

**The Samuel Waxman Cancer
Research Foundation, Inc.**

Financial Statements
Year Ended June 30, 2014

The Samuel Waxman Cancer Research Foundation, Inc.

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Independent Auditor's Report

To the Board of Directors
The Samuel Waxman Cancer Research Foundation, Inc.
New York, New York

We have audited the accompanying financial statements of The Samuel Waxman Cancer Research Foundation, Inc. (the "Foundation"), which comprise the statement of financial position as of June 30, 2014, and the related statements of activities, functional expenses and cash flows for the year 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 The Samuel Waxman Cancer Research Foundation, Inc. as of June 30, 2014 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Foundation's 2013 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 13, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2013 is consistent, in all material respects, with the audited financial statements from which it has been derived.

BDO USA, LLP

December 15, 2014

The Samuel Waxman Cancer Research Foundation, Inc.

Statement of Financial Position (with comparative totals for 2013)

<i>June 30,</i>	2014	2013
Assets		
Cash and cash equivalents (Note 2)	\$1,681,299	\$1,270,514
Investments, at fair value (Notes 2 and 4)	59,628	1,358,835
Pledges and grants receivable, net (Notes 2 and 3)	642,989	1,168,693
Other receivables	66,000	44,038
Prepaid expenses and other assets	123,288	85,941
Charitable gift annuity investments (Notes 2 and 5)	33,715	45,038
Property and equipment, net (Notes 2 and 6)	2,789	6,485
Total Assets	\$2,609,708	\$3,979,544
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$ 589,003	\$ 46,705
Research grants payable (Note 2)	552,500	694,450
Charitable gift annuities payable (Note 2)	22,499	30,994
Deferred rent (Note 7)	8,010	13,736
Deferred revenue (Note 2)	142,043	260,025
Total Liabilities	1,314,055	1,045,910
Commitments and Contingencies (Notes 2, 5 and 7)		
Net Assets (Deficit) (Notes 2 and 8):		
Unrestricted	(1,729)	1,030,252
Temporarily restricted	1,297,382	1,903,382
Total Net Assets	1,295,653	2,933,634
Total Liabilities and Net Assets	\$2,609,708	\$3,979,544

See accompanying notes to financial statements.

The Samuel Waxman Cancer Research Foundation, Inc.

Statement of Activities (with comparative totals for 2013)

Year ended June 30,

	Unrestricted	Temporarily Restricted	Total	
			2014	2013
Support and Revenue:				
Contributions and grants	\$ 245,000	\$ 860,000	\$1,105,000	\$2,448,508
Special events, net of direct benefits to donors of \$1,634,061 in 2014	1,210,948	-	1,210,948	1,609,634
Investment income	65,351	-	65,351	251,129
Net assets released from restrictions (Note 8)	1,466,000	(1,466,000)	-	-
Total Support and Revenue	2,987,299	(606,000)	2,381,299	4,309,271
Expenses:				
Program services	3,241,252	-	3,241,252	3,856,324
Management and general	556,160	-	556,160	482,835
Fundraising	221,868	-	221,868	239,872
Total Expenses	4,019,280	-	4,019,280	4,579,031
Change in Net Assets	(1,031,981)	(606,000)	(1,637,981)	(269,760)
Net Assets, Beginning of Year	1,030,252	1,903,382	2,933,634	3,203,394
Net Assets (Deficit), End of Year	\$ (1,729)	\$1,297,382	\$1,295,653	\$2,933,634

See accompanying notes to financial statements.

The Samuel Waxman Cancer Research Foundation, Inc.

