

CureSearch For Children's Cancer, Inc.
Financial Statements
December 31, 2024 and Summarized Comparative Totals for 2023

CureSearch For Children’s Cancer, Inc.

Table of Contents

December 31, 2024 with Summarized Comparative Totals for 2023

	Page
INDEPENDENT AUDITORS’ REPORT	1-2
FINANCIAL STATEMENTS	
Statements of Financial Position	3
Statements of Activities and Changes in Net Assets	4
Statements of Functional Expenses	5-6
Statements of Cash Flows	7
Notes to the Financial Statements	8-23

Independent Auditors' Report

To the Board of Directors of

CureSearch For Children's Cancer, Inc.

Opinion

We have audited the accompanying financial statements of CureSearch for Children's Cancer, Inc. ("CureSearch"), which comprise the statements of financial position as of December 31, 2024 and the related statements of activities and changes in net assets, 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 the CureSearch as of December 31, 2024 and the results of its operations 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 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.

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 financial 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 CureSearch's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Other Matter

We previously audited the financial statements of CureSearch as of and for the year ended December 31, 2023, and our report dated August 2, 2024 expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023 is consistent, in all material respects, with the audited financial statements from which it has been derived.

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 Company'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 Company'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.

A handwritten signature in black ink, appearing to read "William J. Guttag". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

East Brunswick, New Jersey

August 12, 2025

CureSearch for Children's Cancer, Inc.
Statements of Financial Position
December 31, 2024 and 2023

	2024	2023
Assets		
Cash and cash equivalents	\$ 1,658,750	\$ 2,194,857
Accounts receivable	104,591	80,638
Pledges receivable, net	1,231,358	1,930,335
Prepaid expenses	46,935	37,190
Investments	2,703,542	2,258,933
Investments held for perpetual endowment fund	1,500,000	1,500,000
Total Assets	\$ 7,245,176	\$ 8,001,953
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 299,066	\$ 163,239
Deferred revenue	50,121	59,300
Total Liabilities	349,187	222,539
Net Assets		
Without donor restrictions	944,153	1,542,243
With donor restrictions	6,128,958	6,237,171
Total Net Assets	7,073,111	7,779,414
Total Liabilities and Net Assets	\$ 7,422,298	\$ 8,001,953

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

CureSearch for Children's Cancer, Inc.
Statements of Activities and Changes in Net Assets
For the Year Ended December 31, 2024 (With Comparative Totals for 2023)

	2024			2023
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Support and Revenue				
Special events, net	\$ 1,008,276	\$ 1,102,349	\$ 2,110,625	\$ 2,222,253
Contributions	1,397,199	497,131	1,894,330	3,100,559
Institutional grants and gifts	-	820,310	820,310	649,038
Non-monetary contributions	361,428	-	361,428	261,779
Net investment return	45,539	297,692	343,231	433,549
Other revenue	35,000	-	35,000	-
Donated financial assets	19,370	-	19,370	23,467
Net assets released from restrictions	2,825,695	(2,825,695)	-	-
Total Support and Revenue	5,692,507	(108,213)	5,584,294	6,690,645
Expenses				
Program services	4,806,855	-	4,806,855	3,605,077
Support services				
Fundraising	928,298	-	928,298	929,461
Management and general	555,444	-	555,444	590,310
Total Expenses	6,290,597	-	6,290,597	5,124,848
Changes in Net Assets	(598,090)	(108,213)	(706,303)	1,565,797
Net Assets - Beginning of Year	1,542,243	6,237,171	7,779,414	6,213,617
Net Assets - End of Year	\$ 944,153	\$ 6,128,958	\$ 7,073,111	\$ 7,779,414

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

CureSearch for Children's Cancer, Inc.
Statements of Functional Expenses
For the Year Ended December 31, 2024 (With Comparative Totals for 2023)

