



Program to Overhead Expense Ratio

September 2016

For many years 95% of revenue was allocated to research and education programs. This extremely favorable program to overhead expense ratio was possible because CureSearch received millions in government funding as the fiscal agent for the Children’s Oncology Group (COG). In October 2012 CureSearch and COG agreed to separate, and revenue dropped by \$50 million. This sudden shift required significant changes - a reduction of staff, the consolidation of eight regional offices, and right-sized financial services.

The separation allowed CureSearch to seize the moment to re-envision its role in ending children’s cancer. No longer constrained by government or COG restrictions, we embraced the opportunity to create a new vision and operating structure that would have the greatest impact on children’s cancer research. CureSearch was founded nearly 30 years ago. Today we think and act as a start-up launched four years ago.

2013-2016 Program to Overhead Expense Ratio

	<u>2013</u>		<u>2014</u>		<u>2015</u>		<u>2016 Projection</u>	
Programs	5,542,090	62%	3,211,384	49%	3,740,186	58%	3,669,639	60%
Fundraising	2,417,238	27%	2,435,183	37%	2,010,460	31%	1,828,916	30%
Administration	1,003,058	11%	957,373	14%	709,514	11%	578,337	10%
Total	\$8,962,767		\$6,603,940		\$ 6,460,160		\$ 6,076,892	

As this data illustrates, the modifications needed to reinvent CureSearch began altering the program to overhead expense ratio in 2013. In 2015 expenses dedicated to research programs climbed to 9 points to 58%. We predict continued success in 2016 and beyond. For additional insights, consider these points:

2014

- Previous research programs that no longer fit the new CureSearch were phased out, accounting for a reduction in program expenses of nearly \$1.7 million compared to 2013. And a drop in fundraising results caused a further reduction of funds available for clinical trials.
- As evidence of CureSearch’s new focus on results with impact, \$660,000 in funding to a grantee was withheld due to a delay in the launch of pediatric clinical trials. Withholding the funds negatively changes the ratio, but the focus is on research projects that will help children now.

2015

- CureSearch spent nearly \$530,000 more in support of research programs compared to 2014.
- The numbers do not include \$1.25 million from The Rising Tide Foundation and The Gateway Foundation. Funding from these partners will go directly to the researchers, so there is no contribution to CureSearch even though the methodology, measurement and reporting is managed by our expert team. We will continue to collaborate because this is how this life-saving work gets done.

2016

- An additional \$400,000 will be invested in research and education programs.
- CureSearch carefully selects only the best scientists and projects and then makes large, multi-year commitments. Scientists need to attend to their research, not worry about fundraising. This means that while we are banking the funds needed to fulfill our long-term commitments, only a portion of those funds are expended in a given year, once again reducing program ratio.

Only research will spark new discoveries in pediatric cancer, and only research that leads to drug development will result in new treatments and cures. It is with this in mind that we are relentless in searching for ways to drive forward innovative and impactful research. This pursuit may take many forms, such as support to our partners as they source additional funding; connecting the researchers to bio-pharma companies to develop new drugs, and assisting with the laborious navigation of the FDA. Little of this behind-the-scenes work to get a new children's cancer drug developed shows up in the ratio calculations. Make no mistake, CureSearch is working to improve its program to overhead expense ratio in the next few years. The actions to make that happen are secondary to our top priority - to develop medical treatments to save children now.

While many cancer foundations quantify their success based on how many research grants they've funded, or the total dollars they have spent, CureSearch is unique in quantifying its impact based on how research will impact children with cancer. Every six months an [Impact Report](#) is published to hold the scientists and ourselves accountable to donors, volunteers, and children with cancer. Please read it and consider whether the best way to evaluate CureSearch is the impact we have on children with cancer.

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