



Children's Tumor Foundation, Inc. and Affiliate

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

Years Ended December 31, 2023 and 2022

CHILDREN'S TUMOR FOUNDATION, INC. AND AFFILIATE

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

YEARS ENDED DECEMBER 31, 2023 AND 2022

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INDEPENDENT AUDITORS' REPORT

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

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, 2023 and 2022, 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, 2023 and 2022, 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 a 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 an audit 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 26 as of and for the years ended December 31, 2023 and 2022 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 GAAS. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

CBIZ CPAs P.C.¹

New York, NY
October 21, 2024

**CHILDREN'S TUMOR FOUNDATION, INC. AND AFFILIATE
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2023 AND 2022**

	2023	2022
ASSETS		
Cash and cash equivalents (Notes 2I and 11)	\$ 14,967,510	\$ 17,691,534
Accounts receivable	28,927	188,828
Pledges and other receivables, net (Notes 2H, 4 and 13B)	2,012,179	2,932,510
Investments (Notes 2J, 5 and 7)	11,754,604	10,732,544
Prepaid expenses and other	686,725	514,427
Security deposit	23,600	26,400
Right-of-use asset (Notes 2K and 12)	139,445	-
Property and equipment, net (Notes 2L and 6)	581,729	223,269
TOTAL ASSETS	\$ 30,194,719	\$ 32,309,512
LIABILITIES		
Accounts payable and accrued expenses	\$ 921,345	\$ 1,891,906
Grants payable (Notes 2N and 10)	3,031,468	2,396,571
Deferred revenue (Note 2O)	56,283	143,853
Lease payable (Notes 2K and 12)	139,445	-
Assets held in trust (Note 7)	195,800	195,800
TOTAL LIABILITIES	4,344,341	4,628,130
COMMITMENTS AND CONTINGENCIES (Note 13)		
NET ASSETS (Note 2B)		
Without donor restrictions (Notes 8 and 14B)	15,607,900	14,187,000
With donor restrictions (Note 14A)	10,242,478	13,494,382
TOTAL NET ASSETS	25,850,378	27,681,382
TOTAL LIABILITIES AND NET ASSETS	\$ 30,194,719	\$ 32,309,512

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, 2023 AND 2022

	Year Ended December 31, 2023			Year Ended December 31, 2022		
	Without Donor Restrictions	With Donor Restrictions	Total 2023	Without Donor Restrictions	With Donor Restrictions	Total 2022
OPERATING SUPPORT AND REVENUE:						
Contributions - individuals (Notes 2D and 2E)	\$ 6,466,515	\$ 908,939	\$ 7,375,454	\$ 4,911,530	\$ 3,271,446	\$ 8,182,976
Contributions - corporations and foundations (Notes 2D and 2E)	1,083,164	3,078,234	4,161,398	1,466,509	2,595,455	4,061,964
Bequests (Notes 2G and 8)	544,494	-	544,494	306,122	-	306,122
In-kind support and contributed services (Notes 2F and 15)	488,964	-	488,964	226,605	-	226,605
Other income (Note 2N)	158,890	-	158,890	1,252,318	-	1,252,318
Government grants (Note 13B)	178,253	-	178,253	299,188	-	299,188
Loss from disposition of property and equipment (Note 6)	-	-	-	(9,445)	-	(9,445)
	<u>8,920,280</u>	<u>3,987,173</u>	<u>12,907,453</u>	<u>8,452,827</u>	<u>5,866,901</u>	<u>14,319,728</u>
Special event revenue (Note 2P):						
Special event revenue	3,274,197	-	3,274,197	2,970,370	-	2,970,370
Less: direct benefits to donors	(225,903)	-	(225,903)	(222,968)	-	(222,968)
Special event revenue, net	<u>3,048,294</u>	<u>-</u>	<u>3,048,294</u>	<u>2,747,402</u>	<u>-</u>	<u>2,747,402</u>
Net assets released from restrictions (Notes 2B, 2D and 14A)	<u>7,239,077</u>	<u>(7,239,077)</u>	<u>-</u>	<u>6,360,272</u>	<u>(6,360,272)</u>	<u>-</u>
TOTAL OPERATING SUPPORT AND REVENUE	<u>19,207,651</u>	<u>(3,251,904)</u>	<u>15,955,747</u>	<u>17,560,501</u>	<u>(493,371)</u>	<u>17,067,130</u>
EXPENSES (Note 2C):						
Program services:						
Research and medical	10,429,683	-	10,429,683	9,611,271	-	9,611,271
Public education and patient support	5,650,326	-	5,650,326	4,122,574	-	4,122,574
Total program services	<u>16,080,009</u>	<u>-</u>	<u>16,080,009</u>	<u>13,733,845</u>	<u>-</u>	<u>13,733,845</u>
Supporting services:						
Management and general	1,884,548	-	1,884,548	1,144,982	-	1,144,982
Fundraising	1,261,974	-	1,261,974	1,266,163	-	1,266,163
Total supporting services	<u>3,146,522</u>	<u>-</u>	<u>3,146,522</u>	<u>2,411,145</u>	<u>-</u>	<u>2,411,145</u>
TOTAL EXPENSES	<u>19,226,531</u>	<u>-</u>	<u>19,226,531</u>	<u>16,144,990</u>	<u>-</u>	<u>16,144,990</u>
CHANGE IN NET ASSETS FROM OPERATIONS	<u>(18,880)</u>	<u>(3,251,904)</u>	<u>(3,270,784)</u>	<u>1,415,511</u>	<u>(493,371)</u>	<u>922,140</u>
NON-OPERATING ACTIVITIES:						
Gain (loss) on foreign currency translation	1,161	-	1,161	(3,496)	-	(3,496)
Investment activity (Note 5)	1,438,619	-	1,438,619	(651,650)	-	(651,650)
TOTAL NON-OPERATING ACTIVITIES	<u>1,439,780</u>	<u>-</u>	<u>1,439,780</u>	<u>(655,146)</u>	<u>-</u>	<u>(655,146)</u>
CHANGE IN NET ASSETS	1,420,900	(3,251,904)	(1,831,004)	760,365	(493,371)	266,994
Net assets - beginning of year	14,187,000	13,494,382	27,681,382	13,426,635	13,987,753	27,414,388
NET ASSETS - END OF YEAR	<u>\$ 15,607,900</u>	<u>\$ 10,242,478</u>	<u>\$ 25,850,378</u>	<u>\$ 14,187,000</u>	<u>\$ 13,494,382</u>	<u>\$ 27,681,382</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, 2023
(With Comparative Totals for the Year Ended December 31, 2022)

