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THE CHILDREN'S CANCER CAUSE, INC.
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT
JUNE 30, 2022 AND 2021

MATTHEWS, CARTER & BOYCE
RESPECT. CONFIDENCE. TRUST.

THE CHILDREN'S CANCER CAUSE, INC.

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JUNE 30, 2022 AND 2021

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MATTHEWS, CARTER & BOYCE
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INDEPENDENT AUDITORS' REPORT

Board of Directors
The Children's Cancer Cause, Inc.
Washington, DC

Opinion

We have audited the financial statements of The Children's Cancer Cause, Inc., which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of The Children's Cancer Cause, Inc. as of June 30, 2022 and 2021 and the changes in its net assets and its 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 Financial Statements section of our report. We are required to be independent of The Children's Cancer Cause, Inc. 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 Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of The Children's Cancer Cause'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Children's Cancer Cause'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.



Fairfax, VA
November 11, 2022

THE CHILDREN'S CANCER CAUSE, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUE			
Contributions and grants			
Cash and other financial asset contributions and grants	\$ 603,716	\$ 11,315	\$ 615,031
In-kind contributions	51,022	-	51,022
Investment return	(169,664)	-	(169,664)
Net assets released from restrictions	<u>164,395</u>	<u>(164,395)</u>	<u>-</u>
Total Revenue	<u>\$ 649,469</u>	<u>\$ (153,080)</u>	<u>\$ 496,389</u>
EXPENSES			
Program services	\$ 767,294	\$ -	\$ 767,294
Management and general	76,335	-	76,335
Fundraising	<u>139,469</u>	<u>-</u>	<u>139,469</u>
Total Expenses	<u>\$ 983,098</u>	<u>\$ -</u>	<u>\$ 983,098</u>
CHANGE IN NET ASSETS	\$ (333,629)	\$ (153,080)	\$ (486,709)
NET ASSETS, BEGINNING OF YEAR	<u>1,482,391</u>	<u>508,061</u>	<u>1,990,452</u>
NET ASSETS, END OF YEAR	<u><u>\$ 1,148,762</u></u>	<u><u>\$ 354,981</u></u>	<u><u>\$ 1,503,743</u></u>

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

THE CHILDREN'S CANCER CAUSE, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE			
Contributions and grants			
Cash and other financial asset contributions and grants	\$ 776,381	\$ 140,000	\$ 916,381
In-kind contributions	52,685	-	52,685
Investment return	241,690	-	241,690
Other income, Paycheck Protection Program loan forgiveness	80,200	-	80,200
Net assets released from restrictions	94,158	(94,158)	-
Total Revenue	\$ 1,245,114	\$ 45,842	\$ 1,290,956
EXPENSES			
Program services	\$ 772,218	\$ -	\$ 772,218
Management and general	80,070	-	80,070
Fundraising	103,644	-	103,644
Total Expenses	\$ 955,932	\$ -	\$ 955,932
CHANGE IN NET ASSETS	\$ 289,182	\$ 45,842	\$ 335,024
NET ASSETS, BEGINNING OF YEAR	1,193,209	462,219	1,655,428
NET ASSETS, END OF YEAR	\$ 1,482,391	\$ 508,061	\$ 1,990,452

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

THE CHILDREN'S CANCER CAUSE, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2022

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries, taxes and benefits	\$ 454,587	\$ 52,370	\$ 100,163	\$ 607,120
Business meetings and travel	1,748	285	278	2,311
Cost of programs and events	133,863	1,467	6,411	141,741
Depreciation	-	1,532	-	1,532
Dues and subscriptions	9,713	6	250	9,969
Hotel and catering	6,570	-	-	6,570
Insurance	1,829	532	456	2,817
Office expenses	12,871	3,935	24,317	41,123
Professional fees	129,709	14,528	3,461	147,698
Rent	16,404	1,680	4,133	22,217
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	<u>\$ 767,294</u>	<u>\$ 76,335</u>	<u>\$ 139,469</u>	<u>\$ 983,098</u>

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

THE CHILDREN'S CANCER CAUSE, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2021

