ISRAEL CANCER RESEARCH FUND, INC.

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2018 AND 2017

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of Israel Cancer Research Fund, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2018 and 2017, 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 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 that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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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, 2018 and 2017, 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.

Citrin Cooperman & Company, LLP
CERTIFIED PUBLIC ACCOUNTANTS

Braintree, Massachusetts
July 31, 2019

ISRAEL CANCER RESEARCH FUND, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2018 AND 2017

	2018	2017
ASSETS		
Cash and cash equivalents	$ 4,761,280	$ 8,144,600
Investments	5,894,461	2,800,481
Unconditional promises to give, net	2,334,319	3,355,890
Prepaid expenses and other current assets	89,195	118,766
Property and equipment, net	37,444	38,967
Deposits	48,487	48,487
TOTAL ASSETS	$ 13,165,186	$ 14,507,191
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	$ 168,746	$ 230,517
Research grants payable	1,907,084	1,649,750
Gift annuities payable	67,769	77,846
Other current liabilities	561,860	249,258
Deferred rent payable	66,422	44,299
Total liabilities	2,771,881	2,251,670
Commitments (Notes 7, 11 and 15)		
Net assets:		
Without donor restrictions	4,180,629	4,768,644
With donor restrictions	6,212,676	7,486,877
Total net assets	10,393,305	12,255,521
TOTAL LIABILITIES AND NET ASSETS	$ 13,165,186	$ 14,507,191

See accompanying notes to financial statements.

ISRAEL CANCER RESEARCH FUND, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018

		Without Donor Restrictions	With Donor Restrictions	Total
Revenues and public support:				
Contributions, legacies and bequests		$ 1,254,580	$ 1,215,046	$ 2,469,626
Investment income		100,361	20,127	120,488
Realized and unrealized gain (loss) on investments		2,728	(61,357)	(58,629)
Special events:				
Special event income	$2,000,861			
Less: cost of direct benefit to donors	180,285			
Total special events income		1,820,576	-	1,820,576
Donated services		310,500	-	310,500
Change in valuation of annuity obligation		(3,843)	-	(3,843)
Other income		4,670	-	4,670
Net assets released from restrictions		2,448,017	(2,448,017)	-
Total revenues and public support		5,937,589	(1,274,201)	4,663,388
Expenses:				
Program services:				
Research		4,013,926	-	4,013,926
Public information		196,658	-	196,658
Total program services		4,210,584	-	4,210,584
Supporting services:				
Management and general		662,378	-	662,378
Fundraising		1,652,642	-	1,652,642
Total supporting services		2,315,020	-	2,315,020
Total expenses		6,525,604	-	6,525,604
Changes in net assets		(588,015)	(1,274,201)	(1,862,216)
Net assets - beginning of year		4,768,644	7,486,877	12,255,521
NET ASSETS - END OF YEAR		$ 4,180,629	$ 6,212,676	$ 10,393,305

See accompanying notes to financial statements.

ISRAEL CANCER RESEARCH FUND, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017

		Without Donor Restrictions	With Donor Restrictions	Total
Revenues and public support:				
Contributions, legacies and bequests		$ 1,885,154	$ 2,885,390	$ 4,770,544
Investment income		37,802	19,055	56,857
Realized and unrealized gain (loss) on investments		144,152	(11,296)	132,856
Special events:				
Special event income	$2,120,475			
Less: cost of direct benefit to donors	250,824			
Total special events income		1,869,651	-	1,869,651
Donated services		300,644	-	300,644
Change in valuation of annuity obligation		(7,536)	-	(7,536)
Other income		12,613	-	12,613
Net assets released from restrictions		2,246,054	(2,246,054)	-
Total revenues and public support		6,488,534	647,095	7,135,629
Expenses:				
Program services:				
Research		3,411,874	-	3,411,874
Public information		227,376	-	227,376
Total program services		3,639,250	-	3,639,250
Supporting services:				
Management and general		804,772	-	804,772
Fundraising		2,073,385	-	2,073,385
Total supporting services		2,878,157	-	2,878,157
Total expenses		6,517,407	-	6,517,407
Changes in net assets		(28,873)	647,095	618,222
Net assets - beginning of year		4,797,517	6,839,782	11,637,299
NET ASSETS - END OF YEAR		$ 4,768,644	$ 7,486,877	$ 12,255,521

See accompanying notes to financial statements.

