

CURESEARCH FOR CHILDREN'S CANCER
FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

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Independent Auditor's Report

To the Board of Directors
CureSearch for Children's Cancer

We have audited the accompanying financial statements of CureSearch for Children's Cancer (a non-profit organization), which comprise the statements of financial position as of December 31, 2020 and 2019, 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CureSearch for Children's Cancer as of December 31, 2020 and 2019, 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.

Gross, Mendelsohn & Associates, P.A.

Baltimore, Maryland
May 17, 2021

CURESEARCH FOR CHILDREN'S CANCER
Statements of Financial Position
December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 769,157	\$ 223,318
Contributions receivable, current portion	1,384,709	1,056,031
Investments, current portion	3,155,278	3,176,104
Prepaid expenses	83,995	25,296
Accrued interest	13,663	14,857
Total Current Assets	<u>5,406,802</u>	<u>4,495,606</u>
Property , net of accumulated depreciation	<u>-0-</u>	<u>-0-</u>
Other Assets		
Investments, long-term portion	1,500,000	1,500,000
Contributions receivable, long-term portion	333,333	333,333
Deposits	10,386	8,886
Total Other Assets	<u>1,843,719</u>	<u>1,842,219</u>
Total Assets	<u><u>\$ 7,250,521</u></u>	<u><u>\$ 6,337,825</u></u>
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued expenses	\$ 173,448	\$ 182,605
Deferred revenue	495,092	602,906
Total Current Liabilities	<u>668,540</u>	<u>785,511</u>
Non-Current Liabilities		
Long-term debt, PPP Loan	<u>277,800</u>	<u>-0-</u>
Total Liabilities	<u>946,340</u>	<u>785,511</u>
Commitments (Notes 6, 8, 9, 10 and 11)		
Net Assets		
Without donor restrictions	1,233,605	1,480,380
With donor restrictions	5,070,576	4,071,934
Total Net Assets	<u>6,304,181</u>	<u>5,552,314</u>
Total Liabilities and Net Assets	<u><u>\$ 7,250,521</u></u>	<u><u>\$ 6,337,825</u></u>

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

CURESEARCH FOR CHILDREN'S CANCER
Statements of Activities
Years Ended December 31, 2020 and 2019

	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue			
Contributions	\$ 1,178,024	\$ 1,657,591	\$ 2,835,615
Institutional grants and gifts	-0-	162,195	162,195
Special events, net	1,062,914	417,227	1,480,141
Net investment return	125,300	342,457	467,757
Other revenue	11,262	-0-	11,262
Net assets released from restrictions:			
Satisfaction of program restrictions	1,568,406	(1,568,406)	-0-
Satisfaction of time restrictions	12,422	(12,422)	-0-
Total Support and Revenue	<u>3,958,328</u>	<u>998,642</u>	<u>4,956,970</u>
Expenses			
Program services	<u>2,990,838</u>	-0-	<u>2,990,838</u>
Support services			
Fundraising	687,414	-0-	687,414
Management and general	526,851	-0-	526,851
Total Support Services	<u>1,214,265</u>	-0-	<u>1,214,265</u>
Total Expenses	<u>4,205,103</u>	-0-	<u>4,205,103</u>
Change in Net Assets	(246,775)	998,642	751,867
Net Assets at Beginning of Year	<u>1,480,380</u>	<u>4,071,934</u>	<u>5,552,314</u>
Net Assets at End of Year	<u>\$ 1,233,605</u>	<u>\$ 5,070,576</u>	<u>\$ 6,304,181</u>

	2019		
	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue			
Contributions	\$ 1,161,228	\$ 1,388,539	\$ 2,549,767
Institutional grants and gifts	-0-	200,000	200,000
Special events, net	1,523,677	466,242	1,989,919
Net investment return	143,737	368,424	512,161
Other revenue	6,107	-0-	6,107
Net assets released from restrictions:			
Satisfaction of program restrictions	1,497,519	(1,497,519)	-0-
Satisfaction of time restrictions	21,641	(21,641)	-0-
Total Support and Revenue	<u>4,353,909</u>	<u>904,045</u>	<u>5,257,954</u>
Expenses			
Program services	2,901,086	-0-	2,901,086
Support services			
Fundraising	788,386	-0-	788,386
Management and general	580,576	-0-	580,576
Total Support Services	<u>1,368,962</u>	<u>-0-</u>	<u>1,368,962</u>
Total Expenses	<u>4,270,048</u>	<u>-0-</u>	<u>4,270,048</u>
Change in Net Assets	83,861	904,045	987,906
Net Assets at Beginning of Year	<u>1,396,519</u>	<u>3,167,889</u>	<u>4,564,408</u>
Net Assets at End of Year	<u>\$ 1,480,380</u>	<u>\$ 4,071,934</u>	<u>\$ 5,552,314</u>