		Supporting Services			
	Program Services	Fundraising	Management and General	2024 Total Expenses	2023 Total Expenses
Personnel Expenses					
Salaries	\$ 1,167,654	\$ 664,633	\$ 272,047	\$ 2,104,334	\$ 1,853,506
Payroll taxes	76,161	43,351	17,744	137,256	124,415
Other fringe benefits	70,728	40,259	16,479	127,466	147,060
Pension	14,335	8,160	3,340	25,835	27,745
Other personnel expenses	10,210	5,812	2,379	18,401	14,901
Total Personnel Expenses	1,339,088	762,215	311,989	2,413,292	2,167,627
Other Expenses					
Programmatic initiatives	3,080,429	-	-	3,080,429	1,957,292
Special events	-	-	-	-	172,024
Software licenses	89,624	51,014	20,881	161,519	145,431
Bank and merchant fees	-	93,047	8,588	101,635	84,909
Travel expenses	15,377	25,837	2,968	44,182	65,652
Business insurance	35,768	20,359	8,333	64,460	66,496
Accounting	-	-	46,731	46,731	50,157
Printing and postage	11,041	21,717	2,572	35,330	9,950
Public relations	13,842	2,985	11,851	28,678	77,108
Professional fees, other	11,615	6,597	2,755	20,967	20,780
Telecommunications	10,614	6,042	2,473	19,129	20,820
Information technology	9,948	5,662	2,318	17,928	16,743
Facility expenses	9,464	5,387	2,205	17,056	15,138
Registrations and permits	-	15,315	-	15,315	14,207
Meetings and conferences	-	-	14,727	14,727	109,455
Dues and subscriptions	6,545	3,726	1,525	11,796	33,268
Legal	-	-	6,613	6,613	2,688
Miscellaneous	-	-	3,599	3,599	1,844
Office supplies	1,376	1,749	321	3,446	3,504
Total Other Expenses	3,295,643	259,437	138,460	3,693,540	2,867,466

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

CureSearch for Children's Cancer, Inc.
Statements of Functional Expenses
For the Year Ended December 31, 2024 (With Comparative Totals for 2023)

		Supporting Services			
	Program Services	Fundraising	Management and General	2024 Total Expenses	2023 Total Expenses
Non-monetary Contributions					
Professional fees, other	87,541	49,843	20,347	157,731	85,150
Public relations	59,583	33,925	13,849	107,357	80,674
Legal	-	-	70,799	70,799	92,055
Travel expenses	25,000	-	-	25,000	-
Event prizes	-	-	-	-	3,900
Total Non-monetary Contributions	172,124	83,768	104,995	360,887	261,779
Less Expenses Included with Revenues on the Statements of Activities and Changes in Net Assets					
Cost of direct benefits to donors	-	(177,122)	-	(177,122)	(172,024)
Total Functional Expenses	<u>\$ 4,806,855</u>	<u>\$ 928,298</u>	<u>\$ 555,444</u>	<u>\$ 6,290,597</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 Cash Flows
For the Years Ended December 31, 2024 and 2023

	2024	2023
Cash Flows from Operating Activities		
Change in net assets	\$ (706,303)	\$ 1,565,797
Adjustments to reconcile changes in net assets to net cash used in operating activities		
Net gain/losses on investments	(252,220)	(341,436)
Donated stock contributions	(19,370)	(23,467)
Changes in operating assets and liabilities:		
Accounts receivable	(23,953)	109,473
Pledges receivable, net	698,977	(1,810,335)
Prepaid expenses	(9,745)	10,137
Interest receivable	-	13,402
Accounts payable and accrued expenses	135,827	(30,007)
Deferred revenue	(9,179)	(112,511)
Net Cash Flows Used In Operating Activities	(185,966)	(618,947)
Cash Flows from Investing Activities		
Proceeds from sales of investments	161,714	1,666,765
Purchases of investments	(315,000)	(895,101)
Net proceeds from sale of donated financial assets	(19,733)	18,311
Net Cash Flows Provided by (Used In) Investing Activities	(173,019)	789,975
Net Change in Cash	(358,985)	171,028
Cash - Beginning of Year	2,194,857	2,023,829
Cash - End of Year	<u>\$ 1,835,872</u>	<u>\$ 2,194,857</u>
Supplemental Disclosure of Cash Flow Information		
Non-monetary Contributions		
Non-monetary contributions	\$ 361,428	\$ 261,779
Donated financial assets	<u>\$ 19,370</u>	<u>\$ 23,467</u>

