



**Children's Tumor Foundation, Inc. and Affiliate**

**Consolidated Financial Statements  
and Supplementary Information  
(Together with Independent Auditors' Report)**

**Years Ended December 31, 2022 and 2021**

**CHILDREN'S TUMOR FOUNDATION, INC. AND AFFILIATE**

**CONSOLIDATED FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION  
(Together with Independent Auditors' Report)**

**YEARS ENDED DECEMBER 31, 2022 AND 2021**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of the  
Children's Tumor Foundation, Inc. and Affiliate

### ***Opinion***

We have audited the consolidated financial statements of Children's Tumor Foundation, Inc. and Affiliate (the "Foundation"), which comprise the consolidated statements of financial position as of December 31, 2022 and 2021, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Foundation as of December 31, 2022 and 2021, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 Consolidated Financial Statements***

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

### ***Auditors' Responsibilities for the Audit of the Consolidated Financial Statements***

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole 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 GAAS 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 are considered material if there is substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

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In performing our audits in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated financial statements.
- Obtain an understanding of internal control relevant to the audits 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 Foundation's internal control. Accordingly, no such opinion is expressed.
- 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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation'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.

### ***Report on Supplementary Information***

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information on pages 20 through 23 as of and for the years ended December 31, 2022 and 2021 is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position and changes in net assets of the individual organizations and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in our audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

*Mayer Hoffman McCann CPAs*

New York, NY  
October 2, 2023

**CHILDREN'S TUMOR FOUNDATION, INC. AND AFFILIATE  
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS OF DECEMBER 31, 2022 AND 2021**

	<b>2022</b>	<b>2021</b>
<b>ASSETS</b>		
Cash and cash equivalents (Notes 2I and 11)	\$ 17,691,534	\$ 14,369,309
Accounts receivable	188,828	118,736
Pledges and other receivables, net (Notes 2H, 4 and 12D)	2,932,510	4,264,500
Investments (Notes 2J, 5 and 7)	10,732,544	10,486,260
Prepaid expenses and other	514,427	426,923
Security deposit	26,400	71,933
Property and equipment, net (Notes 2K and 6)	223,269	217,231
<b>TOTAL ASSETS</b>	<b>\$ 32,309,512</b>	<b>\$ 29,954,892</b>
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 1,891,906	\$ 729,440
Grants payable (Notes 2M and 10)	2,396,571	1,326,906
Deferred revenue (Note 2N)	143,853	288,358
Assets held in trust (Note 7)	195,800	195,800
<b>TOTAL LIABILITIES</b>	<b>4,628,130</b>	<b>2,540,504</b>
<b>COMMITMENTS AND CONTINGENCIES (Note 12)</b>		
<b>NET ASSETS (Note 2B)</b>		
Without donor restrictions (Notes 8 and 13B)	14,187,000	13,426,635
With donor restrictions (Note 13A)	13,494,382	13,987,753
<b>TOTAL NET ASSETS</b>	<b>27,681,382</b>	<b>27,414,388</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 32,309,512</b>	<b>\$ 29,954,892</b>

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

**CHILDREN'S TUMOR FOUNDATION, INC. AND AFFILIATE**  
**CONSOLIDATED STATEMENTS OF ACTIVITIES**  
**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

	Year Ended December 31, 2022			Year Ended December 31, 2021		
	Without Donor Restrictions	With Donor Restrictions	Total 2022	Without Donor Restrictions	With Donor Restrictions	Total 2021
<b>OPERATING SUPPORT AND REVENUE:</b>						
Contributions - individuals (Notes 2D and 2E)	\$ 4,911,530	\$ 3,271,446	\$ 8,182,976	\$ 3,992,454	\$ 4,096,745	\$ 8,089,199
Contributions - corporations and foundations (Notes 2D and 2E)	1,466,509	2,595,455	4,061,964	2,621,555	1,536,606	4,158,161
Bequests (Notes 2G and 8)	306,122	-	306,122	185,000	-	185,000
In-kind support and contributed services (Notes 2F and 14)	226,605	-	226,605	214,955	-	214,955
Other income (Note 2M)	1,252,318	-	1,252,318	1,539,709	-	1,539,709
Government grants (Notes 12C and 12D)	299,188	-	299,188	1,077,026	-	1,077,026
Loss from disposition of property and equipment (Note 6)	(9,445)	-	(9,445)	-	-	-
	<u>8,452,827</u>	<u>5,866,901</u>	<u>14,319,728</u>	<u>9,630,699</u>	<u>5,633,351</u>	<u>15,264,050</u>
Special event revenue (Note 2O):						
Special event revenue	2,970,370	-	2,970,370	1,818,650	-	1,818,650
Less: direct benefits to donors	(222,968)	-	(222,968)	(40,000)	-	(40,000)
Special event revenue, net	<u>2,747,402</u>	<u>-</u>	<u>2,747,402</u>	<u>1,778,650</u>	<u>-</u>	<u>1,778,650</u>
Net assets released from restrictions (Notes 2B, 2D and 13A)	<u>6,360,272</u>	<u>(6,360,272)</u>	<u>-</u>	<u>2,790,191</u>	<u>(2,790,191)</u>	<u>-</u>
<b>TOTAL OPERATING SUPPORT AND REVENUE</b>	<u>17,560,501</u>	<u>(493,371)</u>	<u>17,067,130</u>	<u>14,199,540</u>	<u>2,843,160</u>	<u>17,042,700</u>
<b>EXPENSES (Note 2C):</b>						
Program services:						
Research and medical	9,611,271	-	9,611,271	6,125,243	-	6,125,243
Public education and patient support	4,122,574	-	4,122,574	2,720,523	-	2,720,523
Total program services	<u>13,733,845</u>	<u>-</u>	<u>13,733,845</u>	<u>8,845,766</u>	<u>-</u>	<u>8,845,766</u>
Supporting services:						
Management and general	1,144,982	-	1,144,982	945,320	-	945,320
Fundraising	1,266,163	-	1,266,163	930,453	-	930,453
Total supporting services	<u>2,411,145</u>	<u>-</u>	<u>2,411,145</u>	<u>1,875,773</u>	<u>-</u>	<u>1,875,773</u>
<b>TOTAL EXPENSES</b>	<u>16,144,990</u>	<u>-</u>	<u>16,144,990</u>	<u>10,721,539</u>	<u>-</u>	<u>10,721,539</u>
<b>CHANGE IN NET ASSETS FROM OPERATIONS</b>	<u>1,415,511</u>	<u>(493,371)</u>	<u>922,140</u>	<u>3,478,001</u>	<u>2,843,160</u>	<u>6,321,161</u>
<b>NON-OPERATING ACTIVITIES:</b>						
Loss on foreign currency translation	(3,496)	-	(3,496)	(7,436)	-	(7,436)
Investment activity (Note 5)	(651,650)	-	(651,650)	561,848	-	561,848
<b>TOTAL NON-OPERATING ACTIVITIES</b>	<u>(655,146)</u>	<u>-</u>	<u>(655,146)</u>	<u>554,412</u>	<u>-</u>	<u>554,412</u>
<b>CHANGE IN NET ASSETS</b>	760,365	(493,371)	266,994	4,032,413	2,843,160	6,875,573
Net assets - beginning of year	<u>13,426,635</u>	<u>13,987,753</u>	<u>27,414,388</u>	<u>9,394,222</u>	<u>11,144,593</u>	<u>20,538,815</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 14,187,000</u>	<u>\$ 13,494,382</u>	<u>\$ 27,681,382</u>	<u>\$ 13,426,635</u>	<u>\$ 13,987,753</u>	<u>\$ 27,414,388</u>