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

CURESEARCH FOR CHILDREN'S CANCER
Statements of Functional Expenses
Years Ended December 31, 2020 and 2019

	2020				
	Program Services	Fundraising	Management and General	Cost of Direct Benefit to Donors	Total
Personnel expenses					
Salaries	\$ 957,288	\$ 412,895	\$ 273,129	\$ -0-	\$ 1,643,312
Payroll taxes	62,873	27,468	17,776	-0-	108,117
Pension	8,800	6,115	1,763	-0-	16,678
Other fringe benefits	49,412	24,644	12,219	-0-	86,275
Other personnel expenses	2,530	1,105	740	-0-	4,375
Total personnel expenses	<u>1,080,903</u>	<u>472,227</u>	<u>305,627</u>	<u>-0-</u>	<u>1,858,757</u>
Programmatic initiatives	1,628,115	-0-	-0-	-0-	1,628,115
Software maintenance	71,684	31,317	20,267	-0-	123,268
Accounting	-0-	-0-	74,823	-0-	74,823
Special events	-0-	32,061	-0-	38,989	71,050
Professional fees, other	46,035	10,282	6,654	-0-	62,971
Public relations	54,042	4,999	1,860	-0-	60,901
Facility expenses	33,529	14,648	9,479	-0-	57,656
Bank and merchant fees	-0-	48,885	7,746	-0-	56,631
Travel expenses	3,508	41,212	7,403	-0-	52,123
Insurance	30,206	13,197	8,540	-0-	51,943
Legal	-0-	-0-	51,525	-0-	51,525
Telecommunications	14,951	6,532	4,227	-0-	25,710
Dues and subscriptions	9,321	4,072	2,635	-0-	16,028
Printing and postage	9,194	4,017	2,600	-0-	15,811
Information technology	7,467	3,262	2,111	-0-	12,840
Registrations, permits and insurance	-0-	-0-	11,800	-0-	11,800
Meetings and conferences	275	-0-	9,100	-0-	9,375
Office supplies	1,442	631	407	-0-	2,480
Repairs and maintenance	166	72	47	-0-	285
Depreciation	-0-	-0-	-0-	-0-	-0-
Equipment rental	-0-	-0-	-0-	-0-	-0-
Income taxes (recovery)	-0-	-0-	-0-	-0-	-0-
Miscellaneous	-0-	-0-	-0-	-0-	-0-
Total Expenses	<u>2,990,838</u>	<u>687,414</u>	<u>526,851</u>	<u>38,989</u>	<u>4,244,092</u>
Less: Cost of direct benefit to donors	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>(38,989)</u>	<u>(38,989)</u>
Total expenses reported in the statements of activities	<u>\$ 2,990,838</u>	<u>\$ 687,414</u>	<u>\$ 526,851</u>	<u>\$ -0-</u>	<u>\$ 4,205,103</u>