ISRAEL CANCER RESEARCH FUND, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2018

	Program Services			Supporting Services				
	Research	Public Information	Total	Management and General	Fundraising	Direct Benefit to Donors	Total	Total
Compensation and related expenses:								
Salaries and wages	$ 254,663	$ 121,459	$ 376,122	$ 282,778	$ 671,665	$ -	$ 954,443	$ 1,330,565
Payroll taxes	15,499	10,158	25,657	18,613	52,112	-	70,725	96,382
Employee benefits	43,476	14,192	57,668	63,281	48,849	-	112,130	169,798
Total compensation and related expenses	313,638	145,809	459,447	364,672	772,626	-	1,137,298	1,596,745
Research grants awarded	3,019,166	-	3,019,166	-	-	-	-	3,019,166
Occupancy	60,730	34,016	94,746	67,480	101,876	-	169,356	264,102
Professional fees:								
Accounting and legal	508	-	508	70,245	7,843	-	78,088	78,596
Consulting	12,000	-	12,000	15,585	103,017	-	118,602	130,602
Outside services	15,600	150	15,750	45,938	35,670	-	81,608	97,358
Office and administration	29,013	7,813	36,826	38,611	320,824	-	359,435	396,261
Meals and entertainment	40,109	6,859	46,968	15,321	40,441	91,692	147,454	194,422
Travel	160,747	466	161,213	18,373	120,815	-	139,188	300,401
Conferences, meetings and event space	41,319	250	41,569	4,113	65,289	88,593	157,995	199,564
Advertising and public relations	1,828	1,295	3,123	3,076	44,933	-	48,009	51,132
Information technology	8,768	-	8,768	13,812	15,191	-	29,003	37,771
Bad debts	-	-	-	-	24,117	-	24,117	24,117
Total expenses before depreciation and donated services	3,703,426	196,658	3,900,084	657,226	1,652,642	180,285	2,490,153	6,390,237
Depreciation	-	-	-	5,152	-	-	5,152	5,152
Donated services	310,500	-	310,500	-	-	-	-	310,500
Total expenses	4,013,926	196,658	4,210,584	662,378	1,652,642	180,285	2,495,305	6,705,889
Less: expenses included with revenues on the statement of activities	-	-	-	-	-	180,285	180,285	180,285
TOTAL FUNCTIONAL EXPENSES	$ 4,013,926	$ 196,658	$ 4,210,584	$ 662,378	$ 1,652,642	$ -	$ 2,315,020	$ 6,525,604

See accompanying notes to financial statements.

ISRAEL CANCER RESEARCH FUND, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2017

	Program Services			Supporting Services				
	Research	Public Information	Total	Management and General	Fundraising	Direct Benefit to Donors	Total	Total
Compensation and related expenses:								
Salaries and wages	$ 168,750	$ 136,023	$ 304,773	$ 371,513	$ 733,829	$ -	$ 1,105,342	$ 1,410,115
Payroll taxes	12,157	10,747	22,904	29,733	55,689	-	85,422	108,326
Employee benefits	42,120	22,206	64,326	53,798	101,598	-	155,396	219,722
Total compensation and related expenses	223,027	168,976	392,003	455,044	891,116	-	1,346,160	1,738,163
Research grants awarded	2,670,000	-	2,670,000	-	-	-	-	2,670,000
Occupancy	45,966	26,679	72,645	105,673	79,903	-	185,576	258,221
Professional fees:								
Accounting and legal	-	-	-	59,102	969	-	60,071	60,071
Consulting	12,000	-	12,000	-	231,523	-	231,523	243,523
Outside services	2,876	1,000	3,876	31,826	70,726	-	102,552	106,428
Office and administration	20,828	9,825	30,653	88,582	380,604	-	469,186	499,839
Meals and entertainment	39,468	13,184	52,652	13,123	84,269	250,824	348,216	400,868
Travel	15,723	5,248	20,971	21,888	76,256	-	98,144	119,115
Conferences and meetings	69,415	485	69,900	6,026	119,719	-	125,745	195,645
Advertising and public relations	3,969	1,979	5,948	9,754	73,946	-	83,700	89,648
Information technology	7,958	-	7,958	8,458	17,202	-	25,660	33,618
Consigned goods	-	-	-	-	22,000	-	22,000	22,000
Bad debts	-	-	-	-	25,152	-	25,152	25,152
Total expenses before depreciation and donated services	3,111,230	227,376	3,338,606	799,476	2,073,385	250,824	3,123,685	6,462,291
Depreciation	-	-	-	5,296	-	-	5,296	5,296
Donated services	300,644	-	300,644	-	-	-	-	300,644
Total expenses	3,411,874	227,376	3,639,250	804,772	2,073,385	250,824	3,128,981	6,768,231
Less: expenses included with revenues on the statement of activities	-	-	-	-	-	250,824	250,824	250,824
TOTAL FUNCTIONAL EXPENSES	$ 3,411,874	$ 227,376	$ 3,639,250	$ 804,772	$ 2,073,385	$ -	$ 2,878,157	$ 6,517,407