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

**CHILDREN'S TUMOR FOUNDATION, INC. AND AFFILIATE**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**  
**(With Comparative Totals for the Year Ended December 31, 2021)**

	Program Services			Supporting Services			Total 2022	Total 2021
	Research and Medical	Public Education and Patient Support	Total Program Services	Management and General	Fundraising	Total Supporting Services		
<b>Salaries and Related Costs:</b>								
Salaries	\$ 2,057,353	\$ 1,429,725	\$ 3,487,078	\$ 360,221	\$ 354,120	\$ 714,341	\$ 4,201,419	\$ 3,388,326
Payroll taxes and employee benefits (Note 9)	374,470	312,725	687,195	110,867	90,610	201,477	888,672	833,209
<b>Total Salaries and Related Costs</b>	<b>2,431,823</b>	<b>1,742,450</b>	<b>4,174,273</b>	<b>471,088</b>	<b>444,730</b>	<b>915,818</b>	<b>5,090,091</b>	<b>4,221,535</b>
Grants (Notes 2M and 10)	4,541,672	-	4,541,672	-	-	-	4,541,672	2,298,320
Advocacy	270,000	-	270,000	-	-	-	270,000	270,000
Rent (Notes 2C and 12A)	29,272	52,935	82,207	32,775	22,267	55,042	137,249	155,487
Printing	85,559	120,087	205,646	15,437	43,758	59,195	264,841	186,281
Postage and shipping	37,907	92,634	130,541	12,196	25,687	37,883	168,424	92,488
Supplies	2,515	3,591	6,106	861	947	1,808	7,914	21,826
Travel	150,482	166,520	317,002	22,715	39,384	62,099	379,101	77,345
Conference, meetings and events	478,503	742,848	1,221,351	68,193	180,630	248,823	1,470,174	660,657
Insurance	10,182	12,559	22,741	10,330	5,789	16,119	38,860	34,606
Information technology	358,068	235,550	593,618	127,773	86,147	213,920	807,538	483,487
Professional fees	597,424	391,532	988,956	158,624	215,518	374,142	1,363,098	1,453,894
Dues and other fees	91,766	85,809	177,575	53,068	41,241	94,309	271,884	192,948
Food and beverage	367,336	174,259	541,595	20,672	33,506	54,178	595,773	53,340
Telephone	8,953	10,744	19,697	10,744	5,372	16,116	35,813	39,434
Equipment rental and maintenance	-	-	-	-	-	-	-	5,716
Recruitments	-	-	-	2,646	-	2,646	2,646	175
Advertising (Notes 2L and 14)	82,202	166,922	249,124	25,535	74,394	99,929	349,053	203,045
Promotional apparel	21,446	71,542	92,988	16,791	23,203	39,994	132,982	144,404
Bad debt (Note 2H)	-	-	-	51,000	-	51,000	51,000	25,000
Miscellaneous	18,977	19,972	38,949	11,914	7,280	19,194	58,143	10,321
Depreciation and amortization (Note 6)	27,184	32,620	59,804	32,620	16,310	48,930	108,734	91,230
<b>TOTAL EXPENSES</b>	<b>\$ 9,611,271</b>	<b>\$ 4,122,574</b>	<b>\$ 13,733,845</b>	<b>\$ 1,144,982</b>	<b>\$ 1,266,163</b>	<b>\$ 2,411,145</b>	<b>\$ 16,144,990</b>	<b>\$ 10,721,539</b>

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

**CHILDREN'S TUMOR FOUNDATION, INC. AND AFFILIATE**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Program Services</u>			<u>Supporting Services</u>			<u>Total 2021</u>
	<u>Research and Medical</u>	<u>Public Education and Patient Support</u>	<u>Total Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Supporting Services</u>	
<b>Salaries and Related Costs:</b>							
Salaries	\$ 1,697,822	\$ 1,134,294	\$ 2,832,116	\$ 287,174	\$ 269,036	\$ 556,210	\$ 3,388,326
Payroll taxes and employee benefits (Note 9)	<u>353,948</u>	<u>281,123</u>	<u>635,071</u>	<u>115,238</u>	<u>82,900</u>	<u>198,138</u>	<u>833,209</u>
<b>Total Salaries and Related Costs</b>	<b>2,051,770</b>	<b>1,415,417</b>	<b>3,467,187</b>	<b>402,412</b>	<b>351,936</b>	<b>754,348</b>	<b>4,221,535</b>
Grants (Notes 2M and 10)	2,298,320	-	2,298,320	-	-	-	2,298,320
Advocacy	270,000	-	270,000	-	-	-	270,000
Rent (Notes 2C and 12A)	38,191	48,235	86,426	45,511	23,550	69,061	155,487
Printing	46,934	97,133	144,067	9,368	32,846	42,214	186,281
Postage and shipping	25,172	36,382	61,554	11,953	18,981	30,934	92,488
Supplies	3,477	12,536	16,013	1,960	3,853	5,813	21,826
Travel	25,093	32,699	57,792	8,007	11,546	19,553	77,345
Conference, meetings and events	186,331	261,740	448,071	47,080	165,506	212,586	660,657
Insurance	9,334	10,616	19,950	9,583	5,073	14,656	34,606
Information technology	229,244	135,208	364,452	68,479	50,556	119,035	483,487
Professional fees	790,604	273,412	1,064,016	212,210	177,668	389,878	1,453,894
Dues and other fees	66,347	58,256	124,603	41,334	27,011	68,345	192,948
Food and beverage	8,596	30,763	39,359	4,270	9,711	13,981	53,340
Telephone	9,859	11,830	21,689	11,830	5,915	17,745	39,434
Equipment rental and maintenance	1,429	1,715	3,144	1,715	857	2,572	5,716
Recruitments	-	-	-	175	-	175	175
Advertising (Notes 2L and 14)	10,381	183,952	194,333	2,256	6,456	8,712	203,045
Promotional apparel	29,352	77,190	106,542	14,408	23,454	37,862	144,404
Bad debt (Note 2H)	-	-	-	25,000	-	25,000	25,000
Miscellaneous	2,688	4,468	7,156	1,544	1,621	3,165	10,321
Depreciation and amortization (Note 6)	<u>22,121</u>	<u>28,971</u>	<u>51,092</u>	<u>26,225</u>	<u>13,913</u>	<u>40,138</u>	<u>91,230</u>
<b>TOTAL EXPENSES</b>	<b><u>\$ 6,125,243</u></b>	<b><u>\$ 2,720,523</u></b>	<b><u>\$ 8,845,766</u></b>	<b><u>\$ 945,320</u></b>	<b><u>\$ 930,453</u></b>	<b><u>\$ 1,875,773</u></b>	<b><u>\$ 10,721,539</u></b>