Statement of Functional Expenses (with comparative totals for 2013)

	Supporting Services				2013 Total
	Program Services	Management and General	Fundraising	2014 Total	
Research Grants:					
Mount Sinai Medical Center	\$ 293,384	-	-	\$ 293,384	\$ 692,732
Institute Without Walls	2,299,520	-	-	2,299,520	2,464,852
Total Research Grants	2,592,904	-	-	2,592,904	3,157,584
Other Expenses:					
Salaries and related benefits	165,407	248,110	137,838	551,355	562,572
Scientific directors	397,500	-	-	397,500	420,000
Consultants	-	10,500	12,833	23,333	13,798
Professional fees	-	65,750	-	65,750	45,112
Printing and publications	6,834	10,251	5,694	22,779	30,689
Travel	4,923	7,384	4,102	16,409	12,303
Depreciation and amortization	1,109	1,663	924	3,696	3,697
Insurance	2,820	4,230	2,350	9,400	14,541
Office, printing and stationary	9,904	14,855	8,253	33,012	34,597
Taxes and licenses	-	2,604	-	2,604	13,406
Occupancy	31,147	46,720	25,955	103,822	108,585
Meetings and conferences	8,400	12,600	6,999	27,999	46,937
Equipment rental and maintenance	7,541	11,311	6,284	25,136	63,561
Bad debt expense	-	101,038	-	101,038	-
Miscellaneous expenses	12,763	19,144	10,636	42,543	51,649
Total Expenses	\$3,241,252	\$556,160	\$221,868	\$4,019,280	\$4,579,031

See accompanying notes to financial statements.

The Samuel Waxman Cancer Research Foundation, Inc.

Statement of Cash Flows (with comparative totals for 2013)

Year ended June 30,	2014	2013
Cash Flows From Operating Activities:		
Change in net assets	\$(1,637,981)	\$ (269,760)
Adjustments to reconcile net change in net assets to net cash used in operating activities:		
Depreciation and amortization	3,696	3,697
Bad debt expense	101,038	-
Net unrealized gains on investments	(63,603)	(222,919)
Net realized (gains) losses	(1,110)	6,766
Change in operating assets and liabilities:		
Decrease (Increase) in:		
Pledges and grants receivable	450,704	(504,167)
Other receivables	(48,000)	47,546
Prepaid expenses and other assets	(37,347)	93,246
Charitable gift annuity investments	11,323	11,375
Increase (decrease) in:		
Accounts payable and accrued expenses	542,298	(152,399)
Research grants payable	(141,950)	396,186
Deferred rent	(5,726)	(1,373)
Deferred revenue	(117,982)	214,006
Total Adjustments	693,341	(108,036)
Net Cash Used In Operating Activities	(944,640)	(377,796)
Cash Flows From Investing Activities:		
Proceeds from sales of investments	1,363,920	825,595
Decrease in charitable gift annuities payable	(8,495)	-
Net Cash Provided By Investing Activities	1,355,425	825,595
Net Increase in Cash and Cash Equivalents	410,785	447,799
Cash and Cash Equivalents, Beginning of Year	1,270,514	822,715
Cash and Cash Equivalents, End of Year	\$ 1,681,299	\$1,270,514

See accompanying notes to financial statements.

The Samuel Waxman Cancer Research Foundation, Inc.

Notes to Financial Statements

1. Description of Organization

The Samuel Waxman Cancer Research Foundation, Inc. (the "Foundation") is organized under the not-for-profit corporation law of the State of New York. The Foundation has been granted exemption from Federal income tax pursuant to Section 501(c)(3) of the Internal Revenue Code (the "Code") and has been determined not to be a private foundation within the meaning of Section 509(a) of the Code. The Foundation is a scientific research organization dedicated to supporting a focused research program to develop targeted cancer cell-specific therapies. The Foundation primarily supports programs for cancer-related research, and develops drug therapies for cancer prevention, treatment and ultimate cure. The Foundation helps to organize conferences that share findings on differentiation therapy and helps to support and assist researchers in the publication of research papers in many major scientific journals.

The Foundation's support and revenue is predominantly generated from contributions and other public support.

2. Summary of Significant Accounting Policies

(a) Basis of Accounting

The accompanying financial statements have been prepared on an accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP").

In the statement of financial position, assets are presented in order of liquidity or conversion to cash and liabilities are presented according to their maturity resulting in the use of cash, respectively.

(b) Financial Statement Presentation

The classification of a not-for-profit organization's net assets and its support, revenue and expenses is based on the existence or absence of donor-imposed restrictions. It requires that the amounts for each of three classes of net assets, permanently restricted, temporarily restricted, and unrestricted, be displayed in a statement of financial position and that the amounts of change in each of those classes of net assets be displayed in a statement of activities.