See accompanying notes to financial statements.

ISRAEL CANCER RESEARCH FUND, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	2018	2017
Cash flows from operating activities:		
Changes in net assets	$ (1,862,216)	$ 618,222
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Depreciation	5,152	5,296
Bad debt expense	24,117	25,152
Loss on disposal of equipment	965	1,793
Donated marketable securities	(56,901)	(66,347)
Deferred rent expense	22,123	37,689
Net realized and unrealized gain on investments	58,629	(132,856)
Changes in assets and liabilities:		
Unconditional promises to give	997,454	(428,544)
Prepaid expenses and other current assets	29,571	(69,751)
Deposits	-	(28,633)
Accounts payable and accrued expenses	(61,771)	122,740
Research grants payable	257,334	232,750
Gift annuities payable	(10,077)	(22,459)
Conditional liability	312,602	189,352
Net cash provided by (used in) operating activities	(283,018)	484,404
Cash flows from investing activities:		
Purchases of investments	(5,887,000)	(2,780,629)
Proceeds from sales and redemptions of investments	2,791,292	988,217
Purchase of equipment and improvements	(4,594)	(15,259)
Net cash used in investing activities	(3,100,302)	(1,807,671)
Net decrease in cash and cash equivalents	(3,383,320)	(1,323,267)
Cash and cash equivalents - beginning of year	8,144,600	9,467,867
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 4,761,280	$ 8,144,600

See accompanying notes to financial statements.

NOTE 1. 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 supported primarily through donor contributions, maintains chapters and offices in New York, California, Illinois, Connecticut, and Florida, and has affiliates in Toronto, Montreal and Tel Aviv. The Organization has invested in 2,400 projects conducted by scientists at 24 Israeli research centers. Scientists funded by the Organization are consistently at the forefront of cancer research with globally significant discoveries. Development of certain cancer drugs reflects research supported by the Organization as does CAR T-cell therapy. Numerous internationally prominent Israeli cancer researchers, including recipients of the Nobel Prize, acknowledge the Organization's endorsement and funding as essential to their success, particularly at the earliest stages of their careers.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Basis of Presentation

The financial statements of the Organization have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), which require the Organization to report information regarding its financial position and activities according to the following net assets classifications:

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions - Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenues are reported as increases in net assets without donor restrictions unless the use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of restrictions on net assets (i.e., the donor stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of financial statements and related disclosures in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the 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.

Revenue Recognition

Pledges are recognized as contribution income when a donor makes a pledge that is, in substance, unconditional. Pledges to be received over periods longer than a single year are discounted at an appropriate discount rate commensurate with the risk involved.

Contributions received are measured at their fair value and are reported as an increase in net assets. The Organization reports gifts of cash and other assets as support with donor restrictions if they are received with donor stipulations that limit their use or if they are designated as support for future periods. When a donor restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as "Net assets released from restrictions."

Conditional promises to give are recognized only when the conditions are met and the promises become unconditional.