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



**CHILDREN'S TUMOR FOUNDATION, INC. AND AFFILIATE  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

	<b>2022</b>	<b>2021</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 266,994	\$ 6,875,573
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	108,734	91,230
Realized loss (gain) on investments	2,457	(6,161)
Unrealized loss (gain) on investments	918,595	(474,548)
Loss on foreign currency translation	3,496	7,436
Bad debt	51,000	25,000
Loss from disposition of property and equipment	9,445	-
Subtotal	1,360,721	6,518,530
Changes in assets and liabilities:		
Decrease (increase) in assets:		
Accounts receivable	(73,588)	127,588
Pledges and other receivables	1,280,990	(1,673,971)
Prepaid expenses and other	(87,504)	(31,940)
Security deposit	45,533	(26,400)
(Decrease) increase in liabilities:		
Accounts payable and accrued expenses	1,162,466	102,871
Grants payable	1,069,665	(57,133)
Deferred revenue	(144,505)	(60,562)
<b>Net Cash Provided by Operating Activities</b>	<b>4,613,778</b>	<b>4,898,983</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from sale of investments	330,725	2,905,819
Purchases of investments	(1,498,061)	(2,979,585)
Purchases of property and equipment	(124,217)	(103,148)
<b>Net Cash Used in Investing Activities</b>	<b>(1,291,553)</b>	<b>(176,914)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>3,322,225</b>	<b>4,722,069</b>
Cash and cash equivalents - beginning of year	14,369,309	9,647,240
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<b>\$ 17,691,534</b>	<b>\$ 14,369,309</b>
<b>Supplemental Non-Cash Disclosure:</b>		
Forgiveness of Paycheck Protection Program loan	\$ -	\$ 691,400

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

**CHILDREN'S TUMOR FOUNDATION, INC. AND AFFILIATE**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022 AND 2021**

**NOTE 1—NATURE OF THE ORGANIZATION**

The Children's Tumor Foundation, Inc. ("CTF") was incorporated in 1978 as a not-for-profit corporation under the laws of the State of New York and is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and similar rules in New York State. It has been designated as a publicly supported organization which is not a private foundation and accordingly, does not provide for state and federal income taxes. CTF was formed to sponsor scientific research aimed at finding the cause and effective treatment for Neurofibromatosis ("NF"), to promote the development of diagnostic procedures and assist in the development of clinical centers in the United States and to develop programs that will increase public awareness of NF.

Children's Tumor Foundation Europe ("CTF EU") is a foundation organized in Belgium and is operated to sponsor scientific research aimed at finding the cause and effective treatment for NF, to promote the development of diagnostic procedures and assist in the development of clinical centers in Europe. Under Belgian law, CTF cannot receive title to the assets held by CTF EU and CTF EU is not a subsidiary of CTF. CTF has the ability to appoint the directors of CTF EU and the operations of CTF EU are reported in CTF's consolidated financial statements.

On October 15, 2021, Cupid's Charities, a non-profit created in 2010 with a mission to fund research to end NF, dissolved and transferred its remaining assets and liabilities to CTF. Subsequent to the effective date of the dissolution, the business of the dissolved corporation would be conducted through CTF as the surviving organization. The dissolution of Cupid's Charities was effective after the filing of the Certificate of Dissolution with the District of Columbia, which was approved October 15, 2021 and was effective as of November 8, 2021.

Collectively, CTF and CTF EU are referred to as the "Foundation."

**NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

- A. The Foundation's consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").
- B. 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:
  - Without donor restrictions – These represent resources of the Foundation that have not been restricted by the donor and that have no time restrictions. Such resources are available for support of the Foundation's operations over which the Board of Directors has discretionary control. Contributions are considered available for general operating use unless specifically restricted by the donor. The Board maintains a Board designated endowment fund in this net asset class, as further described in Note 8.
  - With donor restrictions – These consist of funds that are restricted by donors which permit the Foundation to expend the assets as specified and are satisfied either by passage of time or by actions of the Foundation. Resources of this nature originate from gifts, grants, bequests and investment income earned on restricted funds. When a donor restriction expires, these are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions. This net asset class might also include those resources which have a permanent donor-imposed restriction which stipulates that the assets are to be maintained permanently, but permits the Foundation to expend part or all of the income derived from the donated assets. The Foundation had no permanent donor-imposed restricted net assets.

**CHILDREN'S TUMOR FOUNDATION, INC. AND AFFILIATE**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022 AND 2021**

**NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

- C. The Foundation allocates expenses on a functional basis among its various programs and supporting services. Expenses that can be identified as belonging to a specific program and/or supporting service are allocated directly according to their natural expenditure classification. The consolidated financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy, which is allocated on a square footage basis, as well as salaries and wages, benefits, payroll taxes, professional services, office expenses, information technology, insurance and other, which are allocated on the basis of estimated time and effort.
- D. Contributions, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional, that is, at the time when the conditions on which they depend on are substantially met. Contributions of assets other than cash are reported at fair value. Support that is restricted by the donor is reported as an increase in net assets with donor restrictions depending on the nature of the restriction until the restriction's conditions are satisfied, at which time net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions.
- E. Grants and contributions are nonexchange transactions and accounted for under Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") 2018-08, *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made* (Topic 958). Contributions are recognized as revenue when barriers within the contract are overcome, and there is no right of return/release from obligation.

As of December 31, 2021, the Foundation received a conditional grant of \$666,666, from an individual donor. Such grant has not been recognized in the accompanying consolidated financial statements as it is for future periods and will be recognized when contract barriers, which are awarding grants for Schwannomatosis, are overcome. Such barriers include expending these funds in accordance with their agreements. If grants are not awarded for Schwannomatosis, the donor is not obligated to expend the funds allotted under the grant. No conditional grants were received as of December 31, 2022.

- F. The Foundation reports gifts of media time and space, land, building, and equipment as net assets without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Such donations are recorded at their estimated fair value on the date received. Gifts of long-lived assets with explicit donor restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as net assets with donor restrictions..

The Foundation pays for services requiring specific expertise. However, success in conducting and reaching its mission is also dependent on attracting the many individuals that volunteer their time and perform a variety of tasks that assist the Foundation with specific programs, campaign solicitations and fundraising events. However, these donated services are not reflected in the consolidated financial statements since the services do not require specialized skills. Specialized services which are donated and are quantified are reflected in the accompanying consolidated financial statements at their fair value on the date of receipt.

- G. Bequests are recognized when a will has passed through probate and the Foundation is notified that all disputes are resolved and funds are forthcoming.

**CHILDREN'S TUMOR FOUNDATION, INC. AND AFFILIATE**  
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**NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

- H. Unconditional promises to give that are expected to be collected within one year are recorded as pledges receivable at net realizable value. Unconditional promises to give that are expected to be collected in future years are computed using risk-adjusted interest rates applicable to the years in which the promises are received, unless such discount is immaterial. Conditional promises to give are not included as support until the conditions are substantially met. As of December 31, 2022 and 2021, the Foundation determined an allowance for doubtful accounts related to pledges and other receivables was not necessary. This determination is based on a combination of factors, such as management's estimate of the creditworthiness of the contributors, a review of individual accounts outstanding and the aged basis of the receivable and historical experience.
- I. The Foundation considers all highly liquid investments with a maturity of three months or less when acquired to be cash and cash equivalents, except for money market funds held in the Foundation's investment accounts.
- J. Investments are reported at fair value. Investments received by gift are initially recorded at their fair value on the date of the gift. Unrealized gains or losses are included in the change in net assets. Investments in privately-held companies without a readily determinable fair value are valued at cost.
- K. Property and equipment is reflected at cost, if purchased, or if donated, at fair market value at the date of receipt. The cost of maintenance and repairs is charged to expense as incurred while significant renewals and betterments are capitalized. The Foundation capitalizes additions and significant improvements in excess of \$1,500 with a useful life of two years or more. Depreciation is computed using the straight-line method over the estimated useful life of the assets. Software is amortized on a straight-line method, three years from the date of implementation.
- L. The Foundation uses advertising and media for public education and relations to promote its national programs. Advertising costs are expensed as incurred and are reflected in the accompanying consolidated statements of functional expenses.
- M. The Foundation approves research and fellowship grant awards subject to periodic reviews of performance. These grants generally are payable in installments over a period of two or three years, upon the approval and acceptance of periodic progress reports provided to the Foundation by the award recipients. Most grants are fully accrued once the recipients accept the grant awards. Unless material, the Foundation does not discount commitments to be paid later than one year to present value. Grants and fellowships are subject to automatic forfeiture if the award recipients do not comply with award stipulations. Grants that are not fully used and get returned to the Foundation are recorded as other income. For the years ended December 31, 2022 and 2021, grants that were returned to the Foundation amounted to \$51,340 and \$22,843, respectively.
- N. Advances paid are reported as deferred revenue until the obligations are performed.
- O. The Foundation conducts special events in which a portion of the gross proceeds paid by the participant represents payment for the direct cost of the benefits received by the participant at the event. These costs are netted against special events revenue and amounted to \$222,968 and \$40,000 for the years ended December 31, 2022 and 2021, respectively.
- P. The preparation of the consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures at the date of the consolidated financial statements. Actual results could differ from those estimates.
- Q. The consolidated financial statements have been prepared by including the operations of CTF and CTF EU. All significant intercompany balances and transactions have been eliminated during the consolidation.
- R. Certain line items in the December 31, 2021 consolidated financial statements have been reclassified to conform to the December 31, 2022 presentation.