Interest, dividends and gains and losses on investments are reflected in the statement of activities as increases and decreases in unrestricted net assets, unless their use is temporarily or permanently restricted by explicit donor stipulations or by law. Investment income and gains restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the income is recognized.

These classes are defined as follows:

- (i) Permanently Restricted* - Net assets resulting from contributions and other inflows of assets whose use by the Foundation is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Foundation.
- (ii) Temporarily Restricted* - Net assets resulting from contributions and other inflows of assets whose use by the Foundation is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Foundation pursuant to those stipulations. When such stipulations end or are fulfilled, such temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities.

The Samuel Waxman Cancer Research Foundation, Inc.

Notes to Financial Statements

(iii) **Unrestricted** - The part of net assets that is neither permanently nor temporarily restricted by donor-imposed stipulations.

(c) **Cash and Cash Equivalents**

The Foundation considers all highly liquid instruments purchased with a maturity of three months or less and money market accounts with dollar-for-dollar values to be cash equivalents.

(d) **Investments at Fair Value**

The Foundation reflects investments at fair value in the accompanying statement of financial position.

The fair values of alternative investments that are not readily marketable are based on the fair values of the underlying investments provided by the investment managers, which are reviewed for reasonableness by management. Because of the inherent uncertainty of valuation of the Foundation's alternative investments, values for those investments may differ significantly from values that would have been used had a ready market for the investments existed.

(e) **Fair Value Measurements**

Accounting Standards Codification ("ASC") 820, "Fair Value Measurement", establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that inputs that are most observable be used when available. Observable inputs are inputs that market participants operating within the same marketplace as the Foundation would use in pricing its asset or liability based on independently derived and objectively determinable market data. Unobservable inputs are inputs that cannot be sourced from a broad active market in which assets or liabilities identical or similar to those of the Foundation are traded. The Foundation estimates the price of any assets for which there are only unobservable inputs by using assumptions that market participants that have investments in the same or similar assets would use as determined by the money managers administering each investment based on the best information available in the circumstances. The input hierarchy is broken down into three levels based on the degree to which the exit price is independently observable or determinable as follows:

Level 1 - Valuation based on quoted market prices in active markets for identical assets or liabilities. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these products does not entail a significant degree of judgment.

Level 2 - Valuation based on quoted market prices of investments that are not actively traded or for which certain significant inputs are not observable, either directly or indirectly.

Level 3 - Valuation based on inputs that are unobservable and reflect management's best estimate of what market participants would use as fair value.

(f) **Pledges Receivable and Contributions**

Contributions are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence and/or nature of any donor restrictions.

Contributions are recognized when the donor makes a promise-to-give to the Foundation in substance and unconditionally. Conditional contributions and promises-to-give are not recognized until they become unconditional, that is when the future and uncertain event on which they depend has occurred. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. Pledges receivable due after one year are discounted to net present value using the risk-adjusted interest rate in effect on the date of the gifts.

The Samuel Waxman Cancer Research Foundation, Inc.

Notes to Financial Statements

Contributions of assets other than cash are recorded at their estimated fair value at the date of the gift. Many volunteers, including the Board of Directors, have made significant contributions of time in furtherance of the Foundation's policies and programs. The value of this contributed time does not meet the criteria for recognition and, therefore, is not reflected in the accompanying financial statements.

(g) Allowance for Uncollectible Receivables

The Foundation determines whether an allowance for uncollectible receivables should be provided for pledges and other receivables. Such estimates are based on management's assessment of the likelihood of collection, including consideration of how long the receivable has been outstanding, creditworthiness of the debtor, current economic conditions, management's analysis of specific pledges made and historical information.

