services, respectively.

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefits.

Income Tax Status

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(1). The Organization's most recent determination letter from the Internal Revenue Service is dated February 1976. This status was confirmed by the Internal Revenue Service on December 7, 2006.

GAAP clarifies the accounting for uncertainty in income taxes recognized in a company's financial statements by prescribing a minimum recognition threshold a tax position is required to meet before being recognized in the financial statements. The Organization has determined that it has no uncertain tax positions that require either recognition or disclosure in the financial statements.

The Organization's information returns for 2010 through 2013 are subject to federal, state and local tax examinations by tax authorities.

Reclassifications

Certain items in the 2012 financial statements have been reclassified to conform to the 2013 presentation, with no effect on net income.

2. Promises to Give

Unconditional Promises to Give

Ten of the Organization's "Unconditional Promises to Give" are multi-year pledges. Eight of them are considered to be temporarily restricted. In accordance with GAAP, these pledges are recorded on the pledge date as contributions based on the present value of the gift on that date.

Unconditional promises to give at December 31, 2013 and 2012, are as follows:

	2013	2012
Bequests:		
Unrestricted	$ 86,952	$ 1,121,000
Pledges and other promises:		
Unrestricted	549,915	221,250
Restricted for research grants	3,443,835	1,001,500
Accounts receivable	223,234	100,486
	$ 4,303,936	$ 2,444,236
Receivable in less than one year	$ 1,160,436	$ 1,619,236
Receivable in one to five years	2,943,500	575,000
Receivable in more than five years	200,000	250,000
Total unconditional promises to give	4,303,936	2,444,236
Less discounts to net present value	(578,265)	(246,652)
Less allowance for uncollectible promises receivable	(21,820)	(21,820)
Net unconditional promises to give at December 31	$ 3,703,851	$ 2,175,764

Unconditional promises to give due in more than one year are reflected at the net present value of estimated future cash flows using discount rates of 3.49% to 5.13% depending upon the date pledged.

In 2003 and 2004, respectively, a foundation entered into an unconditional professorship pledge agreement and a conditional fellowship pledge agreement with the Organization. In June 2012, an agreement was executed by the Organization and the foundation. Consideration was given to both pledge agreements made in the past, and the foundation agreed to satisfy all unpaid and future obligations by making an unconditional lump-sum payment to the Organization in the amount of $550,000, which was received by the Organization in July 2012. The foundation also agreed to another unconditional pledge to fund a "New Professorship Grant" in the total sum of $350,000, commencing in 2017. Under the new pledge, the foundation is to give $50,000 per year, for a term of seven years, through 2023. Contribution income for the New Professorship Grant pledge was recognized in the year ended December 31, 2012.

Conditional Promises to Give

During the year ended December 31, 2011, the Organization received a $25,000 contribution paid in full, contingent on the Organization establishing the Laureate Circle in New York, a premier group to recognize supporters. During the year ended December 31, 2012, the Organization established the Laureate Circle in New York and the amount was recognized as a contribution.

3. Investments

The Organization accounts for its investments at fair value. GAAP has established a framework for measuring fair value that is based on a hierarchy which prioritizes the inputs to valuation techniques according to the degree of objectivity necessary. The fair value hierarchy of the inputs to valuation techniques used to measure fair value is divided into three broad levels of objectivity:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization 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.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization 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 tables present the Organization's fair value hierarchy for those assets measured at fair value on a recurring basis as of December 31, 2013 and 2012:

	December 31, 2013			
	Level 1	Level 2	Level 3	Total
Equity securities:				
Domestic equities	$ 506	$ -	$ -	$ 506
Fixed income securities:				
U.S. government bonds	1,785,906	-	-	1,785,906
Israel government bonds	85,500	-	-	85,500
Mutual funds	636,273	-	-	636,273
	$ 2,508,185	$ -	$ -	$ 2,508,185

	December 31, 2012			
	Level 1	Level 2	Level 3	Total
Equity securities:				
Domestic equities	$ 15,345	$ -	$ -	$ 15,345
Fixed income securities:				
U.S. government bonds	2,028,183	-	-	2,028,183
Israel government bonds	88,386	-	-	88,386
Mutual funds	636,189	-	-	636,189
	$ 2,768,103	$ -	$ -	$ 2,768,103

Investment Income and Net Realized and Unrealized Gains and Losses on Investments

For the years ended December 31, 2013 and 2012, investment income and net realized and unrealized gains and losses on investments are as follows:

	2013	2012
Investment income:		
Interest and dividends	$ 53,119	$ 56,917
Net realized and unrealized (losses)/ gains on investments:		
Realized and unrealized (losses)/gains	(241,310)	755
	$ (188,191)	$ 57,672

4. Equipment and Improvements

As of December 31, 2013 and 2012, equipment and improvements consist of the following:

	2013	2012
Leasehold improvements	$ 4,883	$ 4,883
Equipment	112,418	109,576
Furniture and fixtures	22,212	22,320
	139,513	136,779
Accumulated depreciation	101,211	82,910
	$ 38,302	$ 53,869

Depreciation expense amounted to $22,357 and $20,358 for the years ended December 31, 2013 and 2012, respectively.

