

CURESEARCH FOR CHILDREN'S CANCER, INC.
FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

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Independent Auditors' Report

**To the Board of Directors of
CureSearch for Children's Cancer, Inc.**

Opinion

We have audited the financial statements of CureSearch for Children's Cancer, Inc. (a nonprofit organization) ("CureSearch"), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CureSearch, as of December 31, 2023, and the changes in net assets and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the CureSearch and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Matter

The financial statements of CureSearch for the year ended December 31, 2022 were audited by another auditor who expressed an unmodified opinion on those statements on September 20, 2023.

Responsibilities of Management 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 and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financials statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the CureSearch's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

1. Exercise professional judgment and maintain professional skepticism throughout the audit.
2. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
3. Obtain an understanding of internal control relevant to the audit 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 CureSearch's internal control. Accordingly, no such opinion is expressed.
4. Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
5. Conclude whether, in our judgment, there are conditions or events considered in the aggregate, that raise substantial doubt about the CureSearch's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.



East Brunswick, New Jersey

August 2, 2024

CURESEARCH FOR CHILDREN'S CANCER, INC.
Statements of Financial Position
December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Assets		
Cash and cash equivalents	\$ 2,194,857	\$ 2,023,829
Accounts receivable	80,638	190,111
Pledges receivable, net	1,930,335	120,000
Investments	2,258,934	2,684,007
Prepaid expenses	37,189	47,326
Interest receivable	-	13,402
Investments held for perpetual endowment fund	1,500,000	1,500,000
Total Assets	<u>\$ 8,001,953</u>	<u>\$ 6,578,675</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued expenses	\$ 163,239	\$ 193,246
Deferred revenue	59,300	171,812
Total Liabilities	222,539	365,058
Net Assets		
Without donor restrictions	1,542,243	1,326,287
With donor restrictions	6,237,171	4,887,330
Total Net Assets	7,779,414	6,213,617
Total Liabilities and Net Assets	<u>\$ 8,001,953</u>	<u>\$ 6,578,675</u>

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

CURESEARCH FOR CHILDREN'S CANCER, INC.
Statements of Activities
Years Ended December 31, 2023 and 2022

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue			
Contributions	\$ 1,118,710	\$ 1,981,849	\$ 3,100,559
Institutional grants and gifts	-	649,038	649,038
Special events, net	1,344,182	878,071	2,222,253
Net investment return	99,676	333,873	433,549
Nonmonetary donations	261,779	-	261,779
Stock donations	23,467	-	23,467
Net assets released from restrictions:			
Satisfaction of program restrictions	2,492,990	(2,492,990)	-
Total Support and Revenue	5,340,804	1,349,841	6,690,645
Expenses			
Program services	3,605,077	-	3,605,077
Support services			
Fundraising	929,461	-	929,461
Management and general	590,310	-	590,310
Total Support Services	1,519,771	-	1,519,771
Total Expenses	5,124,848	-	5,124,848
Change in Net Assets	215,956	1,349,841	1,565,797
Net Assets at Beginning of Year	1,326,287	4,887,330	6,213,617
Net Assets at End of Year	\$ 1,542,243	\$ 6,237,171	\$ 7,779,414

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

CURESEARCH FOR CHILDREN'S CANCER, INC.
Statements of Activities
Years Ended December 31, 2023 and 2022

	2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue			
Contributions	\$ 928,682	\$ 433,309	\$ 1,361,991
Institutional grants and gifts	10,128	298,513	308,641
Special events, net	1,585,319	1,005,132	2,590,451
Net investment return	(198,439)	(404,472)	(602,911)
Nonmonetary donations	151,880	-	151,880
Stock donations	14,437	-	14,437
Other revenue	660	-	660
Net assets released from restrictions:			
Satisfaction of program restrictions	1,190,181	(1,190,181)	-
Satisfaction of time restrictions	1,678	(1,678)	-
Total Support and Revenue	<u>3,684,526</u>	<u>140,623</u>	<u>3,825,149</u>
Expenses			
Program services	<u>3,729,573</u>	-	<u>3,729,573</u>
Support services			
Fundraising	890,347	-	890,347
Management and general	625,548	-	625,548
Total Support Services	<u>1,515,895</u>	-	<u>1,515,895</u>
Total Expenses	<u>5,245,468</u>	-	<u>5,245,468</u>
Change in Net Assets	(1,560,942)	140,623	(1,420,319)
Net Assets at Beginning of Year	<u>2,887,229</u>	<u>4,746,707</u>	<u>7,633,936</u>
Net Assets at End of Year	<u>\$ 1,326,287</u>	<u>\$ 4,887,330</u>	<u>\$ 6,213,617</u>

