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**THE CHILDREN'S CANCER CAUSE, INC.**  
**FINANCIAL STATEMENTS**  
**AND**  
**INDEPENDENT AUDITORS' REPORT**  
**JUNE 30, 2021 AND 2020**

**MATTHEWS, CARTER & BOYCE**  
RESPECT. CONFIDENCE. TRUST.

# THE CHILDREN'S CANCER CAUSE, INC.

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JUNE 30, 2021 AND 2020

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## **INDEPENDENT AUDITORS' REPORT**

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of The Children's Cancer Cause, Inc. (the Organization), which comprise the statements of financial position as of June 30, 2021 and 2020, 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.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Children's Cancer Cause, Inc. as of June 30, 2021 and 2020, 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.

A handwritten signature in black ink that reads "Matthew, Carter and Boye". The signature is written in a cursive style and is positioned to the right of the date.

Fairfax, VA  
November 18, 2021



**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
<b>REVENUE</b>			
Contributions and grants	\$ 829,066	\$ 140,000	\$ 969,066
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
<b>EXPENSES</b>			
Program services	\$ 772,218	\$ -	\$ 772,218
Management and general	80,070	-	80,070
Fundraising	103,644	-	103,644
Total Expenses	\$ 955,932	\$ -	\$ 955,932
<b>CHANGE IN NET ASSETS</b>	\$ 289,182	\$ 45,842	\$ 335,024
<b>NET ASSETS, BEGINNING OF YEAR</b>	1,193,209	462,219	1,655,428
<b>NET ASSETS, END OF YEAR</b>	\$ 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 ACTIVITIES AND CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUE</b>			
Contributions and grants	\$ 641,438	\$ 250,180	\$ 891,618
Investment return	55,197	-	55,197
Net assets released from restrictions	37,754	(37,754)	-
Total Revenue	<u>\$ 734,389</u>	<u>\$ 212,426</u>	<u>\$ 946,815</u>
<b>EXPENSES</b>			
Program services	\$ 603,808	\$ -	\$ 603,808
Management and general	75,465	-	75,465
Fundraising	142,709	-	142,709
Total Expenses	<u>\$ 821,982</u>	<u>\$ -</u>	<u>\$ 821,982</u>
<b>CHANGE IN NET ASSETS, RESTATED</b>	\$ (87,593)	\$ 212,426	\$ 124,833
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>1,280,802</u>	<u>249,793</u>	<u>1,530,595</u>
<b>NET ASSETS, END OF YEAR, RESTATED</b>	<u><u>\$ 1,193,209</u></u>	<u><u>\$ 462,219</u></u>	<u><u>\$ 1,655,428</u></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.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2020

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries, taxes and benefits	\$ 343,339	\$ 53,205	\$ 102,008	\$ 498,552
Business meetings and travel	11,963	-	129	12,092
Cost of programs and events	45,180	-	10,874	56,054
Depreciation	-	1,737	-	1,737
Dues and subscriptions	11,131	270	250	11,651
Hotel and catering	26,869	-	-	26,869
Insurance	1,312	229	419	1,960
Leonard M. Rosen Award	11,342	-	-	11,342
Office expenses	30,378	1,986	23,026	55,390
Professional fees	108,495	15,912	1,867	126,274
Rent	13,799	2,126	4,136	20,061
Total	<u>\$ 603,808</u>	<u>\$ 75,465</u>	<u>\$ 142,709</u>	<u>\$ 821,982</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, 2021 AND 2020**