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries, taxes and benefits	\$ 503,399	\$ 53,978	\$ 71,954	\$ 629,331
Business meetings and travel	89	272	-	361
Cost of programs and events	87,085	82	10,228	97,395
Depreciation	-	2,017	-	2,017
Dues and subscriptions	5,730	718	-	6,448
Hotel and catering	10,797	-	-	10,797
Insurance	1,542	187	232	1,961
Leonard M. Rosen Award	10,000	-	-	10,000
Office expenses	22,515	5,096	18,591	46,202
Professional fees	115,599	15,857	381	131,837
Rent	15,462	1,863	2,258	19,583
Total	<u>\$ 772,218</u>	<u>\$ 80,070</u>	<u>\$ 103,644</u>	<u>\$ 955,932</u>

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

THE CHILDREN'S CANCER CAUSE, INC.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (486,709)	\$ 335,024
Adjustments to reconcile change in net assets to net cash flows- operating activities:		
Depreciation expense	1,532	2,017
Paycheck Protection Program loan forgiveness	-	(80,200)
Realized and unrealized (gain) loss on investments, net	199,456	(221,467)
Change in:		
Contributions and grants receivable	45,841	45,409
Prepaid expense	(5,831)	(10,233)
Accounts payable	(516)	3,854
Accrued vacation	438	(9,005)
	\$ (245,789)	\$ 65,399
 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	\$ -	\$ (2,103)
Purchase of investments	(29,158)	(18,933)
	\$ (29,158)	\$ (21,036)
 CHANGE IN CASH AND CASH EQUIVALENTS	\$ (274,947)	\$ 44,363
 CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	355,536	311,173
 CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 80,589	\$ 355,536

There was no non-cash investing or financing activity for the years ended June 30, 2022 or 2021.

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

THE CHILDREN'S CANCER CAUSE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022 AND 2021

Note 1. Organization and Summary of Significant Accounting Policies

Organization

The Children's Cancer Cause, Inc. (the Organization) is a nonprofit organization that works to ensure that the needs and perspectives of children with cancer and survivors are integrated into the highest deliberations on health care and cancer policy at the federal level. The Organization was incorporated under the name The Children's Cause, Inc. on April 8, 1999, under the laws of the State of New York. In 2019, the Organization formally changed its name from The Children's Cause for Cancer Advocacy, Inc. to The Children's Cancer Cause.

The Organization's major programs include:

Advocacy Training: The Organization's advocate training program, Kids Action Network, educates and trains childhood cancer leaders and parents as advocates to advance policies benefitting children with cancer, survivors, and their families. This program utilizes expert speakers and rigorous workshops to give participants the knowledge and tools they need to be effective advocate leaders in their own communities.

Education: The Organization's educational activities focus on communicating the impact of federal health policy on childhood cancer and survivorship care. Through monthly email bulletins, frequent blog postings, an active social media presence and a multi-media website, the Organization educates the community about recent news, research and legislation – and the potential impact on the lives of childhood cancer patients and survivors.

The Stewart Initiative For Childhood Cancer Survivors: This program is designed to address the medical and psychosocial care needs of pediatric cancer survivors. By delivering resources and interactive educational elements, the Organization aims to empower the nation's 500,000 childhood cancer survivors to be strong self-advocates for their long-term care. The program's annual Champion's Prize is presented annually to a group, program or institution making significant advances in programs and services to provide life-long health maintenance for survivors of pediatric cancers.

Public Policy: The Organization's public policy program includes analyzing legislation, submitting official comments on regulatory affairs, producing briefing papers and presenting to government agencies, policy makers, coalitions, and stakeholders. These programs provide critical information on the impact of federal policy on children with cancer and survivors. The purpose is to facilitate the development and approval of more effective and less toxic therapies for children with cancer, ensure high-quality care for childhood cancer survivors, and monitor the implementation of health care reform to ensure it meets the unique needs of patients and survivors. The Organization is an active participant in three large national cancer coalitions and provides expert analysis and input to frame the coalitions' positions and activities.

Grassroots Advocacy: This program engages the Organization's online network of several thousand grassroots advocates through periodic action alerts. These alerts provide advocates with the framework and knowledge to send targeted, personal letters to their Members of Congress.

Leonard M. Rosen Memorial Research Award: A tribute and financial award presented annually to an individual who has made an outstanding contribution to childhood cancer policy and advocacy. Examples of areas of work include outcomes research, healthcare quality, delivery and cost, economics of drug development, improved access to therapeutic agents. The Award honors Leonard Rosen's many years of service on The Children's Cancer Cause board of directors, as chairman and founding member.