	2019				
	Program Services	Fundraising	Management and General	Cost of Direct Benefit to Donors	Total
Personnel expenses					
Salaries	\$ 899,574	\$ 385,933	\$ 296,179	\$ -0-	\$ 1,581,686
Payroll taxes	59,903	25,699	19,723	-0-	105,325
Pension	13,721	5,887	4,518	-0-	24,126
Other fringe benefits	51,183	21,958	16,852	-0-	89,993
Other personnel expenses	2,375	1,019	782	-0-	4,176
Total personnel expenses	1,026,756	440,496	338,054	-0-	1,805,306
Programmatic initiatives	1,401,791	-0-	-0-	-0-	1,401,791
Software maintenance	65,573	28,132	21,590	-0-	115,295
Accounting	-0-	-0-	75,647	-0-	75,647
Special events	-0-	32,181	-0-	69,995	102,176
Professional fees, other	80,217	24,762	19,003	-0-	123,982
Public relations	25,346	8,054	8,236	-0-	41,636
Facility expenses	86,969	37,311	28,634	-0-	152,914
Bank and merchant fees	-0-	59,806	4,190	-0-	63,996
Travel expenses	22,300	107,692	15,090	-0-	145,082
Insurance	31,063	13,327	10,227	-0-	54,617
Legal	33,422	-0-	26,578	-0-	60,000
Telecommunications	18,441	7,912	6,072	-0-	32,425
Dues and subscriptions	9,779	4,195	3,220	-0-	17,194
Printing and postage	22,256	9,548	7,328	-0-	39,132
Information technology	6,167	2,646	2,030	-0-	10,843
Registrations, permits and insurance	6,448	2,766	2,123	-0-	11,337
Meetings and conferences	42,741	200	6,070	-0-	49,011
Office supplies	2,020	817	628	-0-	3,465
Repairs and maintenance	5,399	2,365	1,815	-0-	9,579
Depreciation	11,667	5,004	3,841	-0-	20,512
Equipment rental	2,153	923	709	-0-	3,785
Income taxes (recovery)	-0-	-0-	(1,243)	-0-	(1,243)
Miscellaneous	578	249	734	-0-	1,561
Total Expenses	2,901,086	788,386	580,576	69,995	4,340,043
Less: Cost of direct benefit to donors	-0-	-0-	-0-	(69,995)	(69,995)
Total expenses reported in the statements of activities	<u>\$ 2,901,086</u>	<u>\$ 788,386</u>	<u>\$ 580,576</u>	<u>\$ -0-</u>	<u>\$ 4,270,048</u>

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

CURESEARCH FOR CHILDREN'S CANCER
Statements of Cash Flows
Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash Flows from Operating Activities		
Change in net assets	\$ 751,867	\$ 987,906
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	-0-	20,512
Net gains on investments	(396,110)	(415,168)
Donated stock contributions	(10,223)	(12,551)
Changes in operating assets and liabilities:		
Contributions receivable	(328,678)	(804,747)
Prepaid expenses	(58,699)	(3,831)
Accrued interest	1,194	297
Accounts payable and accrued expenses	(9,157)	34,810
Deferred revenue	(107,814)	569,872
Deferred rent	-0-	(37,003)
Net Cash Provided by (Used in) Operating Activities	<u>(157,620)</u>	<u>340,097</u>
Cash Flows from Investing Activities		
Proceeds from sales of investments	520,888	586,626
Purchases of investments	(103,952)	(896,611)
Net proceeds from sale of donated stock	10,223	12,551
Change in deposits	(1,500)	15,916
Net Cash Provided by (Used in) Investing Activities	<u>425,659</u>	<u>(281,518)</u>
Cash Flows from Financing Activities		
Proceeds from long-term debt (PPP Loan)	<u>277,800</u>	-0-
Net Increase in Cash and Cash Equivalents	545,839	58,579
Cash and Cash Equivalents at Beginning of Year	<u>223,318</u>	<u>164,739</u>
Cash and Cash Equivalents at End of Year	<u><u>\$ 769,157</u></u>	<u><u>\$ 223,318</u></u>

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

CURESEARCH FOR CHILDREN'S CANCER
Notes to Financial Statements
December 31, 2020 and 2019

Note 1: Nature of Organization and Summary of Significant Accounting Policies

CureSearch for Children's Cancer (CureSearch) is a non-profit organization, incorporated under the laws of the state of California in 1987. The organization has been determined to be exempt from federal income taxes by Internal Revenue Service (IRS), pursuant to the provisions of the Internal Revenue Code (IRC) section 501(c)(3). CureSearch was previously known as the National Childhood Cancer Foundation.

CureSearch's mission is to fund and monitor targeted, innovative pediatric cancer research that achieves measurable results in an expedited timeframe. CureSearch supports research grants at all stages of the research continuum - basic science through Young Investigator Awards, translational research through Acceleration Initiative Awards, and clinical trials through Catapult Awards. CureSearch provides educational resources to parents and caregivers, including easy-to-understand information on diagnosis and treatment, educational videos, and an app to ease the caregiver process. CureSearch raises funds through individuals, corporations, private foundations, and special events.

The accounting and reporting policies of CureSearch conform to accounting principles generally accepted in the United States of America. Following is a description of the most significant of those policies:

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

Cash and Cash Equivalents: CureSearch classifies certain investments which are readily convertible to cash and which have a maturity of three months or less when purchased as cash equivalents. Cash and cash equivalents designated and held for investment purposes are included in investments and are not considered cash and cash equivalents for cash flow purposes.