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

CureSearch for Children's Cancer, Inc.
Notes to the Financial Statements
December 31, 2024 with Summarized Comparative Totals for 2023

Note 1 Nature of Operations

CureSearch for Children's Cancer, Inc. ("CureSearch") is a non-profit organization, incorporated under the laws of the State of California in 1987. CureSearch 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.

Note 2 Summary of Significant Accounting Policies

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 CureSearch that are subject to the guidance in FASB ASC 326 were accounts receivable and some pledges receivable. The FASB delayed adoption of the standard for private companies until January 1, 2023.

CureSearch 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.

Basis of Accounting

The accompanying financial statements are prepared on the accrual basis and in conformity with accounting principles generally accepted in the United States of America. Net assets, revenues, gains and losses are classified based on the existence or absence of donor or grantor-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.

Note 2 Summary of Significant Accounting Policies (Continued)

Basis of Accounting (Continued)

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 those resources be maintained in perpetuity.

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 estimates and assumptions that affect the amounts of assets and liabilities, revenue and expenses and changes therein, and disclosures of contingent assets and contingent liabilities and accompanying notes. It is reasonably possible that CureSearch's estimates may change in the near term.

Cash and Cash Equivalents

Cash is held in bank deposit accounts which, at times, may exceed federally insured limits. 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. CureSearch evaluated the applicability of the Current Expected Credit Losses (CECL) model under ASC 326 and concluded that its existing allowance methodology, based on historical collection experience and specific identification, is appropriate and reasonable given the nature and terms of its pledges receivable. Management has determined that all pledges receivable at December 31, 2024 and 2023 are fully collectible and therefore, has not recorded an allowance for credit losses.

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).

CureSearch for Children's Cancer, Inc.
Notes to the Financial Statements
December 31, 2024 with Summarized Comparative Totals for 2023

Note 2 Summary of Significant Accounting Policies (Continued)

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, 2024 and 2023. Accrued vacation for the years ended December 31, 2024 and 2023 totaled \$209,458 and \$126,215, respectively, which is included in accounts payable and accrued expenses on the statements of financial position.

Revenue Recognition

CureSearch derives revenue primarily from grants, contributions, special events and investment income/(loss). Special events 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, 2024 and 2023 totaled \$111,938 and \$121,546, respectively, which is included in public relations on the statements of functional expenses.

Income Taxes

CureSearch is an organization described under Section 501(c)(3) of the Internal Revenue Code (the "IRC" or "Code") and is generally not subject to income taxes except on net income from unrelated business activities. CureSearch has evaluated its activities and determined that it had no unrelated business income subject to federal or state income tax for the years ended December 31, 2024 and 2023.

Note 2 Summary of Significant Accounting Policies (Continued)

Income Taxes (Continued)

CureSearch follows the provisions of FASB ASC 740, *Income Taxes*. The standard prescribes a minimum recognition threshold and measurement methodology that a tax position taken or expected to be taken in a tax return is required to meet before being recognized in the financial statements. It also provides guidance for derecognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition related to those tax positions. CureSearch is registered to solicit charitable contributions in multiple states and files annual registration renewals as required by those jurisdictions.

CureSearch believes that it has appropriate support for any tax positions taken and, as such, does not have any uncertain tax positions that are material to the financial statements. There are no income tax related penalties or interest included in these financial statements. CureSearch's federal exempt information returns are subject to examination by the IRS, generally for a period of three years after the returns are filed.

