Cancer Research and Treatment Fund, Inc.

Financial Statements

December 31, 2018 and 2017

Sassetti

CERTIFIED PUBLIC ACCOUNTANTS

CANCER RESEARCH AND TREATMENT FUND, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2018 AND 2017

TABLE OF CONTENTS

Sassetti
CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
Cancer Research and Treatment Fund, Inc.
New York, New York

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of **Cancer Research and Treatment 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 audit 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.

6611 W. North Avenue ▪ Oak Park, IL 60302 ▪ P 708.386.1433 ▪ F 708.386.0139 ▪ www.sassetti.com

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **Cancer Research and Treatment 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.

Sassetti LLC

Oak Park, Illinois
July 29, 2019

CANCER RESEARCH AND TREATMENT FUND, INC.

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2018 AND 2017

	2018	2017
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 1,119,135	$ 509,307
Investments, at fair value	10,102,091	11,203,592
Pledges receivable	5,000	-
Prepaid expenses and other assets	11,291	11,432
Total Current Assets	11,237,517	11,724,331
Property and equipment, net	-	-
Restricted cash	13,535	13,529
TOTAL ASSETS	$ 11,251,052	$ 11,737,860
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Grants payable	$ 417,000	$ -
Accounts payable	828	2,784
Accrued expenses	28,100	37,780
Total Current Liabilities	445,928	40,564
NET ASSETS		
Without donor restrictions	10,791,677	11,683,850
With donor restrictions	13,447	13,446
Total Net Assets	10,805,124	11,697,296
TOTAL LIABILITIES AND NET ASSETS	$ 11,251,052	$ 11,737,860

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

CANCER RESEARCH AND TREATMENT FUND, INC.

STATEMENTS OF ACTIVITIES

YEARS ENDED DECEMBER 31, 2018 AND 2017

	2018			2017		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
INCOME AND OTHER SUPPORT						
Contributions	$ 475,846	$ -	$ 475,846	$ 451,908	$ -	$ 451,908
Fundraising income	376,123	-	376,123	367,275	-	367,275
Program revenue	-	-	-	83,317	-	83,317
Investment income, net of fees of $88,914 and $85,507, respectively	782,756	1	782,757	242,830	13	242,843
Unrealized and realized (loss) gains	(1,259,367)	-	(1,259,367)	1,258,036	-	1,258,036
Net assets released from restrictions	-	-	-	100,000	(100,000)	-
Total Income and Other Support	375,358	1	375,359	2,503,366	(99,987)	2,403,379
EXPENSES						
Program	956,008	-	956,008	1,102,826	-	1,102,826
Fundraising	255,601	-	255,601	239,854	-	239,854
General and administrative	55,922	-	55,922	54,239	-	54,239
Total Expenses	1,267,531	-	1,267,531	1,396,919	-	1,396,919
CHANGE IN NET ASSETS	(892,173)	1	(892,172)	1,106,447	(99,987)	1,006,460
NET ASSETS						
Beginning of year	11,683,850	13,446	11,697,296	10,577,403	113,433	10,690,836
End of of year	$ 10,791,677	$ 13,447	$ 10,805,124	$ 11,683,850	$ 13,446	$ 11,697,296

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

CANCER RESEARCH AND TREATMENT FUND, INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2018

	Program Services	Fundraising	Management and General	Total
Payroll and related expenses				
Salaries	$ 38,963	$ 50,094	$ 22,264	$ 111,320
Payroll taxes and related costs	3,429	4,408	1,959	9,796
	42,392	54,502	24,223	121,116
Grants				
Grants for the Silver MPN Center	834,000	-	-	834,000
Grants for research support	24,143	-	-	24,143
	858,143	-	-	858,143
Other				
Direct fundraising expenses	-	129,776	-	129,776
Rent	14,204	18,261	8,116	40,580
Newsletter and public relations	16,338	21,006	9,336	46,681
Office and other miscellaneous	10,055	12,928	5,746	28,728
Meetings	2,786	3,583	1,592	7,962
Professional fees	10,756	13,829	6,146	30,732
Telephone	1,334	1,716	763	3,813
	55,473	201,099	31,699	288,272
Total Expenses	$ 956,008	$ 255,601	$ 55,922	$ 1,267,531

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

CANCER RESEARCH AND TREATMENT FUND, INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2017