	Program Services			Supporting Services			Total 2023	Total 2022
	Research and Medical	Public Education and Patient Support	Total Program Services	Management and General	Fundraising	Total Supporting Services		
Salaries and Related Costs:								
Salaries	\$ 2,463,851	\$ 1,649,286	\$ 4,113,137	\$ 442,849	\$ 403,308	\$ 846,157	\$ 4,959,294	\$ 4,201,419
Payroll taxes and employee benefits (Note 9)	390,864	373,958	764,822	246,737	143,906	390,643	1,155,465	888,672
Total Salaries and Related Costs	2,854,715	2,023,244	4,877,959	689,586	547,214	1,236,800	6,114,759	5,090,091
Grants (Notes 2N and 10)	4,898,067	226,204	5,124,271	-	-	-	5,124,271	4,541,672
Advocacy	306,397	-	306,397	-	-	-	306,397	270,000
Rent (Notes 2C and 12)	26,259	37,447	63,706	30,727	17,323	48,050	111,756	137,249
Printing	67,684	157,654	225,338	14,735	44,013	58,748	284,086	264,841
Postage and shipping	32,821	78,480	111,301	11,871	19,510	31,381	142,682	168,424
Supplies	2,337	4,088	6,425	1,180	1,109	2,289	8,714	7,914
Travel	130,020	257,883	387,903	37,182	43,575	80,757	468,660	379,101
Conference, meetings and events	298,144	1,035,766	1,333,910	116,480	156,879	273,359	1,607,269	1,470,174
Insurance	7,599	10,378	17,977	7,956	3,916	11,872	29,849	38,860
Information technology	205,851	245,417	451,268	91,863	69,160	161,023	612,291	807,538
Professional fees	1,171,411	530,787	1,702,198	227,896	191,462	419,358	2,121,556	1,363,098
Dues and other fees	96,371	93,553	189,924	57,111	42,283	99,394	289,318	271,884
Food and beverage	169,385	627,895	797,280	46,919	28,991	75,910	873,190	595,773
Telephone	10,786	12,932	23,718	12,850	6,432	19,282	43,000	35,813
Recruitments	-	-	-	2,157	-	2,157	2,157	2,646
Advertising (Notes 2M and 15)	96,218	244,013	340,231	22,108	61,875	83,983	424,214	349,053
Promotional apparel	5,351	14,265	19,616	4,945	4,367	9,312	28,928	132,982
Bad debt (Note 2H)	-	-	-	462,106	-	462,106	462,106	51,000
Miscellaneous	24,559	19,470	44,029	16,027	8,440	24,467	68,496	58,143
Depreciation and amortization (Note 6)	25,708	30,850	56,558	30,849	15,425	46,274	102,832	108,734
TOTAL EXPENSES	\$ 10,429,683	\$ 5,650,326	\$ 16,080,009	\$ 1,884,548	\$ 1,261,974	\$ 3,146,522	\$ 19,226,531	\$ 16,144,990