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**NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

S. FASB ASU 2020-07, *Presentation and Disclosures by Not-For-Profit Entities for Contributed Nonfinancial Assets* ("Gifts-in-Kind") was adopted by the Foundation for the year ended December 31, 2022. The core guidance in ASU 2020-07 is to increase transparency around contributed nonfinancial assets (also known as "gifts-in-kind") received by not-for-profit ("NFP") organizations, including transparency on how those assets are used and how they are valued. ASU 2020-07 improves financial reporting by providing new presentation and disclosure requirements about contributed nonfinancial assets for nonprofits. The amendment did not change existing recognition and measurement requirements for those assets. The adoption of ASU 2020-07 did not result in changes to the Foundation's consolidated financial statements except for updated disclosures.

**NOTE 3—LIQUIDITY AND AVAILABILITY OF RESOURCES FOR GENERAL EXPENDITURES**

The Foundation receives contributions and promises to give that are restricted by donors, and considers contributions restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. The Foundation manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. The Foundation maintains current financial assets less current liabilities at a minimum of 30 days' operating expenses. The Foundation targets a year-end balance of reserves of undesignated net assets without donor restrictions to meet 15 to 30 days' of expected expenditures. To achieve these targets, the Foundation forecasts its future cash flows and monitors its liquidity quarterly and monitors its reserves annually. During the years ended December 31, 2022 and 2021, the level of liquidity and reserves was managed within the policy requirements.

As of December 31, 2022 and 2021, the financial assets held by the Foundation and the amounts of those financial assets that could readily be made available over the next 12 months to meet general expenditures are as follows:

	<u>2022</u>	<u>2021</u>
Total financial assets	\$ 30,540,026	\$ 28,154,687
Less:		
Assets held in trust	<u>(134,045)</u>	<u>(148,406)</u>
Net financial assets	30,405,981	28,006,281
Internal designations:		
Board designated endowment funds*	(4,888,578)	(5,750,795)
Strategic reserves*	<u>(4,709,921)</u>	<u>(4,586,867)</u>
Financial assets available to meet cash needs for general expenditures over the next 12 months	<u>\$ 20,807,482</u>	<u>\$ 17,668,619</u>

\*The Board designated funds can be undesignated through a Board resolution if needed to cover general expenditures.

**CHILDREN'S TUMOR FOUNDATION, INC. AND AFFILIATE  
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**NOTE 4—PLEDGES AND OTHER RECEIVABLES, NET**

Pledges and other receivables, net due to the Foundation consist of the following as of December 31:

	<u>2022</u>	<u>2021</u>
Individuals	\$ 1,962,919	\$ 3,252,527
Foundations	464,500	833,334
Government	529,014	229,826
Corporations	<u>40,919</u>	<u>31,375</u>
Subtotal	2,997,352	4,347,062
Less: present value discount ranging from 1.44% to 4.22%	<u>(64,842)</u>	<u>(82,562)</u>
Net	<u>\$ 2,932,510</u>	<u>\$ 4,264,500</u>

Pledges and other receivables are scheduled to be received as follows as of December 31:

	<u>2022</u>	<u>2021</u>
Amount due in less than one year	\$ 1,927,120	\$ 3,180,382
Amount due in one to five years	<u>1,070,232</u>	<u>1,166,680</u>
	<u>\$ 2,997,352</u>	<u>\$ 4,347,062</u>

**NOTE 5—INVESTMENTS AND FAIR VALUE MEASUREMENTS**

Investments consist of the following as of December 31:

	<u>2022</u>	<u>2021</u>
Equities and equity mutual funds	\$ 2,060,252	\$ 2,445,323
Money market funds	4,546,210	4,506,803
Privately - held company - valued at cost	1,000,000	-
Structured products	722,600	647,225
Fixed income – Mutual funds	134,220	148,581
Fixed income – Corporate bonds	1,823,792	2,325,420
Fixed income – Preferred securities	218,162	277,194
Fixed income – Municipal securities	<u>227,308</u>	<u>135,714</u>
	<u>\$ 10,732,544</u>	<u>\$ 10,486,260</u>

Investments are subject to market volatility, which could substantially change the carrying value in the near term.

Investment activity consists of the following for the years ended December 31:

	<u>2022</u>	<u>2021</u>
Interest and dividends	\$ 292,495	\$ 89,863
Realized (loss)/gain	(2,457)	6,161
Unrealized (loss)/gain	(918,595)	474,548
Management fees	<u>(23,093)</u>	<u>(8,724)</u>
	<u>\$ (651,650)</u>	<u>\$ 561,848</u>

In determining fair value, the Foundation utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs, to the extent possible in its assessment of fair value.

**CHILDREN'S TUMOR FOUNDATION, INC. AND AFFILIATE**  
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**NOTE 5—INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)**

The fair value hierarchy defines three levels as follows:

Level 1: Valuations based on quoted prices (unadjusted) in an active market that are accessible at the measurement date for identical assets and liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

Level 2: Valuations based on observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in inactive markets; or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data.

Level 3: Valuations based on unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

Financial assets measured at fair value on a recurring basis as of December 31, 2022 are presented in the following table:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total 2022</u>
Equities and equity mutual funds	\$ 2,060,252	\$ -	\$ -	\$ 2,060,252
Money market funds	4,546,210	-	-	4,546,210
Structured products	-	140,144	582,456	722,600
Fixed income – Mutual funds	134,220	-	-	134,220
Fixed income – Corporate bonds	1,679,265	144,527	-	1,823,792
Fixed income – Preferred securities	217,120	-	1,042	218,162
Fixed income – Municipal securities	<u>227,308</u>	<u>-</u>	<u>-</u>	<u>227,308</u>
Total Assets at Fair Value	<u>\$ 8,864,375</u>	<u>\$ 284,671</u>	<u>\$ 583,498</u>	<u>\$ 9,732,544</u>

Financial assets measured at fair value on a recurring basis as of December 31, 2021 are presented in the following table:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total 2021</u>
Equities and equity mutual funds	\$ 2,445,323	\$ -	\$ -	\$ 2,445,323
Money market funds	4,506,803	-	-	4,506,803
Structured products	-	-	647,225	647,225
Fixed income – Mutual funds	148,581	-	-	148,581
Fixed income – Corporate bonds	1,996,850	328,570	-	2,325,420
Fixed income – Preferred securities	274,261	-	2,933	277,194
Fixed income – Municipal securities	<u>135,714</u>	<u>-</u>	<u>-</u>	<u>135,714</u>
Total Assets at Fair Value	<u>\$ 9,507,532</u>	<u>\$ 328,570</u>	<u>\$ 650,158</u>	<u>\$ 10,486,260</u>