	Program Services	Fundraising	Management and General	Total
Payroll and related expenses				
Salaries	$ 34,989	$ 44,985	$ 19,993	$ 99,967
Payroll taxes and related costs	3,216	4,135	1,838	9,189
	38,205	49,120	21,831	109,156
Grants				
Grants for the Silver MPN Center	883,000	-	-	883,000
Grants for research support	124,904	-	-	124,904
	1,007,904	-	-	1,007,904
Other				
Direct fundraising expenses	-	117,812	-	117,812
Rent	13,123	16,871	7,498	37,492
Newsletter and public relations	14,281	18,361	8,160	40,802
Office and other miscellaneous	9,300	11,957	5,314	26,571
Meetings	4,157	5,346	2,376	11,879
Professional fees	14,781	19,004	8,446	42,231
Telephone	892	1,148	510	2,550
Depreciation	183	235	104	522
	56,717	190,734	32,408	279,859
Total Expenses	$ 1,102,826	$ 239,854	$ 54,239	$ 1,396,919

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

CANCER RESEARCH AND TREATMENT FUND, INC.

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2018 AND 2017

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ (892,172)	$ 1,006,460
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities -		
Unrealized and realized loss (gains) on investments	1,259,367	(1,258,036)
Donated investments	(8,552)	-
Depreciation	-	522
(Increase) decrease in:		
Pledges receivable	(5,000)	-
Prepaid expenses and other assets	141	2,017
Increase (decrease) in:		
Grants payable	417,000	-
Accounts payable	(1,956)	1,337
Accrued expenses	(9,680)	9,000
Net Cash Provided by (Used) in Operating Activities	759,148	(238,700)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale and maturity of investments	3,602,541	1,684,700
Purchases of investments	(3,751,855)	(1,875,176)
Net Cash Used in Investing Activities	(149,314)	(190,476)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	609,834	(429,176)
CASH AND CASH EQUIVALENTS:		
Beginning of year	522,836	952,012
End of year	$ 1,132,670	$ 522,836
SUMMARY OF CASH AND CASH EQUIVALENTS		
Unrestricted	$ 1,119,135	$ 509,307
Restricted	13,535	13,529
	$ 1,132,670	$ 522,836

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations – Cancer Research and Treatment Fund, Inc. (“the Organization”) is a not-for-profit organization founded to fund cancer research and treatment, emphasizing myeloproliferative neoplasms and other common blood and solid tumor cancers. Funding is granted to individuals for research in connection with cancer related disorders. Revenue and support for the Organization are primarily from the general public.

Basis of Accounting - Under generally accepted accounting principles, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. The net assets of the Organization are reported in the two self-balancing groups as follows:

- Net Assets without Donor Restrictions: Net assets without donor restrictions are for use at the discretion of the Board of Directors (the Board) and/or management for general operating purposes. From time to time, the Board designates a portion of these net assets for specific purposes which makes them unavailable for use at management’s discretion.

- Net Assets with Donor Restrictions: Net assets with donor restrictions consist of assets whose use is limited by donor-imposed time and/or purpose restrictions. The Organization reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, the net assets are reclassified as net assets without donor restriction and reported in the statements of activities as net assets released from restrictions. Some net assets with donor restrictions include a stipulation that assets provided be maintained permanently (perpetual in nature) while permitting the Organization to expend the income generated by the assets in accordance with the provisions of additional donor imposed stipulations or a Board approved spending policy.

Cash Flow Information – For purposes of the Statements of Cash Flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents. No cash was paid for income taxes or interest during the years ended December 31, 2018 and 2017.

Revenue Recognition – Contributions received are recorded as without donor restrictions or with donor restrictions, depending on the existence or nature of any donor restrictions. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as donor restricted support that increases the restricted net asset class. If a restriction is fulfilled in the same time period in which the contribution is received, the Organization reports the contribution as without donor restrictions.

Event revenue is recognized when the particular event occurs.

Estimates – The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP), which required management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Investments – Investments are carried at fair value. The fair value of other investments has been estimated using the Net Asset Value ("NAV") as reported by the management of the respective other investment funds.

Interest and dividends are recorded when earned. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis and dividends are recorded on the ex-dividend date. Realized and unrealized gains and losses are included in the determination of income.

Property and Equipment – Property and equipment are stated at cost. Expenditures for major additions and improvements above $5,000 are capitalized, while minor repairs and maintenance are charged to expense as incurred. Depreciation is based on the estimated useful lives of depreciable assets and is provided using the straight-line method. When property is disposed, the asset and the accumulated depreciation are removed from the accounts. Any resulting gain or loss is reflected in operations in the period incurred.