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

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

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, 2023 AND 2022**

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (1,831,004)	\$ 266,994
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation and amortization	102,832	108,734
Realized loss on investments	1,215	2,457
Unrealized (gain) loss on investments	(549,781)	918,595
(Gain) loss on foreign currency translation	(1,161)	3,496
Amortization of right-of-use asset	55,711	-
Bad debt	462,106	51,000
Loss from disposition of property and equipment	-	9,445
	(1,760,082)	1,360,721
Subtotal		
(1,760,082)		
Changes in assets and liabilities:		
Decrease (increase) in assets:		
Accounts receivable	161,062	(73,588)
Pledges and other receivables	458,225	1,280,990
Prepaid expenses and other	(172,298)	(87,504)
Security deposit	2,800	45,533
Lease payable	(55,711)	-
(Decrease) increase in liabilities:		
Accounts payable and accrued expenses	(970,561)	1,162,466
Grants payable	634,897	1,069,665
Deferred revenue	(87,570)	(144,505)
	(1,789,238)	4,613,778
Net Cash (Used in) Provided by Operating Activities	(1,789,238)	4,613,778
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of investments	-	330,725
Purchases of investments	(473,494)	(1,498,061)
Purchases of property and equipment	(461,292)	(124,217)
	(934,786)	(1,291,553)
Net Cash Used in Investing Activities	(934,786)	(1,291,553)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(2,724,024)	3,322,225
Cash and cash equivalents - beginning of year	17,691,534	14,369,309
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 14,967,510	\$ 17,691,534

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, 2023 AND 2022

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 the 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, 2023 AND 2022

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.

No conditional grants were received during 2023 and 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.
- 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, 2023 and 2022, 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.

CHILDREN'S TUMOR FOUNDATION, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- 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. The Foundation categorizes leases with contractual terms longer than twelve months as either operating or finance. Finance leases are generally those leases that allow the Foundation to substantially utilize or pay for the entire asset over its estimated life. All other leases are categorized as operating leases. Leases with contractual terms of 12 months or less are not recorded on the consolidated statements of financial position. The Foundation had no finance leases during 2023 and 2022. See Note 12.

Certain lease contracts include obligations to pay for other services, such as operations, property taxes and maintenance. For leases of property, the Foundation accounts for these other services as a component of the lease.

Lease liabilities are recognized at the present value of the fixed lease payments, reduced by landlord incentives, using a risk-free discount rate. Right-of-use ("ROU") assets are recognized based on the initial present value of the fixed lease payments, reduced by landlord incentives, plus any direct costs from executing the leases. Lease assets are tested for impairment in the same manner as long-lived assets used in operations.

Options to extend lease terms, terminate leases before the contractual expiration date or purchase the leased assets, are evaluated for their likelihood of exercise. If it is reasonably certain that the option will be exercised, the option is considered in determining the classification and measurement of the lease.

Costs associated with operating lease assets are recognized on a straight-line basis within operating expenses over the term of the lease.

- L. 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.
- M. 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.
- N. 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, 2023 and 2022, grants that were returned to the Foundation amounted to \$124,796 and \$51,340, respectively.
- O. Advances paid are reported as deferred revenue until the obligations are performed.

**CHILDREN'S TUMOR FOUNDATION, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- P. 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 \$225,903 and \$222,968 for the years ended December 31, 2023 and 2022, respectively.
- Q. 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.
- R. 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.

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, 2023 and 2022, the level of liquidity and reserves was managed within the policy requirements.

As of December 31, 2023 and 2022, 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>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 14,967,510	\$ 17,691,534
Accounts receivable	28,927	188,828
Pledges and other receivables due in one year	709,784	1,927,120
Investments	<u>11,754,604</u>	<u>10,732,544</u>
 Total financial assets	 27,460,825	 30,540,026
 Less: Board designated endowment funds*	 (6,845,436)	 (4,888,578)
Less: Board designated strategic reserves	<u>(5,054,930)</u>	<u>(4,709,921)</u>
	<u>\$ 15,560,459</u>	<u>\$ 20,941,527</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
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

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>2023</u>	<u>2022</u>
Individuals	\$ 1,253,091	\$ 1,962,919
Foundations	134,800	464,500
Government	477,441	529,014
Corporations	<u>195,001</u>	<u>40,919</u>
Subtotal	2,060,333	2,997,352
Less: present value discount ranging from 1.44% to 4.23%	<u>(48,154)</u>	<u>(64,842)</u>
Net	<u>\$ 2,012,179</u>	<u>\$ 2,932,510</u>

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

	<u>2023</u>	<u>2022</u>
Amount due in less than one year	\$ 709,784	\$ 1,927,120
Amount due in one to five years	<u>1,350,549</u>	<u>1,070,232</u>
Subtotal	2,060,333	2,997,352
Less: present value discount ranging from 1.44% to 4.23%	<u>(48,154)</u>	<u>(64,842)</u>
Net	<u>\$ 2,012,179</u>	<u>\$ 2,932,510</u>

NOTE 5—INVESTMENTS AND FAIR VALUE MEASUREMENTS

Investments consist of the following as of December 31:

	<u>2023</u>	<u>2022</u>
Equities and equity mutual funds	\$ 2,469,177	\$ 2,060,252
Money market funds	4,877,172	4,546,210
Privately - held company - valued at cost	1,000,000	1,000,000
Structured products	875,403	722,600
Fixed income – Mutual funds	142,892	134,220
Fixed income – Corporate bonds	1,947,301	1,823,792
Fixed income – Preferred securities	248,474	218,162
Fixed income – Municipal securities	<u>194,185</u>	<u>227,308</u>
	<u>\$ 11,754,604</u>	<u>\$ 10,732,544</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>2023</u>	<u>2022</u>
Interest and dividends	\$ 913,419	\$ 292,495
Realized loss	(1,215)	(2,457)
Unrealized gain(loss)	549,781	(918,595)
Management fees	<u>(23,366)</u>	<u>(23,093)</u>
	<u>\$ 1,438,619</u>	<u>\$ (651,650)</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
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

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, 2023 are presented in the following table:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total 2023</u>
Equities and equity mutual funds	\$ 2,469,177	\$ -	\$ -	\$ 2,469,177
Money market funds	4,877,172	-	-	4,877,172
Structured products	-	231,207	644,196	875,403
Fixed income – Mutual funds	142,892	-	-	142,892
Fixed income – Corporate bonds	1,798,060	149,241	-	1,947,301
Fixed income – Preferred securities	248,474	-	-	248,474
Fixed income – Municipal securities	194,185	-	-	194,185
Total Assets at Fair Value	<u>\$ 9,729,960</u>	<u>\$ 380,448</u>	<u>\$ 644,196</u>	<u>\$ 10,754,604</u>

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	227,308	-	-	227,308
Total Assets at Fair Value	<u>\$ 8,864,375</u>	<u>\$ 284,671</u>	<u>\$ 583,498</u>	<u>\$ 9,732,544</u>

The Foundation's Level 3 investments roll-forward for the year ended December 31, 2023 is presented in the following table:

	<u>Structured Products</u>	<u>Preferred Securities</u>	<u>Total</u>
Beginning balance	\$ 582,456	\$ 1,042	\$ 583,498
Transfers in	-	-	-
Unrealized gain (loss)	61,740	(1,042)	60,698
Ending Balance	<u>\$ 644,196</u>	<u>\$ -</u>	<u>\$ 644,196</u>

CHILDREN'S TUMOR FOUNDATION, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 5—INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

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>

Investments in money market funds, equities, equity mutual funds and fixed income that is traded on an active market are valued using market prices in active markets (Level 1). Certain structured products and fixed income investments are valued using market prices in inactive markets. These assets are valued at Level 2. Investments in other structured products and preferred securities are valued using the lowest level input that is significant to their fair value measurement and are designated as Level 3.

NOTE 6—PROPERTY AND EQUIPMENT, NET

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

	<u>2023</u>	<u>2022</u>	<u>Estimated Useful Lives</u>
Equipment	\$ 46,224	\$ 35,973	3-5 years
Software	<u>1,110,194</u>	<u>664,130</u>	3 years
Total cost	1,156,418	700,103	
Less: accumulated depreciation and amortization	<u>(574,689)</u>	<u>(476,834)</u>	
Net book value	<u>\$ 581,729</u>	<u>\$ 223,269</u>	

Depreciation and amortization expense amounted to \$102,832 and \$108,734 for the years ended December 31, 2023 and 2022, respectively. During the year ended December 31, 2023, the Foundation disposed of property and equipment with an original cost of \$4,977 and accumulated depreciation and amortization of \$4,977. 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, 2023 and 2022, assets held in trust amounted to \$140,850 and \$134,045, 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, 2023 and 2022 is recorded as a liability in the accompanying consolidated statements of financial position.

**CHILDREN'S TUMOR FOUNDATION, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

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, 2023 and 2022 amounted to \$135,641 and \$111,513, respectively.

NOTE 10—GRANTS PAYABLE

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

	<u>2023</u>	<u>2022</u>
Grants payable, beginning of year	\$ 2,396,571	\$ 1,326,906
Grants awarded during the year	5,323,519	4,541,672
Grants disbursed during the year	(4,488,561)	(3,427,507)
Grants payable written off	<u>(200,061)</u>	<u>(44,500)</u>
Grants payable, end of year	<u>\$ 3,031,468</u>	<u>\$ 2,396,571</u>

As of December 31, 2023 and 2022, conditional grants of approximately \$2.7 million and \$2 million, respectively, have not been recognized in the accompanying consolidated financial statements. The conditions involve reaching milestones in completing research related to treatment for NF.

Grants payable are scheduled to be paid subsequent to December 31, 2023, as follows:

2024	\$ 1,129,953
2025	<u>1,901,515</u>
	<u>\$ 3,031,468</u>

NOTE 11—CONCENTRATIONS

Cash and cash equivalents that potentially subject the Foundation to a concentration of credit risk include 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, 2023 and 2022, there was \$2,444,669 and \$3,508,975, respectively, of cash and cash equivalents held by one bank that exceeded FDIC limits.