Contributions received whereby the principal portion is required to be held in perpetuity are recorded as net assets with donor restrictions. The purposes for which the income and net appreciation arising from the underlying assets may be used depend on the wishes of those donors. Those earnings are classified as either with or without donor restrictions in the accompanying statements of activities, pending appropriation by the board of trustees.

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.

Investments

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 5 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) includes the Organization's gains and losses on investments bought and sold, as well as held, during the year.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurements

The Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 820, *Fair Value Measurement*, 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). Categorization within the valuation hierarchy is based upon the lowest level of 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. Under this standard, fair value is defined as the exit price, or the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants as of the measurement date.

The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

> 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.

Property and Equipment

The Organization capitalizes all property and equipment that materially prolong the useful lives of assets. Maintenance and repairs are expensed as incurred. Property and equipment 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 lesser of the asset's useful life or the term of the lease. When property and equipment 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 statements of activities.

Donated Assets

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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Donated Services

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.

The Organization was provided professional services to assist with the awarding of research grants at no charge. The value of such services was computed based on the hourly rates of scientists participating on the Scientific Review Panel for the awarding of research grants (see Note 11). For the years ended December 31, 2018 and 2017, the Organization received $310,500 and $300,644 in program research services, respectively, which are reflected as "Donated services" in the accompanying statements of activities and functional expenses. The Organization estimates that approximately 2,000 hours were donated by these scientists.

In addition, a number of unpaid volunteers have made or have agreed to make significant contributions of their time to the Organization. The value of such contributions is not reflected in the accompanying financial statements since these services do not require specialized skills. The Organization estimates that approximately 4,500 hours were donated by these volunteers.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the accompanying statements of activities and functional expenses. Accordingly, certain costs have been allocated among programs and supporting services by management, using appropriate measurement methodologies.

Income Tax Status

The Organization is a not-for-profit organization and is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, and from state income taxes.

The Organization recognizes and measures its unrecognized tax benefits in accordance with FASB ASC 740, *Income Taxes*. Under this guidance, the Organization assesses the likelihood, based on their technical merit, that tax positions will be sustained upon examination based on the facts, circumstances, and information available at the end of each period. The measurement of unrecognized tax benefits is adjusted when new information is available or when an event occurs that requires a change.

Management has evaluated the Organization's tax positions and has concluded that the Organization has taken no uncertain tax positions that require adjustment to the financial statements.

Reclassifications

Certain amounts in the prior year financial statements have been reclassified to conform to the current year presentation. These reclassification adjustments had no effect on the Organization's previously reported change in net assets.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recently Adopted Accounting Pronouncement

In August 2016, FASB issued ASU No. 2016-14, *Presentation of Financial Statements for Not-for-Profit Entities*, which changes the presentation of not-for-profit financial statements. The ASU reduces the number of net asset classes from three to two and increases disclosures about financial measures and liquidity risks, among other changes. The Organization has adjusted the presentation of these statements accordingly. The ASU has been applied retrospectively to all periods presented.

Accounting Pronouncements Issued but not yet Effective

In May 2014, FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers*, which requires an entity to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This ASU will replace most existing revenue recognition guidance in U.S. GAAP, including industry-specific guidance, when it becomes effective. This new guidance is effective for years beginning after December 15, 2018. The effect of adopting this new guidance on the Organization's financial statements is not expected to significantly impact the presentation of the financial statements.

In August 2016, FASB issued ASU No. 2016-15, *Statement of Cash Flows (Topic 230) - Classification of Certain Cash Receipts and Cash Payments*, which provides guidance on several cash flow classification issues. This new guidance is effective for years beginning after December 15, 2018, with early adoption permitted. The effect of adopting this new guidance on the Organization's financial statements is not expected to significantly impact the presentation of the financial statements.

In June 2018, FASB issued ASU No. 2018-08, *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*, which provides guidance for determining whether a transaction should be accounted for as a contribution or an exchange transaction, and whether a contribution is conditional or unconditional. This ASU is effective for years beginning after December 15, 2018. The effect of adopting this new guidance on the Organization's financial statements is not expected to significantly impact the presentation of the financial statements.