Donated Services – Many individuals volunteer their time and perform a variety of tasks that assist the Organization with specific programs, campaign solicitations, and various committee assignments. Volunteer hours received by the Organization are not recognized in the financial statements because they did not meet the criteria for recognition under U.S. GAAP, which states that in order to record the value of services, the services must either (a) create or enhance non-financial assets, or (b) the service must require specialized skills.

Tax-Exempt Status – The Organization is a not-for-profit institution exempt from federal income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code. Accordingly, no provisions for income taxes have been provided in the accompanying financial statements.

The Organization follows U.S. GAAP guidance on *Accounting for Uncertainty in Income Taxes*. This topic provides guidance on the recognition, measurement, classification and disclosures related to uncertain tax positions, along with any interest and penalties. The Organization continually evaluates the possible existence of uncertain tax positions. The federal and state tax returns of the Organization are subject to examination, generally for three years after filing.

Adopted Accounting Pronouncements – The Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities, in August 2016. This standard requires changes to the financial statement presentation of not-for-profit entities, including changing from three net asset classes to two classes: net assets with donor restrictions and net assets without donor restrictions. The

ASU requires changes in the way certain information is disclosed by the Organization, including quantitative and qualitative disclosures about liquidity and the Organization's ability to meet cash needs for general expenditures within one year of the balance sheet. The new standard became effective for the Organization's year ending December 31, 2018. The standard has been applied retrospectively.

Reclassifications – Certain items in the financial statements as of and for the year ended December 31, 2017 have been reclassified to conform to the current year presentation.

Subsequent Events – The Company has evaluated subsequent events through July 29, 2019, the date that the financial statements were available to be issued.

2. CONCENTRATIONS

The Organization maintains cash balances in financial institutions. The balances are insured by the Federal Deposit Insurance Corporation. The Organization’s bank balances may at times exceed insurable limits. The Organization has not experienced any losses in such accounts and as a result believes it is not exposed to any significant financial risk.

The Organization maintains an investment portfolio that contains non-traditional, not readily marketable investments, including non-equity correlated and hedge equities. The underlying investments of such funds, whether invested in stock or other securities, are generally not currently traded in a public market and typically are subject to restrictions on resale. Values determined by managers or general managers of underlying securities may be based on ongoing operational due diligence and risk monitoring of underlying investment funds. At December 31, 2018 and 2017, the Organization invested in two individual funds that comprised of 53% and 51% of total investments, respectively.

3. INVESTMENTS

Investments consist of the following at December 31:

	2018		
	Cost	Fair Value	Unrealized Gain (Loss)
U.S. government securities	$ 249,532	$ 248,863	$ (669)
Municipal bonds	2,709	2,623	(86)
Equity securities	3,966,346	4,475,003	508,657
Non-equity correlated	2,096,605	2,924,863	828,258
Hedged equities	1,417,893	2,450,739	1,032,846
Total	$ 7,733,085	$ 10,102,091	$ 2,369,006

	2017		
	Cost	Fair Value	Unrealized Gain (Loss)
U.S. government securities	$ 673,951	$ 670,995	$ (2,956)
Municipal bonds	2,657	2,588	(69)
Equity securities	3,087,604	4,801,574	1,713,970
Non-equity correlated	2,271,605	3,048,765	777,160
Hedged equities	1,542,893	2,679,670	1,136,777
Total	$ 7,578,710	$ 11,203,592	$ 3,624,882

4. FAIR VALUE MEASUREMENTS

FASB ASC Topic 820, Fair Value Measurements and Disclosures, provides 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. Fair value focuses on the price that would be received to sell the asset or paid to transfer the liability regardless of whether an observable liquid market price existed (an exit price). An exit price valuation will include margins for risk even if they are not observable. As the Company is released from risk, the margins for risk will also be released through net realized gains (losses) in net income (loss). The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1 – Valuation is based upon quoted prices in active markets for identical assets.

Level 2 – Valuation based on inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices in active markets for similar assets or liabilities, quoted prices for identical or dissimilar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data fur substantially the full term of the assets or liabilities.

Level 3 – Unobservable inputs that are supported by little or no market activity, and that are significant to the fair value of the assets or liabilities.