(h) Property and Equipment

Purchases of property and equipment are recorded at cost. The Foundation capitalizes property and equipment having a cost of \$1,000 or more and a useful life of greater than one year. Depreciation and amortization is recognized using the straight-line method over the estimated useful lives of the assets. Leasehold improvements are amortized over the shorter of the useful life of the asset or the remaining term of the lease. The estimated useful lives of property and equipment are as follows:

Computer equipment and software	5 years
Furniture and fixtures	5 years

(i) Split-Interest Agreements

The Foundation's split-interest agreements with donors consist of charitable gift annuities. The Foundation recognizes assets and temporarily restricted contribution revenue for its split-interest agreements at the date the agreements are established, net of the liability recorded for the present value of the estimated future payments to be made to the donors and other beneficiaries based upon their life expectancies using Internal Revenue Service ("IRS") mortality tables and the appropriate discount rates. The carrying value of the split-interest agreement assets and liabilities are adjusted to fair value at the end of the year.

(j) Functional Allocation of Expenses

The costs of providing the various program and supporting services have been summarized on a functional basis in the accompanying statement of functional expenses. Certain costs have been allocated among the program and supporting services benefited.

(k) Research Grants Payable

Research grants are awarded for a one-year period. Grants authorized but unpaid at year-end are reported as liabilities. As of June 30, 2014, research grants payable consisted of amounts which are payable within one year.

(l) Deferred Revenue

At June 30, 2014, deferred revenue consists of amounts received in advance for 2015 special events.

(m) Concentrations of Credit Risks

The Samuel Waxman Cancer Research Foundation, Inc.

Notes to Financial Statements

Financial instruments which potentially subject the Foundation to concentration of credit risk consist primarily of cash and cash equivalents. At various times, the Foundation has cash deposits at financial institutions, which exceed the Federal Deposit Insurance Corporation insurance limits.

(n) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make 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. Actual results could differ from those estimates.

(o) Comparative Financial Information

The financial statements include certain prior year summarized comparative information. With respect to the statement of activities, the prior year information is presented in total, not by net asset class. With respect to the statement of functional expenses, the prior year expenses are presented by expense classification in total rather than functional category. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Foundation's financial statements for the year ended June 30, 2013, from which the summarized information was derived.

(p) Income Taxes

The Foundation is exempt from Federal, state and local income taxes under Section 501(c)(3) of the Code and, therefore, has made no provision for income taxes in the accompanying financial statements.

Under ASC 740, "Income Taxes", an organization must recognize the tax benefit associated with tax positions taken for tax return purposes when it is more likely than not that the position will be sustained upon examination by a taxing authority. The Foundation does not believe it has taken any material uncertain tax positions and, accordingly, it has not recorded any liability for unrecognized tax benefits. The Foundation has filed for and received income tax exemptions in the jurisdictions where it is required to do so. Additionally, the Foundation has filed IRS Form 990 information returns, as required, and all other applicable returns in jurisdictions where so required. For the year ended June 30, 2014, there were no interest or penalties recorded or included in the statement of activities. Management believes that the Foundation is no longer subject to income tax examinations for years prior to 2011.

3. Pledges and Grants Receivable

Pledges receivable are scheduled to be collected as follows as of June 30, 2014:

<i>June 30, 2014</i>	
Less than one year	\$513,667
One to four years	135,000
	648,667
Less: Discount to present value	(5,678)
Total pledges receivable, net	\$642,989

The Samuel Waxman Cancer Research Foundation, Inc.

Notes to Financial Statements

Pledges receivable due after one year are discounted to net present value using risk adjusted interest rates in effect on the date of the gifts. An interest rate of 2% is used to discount the unconditional promises as of June 30, 2014.

4. Investments at Fair Value

Investments consist of the following as of June 30, 2014:

June 30, 2014

Drawbridge Special Opportunity, Ltd.	\$49,692 ^(a)
Seneca Capital International SLV, Ltd.	9,936 ^(b)
	<hr/>
	\$59,628

- (a) The investment objective of the fund is to achieve superior risk-adjusted returns by opportunistically acquiring a diversified portfolio of undervalued and distressed investments. The fund also acquires or participates in senior and mezzanine corporate and real estate debt obligations. The Foundation can redeem its investment in the fund on an annual basis with 90 days' notice of redemption.
- (b) Seneca Capital International SLV, Ltd. ("SLV") represents a special liquidating vehicle that is managing and selling interests in less liquid assets that were previously held by the Feeder Fund. As the investments are liquidated, the SLV periodically distributes the pro-rata portion of the proceeds (net of expenses and reserves) to the limited partners.