CHILDREN'S TUMOR FOUNDATION, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 12—LEASES

During the year ended December 31, 2022, the Foundation 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.

During the year ended December 31, 2023, the Foundation entered into a lease agreement at the location in New York City for two years ending May 31, 2025. Because the rates implicit in the leases are generally not available, the Foundation utilizes the risk-free rate of 4.33% as the discount rate.

As of December 31, 2023 and 2022, the ROU asset had a balance of \$139,445 and \$0, respectively. The lease liability as of December 31, 2023 and 2022, totaled \$139,445 and \$0, respectively, as shown in the consolidated statements of financial position. For the years ended December 31, 2023 and 2022, the lease liability was calculated utilizing the risk-free rate.

Total cash paid by the Foundation in the determination of the operating lease liability was \$59,269 and \$0 for the years ended December 31, 2023 and 2022, respectively. Total ROU assets obtained in exchange for new operating lease liabilities was \$195,156 and \$0 for the years ended December 31, 2023 and 2022, respectively.

The following is a maturity analysis of the annual undiscounted cash flows of the operating lease liability as of December 31, 2023:

2024	\$ 101,604
2025	42,335
	<u>143,939</u>
Less: Imputed interest	<u>(4,494)</u>
Net payments	<u>\$ 139,445</u>

Other information:

Weighted-average remaining lease term:	
Operating lease	1.42 years
Weighted-average discount rate:	
Operating lease	4.33%

Total lease cost, inclusive of operating charges, for the years ended December 31, is as follows:

	<u>2023</u>	<u>2022</u>
Operating lease cost	\$ 59,269	\$ -
Short-term lease cost	<u>52,487</u>	<u>137,249</u>
Total	<u>\$ 111,756</u>	<u>\$ 137,249</u>

NOTE 13—COMMITMENTS AND CONTINGENCIES

A. The Foundation believes it has no uncertain tax positions as of December 31, 2023 and 2022, in accordance with FASB Accounting Standards Codification ("ASC") Topic 740, which provides standards for establishing and classifying any tax provisions for uncertain tax positions.

CHILDREN'S TUMOR FOUNDATION, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 13—COMMITMENTS AND CONTINGENCIES (Continued)

B. During the year ended December 31, 2021, the Foundation recognized government revenue related to the Employee Retention Credit ("ERC") established by the 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, 2023 and 2022 was \$178,253 and \$299,188, respectively and is included in pledges and other receivables, net, on the accompanying consolidated statements of financial position as of those dates.

NOTE 14—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>2023</u>	<u>2022</u>
Individuals	Schwannomatosis	\$ 422,139	\$ 160,638
Individuals	NF2 Accelerator	190,439	321,553
Individuals	Adult Clinic Program	6,382	-
Individuals	NF Registry	238,954	411,398
Individuals	Other	176,400	176,400
Corporation	Communication	-	100,000
Foundation	Family Funds	2,926,124	2,886,312
Foundation	NF2 Accelerator	-	31,583
Foundation	Discovery Fund	5,914,848	9,123,998
Foundation	Other	367,192	282,500
		<u>\$ 10,242,478</u>	<u>\$ 13,494,382</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>2023</u>	<u>2022</u>
General Research	\$ 6,115	\$ -
NF Registry	172,444	38,602
Adult Clinic	19,808	1,056,138
NF2 Accelerator	1,741,139	892,182
Discovery Fund	5,199,571	4,178,825
Communication	100,000	-
Family Funds	-	194,525
	<u>\$ 7,239,077</u>	<u>\$ 6,360,272</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, 2023 and 2022.

CHILDREN'S TUMOR FOUNDATION, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 14—NET ASSETS WITH DONOR RESTRICTIONS AND BOARD DESIGNATED FUNDS (Continued)

FASB Staff Position No. Financial Accounting Standard “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.

Changes in endowment net assets for the year ended December 31, 2023 are as follows:

	Without donor restrictions - <u>Board Designated</u>	Total <u>2023</u>
Investment gain on endowment	\$ 553,222	\$ 553,222
Contribution	1,426,677	1,426,676
Withdrawals	(23,041)	(23,041)
Endowment net assets, beginning of year	<u>4,888,578</u>	<u>4,888,578</u>
Endowment net assets, end of year	<u>\$ 6,845,436</u>	<u>\$ 6,845,435</u>

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>

CHILDREN'S TUMOR FOUNDATION, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 15—IN-KIND SUPPORT AND CONTRIBUTED SERVICES

In-kind support and contributed services for the year ended December 31, 2023 was as follows:

Nonfinancial Asset		Used in Programs/Activities	Donor-imposed Restriction	Fair Value Technique
Event Food	\$ 1,180	Fundraising	No donor restriction	Based on current value of goods provided
Raffle/Auction Item	74,134	Fundraising	No donor restriction	Based on current value of goods provided
Advertising	255,503	Management and General	No donor restriction	Based on current value of services provided
Legal/Professional Fees	122,351	Management and General	No donor restriction	Based on current value of services provided
Other	<u>35,796</u>	Program Events	No donor restriction	Based on current value of goods and services provided
Total	<u>\$ 488,964</u>			

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>			

NOTE 16—SUBSEQUENT EVENTS

Management has evaluated, for potential recognition and disclosure, events subsequent to the date of the consolidated statement of financial position through October 21, 2024, 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, 2023
(With Comparative Totals as of December 31, 2022)

	As of December 31, 2023				Total 2022
	CTF United States	CTF Europe	Consolidating Eliminations	Total 2023	
ASSETS					
Cash and cash equivalents	\$ 14,817,216	\$ 150,294	\$ -	\$ 14,967,510	\$ 17,691,534
Accounts receivable	59,105	5,485	(35,663)	28,927	188,828
Pledges and other receivables, net	2,012,179	-	-	2,012,179	2,932,510
Investments	11,754,604	-	-	11,754,604	10,732,544
Prepaid expenses and other	686,725	-	-	686,725	514,427
Security deposit	23,600	-	-	23,600	26,400
Right-of-use asset	139,445	-	-	139,445	-
Property and equipment, net	581,729	-	-	581,729	223,269
TOTAL ASSETS	\$ 30,074,603	\$ 155,779	\$ (35,663)	\$ 30,194,719	\$ 32,309,512
LIABILITIES					
Accounts payable and accrued expenses	\$ 930,707	\$ 26,301	\$ (35,663)	\$ 921,345	\$ 1,891,906
Grants payable	3,031,468	-	-	3,031,468	2,396,571
Deferred revenue	56,283	-	-	56,283	143,853
Lease payable	139,445	-	-	139,445	-
Assets held in trust	195,800	-	-	195,800	195,800
TOTAL LIABILITIES	4,353,703	26,301	(35,663)	4,344,341	4,628,130
COMMITMENTS AND CONTINGENCIES					
NET ASSETS					
Without donor restrictions	15,845,614	(237,714)	-	15,607,900	14,187,000
With donor restrictions	9,875,286	367,192	-	10,242,478	13,494,382
TOTAL NET ASSETS	25,720,900	129,478	-	25,850,378	27,681,382
TOTAL LIABILITIES AND NET ASSETS	\$ 30,074,603	\$ 155,779	\$ (35,663)	\$ 30,194,719	\$ 32,309,512

See independent auditors' report.

CHILDREN'S TUMOR FOUNDATION, INC. AND AFFILIATE
CONSOLIDATING SCHEDULE OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023
(With Comparative Totals For the Year Ended December 31, 2022)