Summarized Comparative Information

The accompanying financial statements include certain prior-year summarized comparative information in total but not by net asset class or functional category. Such information does not include sufficient detail to constitute a full presentation in accordance with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's audited financial statements for the year ended December 31, 2023, from which the summarized information was derived.

Subsequent Events

CureSearch has evaluated subsequent events and transactions for potential recognition or disclosure through the date of the auditors' report, which is the date the financial statements were available to be issued.

CureSearch for Children's Cancer, Inc.
Notes to the Financial Statements
December 31, 2024 with Summarized Comparative Totals for 2023

Note 3 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>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 1,658,750	\$ 2,194,857
Accounts receivable	104,591	80,638
Pledges receivable, net	1,231,358	1,930,335
Investments	<u>2,703,542</u>	<u>2,258,933</u>
 Total financial assets at year-end	 \$ 5,698,241	 \$ 6,464,763
 Less: pledges receivable due in more than one year	 <u>(500,000)</u>	 <u>(1,000,000)</u>
 Total financial assets available for general expenditures within one year	 <u>\$ 5,198,241</u>	 <u>\$ 5,464,763</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 6).

Note 4 Investments

The investment portfolio summary as of December 31, 2024 and 2023 is as follows:

	<u>2024</u>		<u>2023</u>	
	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>
Corporate bonds	\$ 1,432,567	\$ 1,492,883	\$ 1,291,067	\$ 1,488,875
Exchange traded funds, equity	1,919,019	746,866	1,667,332	746,809
Exchange traded funds, fixed income	281,577	303,875	280,685	303,875
U.S. government obligations	<u>570,379</u>	<u>576,239</u>	<u>519,849</u>	<u>519,849</u>
 Total	 \$ 4,203,542	 \$ -	 \$ 3,758,933	 \$ -
 Less: endowment funds	 <u>(1,500,000)</u>	 <u>-</u>	 <u>(1,500,000)</u>	 <u>-</u>
 Total investments	 <u>\$ 2,703,542</u>	 <u>\$ 3,119,863</u>	 <u>\$ 2,258,933</u>	 <u>\$ 3,059,408</u>

CureSearch for Children's Cancer, Inc.
Notes to the Financial Statements
December 31, 2024 with Summarized Comparative Totals for 2023

Note 4 Investments (Continued)

Net investment returns for the years ended December 31, 2024 and 2023 consisted of the following:

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Interest and dividend income	\$ 54,370	\$ 53,803	\$ 108,173	\$ 57,266	\$ 54,108	\$ 111,374
Net realized gains (losses) on investments	-	2,603	2,603	-	48,611	48,611
Net unrealized gains on investments	3,033	253,549	256,582	50,637	242,068	292,705
Net gains (losses) on sales of donated stock	(3,933)	-	(3,933)	120	-	120
Investment expenses	(7,931)	(12,263)	(20,194)	(8,347)	(10,914)	(19,261)
Net investment return	\$ 45,539	\$ 297,692	\$ 343,231	\$ 99,676	\$ 333,873	\$ 433,549

Note 5 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.

Note 5 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 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 the Financial Statements
December 31, 2024 with Summarized Comparative Totals for 2023

Note 5 Fair Value Measurement (Continued)

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

<u>December 31, 2024</u>	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Corporate bonds	\$ 1,432,567	\$ -	\$ 1,432,567	\$ -
Exchange traded funds, equity	1,919,019	1,919,019	-	-
Exchange traded funds, fixed income	281,577	281,577	-	-
U.S. government obligations	<u>570,379</u>	<u>-</u>	<u>570,379</u>	<u>-</u>
Total	<u>\$ 4,203,542</u>	<u>\$ 2,200,596</u>	<u>\$ 2,002,946</u>	<u>\$ -</u>
<u>December 31, 2023</u>	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Corporate bonds	\$ 1,291,067	\$ -	\$ 1,291,067	\$ -
Exchange traded funds, equity	1,667,332	1,667,332	-	-
Exchange traded funds, fixed income	280,685	280,685	-	-
U.S. government obligations	<u>519,849</u>	<u>-</u>	<u>519,849</u>	<u>-</u>
Total	<u>\$ 3,758,933</u>	<u>\$ 1,948,017</u>	<u>\$ 1,810,916</u>	<u>\$ -</u>