In February 2016, FASB issued ASU No. 2016-02, *Leases*, which requires all leases with a term greater than 12 months to be recognized on the balance sheet through a right-of-use asset and a lease liability and the disclosure of key information pertaining to leasing arrangements. This new guidance is effective for years beginning after December 15, 2019, with early adoption permitted. The Organization is evaluating the effect that this new guidance will have on its financial statements and related disclosures.

Subsequent Events

In accordance with FASB ASC 855, *Subsequent Events*, the Organization has evaluated subsequent events through July 31, 2019, the date on which these financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements.

NOTE 3. LIQUIDITY AND AVAILABILITY

The following represents the Organization's financial assets as of December 31, 2018:

Financial assets at year end:	
Cash and cash equivalents	$ 4,761,280
Investments	5,894,461
Contributions receivable, net	2,334,319
Total financial assets at year end	12,990,060
Less amounts not available to be used within one year:	
Net assets with donors restrictions	(6,212,676)
Plus net assets with purpose restrictions to be met in less than a year	1,533,841
Financial assets available to meet general expenditures over the next 12 months	$ 8,311,225

As part of the Organization's liquidity management, it has a goal to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. In addition, excess cash is invested in short-term investments, including stocks, mutual funds, U.S. Treasury Bills, and money market accounts.

NOTE 4. UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give at December 31, 2018 and 2017, are as follows:

	2018	2017
Receivable in less than one year	$ 1,163,357	$ 1,666,236
Receivable in one to five years	1,410,000	1,971,000
Receivable in more than five years	-	130,000
Total unconditional promises to give	2,573,357	3,767,236
Less: discounts to net present value	239,038	403,746
Less: allowances for uncollectible promises to give	-	7,600
Net unconditional promises to give at December 31	$ 2,334,319	$ 3,355,890

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 1.23% to 4.30% depending upon the date pledged.

As of December 31, 2018 and 2017, 58% and 52% of the Organization's receivables from unconditional promises to give were from three donors.

Based on management's past experience, the aging of receivables and subsequent receipts, $7,600 has been reserved for doubtful collections of promises to give at December 31, 2017. No allowance for doubtful accounts was required at December 31, 2018.

NOTE 5. FAIR VALUE MEASUREMENTS

Assets and liabilities measured at fair value are based on one or more of three valuation techniques identified in the tables below. The valuation techniques are as follows:

(a) *Market approach*. Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities;

(b) *Cost approach*. Amount that would be required to replace the service capacity of an asset (replacement cost); and

(c) *Income approach*. Techniques to convert future amounts to a single present amount based on market expectations (including present value techniques, option-pricing and excess earnings models).

The following tables summarize the Organization's assets measured at fair value on a recurring basis, using the fair value hierarchy as of December 31, 2018 and 2017:

Description	Level 1: Quoted Prices in Active Markets for Identical Assets	Level 2: Significant Other Observable Inputs	Level 3: Significant Unobservable Inputs	Total at December 31, 2018	Valuation Technique
Common stocks:					
Consumer staples	$ 5,285	$ -	$ -	$ 5,285	(a)
Exchange traded fund - growth		836,284	-	836,284	(a)
Fixed income securities:					
U.S. government bonds	-	4,076,938	-	4,076,938	(a)
Israel government bonds	-	975,954	-	975,954	(a)
Total	$ 5,285	$ 5,889,176	$ -	$ 5,894,461	

	Level 1: Quoted Prices in Active Markets for Identical Assets	Level 2: Significant Other Observable Inputs	Level 3: Significant Unobservable Inputs	Total at December 31, 2017	Valuation Technique
Common stocks:					
Consumer staples	$ 7,941	$ -	$ -	$ 7,941	(a)
Healthcare	1,118	-	-	1,118	
Exchange traded fund - growth	892,380	-	-	892,380	(a)
Fixed income securities:					
U.S. government bonds	-	920,488	-	920,488	(a)
Israel government bonds	-	978,554	-	978,554	(a)
Total	$ 901,439	$ 1,899,042	$ -	$ 2,800,481	

NOTE 5. FAIR VALUE MEASUREMENTS (CONTINUED)

The following are descriptions of the valuation methodologies used for assets measured at fair value. There have been no changes in methodologies used at December 31, 2018 and 2017:

Common stocks are valued based on quoted market prices, when available, or market prices provided by recognized broker-dealers or fund managers.