	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 335,024	\$ 124,833
Adjustments to reconcile change in net assets to net cash provided (used) in operating activities		
Depreciation expense	2,017	1,737
Paycheck Protection Program loan forgiveness	(80,200)	-
Realized and unrealized gains on investments, net	(221,467)	(33,103)
Change in:		
Contributions and grants receivable	45,409	(138,909)
Prepaid expense	(10,233)	5,215
Accounts payable	3,854	738
Accrued vacation	(9,005)	1,020
Deferred revenue	-	50,000
	<u>\$ 65,399</u>	<u>\$ 11,531</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	\$ (2,103)	\$ (3,674)
Purchase of investments	(18,933)	(22,057)
	<u>\$ (21,036)</u>	<u>\$ (25,731)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from Paycheck Protection Program loan	\$ -	\$ 80,200
	<u>\$ -</u>	<u>\$ 80,200</u>
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	\$ 44,363	\$ 16,000
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>311,173</u>	<u>295,173</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 355,536</u>	<u>\$ 311,173</u>

There was no non-cash investing or financing activity for the years ended June 30, 2021 or 2020.

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

# THE CHILDREN'S CANCER CAUSE, INC.

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

### 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, 2021 AND 2020

### 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, expenses, 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.

#### Recent Accounting Pronouncements

FASB ASC Topic 606, *Revenue from Contracts with Customers*, as amended, supersedes, or replaces nearly all GAAP revenue recognition guidance. These standards establish a new contract and control-based revenue recognition model, change the basis for deciding when revenue is recognized over time or at a point in time, and expand disclosures about revenue. The Organization adopted Topic 606 for the year ended June 30, 2020 and adjusted the presentation in these financial statements accordingly. Analysis of the various provisions of this standard resulted in no significant changes in the way the Organization recognized revenue. The presentation and disclosures of revenue have been enhanced in accordance with the standard.

# THE CHILDREN'S CANCER CAUSE, INC.

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

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

#### Recent Accounting Pronouncements (Concluded)

In June 2018, FASB issued ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This standard assists entities in evaluating whether transactions should be accounted for as contributions or exchange transactions and determining whether a contribution is conditional. The Organization adopted the provisions of ASU 2018-08 applicable to both grants and contributions received and to grants and contributions made in the accompanying financial statements in the year ended June 30, 2020. Analysis of various provisions of the standard resulted in no significant change in the way the Organization recognized grants and contributions. However, due to a clarified understanding of the substance of the amount previously reported as deferred revenue as of June 30, 2020, certain balances were restated to reflect the correction of the application of the accounting principle, see Note 9.

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

All contributions are considered to be without donor restrictions unless specifically restricted by the donor. Unconditional contributions receivable are recognized as revenues in the period the pledge is received. Conditional contributions receivable are recognized when the conditions on which they depend are substantially met.

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

Accounts and contributions 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, 2021 or 2020.

#### 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.

#### 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, 2021 and 2020 the Organization held no such instruments.

#### 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.

# THE CHILDREN'S CANCER CAUSE, INC.

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

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

#### 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, 2021 or 2020. Accordingly, no provision for income tax is made in the accompanying financial statements.

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.

#### 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.

### 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, 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>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 73,079</u>

The Organization also has investments valued at \$1,518,201 as of June 30, 2021 available for general expenditures if needed.

# THE CHILDREN'S CANCER CAUSE, INC.

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

### 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, 2020:

Cash and cash equivalents	\$ 311,173
Contributions and grants receivable, current	<u>153,513</u>
	\$ 464,686
Less amounts not available to be used for general expenditures:	
Net assets with donor restrictions, excluding time restrictions within one year	<u>(412,219)</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 52,467</u>

The Organization also had investments valued at \$1,277,801 as of June 30, 2020 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, 2021 and 2020, the Organization received approximately \$52,685 and \$8,745 of in-kind donations, respectively. In-kind donations for the year ended June 30, 2021 mainly consisted of pro bono legal services received to assist with the Organization's internal strategy and policy. In-kind contributions for the year-ended June 30, 2020 include donations from fundraising/educational forums. In-kind contributions are included in contribution and grants revenue in the statements of activities and changes in net assets.