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

CURESEARCH FOR CHILDREN'S CANCER, INC.
Statements of Functional Expenses
Years Ended December 31, 2023 and 2022

	2023			
	Program Services	Fundraising	Management and General	Total
Personnel expenses				
Salaries	\$ 1,055,317	\$ 540,000	\$ 258,189	\$ 1,853,506
Payroll taxes	70,837	36,247	17,331	124,415
Pension	15,797	8,083	3,865	27,745
Other fringe benefits	83,731	42,844	20,485	147,060
Other personnel expenses	8,484	4,341	2,076	14,901
Total personnel expenses	<u>1,234,166</u>	<u>631,515</u>	<u>301,946</u>	<u>2,167,627</u>
Programmatic initiatives	1,957,292	-	-	1,957,292
Software licenses	82,803	42,370	20,258	145,431
Bank and merchant fees	-	79,104	5,805	84,909
Public relations	50,602	14,550	11,956	77,108
Professional fees, other	14,083	3,319	3,378	20,780
Accounting	-	-	50,157	50,157
Legal	-	-	2,688	2,688
Business Insurance	37,860	19,373	9,263	66,496
Travel expenses	2,365	57,958	5,329	65,652
Meetings and conferences	74,944	151	34,360	109,455
Dues and subscriptions	18,942	9,692	4,634	33,268
Telecommunications	11,854	6,066	2,900	20,820
Information technology	9,533	4,878	2,332	16,743
Facility expenses	8,619	4,410	2,109	15,138
Registrations and permits	-	-	14,207	14,207
Printing and postage	5,665	2,899	1,386	9,950
Office supplies	1,995	1,021	488	3,504
Miscellaneous	-	-	1,844	1,844
Total other expenses	<u>2,276,557</u>	<u>245,791</u>	<u>173,094</u>	<u>2,695,442</u>
Nonmonetary donations				
Legal	-	-	92,055	92,055
Professional fees, other	48,450	24,779	11,921	85,150
Public relations	45,904	23,476	11,294	80,674
Events prizes	-	3,900	-	3,900
Total nonmonetary donations	<u>94,354</u>	<u>52,155</u>	<u>115,270</u>	<u>261,779</u>
Total expenses reported in the statements of activities	<u>\$ 3,605,077</u>	<u>\$ 929,461</u>	<u>\$ 590,310</u>	<u>\$ 5,124,848</u>

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

CURESEARCH FOR CHILDREN'S CANCER, INC.
Statements of Functional Expenses
Years Ended December 31, 2023 and 2022

	2022			
	Program Services	Fundraising	Management and General	Total
Personnel expenses				
Salaries	\$ 945,447	\$ 523,395	\$ 315,606	\$ 1,784,448
Payroll taxes	66,743	36,949	22,280	125,972
Pension	12,035	6,663	4,017	22,715
Other fringe benefits	52,248	28,924	17,441	98,613
Other personnel expenses	4,495	2,488	1,500	8,483
Total personnel expenses	<u>1,080,968</u>	<u>598,419</u>	<u>360,844</u>	<u>2,040,231</u>
Programmatic initiatives	2,295,381	-	-	2,295,381
Software licenses	76,185	42,176	25,432	143,793
Bank and merchant fees	-	66,678	5,883	72,561
Public relations	41,398	17,258	16,991	75,647
Professional fees, other	16,383	9,069	5,469	30,921
Accounting	-	-	52,145	52,145
Legal	-	-	48,000	48,000
Business Insurance	27,452	15,198	9,164	51,814
Travel expenses	10,175	67,232	14,276	91,683
Meetings and conferences	47,387	-	27,739	75,126
Dues and subscriptions	19,821	10,973	6,617	37,411
Telecommunications	10,362	5,736	3,459	19,557
Information technology	7,973	4,414	2,661	15,048
Facility expenses	7,858	4,350	2,623	14,831
Registrations and permits	-	-	14,502	14,502
Printing and postage	6,387	3,536	2,132	12,055
Office supplies	1,373	760	460	2,593
Miscellaneous	-	-	289	289
Total programmatic initiatives	<u>2,568,135</u>	<u>247,380</u>	<u>237,842</u>	<u>3,053,357</u>
Nonmonetary donations				
Professional fees, other	45,475	25,175	15,180	85,830
Public relations	34,995	19,373	11,682	66,050
Total nonmonetary donations	<u>80,470</u>	<u>44,548</u>	<u>26,862</u>	<u>151,880</u>
Total expenses reported in the statements of activities	<u>\$ 3,729,573</u>	<u>\$ 890,347</u>	<u>\$ 625,548</u>	<u>\$ 5,245,468</u>