Note 6 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 was renewed in October 2024 and matures in September 2027. The interest rate is to be equal to the bank's prime rate plus 1.25%. At December 31, 2024 and 2023, the interest rate was 8.75% and 9.75%, respectively. The line of credit is secured by substantially all of CureSearch's assets. CureSearch provides coverage for its Board and management in the event of a default or claim related to the line of credit. There was no outstanding balance on the line of credit at December 31, 2024 and 2023.

Note 7 Non-Monetary Contributions 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 was effective for annual periods beginning after June 15, 2021, required new presentation and disclosures for non-monetary contributions to improve the transparency on how those assets are used and valued.

CureSearch for Children's Cancer, Inc.
Notes to the Financial Statements
December 31, 2024 with Summarized Comparative Totals for 2023

Note 7 Non-Monetary Contributions and Related Party Transactions (Continued)

Donated professional fees, public relations, legal, travel, 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 non-monetary contributions have been recorded as revenue in the accompanying financial statements.

CureSearch received donated public relations to be used for general advertising. Donated services are valued based upon the fair market value for similar advertising services. CureSearch received donated airline tickets to be used for staff travel. Donated services are valued based upon the fair market value of the airline tickets. CureSearch received 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 non-monetary contributions.

The non-monetary contributions are included in their respective nature classification on the statements of functional expenses.

During the years ended December 31, 2024 and 2023, CureSearch received services from a family member of a key member of management. The related party provided legal services totaling \$30,000 and \$31,200 for the years ended December 31, 2024 and 2023.

CureSearch for Children's Cancer, Inc.
Notes to the Financial Statements
December 31, 2024 with Summarized Comparative Totals for 2023

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 returns earned on those funds. Net assets with donor restrictions were available for the following purposes as of December 31, 2024:

	Current Year Activity				
	<u>2023</u>	<u>Contributions</u>	<u>Net Investment Return</u>	<u>Released from Restrictions</u>	<u>2024</u>
Subject to expenditure for a specified purpose:					
Acceleration initiative	\$ 135,126	\$ 710,310	\$ -	\$ (825,310)	\$ 20,126
Young investigators	54,110	60,000	-	(74,053)	40,057
Education and resources	30,092	-	-	-	30,092
Other research	<u>4,517,843</u>	<u>1,649,481</u>	<u>297,692</u>	<u>(1,926,333)</u>	<u>4,538,683</u>
Total	4,737,171	2,419,791	297,692	(2,825,696)	4,628,958
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>
Total	<u>\$ 6,237,171</u>	<u>\$ 2,419,791</u>	<u>\$ 297,692</u>	<u>\$ (2,825,696)</u>	<u>\$ 6,128,958</u>

CureSearch for Children's Cancer, Inc.
Notes to the Financial Statements
December 31, 2024 with Summarized Comparative Totals for 2023

Note 8 Net Assets with Donor Restrictions (Continued)

Net assets with donor restrictions were available for the following purposes as of December 31, 2023:

	Current Year Activity				2023
	2022	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>
Total	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>
Total	<u>\$ 4,887,330</u>	<u>\$ 3,508,958</u>	<u>\$ 333,873</u>	<u>\$ (2,492,990)</u>	<u>\$ 6,237,171</u>

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.

Note 8 Net Assets with Donor Restrictions (Continued)

Corn Fund (Continued)

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 CureSearch 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.

CureSearch for Children's Cancer, Inc.
Notes to the Financial Statements
December 31, 2024 with Summarized Comparative Totals for 2023

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.