The underlying investments of the hedge funds may be invested in loans, including loans issued by or related to companies that are experiencing various forms of financial, operational, legal and/or other distress and impairment. Any underlying investment in high-yield loans may involve special risks. For example (and without limitation), the underlying investments may be noninterest bearing, unsecured and/or subordinated to other claimants. Until investments are sold or mature, the underlying investments are exposed to credit risk relating to whether the obligor will meet its obligation when it comes due.

The underlying investments of the hedge funds may also utilize derivative instruments including swaps, forwards, interest rate caps, warrants and swap options as part of their investment and hedging strategy. Derivative transactions give rise to both market risk and credit risk.

Securities sold, not yet purchased, represent obligations of the hedge funds to purchase the securities at prevailing market prices. As such, the future satisfaction of these obligations may be at amounts that are greater or less than that recorded in the underlying investments.

Investments, in general, are exposed to various risks, such as credit, market and liquidity risk. As such, it is reasonably possible that changes in the fair values of investments will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position and statement of activities.

Credit risk is the risk of default of loans, securities or derivatives, as applicable, which result from a borrower's or derivative counterparty's inability or unwillingness to make required or expected payments.

The Samuel Waxman Cancer Research Foundation, Inc.

Notes to Financial Statements

Market risk reflects adverse changes in the value of investments in loans, securities or derivatives, as applicable, due to changes in interest rates, prevailing credit spreads, foreign currency exchange rates, general economic conditions, financial market conditions, domestic or international economic or political events, developments or trends in any particular industry, and the financial condition of the obligors on the underlying assets.

Liquidity risk is the risk that the hedge funds may not be able to sell assets when it desires to do so or to realize what it estimates to be their fair values in the event of a sale. The sale of illiquid assets and restricted securities often requires more time and results in higher brokerage charges or dealer discounts and other selling expenses than does the sale of securities eligible for trading on national securities exchanges or on over-the-counter markets. Restricted securities may sell at a price lower than similar securities that are not subject to restrictions on resale.

As of June 30, 2014, the Foundation had no unfunded commitments to invest in its alternative investments.

Investment activity includes the following for the year ended June 30, 2014:

Year ended June 30, 2014

Interest and dividends	\$ 638
Realized gains	1,110
Unrealized gains	63,603
Total investment activity	\$65,351

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.

The Foundation's policy is to recognize transfers in and transfers out between fair value levels as of the end of the period in which the transfer takes place. For the year ended June 30, 2014, no such transfers between fair value levels occurred.

Financial assets carried at fair value at June 30, 2014 are classified in the table below:

	Level 1	Level 2	Level 3	Total
Assets				
Investments:				
Alternative investments:				
Drawbridge Special Opportunity, Ltd.	\$ -	\$ -	\$49,692	\$49,692
Seneca Capital International SLV, Ltd.	-	-	9,936	9,936
Charitable gift annuity investments	33,715	-	-	33,715
Total assets carried at fair value	\$33,715	\$ -	\$59,628	\$93,343

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Notes to Financial Statements

The changes in assets measured at fair value for which the Foundation has used Level 3 inputs to determine fair value was as follows for the year ended June 30, 2014:

Year ended June 30, 2014

Balance, beginning of the year	\$ 1,358,835
Redemptions, net	(1,363,920)
Realized gains	1,110
Unrealized gains	63,603
Balance, end of the year	\$ 59,628

Following is a description of the valuation methodologies used for assets measured at fair value.

Alternative Investments (Level 3)

Alternative investments are invested in hedge funds, and are designated as Level 3 as indicative of the investment manager's classification of the Foundation's investment in the funds. It is not meant to be indicative of the classification of the investments in the underlying portfolio of the hedge fund into the fair value hierarchy.