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

CURESEARCH FOR CHILDREN'S CANCER, INC.
Statements of Cash Flows
Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash Flows from Operating Activities		
Change in net assets	\$ 1,565,797	\$ (1,420,319)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Net gain/losses on investments	(341,316)	682,905
Net gains on sales of donated stock	(120)	-
Donated stock contributions	(23,467)	(13,363)
Changes in operating assets and liabilities:		
Accounts receivable	109,473	-
Pledges receivable, net	(1,810,335)	521,934
Prepaid expenses	10,137	9,595
Interest receivable	13,402	(227)
Accounts payable and accrued expenses	(30,007)	(16,654)
Deferred revenue	(112,511)	(59,969)
Net Cash Used in Operating Activities	<u>(618,947)</u>	<u>(296,098)</u>
Cash Flows from Investing Activities		
Proceeds from sales of investments	1,666,765	1,925,043
Purchases of investments	(895,101)	(1,315,335)
Net proceeds from sale of donated stock	18,311	13,363
Net Cash Provided by Investing Activities	<u>789,975</u>	<u>623,071</u>
Net Increase in Cash and Cash Equivalents	171,028	326,973
Cash and Cash Equivalents at Beginning of Year	<u>2,023,829</u>	<u>1,696,856</u>
Cash and Cash Equivalents at End of Year	<u>\$ 2,194,857</u>	<u>\$ 2,023,829</u>
Supplemental disclosure of cash flow information		
Nonmonetary Donations		
Nonmonetary donations	<u>\$ 261,779</u>	<u>\$ 151,880</u>
Stock donations	<u>\$ 23,467</u>	<u>\$ 14,437</u>

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

CURESEARCH FOR CHILDREN'S CANCER, INC.
Notes to Financial Statements
December 31, 2023 and 2022

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

CureSearch for Children's Cancer, Inc. (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 an original maturity of three months or less, at issuance, as cash equivalents. Cash and highly liquid financial instruments restricted to the endowment fund are excluded from operating cash.

Pledges Receivable: Pledges receivable are stated at the amount management expects to collect from outstanding balances. 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, 2023 and 2022 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 income/(loss).

Accrued Vacation: Employees are allowed to carry over a maximum number of vacation days to the following year. Accrued vacation represents the liability for paid vacation but not used as of the end of December 31, 2023 and 2022. Accrued vacation for the years ended December 31, 2023 and 2022 totaled \$126,215 and \$107,906, respectively, which is included in accounts payable and accrued expenses on the statements of financial position.

CURESEARCH FOR CHILDREN'S CANCER, INC.
Notes to Financial Statements
December 31, 2023 and 2022

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

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 investment income/(loss). 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 received are recorded without donor restrictions or with donor restriction support depending on the existence and/or nature of any donor restrictions.

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.

Advertising: Advertising costs are charged to operations when incurred. CureSearch had no significant direct-response advertising. Advertising expense for the years ended December 31, 2023 and 2022 totaled \$121,546 and \$118,859, respectively, which is included in public relations on the statements of functional expenses.

Income Taxes: CureSearch is exempt from federal income taxes under IRC §501(c)(3). CureSearch did not conduct any unrelated business activities and, therefore, has made no provision for income taxes. There are no uncertain tax positions based on current facts and circumstances. 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

CURESEARCH FOR CHILDREN'S CANCER, INC.
Notes to Financial Statements
December 31, 2023 and 2022

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

Recently Adopted Accounting Pronouncements – Allowance for Credit Losses: In June 2016, the FASB issued guidance (FASB ASC 326) which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that aren't measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the company that are subject to the guidance in FASB ASC 326 were accounts receivable. The FASB delayed adoption of the standard for private companies until January 1, 2023.