5. Research Grants Payable

Grants Authorized But Unpaid

Grants of $1,121,251 and $1,120,000, authorized but not disbursed as of December 31, 2013 and 2012, respectively, are reported as liabilities.

Conditional Grants

Conditional grant obligations of $2,541,000 as of December 31, 2013, which are not included in the accompanying statements of financial position, are dependent upon approval by the Scientific Review Panel and the Organization's ability to pay. Awarded obligations by grant year, which generally runs from September through August, as of December 31, 2013, are as follows:

Grant Year	Expected Awards
2014–15	$ 1,428,000
2015–16	913,000
2016–17	100,000
2017–18	50,000
2018–19	50,000
	$ 2,541,000

6. Split-Interest Agreements

Charitable Gift Annuities

A charitable gift annuity is an arrangement between a donor and the Organization in which the donor contributes assets to the Organization in exchange for a promise by the Organization to pay a fixed amount for a specified period of time to the donor or to individuals or organizations designated by the donor. Assets received by the Organization under such agreements are recorded at fair value on the date of execution. In the case of annuities to be paid over the remaining lives of the beneficiaries, an annuity liability is recorded based on life expectancy tables published by the Internal Revenue Service for retirement distributions, which the Organization believes to be a reasonable actuarial estimate for this type of split-interest agreement. The difference between the fair value of the assets donated and the annuity liability is recorded as unrestricted contribution revenue, unless donor-imposed restrictions or state law require other recognition. Amortization over the term of an annuity is provided for using a discount rate equal to the yield, at the date of execution, indicated by Merrill Lynch's index for "AAA"-rated corporate bonds with maturities in the range of the annuity term.

The annual change in value of such split-interest agreements of $95,958 and $5,888 in 2013 and 2012, respectively, is recognized in the accompanying statements of activities.

7. Temporarily Restricted Net Assets

Temporarily restricted net assets of $4,448,977 and $2,890,105 as of December 31, 2013 and 2012, respectively, are available for subsequent years' grant awards and other program activities. These amounts include $1,575,818 and $2,113,957 as of December 31, 2013 and 2012, respectively, of endowments and investment returns on permanent endowments and $2,873,159 and $776,148 as of December 31, 2013 and 2012, respectively, arising from promises to give and other assets.

8. Endowment Funds

Permanently restricted net assets as of December 31, 2013 and 2012 consist of endowment funds to support cancer research in Israel. Contributions to the endowment funds are subject to donor restrictions that stipulate the original principal of the gift is to be held and invested by the Organization indefinitely and income from the funds is to be expended for cancer research in Israel. The historic dollar value of those contributions must be maintained inviolate. Income from the fund is classified as temporarily restricted net assets until the purpose of the restriction is satisfied. When the purpose of the restriction is met, the net assets are reclassified to unrestricted net assets.

Donor-restricted endowment funds are invested in fixed income instruments pursuant to the Organization's investment and spending objectives of subjecting the funds to low investment risk and providing current income. The Organization generally expends the endowment funds' investment income for the donor-designated purpose when sufficient funds are available.

The composition of endowment net assets for these funds and the changes in endowment net assets as of December 31, 2013 and 2012 are as follows:

	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, January 1, 2012	$ 1,636,237	$ 1,428,837	$ 3,065,074
Contributions	985,906	-	985,906
Investment income	54,755	-	54,755
Program expenditures	(562,941)	-	(562,941)
Endowment net assets, December 31, 2012	2,113,957	1,428,837	3,542,794
Contributions	970,186	375,000	1,345,186
Investment income	51,119	-	51,119
Unrealized loss	(238,344)	-	(238,344)
Program expenditures	(1,321,100)	-	(1,321,100)
Endowment net assets, December 31, 2013	$ 1,575,818	$ 1,803,837	$ 3,379,655

9. Description of Program and Supporting Services

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

Research

The Organization annually awards grants to research scientists in Israel. Scientists send proposals to the Organization. These proposals are then graded and scored by the Organization's Scientific Review Panels. The proposals are finally reviewed by the Organization's International Scientific Council, which presents recommendations to the Organization's International Board of Trustees, through its Chairman, for approval.

Grants are made by the Organization based on the evaluations of the International Scientific Council and the amount of funding available to support the grant proposals.