THE CHILDREN'S CANCER CAUSE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022 AND 2021

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

Basis of Presentation

Financial statement presentation follows the requirements of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, *Presentation of Financial Statements for Not-for-Profit Entities*. Contributions are recognized as revenue when they are received or unconditionally pledged. Net assets and revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of The Children's Cancer Cause, Inc. and changes therein are classified and reported as follows:

Net assets without donor restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the objectives of the organization. These net assets may be used at the discretion of The Children's Cancer Cause Inc.'s management and the board of directors.

Net assets with donor restrictions – Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of The Children's Cancer Cause, Inc. or by the passage of time. Other donor restrictions may be perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities and changes in net assets.

The financial statements are presented using the accrual method of accounting. Revenue is recognized when earned and when contributions are made, which may be when cash is received, unconditional promises are made, or ownership of other assets is transferred to the Organization. Expenses are reported when costs are incurred. Net assets represent the cumulative balance of the operations of the Organization from its inception.

Revenue Recognition

The Organization follows the provisions of FASB ASC Topic 606, *Revenue from Contracts with Customers* and FASB Accounting Standards Update (ASU) 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, as applicable, when recording its revenue.

Grants and contributions are reported as revenue in the year in which payments are received and/or unconditional promises are made. Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been substantially met. Grants and contributions are considered to be available for general operations unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as with donor restrictions support. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying statements of activities and changes in net assets, as net assets released from restrictions.

The Organization generally does not have contract or grant agreements that are required to be recognized under ASC 606.

THE CHILDREN'S CANCER CAUSE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022 AND 2021

Note 1. **Organization and Summary of Significant Accounting Policies (Continued)**

Contributions, Grants and Accounts Receivable, and Allowance for Doubtful Accounts

Contributions, grants and accounts receivable are recorded at the lower of cost or fair value. The risk of loss on the receivables is the balance due at the time of default. All receivables are unsecured. The Organization uses the allowance method to determine uncollectible contributions and other receivables. The allowance is based upon prior years' experience, management's analysis of specific promises made and other historical factors that pertain to the receivables. There was no allowance for doubtful accounts as of June 30, 2022 or 2021.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid short-term debt instruments whose maturity dates do not extend past three months from the original date of purchase to be cash equivalents. As of June 30, 2022 and 2021 the Organization held no such instruments.

Property and Equipment

Property and equipment held by the Organization consist of furniture, equipment, and software, and are recorded at cost. The Organization capitalizes expenditures for property and equipment in excess of \$1,000. Donated equipment, if any, is reflected in the accompanying financial statements at its estimated value at the date of receipt. Depreciation is provided for in amounts sufficient to relate the cost of the depreciable assets to operations using the straight-line method over estimated useful lives of three years.

Investments

Investments are recorded in the accompanying financial statements at fair value and consist of mutual funds and money market funds. The Organization reviews and evaluates values provided by its investment managers and agrees with the valuation methods and assumptions they use in determining the fair value.

Functional Allocation of Expenditures

The costs of providing various programs and other activities of the Organization have been summarized on a functional basis in the accompanying financial statements. Costs that can be identified with a particular program or support function are charged directly to that program or function. Salaries and related costs have been allocated among the programs and supporting services based upon management's best estimates of the proportion of these costs applicable to each program and the supporting services. Other allocable costs have been allocated to program services and to support services based upon management's best estimates.

Income Taxes

The Organization has been determined to be exempt from federal income tax pursuant to the provisions of the Internal Revenue Code Section 501(c)(3). The Organization is required to pay taxes on its net unrelated business income. There was no unrelated business taxable income during the years ended June 30, 2022 or 2021. Accordingly, no provision for income tax is made in the accompanying financial statements.

THE CHILDREN'S CANCER CAUSE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022 AND 2021

Note 1. Organization and Summary of Significant Accounting Policies (Concluded)

Income Taxes (Concluded)

The Organization has adopted FASB ASC 740, *Income Taxes*. FASB ASC 740 requires changes in recognition and measurement for uncertain tax positions. The Organization has analyzed its tax positions and has concluded that no liability should be recorded related to any uncertain tax positions. The Organization is not aware of any tax positions which it believes will change materially in the next twelve months. If this position changes, the Organization will assess the impact of any such matters on its financial position and results of operations. The Organization files its informational tax returns for Federal, Maryland and New York reporting purposes. The Organization is currently not under audit by any income tax jurisdiction.