	CTF United States			CTF Europe			Consolidating Eliminations	Total 2023	Total 2022
	Without Donor Restrictions	With Donor Restrictions	Total 2023	Without Donor Restrictions	With Donor Restrictions	Total 2023			
OPERATING SUPPORT AND REVENUE:									
Contributions - individuals	\$ 6,459,629	\$ 908,939	\$ 7,368,568	\$ 6,886	\$ -	\$ 6,886	\$ -	\$ 7,375,454	\$ 8,182,976
Contributions - corporations and foundations	1,083,164	2,993,542	4,076,706	-	84,692	84,692	-	4,161,398	4,061,964
Bequests	544,494	-	544,494	-	-	-	-	544,494	306,122
In-kind support and contributed services	488,964	-	488,964	-	-	-	-	488,964	226,605
Other income	158,890	-	158,890	-	-	-	-	158,890	1,252,318
Government grants	178,253	-	178,253	-	-	-	-	178,253	299,188
Loss from disposition of property and equipment	-	-	-	-	-	-	-	-	(9,445)
	<u>8,913,394</u>	<u>3,902,481</u>	<u>12,815,875</u>	<u>6,886</u>	<u>84,692</u>	<u>91,578</u>	<u>-</u>	<u>12,907,453</u>	<u>14,319,728</u>
Special event revenue:									
Special event revenue	3,274,197	-	3,274,197	-	-	-	-	3,274,197	2,970,370
Less: direct benefits to donors	(225,903)	-	(225,903)	-	-	-	-	(225,903)	(222,968)
Special event revenue, net	<u>3,048,294</u>	<u>-</u>	<u>3,048,294</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,048,294</u>	<u>2,747,402</u>
Net assets released from restrictions	<u>7,239,077</u>	<u>(7,239,077)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL OPERATING SUPPORT AND REVENUE	<u>19,200,765</u>	<u>(3,336,596)</u>	<u>15,864,169</u>	<u>6,886</u>	<u>84,692</u>	<u>91,578</u>	<u>-</u>	<u>15,955,747</u>	<u>17,067,130</u>
EXPENSES:									
Program services:									
Research and medical	10,337,022	-	10,337,022	92,661	-	92,661	-	10,429,683	9,611,271
Public education and patient support	5,650,326	-	5,650,326	-	-	-	-	5,650,326	4,122,574
Total program services	<u>15,987,348</u>	<u>-</u>	<u>15,987,348</u>	<u>92,661</u>	<u>-</u>	<u>92,661</u>	<u>-</u>	<u>16,080,009</u>	<u>13,733,845</u>
Supporting services:									
Management and general	1,884,548	-	1,884,548	-	-	-	-	1,884,548	1,144,982
Fundraising	1,261,974	-	1,261,974	-	-	-	-	1,261,974	1,266,163
Total supporting services	<u>3,146,522</u>	<u>-</u>	<u>3,146,522</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,146,522</u>	<u>2,411,145</u>
TOTAL EXPENSES	<u>19,133,870</u>	<u>-</u>	<u>19,133,870</u>	<u>92,661</u>	<u>-</u>	<u>92,661</u>	<u>-</u>	<u>19,226,531</u>	<u>16,144,990</u>
CHANGE IN NET ASSETS FROM OPERATIONS	<u>66,895</u>	<u>(3,336,596)</u>	<u>(3,269,701)</u>	<u>(85,775)</u>	<u>84,692</u>	<u>(1,083)</u>	<u>-</u>	<u>(3,270,784)</u>	<u>922,140</u>
NON-OPERATING ACTIVITIES:									
Gain (loss) on foreign currency translation	-	-	-	1,161	-	1,161	-	1,161	(3,496)
Investment activity	1,438,619	-	1,438,619	-	-	-	-	1,438,619	(651,650)
TOTAL NON-OPERATING ACTIVITIES	<u>1,438,619</u>	<u>-</u>	<u>1,438,619</u>	<u>1,161</u>	<u>-</u>	<u>1,161</u>	<u>-</u>	<u>1,439,780</u>	<u>(655,146)</u>
CHANGE IN NET ASSETS	<u>1,505,514</u>	<u>(3,336,596)</u>	<u>(1,831,082)</u>	<u>(84,614)</u>	<u>84,692</u>	<u>78</u>	<u>-</u>	<u>(1,831,004)</u>	<u>266,994</u>
Net assets - beginning of year	<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>
NET ASSETS - END OF YEAR	<u>\$ 15,845,614</u>	<u>\$ 9,875,286</u>	<u>\$ 25,720,900</u>	<u>\$ (237,714)</u>	<u>\$ 367,192</u>	<u>\$ 129,478</u>	<u>\$ -</u>	<u>\$ 25,850,378</u>	<u>\$ 27,681,382</u>

CHILDREN'S TUMOR FOUNDATION, INC. AND AFFILIATE
CONSOLIDATING SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023
(With Comparative Totals for the Year Ended December 31, 2022)

	For the Year Ended December 31, 2023											Total 2023	Total 2022
	CTF United States						CTF Europe						
	Program Services			Supporting Services			Program Services			Management and General			
	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	Total
Salaries and Related Costs:													
Salaries	\$ 2,463,851	\$ 1,649,286	\$ 4,113,137	\$ 442,849	\$ 403,308	\$ 846,157	\$ 4,959,294	\$ -	\$ -	\$ -	\$ -	\$ 4,959,294	\$ 4,201,419
Payroll taxes and employee benefits	390,864	373,958	764,822	246,737	143,906	390,643	1,155,465	-	-	-	-	1,155,465	888,672
Total Salaries and Related Costs	2,854,715	2,023,244	4,877,959	689,586	547,214	1,236,800	6,114,759	-	-	-	-	6,114,759	5,090,091
Grants	4,892,204	226,204	5,118,408	-	-	-	5,118,408	5,863	-	5,863	-	5,124,271	4,541,672
Advocacy	306,397	-	306,397	-	-	-	306,397	-	-	-	-	306,397	270,000
Rent	26,259	37,447	63,706	30,727	17,323	48,050	111,756	-	-	-	-	111,756	137,249
Printing	67,684	157,654	225,338	14,735	44,013	58,748	284,086	-	-	-	-	284,086	264,841
Postage and shipping	32,821	78,480	111,301	11,871	19,510	31,381	142,682	-	-	-	-	142,682	168,424
Supplies	2,337	4,088	6,425	1,180	1,109	2,289	8,714	-	-	-	-	8,714	7,914
Travel	130,020	257,883	387,903	37,182	43,575	80,757	468,660	-	-	-	-	468,660	379,101
Conference, meetings and events	298,144	1,035,766	1,333,910	116,480	156,879	273,359	1,607,269	-	-	-	-	1,607,269	1,470,174
Insurance	7,217	10,378	17,595	7,956	3,916	11,872	29,467	382	-	382	-	29,849	38,860
Information technology	157,195	245,417	402,612	91,863	69,160	161,023	563,635	48,656	-	48,656	-	612,291	807,538
Professional fees	1,152,255	530,787	1,683,042	227,896	191,462	419,358	2,102,400	19,156	-	19,156	-	2,121,556	1,363,098
Dues and other fees	96,371	93,553	189,924	57,111	42,283	99,394	289,318	-	-	-	-	289,318	271,884
Food and beverage	169,385	627,895	797,280	46,919	28,991	75,910	873,190	-	-	-	-	873,190	595,773
Telephone	10,786	12,932	23,718	12,850	6,432	19,282	43,000	-	-	-	-	43,000	35,813
Recruitments	-	-	-	2,157	-	2,157	-	-	-	-	-	2,157	2,646
Advertising	87,185	244,013	331,198	22,108	61,875	83,983	415,181	9,033	-	9,033	-	424,214	349,053
Promotional apparel	5,351	14,265	19,616	4,945	4,367	9,312	28,928	-	-	-	-	28,928	132,982
Bad debt	-	-	-	462,106	-	462,106	462,106	-	-	-	-	462,106	51,000
Miscellaneous	14,988	19,470	34,458	16,027	8,440	24,467	58,925	9,571	-	9,571	-	68,496	58,143
Depreciation and amortization	25,708	30,850	56,558	30,849	15,425	46,274	102,832	-	-	-	-	102,832	108,734
TOTAL EXPENSES	\$ 10,337,022	\$ 5,650,326	\$ 15,987,348	\$ 1,884,548	\$ 1,261,974	\$ 3,146,522	\$ 19,133,870	\$ 92,661	\$ -	\$ 92,661	\$ -	\$ 19,226,531	\$ 16,144,990