The Foundation's level 3 investments roll-forward for the year ended December 31, 2022 is presented in the following table:

	<u>Structured Products</u>	<u>Preferred Securities</u>	<u>Total</u>
Beginning balance	\$ 647,225	\$ 2,933	\$ 650,158
Transfers in	206,425	243	206,668
Unrealized loss	<u>(271,194)</u>	<u>(2,134)</u>	<u>(273,328)</u>
Ending Balance	<u>\$ 582,456</u>	<u>\$ 1,042</u>	<u>\$ 583,498</u>

**CHILDREN'S TUMOR FOUNDATION, INC. AND AFFILIATE**  
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**NOTE 5—INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)**

The Foundation's level 3 investments roll-forward for the year ended December 31, 2021 is presented in the following table:

	<u>Structured Products</u>	<u>Preferred Securities</u>	<u>Total</u>
Beginning balance	\$ -	\$ -	\$ -
Transfers in	650,000	3,006	653,006
Unrealized loss	<u>(2,775)</u>	<u>(73)</u>	<u>(2,848)</u>
Ending Balance	<u>\$ 647,225</u>	<u>\$ 2,933</u>	<u>\$ 650,158</u>

Investments in money market funds, equities, equity mutual funds, corporate bonds and fixed income mutual funds are valued using market prices in active markets (Level 1). Investments in certificates of deposit, fixed income – corporate bonds, structured products and fixed income – municipal securities are designated as Level 2. Investments in structured products and preferred securities are valued using the lowest level input that is significant to their fair value measurement are designated as Level 3.

**NOTE 6—PROPERTY AND EQUIPMENT, NET**

Property and equipment, net consists of the following as of December 31:

	<u>2022</u>	<u>2021</u>	<u>Estimated Useful Lives</u>
Equipment	\$ 35,973	\$ 44,788	3-5 years
Software	<u>664,130</u>	<u>622,910</u>	3 years
Total cost	700,103	667,698	
Less: accumulated depreciation and amortization	<u>(476,834)</u>	<u>(450,467)</u>	
Net book value	<u>\$ 223,269</u>	<u>\$ 217,231</u>	

Depreciation and amortization expense amounted to \$108,734 and \$91,230 for the years ended December 31, 2022 and 2021, respectively. Depreciation expense of \$4,578 and accumulated depreciation of \$48,026 was recorded to assets transferred to CTF from Cupid's Charities during the year ended December 31, 2021. During the year ended December 31, 2022, the Foundation disposed of property and equipment with an original cost of \$91,812 and accumulated depreciation and amortization of \$82,367 for a loss of \$9,445.

**NOTE 7—ASSETS HELD IN TRUST**

The Foundation is in possession of trust assets with conditions imposed by the settlor in a trust. The Foundation has agreed that all trust assets received will be held and invested at the discretion of the Foundation. All income, except unrealized gains generated by these investments, is to be used for research purposes and none of the corpus can be expended. When certain conditions are fulfilled by the Foundation, the original trust corpus is to be forwarded to another not-for-profit organization as stipulated in the trust document. As of December 31, 2022 and 2021, assets held in trust amounted to \$134,045 and \$148,406, respectively. The amounts are included in investments on the accompanying consolidated statements of financial position. The liability associated with the principal of the trust of \$195,800 as of both December 31, 2022 and 2021 is recorded as a liability in the accompanying consolidated statements of financial position.



**CHILDREN'S TUMOR FOUNDATION, INC. AND AFFILIATE  
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**NOTE 8—BOARD DESIGNATED NET ASSETS**

The Foundation's Board of Directors established an endowment account without donor restrictions. While recorded in the consolidated statements of financial position as net assets without donor restrictions, the Board of Directors has imposed an internal designation on the use of these funds. Invasions of principal or interest may not be made without the approval of the Board of Directors. All bequests and memorial contributions received by the Foundation are deposited into this fund.

**NOTE 9—PENSION PLAN**

The Foundation offers a 401(k) retirement plan (the "Plan") to all full-time employees. Under the terms of the Plan, employees who participate may contribute up to an annual maximum allowable limitation as established in the Internal Revenue Code. Additionally, after one year of employment, employees are entitled to a Foundation contribution (currently 4% of salary) which is 100% vested to the employees. Pension expense for the years ended December 31, 2022 and 2021 amounted to \$111,513 and \$144,497, respectively.

**NOTE 10—GRANTS PAYABLE**

Details of grant awards as of and for the years ended December 31 are as follows:

	<u>2022</u>	<u>2021</u>
Grants payable, beginning of year	\$ 1,326,906	\$ 1,384,039
Grants awarded during the year	4,541,672	2,298,320
Grants disbursed during the year	(3,427,507)	(2,355,453)
Grants payable written off	<u>(44,500)</u>	<u>-</u>
Grants payable, end of year	<u>\$ 2,396,571</u>	<u>\$ 1,326,906</u>

As of December 31, 2022, approximately \$650,000 of these grants were conditional. The conditions involve reaching milestones in completing research related to treatment for NF. As of December 31, conditional grants of approximately \$2 million of these grants have not been recognized in the accompanying statements of activities.

Grants payable are scheduled to be paid subsequent to December 31, 2022, as follows:

2023	\$ 1,546,322
2024	<u>850,249</u>
	<u>\$ 2,396,571</u>

**NOTE 11—CONCENTRATIONS**

Cash and cash equivalents that potentially subject the Foundation to a concentration of credit risk includes cash accounts with one financial institution that exceeded the Federal Deposit Insurance Corporation ("FDIC") insurance limits. Accounts are insured up to \$250,000 per depositor, per insured financial institution. As of December 31, 2022 and 2021, there was \$3,508,975 and \$2,906,246, respectively, of cash and cash equivalents held by one bank that exceeded FDIC limits.

**NOTE 12—COMMITMENTS AND CONTINGENCIES**

- A. During April 2019, the Foundation entered into a lease agreement at a new location in New York City for two years ending June 30, 2021. The lease was not renewed after expiration of the agreement.

The Foundation was obligated under various lease agreements for the use of equipment through 2021, which after expiration were not renewed.

During March 2021, the Foundation entered into a new lease agreement at a new location in New York City ending May 30, 2023.

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**NOTE 12—COMMITMENTS AND CONTINGENCIES (Continued)**

The Foundation leases office space under a non-cancelable operating lease agreement. The lease expires on May 31, 2023. The Foundation has elected the short-term exemption for all leases with a term of 12 months or less for both existing and ongoing leases not to recognize the asset and liability for these leases. Lease payments for short-term leases are recognized on a straight-line basis.

Future minimum lease payments for office space are \$20,655 for the year ending December 31, 2023.

Total rent expense, inclusive of operating charges, amounted to \$137,249 and \$155,487 for the years ended December 31, 2022 and 2021, respectively.

- B. The Foundation believes it has no uncertain tax positions as of December 31, 2022 and 2021, in accordance with FASB Accounting Standards Codification ("ASC") Topic 740, which provides standards for establishing and classifying any tax provisions for uncertain tax positions.
- C. On May 4, 2020, the Foundation received loan proceeds in the amount of \$691,400 under the Paycheck Protection Program ("PPP") established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"). PPP loans and accrued interest are forgivable after a "covered period" (eight or 24 weeks) if the borrower maintains its payroll levels and uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities. The forgiveness amount will be reduced if the borrower terminates employees or reduces salaries during the covered period. Any unforgiven portion of a PPP loan is payable over two or five years at an interest rate of 1%, with a deferral of payments for 10 months after the end of the covered period.