Contributions Receivable: Unconditional promises to give are recorded as contributions receivable and recognized as revenue in the period received. A provision is made for uncollectible contributions based on anticipated collection losses. Estimated losses are generally determined from historical collection experience and a review of outstanding contributions receivable. Contributions receivable are written off by management when, in its determination, all appropriate collection efforts have been taken. Management has determined that all contributions receivable at December 31, 2020 and 2019 are fully collectible and therefore, has not recorded an allowance for doubtful accounts.

Investments: Investments with readily determinable fair values are reported at fair value in the statements of financial position. Investments, whose fair values are not readily determinable, are recorded at cost. Fair value is defined as 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. Realized and unrealized gains and losses on investments are reported in the statements of activities as part of net investment return.

CURESEARCH FOR CHILDREN'S CANCER
Notes to Financial Statements
December 31, 2020 and 2019

Note 1: Nature of Organization and Summary of Significant Accounting Policies (Continued)

Property and Depreciation: Property is recorded at cost or, if donated, at fair value at the date of contribution, less accumulated depreciation. CureSearch capitalizes all property acquisitions in excess of \$5,000 having an estimated useful life greater than one year. Expenditures for maintenance and routine repairs are charged to expense as incurred; expenditures for improvements and major repairs that materially extend the useful lives of assets are capitalized. Depreciation is computed using the straight-line method and is charged to expense over the estimated useful lives of the assets as follows:

Computers software and equipment	3 years
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Net Assets: Net assets, revenue, support, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets without Donor Restrictions: Net assets available for use in general operations and not subject to donor 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.

Revenue Recognition: CureSearch derives revenue primarily from grants, contributions, special events and net investment return. Special event and investment income are recognized as revenue when earned. Unconditional contributions are recognized in the year the contributions are pledged and/or received. Conditional grants are earned and recognized as revenue in proportion to the related expenditures incurred or when all conditions of the grant have been substantially met. Grants and contributions earned but not yet received are recorded as contributions receivable. Grant proceeds received in advance and not yet earned are recorded as deferred revenue.

Contributions: Contributions received are recorded without donor restrictions or with donor restriction support depending on the existence and/or nature of any donor restrictions.

Recognition of Donor Restrictions: All donor-restricted support is reported as an increase in net assets with donor restrictions. Upon the expiration of a temporary restriction, net assets with donor restrictions are reclassified to net assets without donor restrictions in the statements of activities.

Functional Allocation of Expenses: The costs of providing various programs and other support activities have been summarized on a functional basis and by natural classification in the statements of functional expenses. Costs that can be identified with specific programs or support services are allocated directly. Costs that cannot be specifically identified with a particular function and that benefit more than one functional category are allocated based on estimates such as time and effort or other criteria.

CURESEARCH FOR CHILDREN'S CANCER
Notes to Financial Statements
December 31, 2020 and 2019

Note 1: Nature of Organization and Summary of Significant Accounting Policies (Continued)

Advertising: Advertising costs are charged to operations when incurred. CureSearch had no significant direct-response advertising. Advertising expense for the years ended December 31, 2020 and 2019 totaled \$4,239 and \$11,896, respectively, which is included in public relations on the statements of functional expenses.

Income Taxes: CureSearch is exempt from federal and state income taxes under IRC §501(c)(3). Income which is not related to exempt purposes, less applicable deductions, is subject to federal and state corporate income taxes. CureSearch had no unrelated business income for the year ended December 31, 2020 and 2019.

CureSearch's federal exempt organization tax returns are subject to examination by the IRS, generally for a period of three years after the returns are filed.

Subsequent Events: In preparing these financial statements, CureSearch has evaluated events and transactions for potential recognition or disclosure through May 17, 2021, the date the financial statements were available to be issued. During the period from January 1, 2021 through May 17, 2021, except for information described in Note 12, CureSearch did not have any material recognizable subsequent events.

Note 2: Liquidity and Availability of Funds

A summary of the financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position date comprise the following:

	2020	2019
Cash and cash equivalents	\$ 769,157	\$ 223,318
Contributions receivable	1,384,709	1,056,031
Investments, current portion	3,155,278	3,176,104
Less: Net assets with donor restrictions - specific purpose	(3,567,686)	(2,559,512)
Financial Assets Available for General Expenditure	\$ 1,741,458	\$ 1,895,941

As part of CureSearch's liquidity management plan, CureSearch invests cash in excess of daily requirements in short-term investments and money market funds.