The Organization awards eight types of grants, as follows:

(a) Professorships, which are awarded to full-time senior faculty or persons in equivalent positions who have made outstanding contributions to cancer research. The current grant for a Professorship is $50,000 per year for seven years, or a total of $350,000.

(b) Clinical Research Career Development Awards, which are awarded to promising young medical or pediatric oncologists to afford them time to conduct clinical research projects and to obtain additional training to become leaders in clinical research programs. The current grant for a Clinical Research Career Development Award is $45,000 per year for three years, or a total of $135,000.

(c) Research Career Development Awards, which are awarded to promising cancer researchers who have advanced beyond the postdoctoral level and are well on their way to becoming outstanding independent investigators. The current grant for a Research Career Development Award is $35,000 per year for three years, or a total of $105,000.

(d) Acceleration Grants, which are intended to speed up our efforts to fully understand the biology behind cancer. Recipients are required to propose highly-innovative approaches that have the promise of pioneering new ways of thinking about cancer biology and therapeutics. The current grant for an Acceleration Grant is $50,000 per year for two years, or a total of $100,000.

(e) Project Grants, which are awarded to support the research of established investigators working on specific projects. The current grant for a Project Grant is $30,000 per year for two years, or a total of $60,000.

(f) Postdoctoral Fellowships, which are awarded to new M.D.s and Ph.D.s who will apprentice in the laboratories of senior investigators. The current grant for a Postdoctoral Fellowship is $25,000 per year for two years, or a total of $50,000.

(g) Gesher Awards, which are awarded to scientists who wish to return to Israel to develop an independent research program after their period of postdoctoral training abroad. The Organization has partnered with the Israeli Ministry of Science, Technology, and Space (MOST) to develop this joint program aimed at encouraging young scientists to return to Israel. Applications must be submitted while the applicant is conducting research outside Israel; during the funding period, the applicant must conduct his or her research in Israel. The current grant for a Gesher Award is NIS200,000 per year for two years, or a total of NIS400,000. The Organization will provide NIS100,000 per year for research expenses, while MOST will provide NIS100,000 per year for living expenses.

(h) Len and Susan Mark Initiative for Ovarian and Uterine/MMMT Cancer Grants, which are awarded to support the research of established investigators to advance our knowledge of the pathogenesis and treatment of Ovarian and Uterine/MMMT Cancers. This special ICRF grant is approximately $83,333 per year for three years, or a total of $250,000.

During 2013 the Organization funded scientists at twelve research institutions in Israel. The Organization has arranged that all funds granted are provided to the scientists for research, with no overhead charge paid to the institutions.

Two scientists funded by the Organization were awarded the Nobel Prize in Chemistry in 2004.

All grants awarded by the Organization are contingent upon the awardees conducting the specific research contemplated in their proposals and upon the Organization having sufficient means to make payments to the awardees.

Although it is frequently the intention of the Organization to award grants that will extend over multiple years, each multi-year grant is subject to an annual review and re-approval by the International Scientific Council. Accordingly, only the amount of grants awarded or approved in the current year is reported as an expense in the accompanying financial statements.

Public Information

The Organization publishes information that encourages an understanding of all aspects of cancer, its treatments and the research that is ongoing in Israel and across the globe to stem the spread and devastation of the disease.

Management and General

Includes the functions necessary to maintain an equitable employment program; ensure an adequate working environment; provide coordination and articulation of the Organization's program strategy; secure proper administrative functioning of the International Board of Trustees; maintain legal services for the program administration of the Organization; and manage the financial and budgetary responsibilities of the Organization.

Management and general expenses accounted for 11.8% and 20.1% of total expenses for the years ended December 31, 2013 and 2012, respectively.

Fund-Raising

Provides the structure necessary to encourage and secure private financial support from individuals, foundations, and corporations. Fund-raising activities represented 25.6% and 30.3% of the Organization's total expenses for the years ended December 31, 2013 and 2012, respectively.

10. Advertising

The Organization uses advertising and public relations services to promote its programs among the audiences it serves. The costs of advertising are expensed as incurred. During 2013 and 2012, advertising and public relations costs totaled $61,280, or 1.3%, and $48,620, or 1.2%, respectively, of total expenses.

11. Employee Benefit Plans

Tax-Deferred Annuity Plan

The Organization maintains a tax-deferred annuity plan ("Plan") qualified under Section 403(b) of the Internal Revenue Code. When employees are hired they are eligible to participate in the Plan. The Plan covers all eligible employees of the Organization who have elected to participate in the Plan. The Organization contributes 2% of gross salaries for qualified employees to the Plan. Employees may make contributions to the Plan up to the maximum amount allowed by the Internal Revenue Code if they wish. In 2013 and 2012, plan expense, representing the Organization's contributions to the Plan, was approximately $12,700 and $12,000, respectively.