The Foundation opted to account for the PPP loan under FASB ASC Topic 958. The Foundation believed that it had met all of the conditions for forgiveness of the PPP loan and recognized revenue amounting to \$691,400 in 2020. On December 14, 2020, the Foundation received forgiveness for the entire amount.

On February 23, 2021, the Foundation was approved for a second-draw PPP loan amounting to \$691,400. The terms and conditions of the second-draw PPP loan are the same as in the first loan. On October 20, 2021, the Foundation received forgiveness for this amount which is included in government grants in the accompanying consolidated statement of activities for the year ending December, 31, 2021.

- D. During the year ended December 31, 2021, the Foundation recognized government revenue related to the Employee Retention Credit ("ERC") established by the CARES Act. Laws and regulations related to the ERC and CARES Act are complex and subject to varying interpretations. Claims made under the CARES Act may also be subject to retroactive audit and review. There can be no assurance that regulatory authorities will not challenge the Foundation's claim to the ERC, and it is not possible to determine the impact (if any) this would have on the Foundation. The total amount of the ERC recognized during the years ended December 31, 2022 and 2021 was \$299,188 and \$229,826 and is included in pledges and other receivables, net on the accompanying consolidated statements of financial position as of those dates.

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**NOTE 13—NET ASSETS WITH DONOR RESTRICTIONS AND BOARD DESIGNATED FUNDS**

**A. Net Assets with Donor Restrictions**

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

<u>Source</u>	<u>Purpose</u>	<u>2022</u>	<u>2021</u>
Individuals	Schwannomatosis	\$ 160,638	\$ 160,638
Individuals	NF2 Accelerator	321,553	453,153
Individuals	Adult Clinic Program	-	23,190
Individuals	NF Registry	411,398	400,000
Individuals	Other	176,400	206,080
Corporation	Communication	100,000	100,000
Foundation	Family Funds	2,886,312	2,905,393
Foundation	NF2 Accelerator	31,583	2,887
Foundation	Discovery Fund	9,123,998	9,564,708
Foundation	Other	282,500	171,704
		<u>\$ 13,494,382</u>	<u>\$ 13,987,753</u>

Net assets with donor restrictions were released from donor restrictions by incurring expenses or the passage of time thus satisfying the restricted purposes specified by the donors during the years ended December 31, as follows:

	<u>2022</u>	<u>2021</u>
General Research	\$ -	\$ 51,608
NF	38,602	-
Adult Clinic	1,056,138	-
NF Accelerator	892,182	536,756
Discovery Fund	4,178,825	1,945,225
Communication	-	65,000
Family Funds	194,525	191,550
Other	-	52
	<u>\$ 6,360,272</u>	<u>\$ 2,790,191</u>

**B. Net Assets Without Donor Restrictions – Board Designated Endowment**

The Foundation adheres to the New York Prudent Management of Institutional Funds Act (“NYPMIFA”). NYPMIFA provides for a rebuttable presumption of imprudence if an organization appropriates more than 7% of a donor-restricted permanent endowment fund’s fair value (averaged over a period of not less than the preceding five years) in any year. Any unappropriated earnings that would otherwise be considered without donor restrictions will be reflected as net assets with donor restrictions until appropriated. The Foundation had no donor-restricted permanent endowment funds subject to the appropriation provisions of NYPMIFA as of December 31, 2022 and 2021.

FASB Staff Position No. Financial Accounting Standard (“FAS”) 117-1, “Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act and Enhanced Disclosures for all Endowment Funds,” now codified as ASC 958-205, provides guidance on the net asset classifications of donor-restricted endowment funds for a not-for-profit organization that is subject to the Uniform Prudent Management of Institutional Funds Act (“UPMIFA”). ASC 958-205 also improves disclosure about an organization’s endowment funds, whether or not the organization is subject to UPMIFA.

The Foundation maintains a Board designated endowment fund, as further described in Note 8. However, this fund is not subject to the appropriation provisions of NYPMIFA and, therefore, the Foundation has implemented only the disclosure guidance provided for in ASC 958-205.

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**NOTE 13—NET ASSETS WITH DONOR RESTRICTIONS AND BOARD DESIGNATED FUNDS (Continued)**

**B. Net Assets Without Donor Restrictions – Board Designated Endowment (Continued)**

Changes in endowment net assets for the year ended December 31, 2022 are as follows:

	Without donor restrictions - <u>Board Designated</u>	Total <u>2022</u>
Investment loss on endowment	\$ (589,449)	\$ (589,449)
Withdrawals	(272,768)	(272,768)
Endowment net assets, beginning of year	<u>5,750,795</u>	<u>5,750,795</u>
Endowment net assets, end of year	<u>\$ 4,888,578</u>	<u>\$ 4,888,578</u>

Changes in endowment net assets for the year ended December 31, 2021 are as follows:

	Without donor restrictions - <u>Board Designated</u>	Total <u>2021</u>
Investment gain on endowments	\$ 509,093	\$ 509,093
Withdrawals	(8,399)	(8,399)
Endowment net assets, beginning of year	<u>5,250,101</u>	<u>5,250,101</u>
Endowment net assets, end of year	<u>\$ 5,750,795</u>	<u>\$ 5,750,795</u>

**NOTE 14—IN-KIND SUPPORT AND CONTRIBUTED SERVICES**

In-kind support and contributed services for the year ended December 31, 2022 was as follows:

Nonfinancial Asset	Used in Programs/Activities	Donor-imposed Restriction	Fair Value Technique
Event Food	\$ 4,765 Fundraising	No donor restriction	Based on current value of goods provided
Raffle/Auction Item	42,430 Fundraising	No donor restriction	Based on current value of goods provided
Advertising	<u>179,410</u> Management and General	No donor restriction	Based on current value of services provided
Total	<u>\$ 226,605</u>		

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**NOTE 14—IN-KIND SUPPORT AND CONTRIBUTED SERVICES (Continued)**

In-kind support and contributed services for the year ended December 31, 2021 was as follows:

Nonfinancial Asset		Used in Programs/Activities	Donor-imposed Restriction	Fair Value Technique
Raffle/Auction Item	\$ 39,649	Fundraising	No donor restriction	Based on current value of goods provided
Software	1,200	Management and General	No donor restriction	Based on current value of goods provided
Other	15,606	Program Events	No donor restriction	Based on current value of services provided
Advertising	<u>158,500</u>	Management and General	No donor restriction	Based on current value of services provided
Total	<u>\$ 214,955</u>			

**NOTE 15—SUBSEQUENT EVENTS**

Management has evaluated, for potential recognition and disclosure, events subsequent to the date of the consolidated statement of financial position through October 2, 2023, the date the consolidated financial statements were available to be issued.