Exchange traded funds are valued at quoted market prices, which represent the values of the underlying securities in such funds.

U.S. government and Israel bonds are valued based on the last reported bid price provided by broker-dealers.

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 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.

NOTE 6. PROPERTY AND EQUIPMENT

As of December 31, 2018 and 2017, property and equipment consisted of the following:

	2018	2017
Leasehold improvements	$ 6,357	$ 4,707
Computer equipment and software	112,371	110,796
Furniture and fixtures	24,964	25,683
	143,692	141,186
Less: accumulated depreciation	106,248	102,219
	$ 37,444	$ 38,967

Depreciation expense amounted to $5,152 and $5,296 for the years ended December 31, 2018 and 2017, respectively.

NOTE 7. RESEARCH GRANTS PAYABLE

Grants Authorized but Unpaid

Grants of $1,907,084 and $1,649,750, authorized but not disbursed as of December 31, 2018 and 2017, respectively, are reported as liabilities in the accompanying statements of financial position.

Conditional Grants

Conditional grant obligations of $3,870,834 as of December 31, 2018, 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.

NOTE 7. RESEARCH GRANTS PAYABLE (CONTINUED)

Conditional Grants (Continued)

Awarded obligations by grant year, which generally runs from September through August, as of December 31, 2018, are as follows:

Grant Year	Expected Awards
2019-20	$ 1,844,167
2020-21	1,226,667
2021-22	300,000
2022-23	200,000
2023-24	200,000
Thereafter	100,000
	$ 3,870,834

NOTE 8. GIFT ANNUITIES PAYABLE

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 $(3,843) and $(7,536) in 2018 and 2017, respectively, is recognized in the accompanying statements of activities.

NOTE 9. NET ASSETS

Net assets consist of:

	2018	2017
Net Assets Without Donor Restrictions:		
Undesignated	$ 3,961,058	$ 4,579,590
Board-designated endowment	182,127	150,087
Net investment in property and equipment	37,444	38,967
Total net assets without donor restrictions	$ 4,180,629	$ 4,768,644
Net Assets With Donor Restrictions:		
Subject to expenditure for specified purpose:		
Grant awards and other program activities	$ 3,593,711	$ 4,883,329
Subject to the Organization's spending policy and appropriation:		
Accumulated gains on funds restricted in perpetuity	69,673	54,256
Endowment funds restricted in perpetuity	2,549,292	2,549,292
Total net assets with donor restrictions	$ 6,212,676	$ 7,486,877

NOTE 10. ENDOWMENT FUNDS

On September 17, 2010, New York State enacted the New York Prudent Management of Institutional Funds Act ("NYPMIFA"). The Organization and its board of trustees have interpreted NYPMIFA as requiring the preservation in perpetuity of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. The remaining portion of the donor-restricted endowment fund that is not classified as permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by NYPMIFA.

Donor-restricted endowment funds are invested in money market, exchange traded and fixed income instruments pursuant to the Organization's investment and spending objectives of subjecting the funds to low investment risk and providing current income.

NOTE 10. ENDOWMENT FUNDS (CONTINUED)

The composition of endowment net assets for these funds and the changes in endowment net assets as of December 31, 2018 and 2017, are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets - January 1, 2017	$ -	$ 2,599,706	$ 2,599,706
Investment income	15,983	15,138	31,121
Net appreciation (depreciation)	134,104	(11,296)	122,808
Endowment net assets - December 31, 2017	150,087	2,603,548	2,753,635
Investment income	16,774	20,127	36,901
Net appreciation (depreciation)	15,266	(61,357)	(46,091)
Endowment net assets - December 31, 2018	$ 182,127	$ 2,562,318	$ 2,744,445

NOTE 11. PROGRAMMATIC ACTIVITIES

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 Panel. 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 10 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) 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 $70,000 per year for two years, or a total of $140,000.