12. Financial Instruments

Concentrations of Risk of Loss Arising From Cash Deposits in Excess of Insured Limits

The Organization maintains cash balances and U.S. treasury bonds at several financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation ("FDIC") up to the FDIC insured limit of $250,000 for cash. As of December 31, 2013 and 2012, the Organization's uninsured cash balances totaled approximately $493,000 and $1,310,000, respectively.

Concentrations of Credit Risk Due to Temporary Cash Investments and Promises to Give Receivable

Financial instruments that potentially subject the Organization to credit risk consist principally of temporary cash investments and receivables from promises to give. The Organization places its temporary cash investments in multiple accounts with a brokerage firm; thereby limiting the amount of credit exposure to any one account. The account at the brokerage firm contains cash, money market funds and other securities. Individual account balances are insured up to $500,000, with a limit of $100,000 for cash and $400,000 for securities, by the Securities Investor Protection Corporation ("SIPC"). As of December 31, 2013 and 2012, the Organization had approximately $6,420,000 and $4,810,000, respectively, in excess of SIPC insured limits.

Concentrations of credit risk with respect to promises receivable depend on the number of contributors comprising the Organization's contributor base and their dispersion across different industries and geographic areas. As of December 31, 2013, 76% of the Organization's receivables from promises to give were from two donors. As of December 31, 2012, 77% of the Organization's receivables from promises to give were from three donors.

13. Commitments

Lease Commitments

The Organization has noncancelable operating leases for offices in New York and California and parking spaces in California that expire at various dates through February, 2017. Rental expenses for those leases were $120,196 and $118,735 for the years ended December 31, 2013 and 2012, respectively.

Future minimum lease payments under operating leases that have remaining terms in excess of one year as of December 31, 2013, including the leases referred to above, are:

Years Ending December 31,	Minimum Payments
2014	$ 133,314
2015	113,969
2016	108,696
2017	23,488
	$ 379,467

14. Related Entities

The Organization has three affiliates that serve as local chapters of the Organization in Canada and Israel. The Organization has no ownership or voting interests in these local chapters. However, agreements between the local chapters and the Organization give the Organization involvement in the awarding of research grants by the local chapters through its International Board of Trustees and Scientific Review Panels. The Organization awarded $920,000 and $1,315,000 of grants on behalf of its Canadian and Israeli affiliates in 2013 and 2012, respectively.

15. Intangible Assets

In March 2004, the Organization invested $250,000 in the development of a park in Israel. In return, the Organization received naming rights to the park and the right to construct a "Donor Wall" in the park. It is the Organization's plan to offer organizations or individuals, on a fee basis, the right to name the park and its physical assets (benches, gazebos, etc.) and to inscribe the names of large donors on the Donor Wall. An initial donation of $219,107 was made by an estate to offset the costs of the park in return for a marker stone naming the donor. Consequently, the Organization has capitalized the development cost of $250,000 in the accompanying statements of financial position. The Organization has implemented a capital plan to attract these contributions by expanding its marketing material and outreach. At such time as expected future cash flows can be reasonably estimated, an amortization life will be assigned to the intangible asset in order to properly match the expense associated with the acquisition of the asset to the periods of benefit.

16. Costs of Joint Activities

Direct Mail

The Organization may achieve some of its programmatic and management and general goals in direct mail campaigns that include requests for contributions. If certain criteria related to the purpose, audience and content of the mailings are met, joint costs that are not directly attributable to either the program or management and general components, or the fund-raising component, of the mailing are allocated based on the relative importance of each function to the campaign. For the years ended December 31, 2013 and 2012, all costs related to direct mail campaigns were attributable to fund-raising.

Special Events

The Organization conducts special events during the course of the year, such as an annual dinner, educational seminars, and other events intended to further the mission of the Organization and to solicit funds for the continued support of that mission. If certain criteria related to the purpose, audience and content of the event are met, costs incurred jointly to support the program or management and general functions, and the fund-raising functions of the event, are allocated to the appropriate functional categories in the statements of functional expenses. If the criteria related to the purpose, audience and content of the event are not met, all costs of the event are considered fund-raising expenses. In all cases, the cost of goods or services provided in an exchange transaction that is part of the joint activity, such as costs of direct donor benefits of a special event (e.g., a meal) is not reported as fundraising costs but rather as a net reduction of special event income in the statements of activities. For the years ended December 31, 2013 and 2012, all special event expenses, except for the cost of direct benefit to donors, were attributable to fund-raising.

17. Subsequent Events

The Organization has evaluated subsequent events through November 20, 2014, the date the financial statements were available to be issued.