**CHILDREN'S TUMOR FOUNDATION, INC. AND AFFILIATE**  
**CONSOLIDATING SCHEDULE OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2022**  
(With Comparative Totals as of December 31, 2021)

	As of December 31, 2022				
	CTF United States 2022	CTF Europe 2022	Consolidating Eliminations	Total 2022	Total 2021
<b>ASSETS</b>					
Cash and cash equivalents	\$ 17,600,513	\$ 91,021	\$ -	\$ 17,691,534	\$ 14,369,309
Accounts receivable	50,111	138,717	-	188,828	118,736
Pledges and other receivables, net	2,932,510	-	-	2,932,510	4,264,500
Investments	10,732,544	-	-	10,732,544	10,486,260
Prepaid expenses and other	514,427	-	-	514,427	426,923
Security deposit	26,400	-	-	26,400	71,933
Property and equipment, net	223,269	-	-	223,269	217,231
<b>TOTAL ASSETS</b>	<u>\$ 32,079,774</u>	<u>\$ 229,738</u>	<u>\$ -</u>	<u>\$ 32,309,512</u>	<u>\$ 29,954,892</u>
<b>LIABILITIES</b>					
Accounts payable and accrued expenses	\$ 1,874,763	\$ 17,143	\$ -	\$ 1,891,906	\$ 729,440
Grants payable	2,396,571	-	-	2,396,571	1,326,906
Deferred revenue	60,658	83,195	-	143,853	288,358
Assets held in trust	195,800	-	-	195,800	195,800
<b>TOTAL LIABILITIES</b>	<u>4,527,792</u>	<u>100,338</u>	<u>-</u>	<u>4,628,130</u>	<u>2,540,504</u>
<b>COMMITMENTS AND CONTINGENCIES</b>					
<b>NET ASSETS</b>					
Without donor restrictions	14,340,100	(153,100)	-	14,187,000	13,426,635
With donor restrictions	13,211,882	282,500	-	13,494,382	13,987,753
<b>TOTAL NET ASSETS</b>	<u>27,551,982</u>	<u>129,400</u>	<u>-</u>	<u>27,681,382</u>	<u>27,414,388</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 32,079,774</u>	<u>\$ 229,738</u>	<u>\$ -</u>	<u>\$ 32,309,512</u>	<u>\$ 29,954,892</u>

**CHILDREN'S TUMOR FOUNDATION, INC. AND AFFILIATE**  
**CONSOLIDATING SCHEDULE OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**  
(With Comparative Totals For the Year Ended December 31, 2021)

	CTF United States			CTF Europe			Consolidating Eliminations	Total 2022	Total 2021
	Without Donor Restrictions	With Donor Restrictions	Total 2022	Without Donor Restrictions	With Donor Restrictions	Total 2022			
<b>OPERATING SUPPORT AND REVENUE:</b>									
Contributions - individuals	\$ 4,865,349	\$ 3,271,446	\$ 8,136,795	\$ 46,181	\$ -	\$ 46,181	\$ -	\$ 8,182,976	\$ 8,089,199
Contributions - corporations and foundations	1,466,509	2,484,529	3,951,038	-	110,926	110,926	-	4,061,964	4,158,161
Bequests	306,122	-	306,122	-	-	-	-	306,122	185,000
In-kind support and contributed services	226,605	-	226,605	-	-	-	-	226,605	214,955
Other income	1,252,318	-	1,252,318	-	-	-	-	1,252,318	1,539,709
Government grants	299,188	-	299,188	-	-	-	-	299,188	1,077,026
Loss from disposition of property and equipment	(9,445)	-	(9,445)	-	-	-	-	(9,445)	-
	<u>8,406,646</u>	<u>5,755,975</u>	<u>14,162,621</u>	<u>46,181</u>	<u>110,926</u>	<u>157,107</u>	<u>-</u>	<u>14,319,728</u>	<u>15,264,050</u>
Special event revenue:									
Special event revenue	2,970,370	-	2,970,370	-	-	-	-	2,970,370	1,818,650
Less: direct benefits to donors	(222,968)	-	(222,968)	-	-	-	-	(222,968)	(40,000)
Special event revenue, net	<u>2,747,402</u>	<u>-</u>	<u>2,747,402</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,747,402</u>	<u>1,778,650</u>
Net assets released from restrictions	6,360,272	(6,360,272)	-	-	-	-	-	-	-
<b>TOTAL OPERATING SUPPORT AND REVENUE</b>	<u>17,514,320</u>	<u>(604,297)</u>	<u>16,910,023</u>	<u>46,181</u>	<u>110,926</u>	<u>157,107</u>	<u>-</u>	<u>17,067,130</u>	<u>17,042,700</u>
<b>EXPENSES:</b>									
Program services:									
Research and medical	9,468,472	-	9,468,472	142,799	-	142,799	-	9,611,271	6,125,243
Public education and patient support	4,122,574	-	4,122,574	-	-	-	-	4,122,574	2,720,523
Total program services	<u>13,591,046</u>	<u>-</u>	<u>13,591,046</u>	<u>142,799</u>	<u>-</u>	<u>142,799</u>	<u>-</u>	<u>13,733,845</u>	<u>8,845,766</u>
Supporting services:									
Management and general	1,144,982	-	1,144,982	-	-	-	-	1,144,982	945,320
Fundraising	1,266,163	-	1,266,163	-	-	-	-	1,266,163	930,453
Total supporting services	<u>2,411,145</u>	<u>-</u>	<u>2,411,145</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,411,145</u>	<u>1,875,773</u>
<b>TOTAL EXPENSES</b>	<u>16,002,191</u>	<u>-</u>	<u>16,002,191</u>	<u>142,799</u>	<u>-</u>	<u>142,799</u>	<u>-</u>	<u>16,144,990</u>	<u>10,721,539</u>
<b>CHANGE IN NET ASSETS FROM OPERATIONS</b>	<u>1,512,129</u>	<u>(604,297)</u>	<u>907,832</u>	<u>(96,618)</u>	<u>110,926</u>	<u>14,308</u>	<u>-</u>	<u>922,140</u>	<u>6,321,161</u>
<b>NON-OPERATING ACTIVITIES:</b>									
Loss on foreign currency translation	-	-	-	(3,496)	-	(3,496)	-	(3,496)	(7,436)
Investment activity	(651,650)	-	(651,650)	-	-	-	-	(651,650)	561,848
<b>TOTAL NON-OPERATING ACTIVITIES</b>	<u>(651,650)</u>	<u>-</u>	<u>(651,650)</u>	<u>(3,496)</u>	<u>-</u>	<u>(3,496)</u>	<u>-</u>	<u>(655,146)</u>	<u>554,412</u>
<b>CHANGE IN NET ASSETS</b>	860,479	(604,297)	256,182	(100,114)	110,926	10,812	-	266,994	6,875,573
Net assets - beginning of year	13,479,621	13,816,179	27,295,800	(52,986)	171,574	118,588	-	27,414,388	20,538,815
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 14,340,100</u>	<u>\$ 13,211,882</u>	<u>\$ 27,551,982</u>	<u>\$ (153,100)</u>	<u>\$ 282,500</u>	<u>\$ 129,400</u>	<u>\$ -</u>	<u>\$ 27,681,382</u>	<u>\$ 27,414,388</u>

**CHILDREN'S TUMOR FOUNDATION, INC. AND AFFILIATE**  
**CONSOLIDATING SCHEDULE OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**  
(With Comparative Totals for the Year Ended December 31, 2021)