The asset 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. There are no changes in the valuation of methodologies used at December 31, 2018 and 2017.

Fair values for marketable securities are determined by reference to quoted market prices and other relevant information generated by market transactions.

Fair values of assets measured on a recurring basis were as follows:

	Fair Value Measurements at December 31, 2018			
	Level 1	Level 2	Level 3	Total
U.S. government securities	$ 248,863			$ 248,863
Municipal bonds	2,623	-	-	2,623
Equity securities	4,475,003	-	-	4,475,003
	$ 4,726,489	$ -	$ -	4,726,489
Other investments:				
Non-equity correlated [(a)]				2,924,863
Hedged equities [(a)]				2,450,739
Total investments, at fair value				$ 10,102,091

	Fair Value Measurements at December 31, 2017			
	Level 1	Level 2	Level 3	Total
U.S. government securities	$ 670,995	$ -	$ -	$ 670,995
Municipal bonds	2,588	-	-	2,588
Equity securities	4,801,574	-	-	4,801,574
	$ 5,475,157	$ -	$ -	5,475,157
Other investments:				
Non-equity correlated [(a)]				3,048,765
Hedged equities [(a)]				2,679,670
Total investments, at fair value				$ 11,203,592

(a) In accordance with current accounting standards, certain investments that are measured at fair value using the NAV per share "Practical Expedient" have not been classified in the fair value hierarchy. The fair value amounts presented in these tables are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statements of financial position.

The following table below summarizes liquidity arrangements for investments valued at NAV using the "Practical Expedient" at December 31:

Non-equity correlated and hedged equities employ a variety of investment strategies with varying net/gross exposure levels. The fair values of the investment in this category are those reported by the fund administrator at December 31, 2018 and 2017. Liquidity terms vary by fund, with certain funds offering flexible terms. The investment strategies are summarized as follows:

- Credit Strategies employ an investment process focused on identifying corporate credit instruments that are either undervalued or overvalued to their fair value. Managers typically employ a fundamentally-oriented investment process to identify mispriced credit instruments.

- Distressed Debt Strategies employ an investment process focused on identifying corporate credit instruments trading at significant discounts to their fair value. Managers are typically actively involved with these companies, often through participation in creditors' committees or other restructuring decisions.
- Event Driven Strategies relate to situations in which the underlying investment opportunity and risk is associated with an event. An Event Driven investment strategy finds investment opportunities in transactional events including but not limited to mergers, restructurings, financial distress, tender offers, shareholder buybacks, security issuance or other capital structure adjustments.
- Macro Investment Strategies take position in share, bond or currency markets in anticipation of global macroeconomic events in order to generate a risk-adjusted return. Macro fund managers use macroeconomic analysis based on global market events and trends to identify opportunities for investment that would profit from anticipated price movements.
- Market Neutral Strategies exhibit zero correlation with an unwanted source of risk.
- Long/Short Equity Strategies involve buying long equities that are expected to increase in value and selling short equities that are expected to decrease in value.
- Multi-Strategy Funds engagement in variety of investment strategies, including but not limited to long/short equity, market neutral, event driven and global macro.

5. NET ASSETS WITHOUT DONOR RESTRICTIONS

Net assets without donor restrictions are available for use at the discretion of the Board of Directors (the Board) and/or management for general operating purposes. Board designated net assets represent amounts identified by the Board which have been invested for use at management's discretion. Income earned on such balances accrues and, with approval of the Board, may be used to support the Organization's activities.

The following summarizes activity for net assets with board designated restrictions during 2018 and 2017:

	2018	2017
Net assets with board designated restrictions, January 1:	$ 11,310,706	$ 10,226,340
Investment income, net of fees	782,758	242,830
Unrealized and realized (losses) gains	(1,259,367)	1,258,036
Less: transfers	(325,000)	(416,500)
Net assets with board designated restrictions, December 31:	$ 10,509,097	$ 11,310,706

The following summarizes ending balances of all net assets without donor restrictions at December 31, 2018 and 2017:

	2018	2017
Board designated	$ 10,509,097	$ 11,310,706
Undesignated net assets	282,580	373,144
Net assets without donor restrictions	$ 10,791,677	$ 11,683,850

6. PROPERTY AND EQUIPMENT

Major classifications of property and equipment, and their respective useful lives, are as follows at December 31:

	2018	2017	Estimated Useful Lives
Webpage	$ 42,000	$ 42,000	3 - 7 years
Leasehold improvements	19,201	19,201	39 years
Computer	16,573	16,573	5 years
Furniture	6,806	6,806	7 years
Equipment	2,351	2,351	5 - 7 years
	86,931	86,931	
Less: accumulated depreciation	(86,931)	(86,931)	
	$ -	$ -	

7. RESTRICTED CASH

Certain programs carried on by the Organization are funded by third party contributions and grants from pharmaceutical companies which are earmarked towards specific research programs presently being conducted, as well as programs to begin in the future. The use of these funds is restricted to the designated programs for which the revenue was received. The balance in this fund at December 31, 2018 and 2017 is $13,535 and $13,529, respectively, and represents donations for neurological research in brain and prostate cancer research.

8. LEASE

The Organization leases its facilities in New York, New York from an independent party, which expires on January 31, 2020. Rent paid for this facility totaled $40,580 and $37,492 for the years ended December 31, 2018 and 2017.

Future minimum lease payments under operating leases are as follows for the year ended December 31:

2019	$	40,832
2020		3,403

9. COMMITMENTS AND CONTINGENCIES

The Organization made an initial pledge of $3,700,000 in 2011 to the Weill Cornell Medical College (the "College") for the purpose of creating the Richard T. Silver, M.D. Myeloproliferative Neoplasm Center (the "Silver MPN Center"). The pledge was subsequently and most recently modified in 2018, increasing the total pledge to $6,234,000. As of December 31, 2018 and 2017, the remaining unpaid pledge amounted to $1,651,000 and $1,034,000, respectively.

The pledged amounts remaining as of December 31, 2018 are to be paid as follows:

- A gift of $167,000 is classified as grants payable on the 2018 Statement of Financial Position for amounts approved by the Board but unpaid. Of the total gift, 90% is allocated to the Scientific Director of Silver MPN Center in their laboratory research, and the remaining 10% is allocated to the Director of Silver MPN Center for administration.
- A gift of $250,000 is classified as grants payable on the 2018 Statement of Financial Position for amounts approved by the Board but unpaid. The gift is to support the translational research of Dr. Richard T. Silver, M.D., including related nursing and administrative staff.
- A gift of $700,000, payable in two annual installments, commencing upon the hiring of a Clinical Director of the Silver MPN Center.
- A gift of $334,000, payable in installments of $167,000 in July 2019 and December 2019, to support the Scientific Director of Silver MPN Center in their laboratory research.
- A gift of $200,000, payable in installments of $50,000 in July 2019, December 2019, July 2020, and December 2020 to support a new clinician.

The amounts and timing of these gifts are also subject to the terms and conditions stated in the pledge agreements.

The remaining gifts will be recorded as amounts are determined and approved annually by the Organization's Board.

10. MAJOR CONTRIBUTORS

For the year ended December 31, 2018, four gifts totaling $405,000 comprised approximately 85% of total contributions. These gifts have no restrictions on their use.

For the year ended December 31, 2017, four gifts totaling $378,049 comprised approximately 84% of total contributions. These gifts have no restrictions on their use.

11. LIQUIDITY AND AVAILABILITY OF RESOURCES

The Organization operates on a consistent annual cycle, with their primary expenditures related to the payment of pledge commitments, and various other budgeted administrative and fundraising expenses.

The Organization’s financial assets available within one year of the statements of financial position date for general expenditures are as follows:

Cash and cash equivalents	$	1,119,135
Investments, at fair value		10,102,091
Pledges receivable		5,000
Total financial assets available within one year		11,226,226
Less: amounts unavailable for general expenditures within one year due to:		
Pledges approved to be paid within one year		(417,000)
Less: amounts unavailable to management without Board approval:		
Board designated net assets		(10,509,097)
Total financial assets available to management for general expenditure within one year	$	300,129

12. NEW ACCOUNTING STANDARDS UPDATE

FASB issued ASU No. 2016-02, Leases (Topic 842) in February 2016, which will supersede the current lease recording requirements in Topic 842. The ASU looks to increase transparency and comparability by conforming US GAAP with International Accounting Standards as it relates to leases. The new standard will require, among other things, that all leases, including operating leases, be included on the balance sheet as a "right of use" asset with an offsetting liability for the payments remaining on the lease. The new guidance will be effective for the Organization's year ending December 31, 2020, with early application permitted.

The Organization is currently evaluating the impact this standard will have on its financial statements.