CURESEARCH FOR CHILDREN'S CANCER
Notes to Financial Statements
December 31, 2020 and 2019

Note 3: Investments

A summary of the investment portfolio is as follows at December 31, 2020 and 2019:

	2020		2019	
	Fair Value	Cost	Fair Value	Cost
Exchange traded funds, equity	\$ 1,863,009	\$ 805,618	\$ 1,555,626	\$ 726,547
Corporate bonds	1,632,580	1,511,126	1,599,534	1,543,723
Exchange traded funds, fixed income	453,009	401,079	459,693	412,615
Money market funds	388,881	388,881	700,083	700,083
U.S. government obligations	317,799	298,551	348,616	343,519
Cash and cash equivalents	-0-	-0-	12,552	12,552
Total investments	4,655,278	\$ 3,405,255	4,676,104	\$ 3,739,039
Investments classified as long-term:				
Endowment funds	<u>1,500,000</u>		<u>1,500,000</u>	
Investments, current portion	<u>\$ 3,155,278</u>		<u>\$ 3,176,104</u>	

Net investment return for the year ended December 31, 2020 and 2019 consisted of the following:

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
	Interest and dividend income	\$ 58,322	\$ 34,212	\$ 92,534	\$ 73,208	\$ 43,831
Net gains on investments	77,356	318,754	396,110	80,360	334,808	415,168
Investment expenses	(10,378)	(10,509)	(20,887)	(9,831)	(10,215)	(20,046)
Net Investment Return	\$ 125,300	\$ 342,457	\$ 467,757	\$ 143,737	\$ 368,424	\$ 512,161

Note 4: Fair Value Measurement

Generally Accepted Accounting Principles (GAAP) establishes a framework for measuring fair value. The 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).

The three levels of the fair value hierarchy are as follows:

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

CURESEARCH FOR CHILDREN'S CANCER
Notes to Financial Statements
December 31, 2020 and 2019

Note 4: Fair Value Measurement (Continued)

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The valuation techniques used by CureSearch include the following:

Money Market Funds and Cash and Cash Equivalents: Valued at original cost, which equals fair value.

Exchange-Traded Funds: Valued at the last sales price reported in the active market in which the individual fund is traded.

Corporate Bonds and US Government Obligations: Valued using inputs such as benchmark yields, reported trades, broker/dealer quotes and issuer spreads.

In determining the appropriate levels, CureSearch performs a detailed analysis of the assets and liabilities that are subject to fair value measurements.

The table below presents the assets measured at fair value on a recurring basis by level within the hierarchy, as of December 31, 2020:

December 31, 2020	Total	Level 1	Level 2	Level 3
Exchange traded funds, equity	\$ 1,863,009	\$ 1,863,009	\$ -0-	\$ -0-
Corporate bonds	1,632,580	-0-	1,632,580	-0-
Exchange traded funds, fixed income	453,009	453,009	-0-	-0-
Money market funds	388,881	388,881	-0-	-0-
U.S. government obligations	317,799	-0-	317,799	-0-
	\$ 4,655,278	\$ 2,704,899	\$ 1,950,379	\$ -0-

CURESEARCH FOR CHILDREN'S CANCER
Notes to Financial Statements
December 31, 2020 and 2019

Note 4: Fair Value Measurement (Continued)

The table below presents the assets measured at fair value on a recurring basis by level within the hierarchy as of December 31, 2019:

December 31, 2019	Total	Level 1	Level 2	Level 3
Corporate bonds	\$ 1,599,534	\$ -0-	\$ 1,599,534	\$ -0-
Exchange traded funds, equity	1,555,626	1,555,626	-0-	-0-
Money market funds	700,083	700,083	-0-	-0-
Exchange traded funds, fixed income	459,693	459,693	-0-	-0-
U.S. government obligations	348,616	-0-	348,616	-0-
Cash and cash equivalents	12,552	12,552	-0-	-0-
	\$ 4,676,104	\$ 2,727,954	\$ 1,948,150	\$ -0-

Note 5: Property

Property consisted of the following at December 31, 2020 and 2019:

	2020	2019
Computer software and equipment	\$ 20,716	\$ 20,716
Less: Accumulated depreciation	20,716	20,716
	\$ -0-	\$ -0-