	For the Year Ended December 31, 2022												
	CTF United States						CTF Europe						
	Program Services			Supporting Services									
	Research and Medical	Public Education and Patient Support	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total	Program Services	Management and General	Total	Consolidating Eliminations	Total 2022	Total 2021
<b>Salaries and Related Costs:</b>													
Salaries	\$ 2,057,353	\$ 1,429,725	\$ 3,487,078	\$ 360,221	\$ 354,120	\$ 714,341	\$ 4,201,419	\$ -	\$ -	\$ -	\$ -	\$ 4,201,419	\$ 3,388,326
Payroll taxes and employee benefits	374,470	312,725	687,195	110,867	90,610	201,477	888,672	-	-	-	-	888,672	833,209
<b>Total Salaries and Related Costs</b>	<b>2,431,823</b>	<b>1,742,450</b>	<b>4,174,273</b>	<b>471,088</b>	<b>444,730</b>	<b>915,818</b>	<b>5,090,091</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,090,091</b>	<b>4,221,535</b>
Grants	4,539,432	-	4,539,432	-	-	-	4,539,432	2,240	-	2,240	-	4,541,672	2,298,320
Advocacy	270,000	-	270,000	-	-	-	270,000	-	-	-	-	270,000	270,000
Rent	29,272	52,935	82,207	32,775	22,267	55,042	137,249	-	-	-	-	137,249	155,487
Printing	85,559	120,087	205,646	15,437	43,758	59,195	264,841	-	-	-	-	264,841	186,281
Postage and shipping	37,907	92,634	130,541	12,196	25,687	37,883	168,424	-	-	-	-	168,424	92,488
Supplies	2,515	3,591	6,106	861	947	1,808	7,914	-	-	-	-	7,914	21,826
Travel	150,482	166,520	317,002	22,715	39,384	62,099	379,101	-	-	-	-	379,101	77,345
Conference, meetings and events	478,503	742,848	1,221,351	68,193	180,630	248,823	1,470,174	-	-	-	-	1,470,174	660,657
Insurance	8,902	12,559	21,461	10,330	5,789	16,119	37,580	1,280	-	1,280	-	38,860	34,606
Information technology	247,664	235,550	483,214	127,773	86,147	213,920	697,134	110,404	-	110,404	-	807,538	483,487
Professional fees	574,845	391,532	966,377	158,624	215,518	374,142	1,340,519	22,579	-	22,579	-	1,363,098	1,453,894
Dues and other fees	91,766	85,809	177,575	53,068	41,241	94,309	271,884	-	-	-	-	271,884	192,948
Food and beverage	367,336	174,259	541,595	20,672	33,506	54,178	595,773	-	-	-	-	595,773	53,340
Telephone	8,953	10,744	19,697	10,744	5,372	16,116	35,813	-	-	-	-	35,813	39,434
Equipment rental and maintenance	-	-	-	-	-	-	-	-	-	-	-	-	5,716
Recruitments	-	-	-	2,646	-	2,646	2,646	-	-	-	-	2,646	175
Advertising	78,973	166,922	245,895	25,535	74,394	99,929	345,824	3,229	-	3,229	-	349,053	203,045
Promotional apparel	21,446	71,542	92,988	16,791	23,203	39,994	132,982	-	-	-	-	132,982	144,404
Bad debt	-	-	-	51,000	-	51,000	51,000	-	-	-	-	51,000	25,000
Miscellaneous	15,910	19,972	35,882	11,914	7,280	19,194	55,076	3,067	-	3,067	-	58,143	10,321
Depreciation and amortization	27,184	32,620	59,804	32,620	16,310	48,930	108,734	-	-	-	-	108,734	91,230
<b>TOTAL EXPENSES</b>	<b>\$ 9,468,472</b>	<b>\$ 4,122,574</b>	<b>\$ 13,591,046</b>	<b>\$ 1,144,982</b>	<b>\$ 1,266,163</b>	<b>\$ 2,411,145</b>	<b>\$ 16,002,191</b>	<b>\$ 142,799</b>	<b>\$ -</b>	<b>\$ 142,799</b>	<b>\$ -</b>	<b>\$ 16,144,990</b>	<b>\$ 10,721,539</b>



**CHILDREN'S TUMOR FOUNDATION, INC. AND AFFILIATE**  
**CONSOLIDATING SCHEDULE OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	For the Year Ended December 31, 2021											
	CTF United States							CTF Europe			Consolidating Eliminations	Total 2021
	Program Services		Total	Supporting Services			Total	Program Services	Management and General	Total		
Research and Medical	Public Education and Patient Support	Program Services	Management and General	Fundraising	Total Supporting Services							
<b>Salaries and Related Costs:</b>												
Salaries	\$ 1,697,822	\$ 1,134,294	\$ 2,832,116	\$ 287,174	\$ 269,036	\$ 556,210	\$ 3,388,326	\$ -	\$ -	\$ -	\$ -	\$ 3,388,326
Payroll taxes and employee benefits	353,948	281,123	635,071	115,238	82,900	198,138	833,209	-	-	-	-	833,209
<b>Total Salaries and Related Costs</b>	<b>2,051,770</b>	<b>1,415,417</b>	<b>3,467,187</b>	<b>402,412</b>	<b>351,936</b>	<b>754,348</b>	<b>4,221,535</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,221,535</b>
Grants	2,298,320	-	2,298,320	-	-	-	2,298,320	-	-	-	-	2,298,320
Advocacy	270,000	-	270,000	-	-	-	270,000	-	-	-	-	270,000
Rent	38,191	48,235	86,426	45,511	23,550	69,061	155,487	-	-	-	-	155,487
Printing	46,934	97,133	144,067	9,368	32,846	42,214	186,281	-	-	-	-	186,281
Postage and shipping	25,172	36,382	61,554	11,953	18,981	30,934	92,488	-	-	-	-	92,488
Supplies	3,477	12,536	16,013	1,960	3,853	5,813	21,826	-	-	-	-	21,826
Travel	25,093	32,699	57,792	8,007	11,546	19,553	77,345	-	-	-	-	77,345
Conference, meetings and events	186,331	261,740	448,071	47,080	165,506	212,586	660,657	-	-	-	-	660,657
Insurance	8,144	10,616	18,760	9,583	5,073	14,656	33,416	1,190	-	1,190	-	34,606
Information technology	155,596	135,208	290,804	68,479	50,556	119,035	409,839	73,648	-	73,648	-	483,487
Professional fees	775,383	273,412	1,048,795	212,210	177,668	389,878	1,438,673	15,221	-	15,221	-	1,453,894
Dues and other fees	66,347	58,256	124,603	41,334	27,011	68,345	192,948	-	-	-	-	192,948
Food and beverage	8,596	30,763	39,359	4,270	9,711	13,981	53,340	-	-	-	-	53,340
Telephone	9,859	11,830	21,689	11,830	5,915	17,745	39,434	-	-	-	-	39,434
Equipment rental and maintenance	1,429	1,715	3,144	1,715	857	2,572	5,716	-	-	-	-	5,716
Recruitments	-	-	-	175	-	175	175	-	-	-	-	175
Advertising	8,391	183,952	192,343	2,256	6,456	8,712	201,055	1,990	-	1,990	-	203,045
Promotional apparel	29,352	77,190	106,542	14,408	23,454	37,862	144,404	-	-	-	-	144,404
Bad debt	-	-	-	25,000	-	25,000	25,000	-	-	-	-	25,000
Miscellaneous	1,634	4,468	6,102	1,544	1,621	3,165	9,267	1,054	-	1,054	-	10,321
Depreciation and amortization	22,121	28,971	51,092	26,225	13,913	40,138	91,230	-	-	-	-	91,230
<b>TOTAL EXPENSES</b>	<b>\$ 6,032,140</b>	<b>\$ 2,720,523</b>	<b>\$ 8,752,663</b>	<b>\$ 945,320</b>	<b>\$ 930,453</b>	<b>\$ 1,875,773</b>	<b>\$ 10,628,436</b>	<b>\$ 93,103</b>	<b>\$ -</b>	<b>\$ 93,103</b>	<b>\$ -</b>	<b>\$ 10,721,539</b>