The Company adopted the standard effective January 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in new/enhanced disclosures only.

Reclassification: Certain amounts in the December 31, 2022 financial statements have been reclassified to conform to the December 31, 2023 financial statement presentation. These reclassifications had no effect on the previously reported results of operations.

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:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 2,194,857	\$ 2,023,829
Accounts receivable	80,638	190,112
Pledges receivable, net	1,930,335	119,999
Investments	2,258,934	2,684,007
Interest receivable	-	13,402
Total financial assets at year end	<u>6,464,764</u>	<u>5,031,349</u>
Less: amounts unavailable for general expenditures within one year		
Pledges receivable due in more than one year	<u>(942,912)</u>	<u>-</u>
Total financial assets available for general expenditures within one year	<u>\$ 5,521,852</u>	<u>\$ 5,031,349</u>

As part of CureSearch's liquidity management plan, CureSearch invests cash in excess of daily requirements in short-term investments and money market funds. Additionally, CureSearch has available a line of credit in the amount of \$300,000, which it could draw upon to help manage unanticipated liquidity needs (See Note 5).

CURESEARCH FOR CHILDREN'S CANCER, INC.
Notes to Financial Statements
December 31, 2023 and 2022

Note 3: Investments

The investment portfolio summary as of December 31, 2023 and 2022 is as follows:

	2023		2022	
	Fair Value	Cost	Fair Value	Cost
Corporate bonds	\$ 1,291,067	\$ 1,488,875	\$ 1,449,327	\$ 1,586,940
Exchange traded funds, equity	1,667,333	746,809	1,464,391	779,611
Exchange traded funds, fixed income	280,685	303,875	731,860	166,104
U.S. government obligations	519,849	519,229	538,429	551,615
	3,758,934		4,184,007	
Less: Endowment funds	(1,500,000)		(1,500,000)	
Total investments	<u>\$ 2,258,934</u>	<u>\$ 3,058,788</u>	<u>\$ 2,684,007</u>	<u>\$ 3,084,270</u>

Net investment returns for the years ended December 31, 2023 and 2022 consisted of the following:

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Interest and dividend income	\$ 57,266	\$ 54,108	\$ 111,374	\$ 59,113	\$ 41,555	\$ 100,668
Net realized gains (losses) on investments	-	48,611	48,611	(248,287)	(420,203)	(668,490)
Net unrealized gains (losses) on investments	50,637	242,068	292,705	-	(14,415)	(14,415)
Net gains on sales of donated stock	120	-	120	-	-	-
Investment expenses	(8,347)	(10,914)	(19,261)	(9,265)	(11,409)	(20,674)
Net investment return	<u>\$ 99,676</u>	<u>\$ 333,873</u>	<u>\$ 433,549</u>	<u>\$ (198,439)</u>	<u>\$ (404,472)</u>	<u>\$ (602,911)</u>

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.

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 assets or liabilities' 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.

CURESEARCH FOR CHILDREN'S CANCER, INC.
Notes to Financial Statements
December 31, 2023 and 2022

Note 4: Fair Value Measurement (Continued)

The tables below present the assets measured at fair value on a recurring basis by level within the hierarchy:

December 31, 2023	Total	Level 1	Level 2	Level 3
Corporate bonds	\$ 1,291,067	\$ -	\$ 1,291,067	\$ -
Exchange traded funds, equity	1,667,333	1,667,333	-	-
Exchange traded funds, fixed income	280,685	280,685	-	-
U.S. government obligations	519,849	-	519,849	-
	\$ 3,758,934	\$ 1,948,018	\$ 1,810,916	\$ -
December 31, 2022	Total	Level 1	Level 2	Level 3
Corporate bonds	\$ 1,449,327	\$ -	\$ 1,449,327	\$ -
Exchange traded funds, equity	1,464,391	1,464,391	-	-
Exchange traded funds, fixed income	731,860	731,860	-	-
U.S. government obligations	538,429	-	538,429	-
	\$ 4,184,007	\$ 2,196,251	\$ 1,987,756	\$ -

Note 5: Line of Credit

In May 2020, CureSearch entered into a line of credit agreement with Sandy Spring Bank, allowing for borrowings up to \$300,000 to be used to fund operating needs. The line of credit has been renewed to mature in September 2024. The interest rate is to be equal to the bank's prime rate plus 1.25%. At December 31, 2023 and 2022, the interest rate was 10.75% and 8.75%, respectively. The line of credit is secured by substantially all of CureSearch's assets and is guaranteed by the Board. There was no outstanding balance on the line of credit at December 31, 2023 and 2022.