The fair value of alternative investments is provided by the investment manager, and is based on the fair values of the underlying investments and may be based on historical cost, appraisals and obtainable prices for similar assets or other estimates. When price quotations for the underlying investments are not available from unaffiliated market makers or other financial institutions that regularly trade similar investments, independent valuation agents determine, in consultation with the investment managers, the value of the investments by reviewing information prepared or provided by the investment managers and/or by using their proprietary valuation models.

Charitable Gift Annuity Investment

The underlying assets of the charitable gift annuities are held in equities and fixed income securities which are valued using market prices in active markets (Level 1).

5. Charitable Gift Annuities

Over the past seven years, the Foundation received donations from two donors through split-interest agreements aggregating \$129,285. The terms of the agreements require the Foundation to pay \$8,495 each year to the annuitants' beneficiary for the remainder of her life. Upon the death of the beneficiary, the Foundation may use the balance of the annuity for cancer research. To service these programs, the Foundation established an institutional servicing agreement with Merrill Lynch for the maintenance of this agreement. According to New York State Insurance Law, a segregated fund must maintain assets at least equal to the sum of a charity's reserves on its outstanding gift annuity agreement, plus two layers of surplus.

The fair value of funds deposited by the Foundation to meet this minimum at June 30, 2014 was \$33,715. The present value of the estimated future interest is calculated using the applicable life expectancy tables and a discount rate of 9% as of June 30, 2014. The majority of the underlying assets of the split-interest agreements are held in equities and fixed income securities.

The Samuel Waxman Cancer Research Foundation, Inc.

Notes to Financial Statements

6. Property and Equipment, Net

Property and equipment, net consist of the following as of:

<i>June 30, 2014</i>	
Computer equipment and software	\$ 9,708
Furniture and fixtures	8,773
	18,481
Less: Accumulated depreciation and amortization	(15,692)
Property and equipment, net	\$ 2,789

Depreciation expense was \$3,696 for 2014.

7. Commitments and Contingencies

The Foundation entered into an operating lease for its office facilities in May 2010. The lease is for a five-year term expiring in July 2015. The lease agreement provides for scheduled increases in the base rent and also includes a free rent period of two months. Rent expense related to the required minimum rentals is recognized on a straight-line basis over the term of the lease. Straight-lining of rent gives rise to a timing difference that is reflected as deferred rent. Included in the accompanying statement of financial position is a liability of \$8,010 as of June 30, 2014, related to the deferred rent under the straight-line method of accounting.

Future minimum lease payments under operating leases as of June 30, 2014 approximate the following:

<i>Year ending</i>	
2015	\$94,201

Rent expense for the year ended June 30, 2014 was \$92,972.

The Samuel Waxman Cancer Research Foundation, Inc.

Notes to Financial Statements

8. Temporarily Restricted Net Assets and Net Assets Released From Restrictions

Temporarily restricted net assets consist of the following as of June 30, 2014:

June 30, 2014

Restricted to Future Periods and Programs:	
Abner & Mildred Levine Family Foundation	\$ 220,000
David Workman Memorial Fund	261,297
Emerald Foundation, Inc. - Restricted for Shanghai Institute	150,000
Future interest in charitable remainder trust	17,418
Time-restricted multi-year pledges	175,000
Board Challenge Grants	70,000
City of Hope	80,000
Invest in Cancer	273,667
Triple Negative	50,000
	<hr/>
	\$1,297,382

During the year ended June 30, 2014, the Foundation released temporarily restricted net assets of \$1,466,000 by incurring expenses or the passage of time, thus satisfying the restrictions.

9. Related Party Transactions

The Foundation transacts business with, or contracts services with, companies or individuals that employ certain members of the Board of Directors, or are relatives of certain employees, or members of the Board of Directors, which includes a consulting agreement with the Foundation's founder.

For the year ended June 30, 2014, the Foundation purchased various stationery, printing and publications from a company affiliated with a member of the Board in the amount of \$29,018.

10. Subsequent Events

The Foundation has evaluated, for potential recognition and disclosure, events subsequent to the statement of financial position date through December 15, 2014, the date the financial statements were available to be issued. No events have occurred subsequent to the statement of financial position date that would require adjustment to or disclosure in the financial statements.