Changes in endowment net assets as of and for the years ended December 31, 2024 and 2023 are as follows and are shown within the net assets with donor restrictions in the accompanying financial statements:

	With Temporary Donor Restrictions	Permanent Donor Restrictions	Total
Endowment net assets, January 1, 2023	\$ 640,607	\$ 1,500,000	\$ 2,140,607
Net investment return	333,873	-	333,873
Amounts appropriated for expenditures	<u>(100,000)</u>	<u>-</u>	<u>(100,000)</u>
Endowment net assets, December 31, 2023	874,480	1,500,000	2,374,480
Net investment return	297,692	-	297,692
Amounts appropriated for expenditures	<u>(100,000)</u>	<u>-</u>	<u>(100,000)</u>
Endowment net assets, December 31, 2024	<u>\$ 1,072,172</u>	<u>\$ 1,500,000</u>	<u>\$ 2,572,172</u>

Note 9 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, 2024 and 2023 were \$25,835 and \$27,746, respectively.

CureSearch for Children's Cancer, Inc.
Notes to the Financial Statements
December 31, 2024 with Summarized Comparative Totals for 2023

Note 10 Program Initiative Commitments

As of December 31, 2024 and 2023, CureSearch has outstanding conditional program initiative commitments to be made totaling \$4,527,627 and \$3,147,914, respectively. Program initiative payments are subject to the fulfilment 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, 2024 are as follows:

Year Ending December 31:

2025	\$ 2,355,050
2026	1,609,050
2027	<u>563,527</u>
Total	<u>\$ 4,527,627</u>

Note 11 Pledges Receivable

Pledges receivable consist of the following at December 31:

	<u>2024</u>	<u>2023</u>
One year or less	\$ 788,446	\$ 987,423
Two years	500,000	500,000
Three years	<u>-</u>	<u>500,000</u>
Total	1,288,446	1,987,423
Discount on pledges receivable	<u>(57,088)</u>	<u>(57,088)</u>
Pledges receivable, net	<u>\$ 1,231,358</u>	<u>\$ 1,930,335</u>

Calculation of discount on pledges receivable reflects the present value of long term receivables at December 31, 2024 and 2023. All receivables are expected to be collected.

CureSearch for Children's Cancer, Inc.
Notes to the Financial Statements
December 31, 2024 with Summarized Comparative Totals for 2023

Note 12 Special Events

CureSearch held several special events during the years ended December 31, 2024 and 2023 as follows:

	<u>2024</u>	<u>2023</u>
Gross revenue	\$ 2,326,269	\$ 2,420,495
Less: Direct costs of donor benefits	<u>(177,122)</u>	<u>(175,028)</u>
Net revenue, net of direct costs of donor benefits	2,149,147	2,245,467
Other special events cost	<u>(38,522)</u>	<u>(23,214)</u>
Special events, net	<u>\$ 2,110,625</u>	<u>\$ 2,222,253</u>

Note 13 Concentration Risks

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.

Contributions Risk

Funding for CureSearch comes from private grants, fundraising, donations, and other sources. As of December 31, 2024, approximately 94% of the pledges receivable came from two donors. As of December 31, 2023, approximately 75% and 25% of the pledges receivable and funding, respectively, came from one donor.

Vendor Risk

As of December 31, 2024, approximately 24% of expenses were from one vendor. There were no such concentration risks as of December 31, 2023.

Note 14 Risks and Uncertainties

CureSearch's operations and financial results are subject to various risks and uncertainties. CureSearch does not receive government funding and relies primarily on private contributions, foundation support, and revenue from special events to fund its programs and services. CureSearch's ability to sustain funding is dependent on continued donor engagement and the successful execution of fundraising events. Broader economic factors, including inflationary pressure, rising costs, and market volatility, may influence donor capacity and philanthropic priorities. In addition, although CureSearch is not directly funded by government agencies, changes in federal policies - particularly those affecting charitable giving incentives, tax regulations, or nonprofit sector oversight - could indirectly impact donor behavior and foundation grantmaking strategies. Management continuously monitors these developments and evaluates potential impacts to ensure CureSearch can adapt operationally and financially as needed.