Recent Accounting Pronouncements

In September 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities: Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The purpose of ASU 2020-07 is to clarify the presentation and disclosure of contributed nonfinancial assets to provide the reader of the financial statements with a clearer understanding of what type of nonfinancial assets were received and how they are used and recognized. ASU 2020-07 did not change the accounting and recognition of nonfinancial assets but rather the presentation and disclosure requirements in the financial statements. The ASU is effective for annual periods beginning after June 15, 2021. The Organization adopted ASU 2020-07 during the year ended June 30, 2022.

The FASB has issued ASU 2016-02, *Leases*. The main difference between the provisions of ASU 2016-02 and previous U.S. GAAP is the recognition of right-of-use assets and lease liabilities by lessees for those leases classified as operating leases under previous U.S. GAAP. ASU 2016-02 retains a distinction between finance leases and operating leases, and the recognition, measurement, and presentation of expenses and cash flows arising from a lease by a lessee have not significantly changed from previous U.S. GAAP. For leases with a term of 12 months or less, a lessee is permitted to make an accounting policy election, by class of underlying asset, not to recognize right-of-use assets and lease liabilities. The accounting applied by a lessor is largely unchanged from that applied under previous U.S. GAAP. In transition, lessees and lessors are required to recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach. This ASU is effective for all entities, for fiscal years beginning after December 15, 2021. Early adoption is permitted. The Organization is currently evaluating the impact this standard will have on its financial statements.

Note 2. Liquidity and Availability

Financial assets available for general expenditure within one year of the statement of financial position date, are comprised of the following at June 30, 2022:

Cash and cash equivalents	\$ 80,589
Contributions and grants receivable, current	<u>62,263</u>
	\$ 142,852
Less amounts not available to be used for general expenditures:	
Net assets with donor restrictions, excluding time restrictions within one year	<u>(354,981)</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ (212,129)</u>

During the normal course of operations for the year ending June 30, 2023, the Organization will receive contributions which will be available to spend on general expenditures. The Organization also has investments valued at \$1,347,903 as of June 30, 2022 available for general expenditures if needed.

THE CHILDREN'S CANCER CAUSE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022 AND 2021

Note 2. Liquidity and Availability (Concluded)

Financial assets available for general expenditure within one year of the statement of financial position date, are comprised of the following on June 30, 2021:

Cash and cash equivalents	\$ 355,536
Contributions and grants receivable, current	<u>108,104</u>
	\$ 463,640

Less amounts not available to be used for general expenditures:

Net assets with donor restrictions, excluding time restrictions within one year	<u>(390,561)</u>
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Financial assets available to meet general expenditures over the next twelve months	<u>\$ 73,079</u>
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The Organization also had investments valued at \$1,518,201 as of June 30, 2021 available for general expenditures if needed.

During the normal course of operations, the Organization will receive contributions and program revenue which will be available to spend on general expenditures. The Organization will regularly monitor cash projections over the next twelve months with the understanding that positive cash flow is desired.

Note 3. In-Kind Contributions

During the years ended June 30, 2022 and 2021, the Organization received \$51,022 and \$52,685 of in-kind donations, respectively. In-kind donations for the year ended June 30, 2022 consisted of \$46,842 of pro bono legal services received to assist with the Organization's internal strategy and policy, and \$4,180 of donated items for a silent auction. In-kind donations for the year ended June 30, 2021 consisted of \$52,685 of pro bono legal services. All in-kind donations were received without any donor restrictions. Legal services are valued based on current rates of legal services provided by the law firm. Donated items were valued based on the amounts received from the auction.

Note 4. Investments

In accordance with FASB ASC 820, *Fair Value Measurement*, the Organization has categorized its financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument. Investments recorded in the statements of financial position are categorized based on the inputs to valuation techniques as follows:

- Level 1 – Inputs to the valuation methodology are quoted in an active market.
- Level 2 – Inputs to the valuation methodology are inputs other than quoted prices that are observable for the assets.
- Level 3 – Inputs to the valuation methodology that are unobservable and significant to the fair value measurement. These inputs reflect assumptions of management about assumptions market participants would use in pricing the investments. These investments include non-readily marketable securities that do not have an active market.