Note 6: Nonmonetary Donations and Related Party Transactions

In September 2020, the Financial Accounting Standards Board ("FASB") issued ASU-2020-07 "Presentation and Disclosures for Not-for-Profit Entities for Contributed Nonfinancial Assets". The standard, which is effective for annual periods beginning after June 15, 2021, requires new presentation and disclosures for gift-in-kind donations to improve the transparency on how those assets are used and valued.

Donated public relations, legal, professional fees, and event prizes are recorded at their estimated fair value, typically provided by the service provider, on the date of receipt and are reported as support without donor restrictions unless donors specify how donated assets must be used. These nonmonetary donations have been recorded as revenue in the accompanying financial statements.

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Notes to Financial Statements
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Note 6: Nonmonetary Donations and Related Party Transactions (Continued)

CureSearch receives donated public relations to be used for general advertising. Donated services are valued based upon the fair market value for similar advertising services. CureSearch receives legal and professional services for review of contracts and other legal documents. Donated services are valued based upon donor provided billing rates. CureSearch received donated event prizes for one of their special events. Donated items are valued based upon the fair market value for similar items. There were no donor-imposed restrictions associated with the nonmonetary donations.

The nonmonetary donations are included in their respective nature classification on the statements of functional expenses and allocated for the years ended December 31, 2023 and 2022 as follows:

<u>2023</u>	Program Services	Fundraising	Management and General	Total
Legal	\$ -	\$ -	\$ 92,055	\$ 92,055
Professional fees, other	48,450	24,779	11,921	85,150
Public relations	45,904	23,476	11,294	80,674
Event prizes	-	3,900	-	3,900
	<u>\$ 94,354</u>	<u>\$ 52,155</u>	<u>\$ 115,270</u>	<u>\$ 261,779</u>

<u>2022</u>	Program Services	Fundraising	Management and General	Total
Professional fees, other	\$ 45,475	\$ 25,175	\$ 15,180	\$ 85,830
Public relations	34,995	19,373	11,682	66,050
	<u>\$ 80,470</u>	<u>\$ 44,548</u>	<u>\$ 26,862</u>	<u>\$ 151,880</u>

During the year ended December 31, 2023, CureSearch received services from the President/CEO's spouse. The related party provided consulting services totaling \$31,200 and is reflected under legal in the table above. There were no related party transactions for the year ended December 31, 2022.

CURESEARCH FOR CHILDREN'S CANCER, INC.
Notes to Financial Statements
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Note 7: 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, 2023:

	2022		Current Year Activity		2023
		Contributions	Net Investment Return	Released from Restrictions	
Subject to expenditure for a specified purpose:					
Acceleration initiative	\$ 159,392	\$ 355,000	\$ -	\$ (379,266)	\$ 135,126
Young investigators	123,665	226,079	-	(295,634)	54,110
Healthcare partnership	37,842	-	-	(37,842)	-
Education and resources	35,092	13,138	-	(18,138)	30,092
Other research	<u>3,031,339</u>	<u>2,914,741</u>	<u>333,873</u>	<u>(1,762,110)</u>	<u>4,517,843</u>
	3,387,330	3,508,958	333,873	(2,492,990)	4,737,171
Subject to spending policy or appropriation					
Endowment - Corn Fund	<u>1,500,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,500,000</u>
	<u>\$ 4,887,330</u>	<u>\$ 3,508,958</u>	<u>\$ 333,873</u>	<u>\$ (2,492,990)</u>	<u>\$ 6,237,171</u>

Net assets with donor restrictions were available for the following purposes as of December 31, 2022:

	2021		Prior Year Activity		2022
		Contributions	Net Investment Return	Released from Restrictions	
Subject to expenditure for a specified purpose:					
Acceleration initiative	\$ 22,765	\$ 166,626	\$ -	\$ (29,999)	\$ 159,392
Young investigators	84,475	196,212	-	(157,022)	123,665
Healthcare partnership	341,235	-	-	(303,393)	37,842
Education and resources	31,163	10,000	-	(6,071)	35,092
Other research	<u>2,765,391</u>	<u>1,364,117</u>	<u>(404,472)</u>	<u>(693,697)</u>	<u>3,031,339</u>
	3,245,029	1,736,955	(404,472)	(1,190,182)	3,387,330
Subject to the passage of time:					
Time restrictions	<u>1,678</u>	<u>-</u>	<u>-</u>	<u>(1,678)</u>	<u>-</u>
	3,246,707	1,736,955	(404,472)	(1,191,860)	3,387,330
Subject to spending policy or appropriation					
Endowment - Corn Fund	<u>1,500,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,500,000</u>
	<u>\$ 4,746,707</u>	<u>\$ 1,736,955</u>	<u>\$ (404,472)</u>	<u>\$ (1,191,860)</u>	<u>\$ 4,887,330</u>

CURESEARCH FOR CHILDREN'S CANCER, INC.
Notes to Financial Statements
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Note 7: 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 perpetually 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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Notes to Financial Statements
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Note 7: 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.

Changes in endowment net assets as of and for the years ended December 31, 2023 and 2022 are as follows and are shown within the net assets with donor restrictions in the accompanying financial statements:

	With Temporary Donor Restrictions	With Perpetual Donor Restrictions	Total
Endowment net assets, January 1, 2022	\$ 1,146,370	\$ 1,500,000	\$ 2,646,370
Net investment return	(405,763)	-	(405,763)
Amounts appropriated for expenditure	(100,000)	-	(100,000)
Endowment net assets, December 31, 2022	640,607	1,500,000	2,140,607
Net investment return	333,873	-	333,873
Amounts appropriated for expenditure	(100,000)	-	(100,000)
Endowment net assets, December 31, 2023	<u>\$ 874,480</u>	<u>\$ 1,500,000</u>	<u>\$ 2,374,480</u>

Note 8: Pension Plans

Defined Contribution Benefit Plan: CureSearch sponsors an IRC 403(b) retirement plan 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, 2023 and 2022 were \$27,746 and \$22,715, respectively.

Note 9: Program Initiative Commitments

As of December 31, 2023, CureSearch has outstanding conditional program initiative commitments to be made totaling \$3,147,914. Program initiative payments are subject to the fulfillment of certain conditions, as defined in the respective grant agreements.

Future expected conditional program initiative payments for each of the years subsequent to December 31, 2023 are as follows:

Year Ending December 31:	
2024	\$ 2,494,914
2025	653,000
	<u>\$ 3,147,914</u>

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Note 10: Pledges Receivable

Pledges receivable consist of the following at December 31:

	2023	2022
One year or less	\$ 987,423	\$ 120,000
Two years	500,000	-
Three years	500,000	-
	1,987,423	120,000
Discount on pledges receivable	(57,088)	-
Pledges receivable, net	\$ 1,930,335	\$ 120,000

Calculation of discount on pledges receivable reflects the present value of long term receivables at December 31, 2023 and 2022. All receivables are expected to be collected.

Note 11: Special Events

CureSearch held several special events during the years ended December 31, 2023 and 2022 as follows:

	2023	2022
Gross revenue	\$ 2,420,495	\$ 2,761,194
Less: direct costs of donor benefits	(175,028)	(143,206)
Net revenue, net of direct costs of donor benefits	2,245,467	2,617,988
Other event costs	(23,214)	(27,537)
Special events, net	\$ 2,222,253	\$ 2,590,451

Note 12: Concentration Risks

Credit Risk: CureSearch maintains its cash balances in two 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.

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.

Contribution Risk: Funding for the Organization comes from private grants, fundraising, donations, and other sources. As of December 31, 2023, approximately 75% and 25% of the pledges receivable and funding, respectively, for the Organization came from one donor. As of December 31, 2022, there were no such concentration risks.

CURESEARCH FOR CHILDREN'S CANCER, INC.
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Note 13: Subsequent Events

Subsequent Events: In preparing these financial statements, CureSearch has evaluated events and transactions for potential recognition or disclosure through August 2, 2024, the date the financial statements were available to be issued. During the period from January 1, 2024 through August 2, 2024, CureSearch did not have any material recognizable subsequent events.