Note 6: Long-Term Debt

CureSearch applied for and received funds in the amount of \$277,800 under the Paycheck Protection Program (PPP) which was created by the U.S. Federal Government as a result of the coronavirus pandemic. The proceeds are considered a forgivable loan, assuming certain qualified expenses, primarily payroll related expenses, are incurred during an eight-week or 24-week period, commencing on the date of the loan agreement (April 20, 2020). Any portion of this loan that does not qualify for forgiveness is subject to an interest rate of 1%. The original loan document required monthly principal installments plus interest over an eighteen-month period commencing on November 20, 2020 with a maturity date of April 20, 2022. However, the beginning date of the repayment of principal period has been extended until 10 months after the end of the eight-week or 24-week period. Even though this has been presented as a debt obligation as of December 31, 2020 on the statements of financial position, it is CureSearch's position that this entire PPP loan will qualify for forgiveness. Subsequent to year end, CureSearch applied for forgiveness of the loan and is awaiting confirmation that the loan has been forgiven in full.

Note 7: Short-Term Bank Borrowings

During the current year, CureSearch entered into a revolving line of credit with a bank in the amount of \$300,000, which matures on May 22, 2021. The line of credit bears interest at a variable rate, computed on a Base Loan Rate established by the bank less 1% (Initial interest rate of 4.5%), and is secured by all assets of CureSearch. At December 31, 2020, there were no outstanding borrowings on the line of credit.

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Note 8: Net Assets with Donor Restrictions

CureSearch has several restricted funds, some which may be expended but only for the purpose established by the respective donors and others which cannot be expended except for the net investment return earned on those funds. Net assets with donor restrictions were available for the following purposes as of December 31, 2020:

	2019		Current Year Activity			2020
			Net Investment		Released from	
			Contributions	Return		
Subject to expenditure for a specified purpose:						
Catapult	\$ 1,186,072	\$ 1,467,750	\$ -0-	\$ (933,572)	\$ 1,720,250	
Education and resources	19,659	83,000	-0-	(45,760)	56,899	
Young investigators	23,378	154,195	-0-	(138,573)	39,000	
Acceleration initiative	22,765	-0-	-0-	-0-	22,765	
Other research	1,307,638	529,178	342,457	(450,501)	1,728,772	
	<u>2,559,512</u>	<u>2,234,123</u>	<u>342,457</u>	<u>(1,568,406)</u>	<u>3,567,686</u>	
Subject to the passage of time:						
Time restrictions	12,422	2,890	-0-	(12,422)	2,890	
	<u>2,571,934</u>	<u>2,237,013</u>	<u>342,457</u>	<u>(1,580,828)</u>	<u>3,570,576</u>	
Subject to spending policy or appropriation						
Endowment - Corn Fund	1,500,000	-0-	-0-	-0-	1,500,000	
	<u>\$ 4,071,934</u>	<u>\$ 2,237,013</u>	<u>\$ 342,457</u>	<u>\$ (1,580,828)</u>	<u>\$ 5,070,576</u>	

Net assets with donor restrictions were available for the following purposes as of December 31, 2019:

	2018		Prior Year Activity			2019
			Net Investment		Released from	
			Contributions	Return		
Subject to expenditure for a specified purpose:						
Catapult	\$ 271,457	\$ 1,228,750	\$ -0-	\$ (314,135)	\$ 1,186,072	
Young investigators	113,835	100,000	-0-	(190,457)	23,378	
Acceleration initiative	-0-	75,000	-0-	(52,235)	22,765	
Education and resources	19,659	-0-	-0-	-0-	19,659	
Other research	1,241,297	638,609	368,424	(940,692)	1,307,638	
	<u>1,646,248</u>	<u>2,042,359</u>	<u>368,424</u>	<u>(1,497,519)</u>	<u>2,559,512</u>	
Subject to the passage of time:						
Time restrictions	21,641	12,422	-0-	(21,641)	12,422	
	<u>1,667,889</u>	<u>2,054,781</u>	<u>368,424</u>	<u>(1,519,160)</u>	<u>2,571,934</u>	
Subject to spending policy or appropriation						
Endowment - Corn Fund	1,500,000	-0-	-0-	-0-	1,500,000	
	<u>\$ 3,167,889</u>	<u>\$ 2,054,781</u>	<u>\$ 368,424</u>	<u>\$ (1,519,160)</u>	<u>\$ 4,071,934</u>	

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Note 8: Net Assets with Donor Restrictions (Continued)

CureSearch maintains the following endowment fund:

Corn Fund: This fund was established by The Lovick P. and Elizabeth T. Corn Fund of the Bradley-Turner Foundation and the Beloco Foundation. The principal is considered permanently restricted in nature. CureSearch can use the investment income, net of expenses, to fund research by physicians/scientists on the faculty of the Section of Pediatric Hematology/Oncology at the Medical College of Georgia. Specific research programs and projects to be funded are to be determined by a Scientific Review Panel, as defined in the agreement, on an annual basis. Based on the occurrence of certain circumstances, as defined in the agreement, the awards can be made to physicians/scientists at other similar tax exempt entities. In addition, expenses incurred by CureSearch to administer this endowment fund may be reimbursed out of the investment income, up to a maximum of 5% of the current year's investment income. The accumulated income and gains (losses) are recorded as net assets with donor restrictions that are considered temporary in nature until released.

FASB issued guidance on the net asset classification of donor-restricted endowment funds for a nonprofit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA). This guidance also requires additional disclosures about an organization's endowment funds (both donor-restricted endowment funds and board-designated endowment funds) whether or not the organization is subject to UPMIFA. The board of directors of CureSearch has interpreted UPMIFA as requiring the preservation 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. As a result of this interpretation, CureSearch classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The remaining portion of the donor-restricted endowment fund that is not classified as net assets with donor restrictions that are perpetual in nature is classified as net assets with donor restrictions that are temporary in nature until those amounts are appropriated for expenditure by CureSearch in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, CureSearch considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, and (6) other resources of CureSearch.

Investment Return Objectives, Risk Parameters and Strategies

CureSearch has adopted investment and spending policies, approved by the board of directors, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. Endowment assets are invested in a well-diversified asset mix that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution of not more than 5%, while growing the funds if possible. Therefore, CureSearch expects its endowment assets, over time, to produce an average annual rate of return that is higher than the inflation rate in order to maintain the purchasing power of the endowment funds. Actual returns in any given year may vary from this amount. Investment risk is measured in terms of the total endowment fund. Investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

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Note 8: Net Assets with Donor Restrictions (Continued)

Spending Policy

CureSearch has a policy of appropriating for distribution each year not more than 5% of a three-year average of the endowment fund's fair value. In establishing this policy, CureSearch considered the long-term expected return on its investment assets, the nature and duration of the individual endowment funds which must be maintained in perpetuity because of donor-restrictions, and the possible effects of inflation. CureSearch's objective is to maintain the purchasing power of the endowment assets as well as to provide additional real growth through new gifts and investment return.

Endowment net asset composition by type of fund as of December 31, 2020 and 2019, is as follows:

	With Donor Restrictions			Total Net Endowment Assets
	Without Donor Restriction	Temporary in Nature	Permanent in Nature	
<u>December 31, 2020</u>				
Corn Fund	\$ -0-	\$ 948,109	\$ 1,500,000	\$ 2,448,109
<u>December 31, 2019</u>				
Corn Fund	\$ -0-	\$ 706,331	\$ 1,500,000	\$ 2,206,331

Changes in endowment net assets as of and for the years ended December 31, 2020 and 2019 are as follows:

	With Donor Restrictions			Total Net Endowment Assets
	Without Donor Restrictions	Temporary in Nature	Permanent in Nature	
Endowment net assets, December 31, 2018	\$ -0-	\$ 438,383	\$ 1,500,000	\$ 1,938,383
Contributions	-0-	-0-	-0-	-0-
Net investment return	-0-	367,948	-0-	367,948
Amounts appropriated for expenditure	-0-	(100,000)	-0-	(100,000)
Endowment net assets, December 31, 2019	-0-	706,331	1,500,000	2,206,331
Contributions	-0-	-0-	-0-	-0-
Net investment return	-0-	341,778	-0-	341,778
Amounts appropriated for expenditure	-0-	(100,000)	-0-	(100,000)
Endowment net assets, December 31, 2020	\$ -0-	\$ 948,109	\$ 1,500,000	\$ 2,448,109

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Note 9: Lease Commitments

Office Leases: CureSearch leased office space under a non-cancellable lease for its office located in Bethesda, Maryland, which expired in September 2019. The basic annual rent of the lease was subject to a 3% increase per year. In addition to a base monthly rent payment, the lease required that CureSearch pay as additional rent its proportionate share of common area expenses and real estate taxes, as applicable.

In October 2019, CureSearch entered into an office service agreement which includes a shared office space in Bethesda, Maryland, which expired in October 2020. In addition to a base monthly rent payment, the agreement required that CureSearch pay additional monthly charges for various office related services and access to office equipment.