THE CHILDREN'S CANCER CAUSE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022 AND 2021

Note 4. Investments (Concluded)

All the investment assets recorded in the statements of financial position are Level 1 assets. The Organization's investments are maintained in a brokerage account and are comprised of mutual funds and money market funds as of June 30, 2022 and 2021 as follows:

	2022	
	Cost	Market
Money market	\$ 101,587	\$ 101,587
Stock funds	516,743	635,042
Bond funds	661,826	611,274
Total	\$ 1,280,156	\$ 1,347,903
	2021	
	Cost	Market
Money market	\$ 101,493	\$ 101,493
Stock funds	488,418	759,081
Bond funds	639,640	657,627
Total	\$ 1,229,551	\$ 1,518,201

Total investment return included in the statements of activities and changes in net assets for the years ended June 30, 2022 and 2021 is comprised of the following:

	2022	2021
Interest and dividends	\$ 29,792	\$ 20,223
Realized and unrealized gain (loss) on investments, net	(199,456)	221,467
Total Investment Return	\$ (169,664)	\$ 241,690

Note 5. Paycheck Protection Program Loan

During April 2020, the Organization obtained a Paycheck Protection Program (PPP) loan totaling \$80,200. The interest rate for this loan was 1%. The Organization accounted for the funds similar to other debt arrangements under FASB ASC 470 and had reported the amount as a loan payable as of June 30, 2020. The Organization applied to have this loan forgiven and received approval of full forgiveness from the bank and Small Business Administration (SBA) as of March 1, 2021. When the loan was fully forgiven, gain was recognized on the extinguishment of the loan and is reported as other income in the statement of activities and changes in net assets for the year ended June 30, 2021. The Organization did not have any income from PPP loans for the year ended June 30, 2022.

Note 6. Net Assets With Donor Restrictions

As of June 30, 2022 and 2021, the Organization had net assets with donor restrictions for the following purposes:

	2022	2021
Kids Action Network	\$ 12,680	\$ 12,680
Rosen Research Award	170,787	176,953
Scientific Research – VPOD	14,723	14,723
Stewart Survivorship Program	145,749	164,500
Survivorship	11,042	21,705
Time restricted	-	117,500
Total	\$ 354,981	\$ 508,061

THE CHILDREN'S CANCER CAUSE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022 AND 2021

Note 6. Net Assets With Donor Restrictions (Concluded)

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the years ended June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Kids Action Network	\$ -	\$ -
Stewart Survivorship Program	25,066	35,500
Survivorship Meetings	10,663	-
Patient Focused Drug Development	-	-
Rosen Research Award	11,166	8,658
Time restricted	<u>117,500</u>	<u>50,000</u>
Total	<u>\$ 164,395</u>	<u>\$ 94,158</u>

Note 7. Retirement Plan

The Organization sponsors a SIMPLE IRA plan. Employer contributions for the years ended June 30, 2022 and 2021 were \$12,912 and \$16,752, respectively.

Note 8. Commitments

The Organization entered into a one-year office service agreement for new office accommodations and moved in December 2017. The agreement automatically renewed for the same duration. In September 2020 an addendum was signed for a shorter renewal period of three months. After the initial three-month term, the agreement automatically renews for consecutive periods of twelve months at an adjustment of 3% of the monthly office charge, unless terminated by either party at least two months prior to expiration of the agreement. The monthly base fee for the current agreement is \$1,888.

THE CHILDREN'S CANCER CAUSE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022 AND 2021

Note 9. Concentrations and Risks

Receivables and Revenue:

As of June 30, 2022 and 2021, 72% and 88%, respectively, of the contributions and grants receivable is from a major donor who is a member of the board.

For the years ended June 30, 2022 and 2021, 49% and 59%, respectively, of total contribution and grant revenue was raised from a single major event.

Credit Risk:

Credit risk associated with accounts receivable and promises to give is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from foundations and individuals supportive of our mission.

Financial Risk:

Financial instruments that potentially subject the Organization to significant concentrations of credit risk consist of cash and investment accounts. The Organization maintains these cash and investment accounts with various financial institutions and these values, from time to time, exceed insurable limits under the Federal Deposit Insurance Corporation (FDIC) and Securities Investor Protection Corporation (SIPC). The Organization has not experienced any credit losses on its cash or investments to date in relation to FDIC and SIPC insurance limits. Management believes that the risk of any credit loss is minimal.

Note 10. Subsequent Events

The Organization has evaluated events through November 11, 2022, the date the financial statements were available to be issued, and determined that there was no event occurring subsequent to June 30, 2022 that requires recognition or disclosure in these financial statements.