### 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, 2021 AND 2020

#### 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, 2021 and 2020 as follows:

	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
	2020	
	Cost	Market
Money market	\$ 231,699	\$ 231,699
Stock funds	429,982	535,931
Bond funds	495,099	510,171
Total	\$ 1,156,780	\$ 1,277,801

Total investment return included in the statements of activities and changes in net assets for the years ended June 30, 2021 and 2020 is comprised of the following:

	2021	2020
Interest and dividends	\$ 20,223	\$ 22,094
Realized and unrealized gains on investments, net	221,467	33,103
Total Investment Return	\$ 241,690	\$ 55,197

#### Note 5. Paycheck Protection Program Loan

During April 2020, the Organization obtained a Paycheck Protection Program 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 statements of activities and changes in net assets.

#### Note 6. Net Assets With Donor Restrictions

As of June 30, 2021 and 2020, the Organization had net assets with donor restrictions for the following purposes:

	2021	2020
Kids Action Network	\$ 12,680	\$ 12,680
Rosen Research Award	176,953	163,111
Scientific Research – VPOD	14,723	14,723
Stewart Survivorship Program	164,500	200,000
Survivorship	21,705	21,705
Time restricted	117,500	50,000
Total	\$ 508,061	\$ 462,219



**THE CHILDREN'S CANCER CAUSE, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2021 AND 2020**

**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, 2021 and 2020:

	2021	2020
Kids Action Network	\$ -	\$ 650
Stewart Survivorship Program	35,500	-
Patient Focused Drug Development	-	25,762
Rosen Research Award	8,658	11,342
Time restricted	50,000	-
Total	\$ 94,158	\$ 37,754

**Note 7. Retirement Plan**

The Organization sponsors a SIMPLE IRA plan. Employer contributions for the years ended June 30, 2021 and 2020 were \$16,752 and \$11,180, 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 will automatically renew 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 \$1,833.

The Organization has an employment agreement with its executive officer. If the Organization terminates the agreement prior to January 1, 2022, for any reason other than for acts of dishonesty, fraud or violation of law, the executive officer is entitled to a severance payment equal to three months of his current annual salary. No liability has been recorded because the Organization intends to maintain its current relationship.

**Note 9. Prior Period Restatement**

As a result of the implementation guidance of ASU 2018-08 and a clarified understanding of the substance of certain cash receipts during the year ended June 30, 2020, the Organization has restated its previously issued June 30, 2020 financial statements for the following:

	Previously reported	Restated
Deferred revenue	\$ 50,000	\$ -
Contribution and grants- with donor restrictions	200,180	250,180
Change in net assets	162,426	212,426
Net assets, end of year with donor restrictions	412,219	462,219

# THE CHILDREN'S CANCER CAUSE, INC.

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

### Note 10. Concentrations and Risks

#### Receivables and Revenue:

As of June 30, 2021 and 2020, 88% and 91%, 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, 2021 and 2020, 59% and 58%, respectively, of total 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.

#### COVID-19 Risk and Uncertainty:

In March 2020, a pandemic of the Coronavirus (COVID-19) was declared by the World Health Organization. Future events, revenues and expenses of the Organization are uncertain due to the highly contagious nature of the virus, the requirement for social distancing, limited gatherings, and restrictions on travel. In addition, both domestic and international equity markets have experienced significant fluctuations since March 2020. The ultimate impact of the COVID-19 pandemic on the amount and likelihood of loss is unknown and depends on future developments.

#### Paycheck Protection Program Loan:

During April 2020, the Organization obtained a Paycheck Protection Program loan totaling \$80,200. The interest rate for this loan was 1%. The Organization applied to have this loan forgiven and received approval of full forgiveness of the loan from the bank and SBA a of March 1, 2021.

### Note 11. Subsequent Events

The Organization has evaluated events through November 18, 2021, the date the financial statements were available to be issued, and determined that there was no event occurring subsequent to June 30, 2021 that requires recognition or disclosure in these financial statements.