(c) 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.

NOTE 11. PROGRAMMATIC ACTIVITIES (CONTINUED)

Research (Continued)

(d) 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.

(e) Project Grants, which are awarded to support the research of established investigators working on specific projects under the direction of designated principal investigators. The current grant for a Project Grant is $50,000 per year for two years, or a total of $100,000.

(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 three years, or a total of NIS600,000. 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. The grant for a Mark Initiative Grant is $60,000 per year for three years, or a total of $180,000.

(i) International Collaboration Grants, which are awarded to promote international partnerships for outstanding cancer research in Israel between an investigator in Israel and a collaborating investigator in Canada or the United States. The support to the participating institutions will be divided such that 80% of the funds will be designated for the investigator in Israel and 20% will be designated to the investigator in North America. The current grant for an International Collaboration Grant is $150,000 per year for three years, or a total of $450,000.

(j) Barron Cancer Research Scholars' Program Grants, which are awarded to foster outstanding collaborative research and promote the exchange of ideas between exceptional researchers in the United States at City of Hope in Duarte, California, and in Israel. The four interrelated components of the program are: 1) one-year collaborative grants to scientists at City of Hope and in Israel, for $75,000; 2) one year of postdoctoral training at City of Hope for promising young Israeli scientists, for $71,203; 3) six-month sabbaticals for established Israeli scientists at City of Hope and for City of Hope Scientists in Israel, for $62,000; and 4) an annual symposium that will bring researchers from the United States and Israel together to share research discoveries.

NOTE 11. PROGRAMMATIC ACTIVITIES (CONTINUED)

Research (Continued)

During 2018, the Organization funded scientists at 12 research institutions in Israel, as well as four research institutes in North America, that were awarded International Collaboration Grants. 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 grant amounts awarded and approved in the current year are 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.

NOTE 12. 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 2018 and 2017, advertising and public relations costs totaled $51,132 and $89,648, respectively.

NOTE 13. EMPLOYEE BENEFIT PLANS

The Organization maintains a 403(b) plan covering all eligible employees. During 2018 and 2017, the Organization made contributions to the plan amounting to $15,568 and $14,540, respectively, which are included in "Employee benefits" in the accompanying statements of functional expenses.

NOTE 14. CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject the Organization to concentration of credit risk consist primarily of cash and cash equivalents in excess of insured amounts and investments. At times, the Organization's cash and cash equivalents and investments, which are placed with major financial institutions and brokerages, exceed the insurance coverage provided by the Federal Deposit Insurance Corporation or the Securities Investor Protection Corporation. The Organization has not experienced any losses in such accounts.

NOTE 15. COMMITMENTS AND CONTINGENCIES

Commitments

The Organization has noncancelable operating leases for offices in New York, California and Illinois that expire at various dates through February 2024 and include provisions for real estate tax escalations.

Future minimum lease payments for these operating leases at December 31, 2018, are as follows:

Years Ending December 31:	Amount
2019	$ 234,734
2020	227,510
2021	218,754
2022	219,142
2023	221,577
Thereafter	37,080
	$ 1,158,797

Rental payments under these leases are recognized on a straight-line basis over the terms of the leases. The difference between the actual rent paid and the expense recognized under the terms of these leases is included in "Deferred rent payable" in the accompanying statements of financial position. Rent expense incurred in connection with these leases amounted to $232,847 and $228,506 for the years ended December 31, 2018 and 2017, respectively.

Contingencies

The Organization is involved in various claims and legal actions arising in the ordinary course of business. Management is of the opinion that the ultimate outcome of these matters would not have a material adverse impact on the financial position of the Organization or the results of its operations.

NOTE 16. RELATED ENTITIES

The Organization has three affiliates that serve as local chapters of the Organization in Canada and Israel. The Organization has no voting interests in these local chapters. However, agreements between the local chapters and the Organization allow the Organization involvement in the awarding of research grants by the local chapters through its International Board of Trustees and Scientific Review Panel. The Organization awarded $1,015,000 and $1,330,000 in grants on behalf of its Canadian and Israeli affiliates in 2018 and 2017, respectively.