**CHILDREN'S TUMOR FOUNDATION, INC. AND AFFILIATE
CONSOLIDATING SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022**

	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
Salaries and Related Costs:												
Salaries	\$ 2,057,353	\$ 1,429,725	\$ 3,487,078	\$ 360,221	\$ 354,120	\$ 714,341	\$ 4,201,419	\$ -	\$ -	\$ -	\$ -	\$ 4,201,419
Payroll taxes and employee benefits	374,470	312,725	687,195	110,867	90,610	201,477	888,672	-	-	-	-	888,672
Total Salaries and Related Costs	2,431,823	1,742,450	4,174,273	471,088	444,730	915,818	5,090,091	-	-	-	-	5,090,091
Grants	4,539,432	-	4,539,432	-	-	-	4,539,432	2,240	-	2,240	-	4,541,672
Advocacy	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
Printing	85,559	120,087	205,646	15,437	43,758	59,195	264,841	-	-	-	-	264,841
Postage and shipping	37,907	92,634	130,541	12,196	25,687	37,883	168,424	-	-	-	-	168,424
Supplies	2,515	3,591	6,106	861	947	1,808	7,914	-	-	-	-	7,914
Travel	150,482	166,520	317,002	22,715	39,384	62,099	379,101	-	-	-	-	379,101
Conference, meetings and events	478,503	742,848	1,221,351	68,193	180,630	248,823	1,470,174	-	-	-	-	1,470,174
Insurance	8,902	12,559	21,461	10,330	5,789	16,119	37,580	1,280	-	1,280	-	38,860
Information technology	247,664	235,550	483,214	127,773	86,147	213,920	697,134	110,404	-	110,404	-	807,538
Professional fees	574,845	391,532	966,377	158,624	215,518	374,142	1,340,519	22,579	-	22,579	-	1,363,098
Dues and other fees	91,766	85,809	177,575	53,068	41,241	94,309	271,884	-	-	-	-	271,884
Food and beverage	367,336	174,259	541,595	20,672	33,506	54,178	595,773	-	-	-	-	595,773
Telephone	8,953	10,744	19,697	10,744	5,372	16,116	35,813	-	-	-	-	35,813
Recruitments	-	-	-	2,646	-	2,646	2,646	-	-	-	-	2,646
Advertising	78,973	166,922	245,895	25,535	74,394	99,929	345,824	3,229	-	3,229	-	349,053
Promotional apparel	21,446	71,542	92,988	16,791	23,203	39,994	132,982	-	-	-	-	132,982
Bad debt	-	-	-	51,000	-	51,000	51,000	-	-	-	-	51,000
Miscellaneous	15,910	19,972	35,882	11,914	7,280	19,194	55,076	3,067	-	3,067	-	58,143
Depreciation and amortization	27,184	32,620	59,804	32,620	16,310	48,930	108,734	-	-	-	-	108,734
TOTAL EXPENSES	\$ 9,468,472	\$ 4,122,574	\$ 13,591,046	\$ 1,144,982	\$ 1,266,163	\$ 2,411,145	\$ 16,002,191	\$ 142,799	\$ -	\$ 142,799	\$ -	\$ 16,144,990