In October 2020, the operations of CureSearch went fully remote, therefore, there are no further lease commitments.

Total rent expense for the years ended December 31, 2020 and 2019, including additional rental amounts (2020 - \$-0- and 2019 - \$9,397) was \$45,675 and \$140,670, respectively.

Equipment Lease: CureSearch leased office equipment under a lease agreement which expired in August 2019. Rent expense under this lease was \$3,785 for the year ended December 31, 2019.

Note 10: Pension Plans

Defined Contribution Benefit Plan: During 2019, CureSearch established an IRC 401(k) retirement plan that became effective on January 1, 2020 and which covers all employees. Under the terms of this plan, participating employees may elect to contribute pre-tax dollars or Roth deferrals into the plan not to exceed the maximum contribution allowable under applicable provisions of the IRC. Under this plan, CureSearch may make a discretionary matching contribution on behalf of the participants who have at least one year of service, including a minimum of 500 hours. Contributions made by CureSearch to this plan for the year ended December 31, 2020 were \$26,273.

CureSearch sponsored an IRC 403(b) salary deferral retirement plan that generally covered all employees, which was terminated effective December 31, 2019. Under the terms of this plan, participating employees could elect to contribute pre-tax dollars into the plan not to exceed the maximum contribution allowable under applicable provisions of the IRC. The plan allowed for a tiered employer matching provision which ranged from 0% to 2%. The matching contribution was based on the percentage of the participant's elective deferral to the plan on an annual basis. Participants were required to have at least one year of service to qualify for an employer match. Contributions made by CureSearch to this plan for the year ended December 31, 2019, were \$24,126.

Note 11: Grant Commitments

As of December 31, 2020, CureSearch has outstanding conditional grant commitments to be made totaling \$2,775,000. Grant payments are subject to the fulfillment of certain conditions, as defined in the respective grant agreements.

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Notes to Financial Statements
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Note 11: Grant Commitments (Continued)

Future expected conditional grant payments for each of the years subsequent to December 31, 2020 are as follows:

Year ending December 31:	
2021	\$ 2,000,000
2022	737,500
2023	<u>37,500</u>
	<u>\$ 2,775,000</u>

Note 12: Other Matters

Cash and Cash Equivalents: CureSearch maintains its cash balances in three financial institutions. Periodically during the year, CureSearch's cash balances have exceeded federally insured limits. CureSearch has not experienced any losses in such accounts and believes it is not exposed to significant risk on its cash balances.

Grant Co-Funding: CureSearch actively seeks to identify partners who will co-fund their research projects and increase the amount of money going to pediatric oncology research.

In 2017, CureSearch partnered with the Alan B. Slifka Foundation to support CureSearch's Acceleration Initiative. This program was created, developed, marketed and monitored by CureSearch. This partner committed \$300,000 over three years in direct support of this project, of which \$100,000 was paid directly to the grant recipients in each of the years 2020, 2019 and 2018. For financial reporting purposes, these commitments and the related payments are not included in the accompanying financial statements.

Investment Risk: CureSearch invests in a professionally managed portfolio that may contain corporate bonds, mutual funds, money market funds and other investments. Such investments are exposed to various risks such as interest rate, market, and credit. Due to the level of risk associated with such investments and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in risks in the near term could materially affect investment balances and the amounts reported in the financial statements.

National Health Emergency: In March 2020, the President of the United States declared a national emergency due to a viral pandemic. The declaration of the national emergency and similar declarations made by various states, and the outbreak of the virus itself, has had far reaching social, economic and financial impacts on the United States. At this time, the pandemic continues and the impact on the operations and financial status of CureSearch cannot be determined.

Subsequent to year end, CureSearch once again applied for and received additional funds in the amount of \$277,800 under the Small Business Administration's (SBA) PPP. The proceeds are considered a forgivable loan, assuming certain qualified expenses, primarily payroll related expenses, are incurred during either an eight-week period or 24-week period, commencing on the date of the loan agreement (February 9, 2021). Any portion of this loan that does not qualify for forgiveness is subject to an interest rate of 1%. The loan document requires monthly principal installments plus interest commencing one month after the earlier of: the date the SBA officially forgives only a portion of the loan; the date the SBA denies forgiveness; or 10 months after the end of the 24-week period. The loan has a maturity date of February 9, 2026. As of the date of this report, it has not been determined what portion of the loan under the PPP will be forgiven, but it is management's position that this loan will qualify for full forgiveness.

