

**CHILDREN'S BRAIN TUMOR FOUNDATION, INC.**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2015  
(WITH SUMMARIZED FINANCIAL INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2014)**

**CHILDREN'S BRAIN TUMOR FOUNDATION, INC.**

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**(With Summarized Financial Information  
For the Year Ended December 31, 2014)**

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**BLOOM AND STREIT LLP**  
CERTIFIED PUBLIC ACCOUNTANTS

ROGER BERMAN, CPA  
WILLIAM J. RANK, CPA, CFP  
MARK COHEN, CPA

**INDEPENDENT AUDITORS' REPORT**

**To the Board of Trustees  
CHILDREN'S BRAIN TUMOR FOUNDATION, INC.**

We have audited the accompanying financial statements of Children's Brain Tumor Foundation, Inc., which comprise the statement of financial position as of December 31, 2015, and the related statements of activities, 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 of 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' judgement, 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 policies 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 Children's Brain Tumor Foundation, Inc., as of December 31, 2015 and 2014, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

***Report of Summarized Comparative Information***

We have previously audited the Children's Brain Tumor Foundation, Inc. 2014 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 11, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2014 is consistent, in all material respects, with the audited financial statements from which it has been derived.



**BLOOM AND STREIT LLP**  
**Certified Public Accountants**  
**November 1, 2016**

# CHILDREN'S BRAIN TUMOR FOUNDATION, INC.

## Statement of Financial Position

December 31, 2015

(With Summarized Financial Information  
For The Year Ended December 31, 2014)

	<u>2015</u>	<u>2014</u>
<b>ASSETS</b>		
Cash and Cash Equivalents	380,496	41,499
Investments	92,487	393,318
<b>Total Cash and Investments</b>	<u>472,983</u>	<u>434,817</u>
Prepaid Expenses and Other Assets	59,176	32,336
Security Deposits	8,550	0
Promises to Give (Net)	91,666	249,547
Equipment (Net)	15,331	9,852
<b>TOTAL ASSETS</b>	<u><u>647,706</u></u>	<u><u>726,552</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts Payable and Accrued Expenses	49,396	16,230
Deferred Support	92,000	0
Grants Payable	150,000	2,500
<b>TOTAL LIABILITIES</b>	<u>291,396</u>	<u>18,730</u>
<b>NET ASSETS</b>		
Unrestricted - Operating	90,413	(903,489)
Temporarily Restricted	265,897	1,611,311
<b>TOTAL NET ASSETS</b>	<u>356,310</u>	<u>707,822</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>647,706</u></u>	<u><u>726,552</u></u>

*See accompanying notes and auditors' report*

# CHILDREN'S BRAIN TUMOR FOUNDATION, INC.

## Statement of Activities

**For the Year Ended December 31, 2015**  
**(With Summarized Financial Information**  
**For The Year Ended December 31, 2014)**

	UNRESTRICTED FUNDS	TEMPORARILY RESTRICTED FUNDS	TOTALS 2015	TOTALS 2014
<b>SUPPORT</b>				
Special Events	812,787	2,325	815,112	954,255
Less: Costs of Direct Benefits to Donor	(350,293)	0	(350,293)	(193,325)
	462,494	2,325	464,819	760,930
Contributions	523,790	619,290	1,143,080	903,497
<b>Total Support</b>	<b>986,284</b>	<b>621,615</b>	<b>1,607,899</b>	<b>1,664,427</b>
<b>EXPENSES</b>				
Program Services				
Grants	474,329	0	474,329	636,483
Camps	158,378	0	158,378	117,803
Family Support Services	607,385	0	607,385	840,045
Total Program Services	1,240,092	0	1,240,092	1,594,331
General and Administrative	303,497	0	303,497	248,452
Fundraising	415,364	0	415,364	449,499
<b>Total Expenses</b>	<b>1,958,953</b>	<b>0</b>	<b>1,958,953</b>	<b>2,292,282</b>
<b>Net Assets Released from Restriction</b>	<b>1,967,029</b>	<b>(1,967,029)</b>	<b>0</b>	<b>0</b>
<b>Increase (Decrease) in Net Assets</b>				
<b>Before Investment Income</b>	<b>994,360</b>	<b>(1,345,414)</b>	<b>(351,054)</b>	<b>(627,855)</b>
Net Investment Income	8,555	0	8,555	22,151
Net Realized Investment Gain (Loss)	(6,942)	0	(6,942)	(2,738)
Net Unrealized Investment Gain (Loss)	(2,071)	0	(2,071)	7,909
<b>Total Investment Income</b>	<b>(458)</b>	<b>0</b>	<b>(458)</b>	<b>27,322</b>
<b>Increase (Decrease) in Net Assets</b>	993,902	(1,345,414)	(351,512)	(600,533)
<b>Net Assets - Beginning of Year</b>	<b>(903,489)</b>	<b>1,611,311</b>	<b>707,822</b>	<b>1,308,355</b>
<b>Net Assets - End of Year</b>	<b>90,413</b>	<b>265,897</b>	<b>356,310</b>	<b>707,822</b>

*See accompanying notes and auditors' report*

# CHILDREN'S BRAIN TUMOR FOUNDATION, INC.

## Statement of Functional Expenses

**For the Year Ended December 31, 2015  
(With Summarized Financial Information  
For the Year Ended December 31, 2014)**

	<b>Program Services</b>	<b>General and Administrative</b>	<b>Fundraising</b>	<b>Total 2015</b>	<b>Total 2014</b>
Grants	347,500	0	0	347,500	636,483
Grant Administration Expense	47,439	0	0	47,439	10,658
Camps	123,671	0	0	123,671	117,803
Salaries, Payroll Taxes and Employee Benefits	408,264	153,911	96,716	658,891	640,842
Interns and Temporary Help	7,495	0	0	7,495	28,841
Advocacy	11,538	0	0	11,538	6,570
Rent and Utilities	45,487	10,249	17,675	73,411	79,949
Conferences	63,409	0	0	63,409	74,992
Campference	0	0	0	0	31,450
Insurance	29,611	6,673	11,506	47,790	60,813
Outreach Services	118,025	0	0	118,025	120,550
Resource Guides/Newsletter	9,886	0	0	9,886	14,901
Office Supplies	9,968	2,247	3,873	16,088	12,900
Postage	6,688	1,466	4,662	12,816	12,032
Printing	1,328	299	16,768	18,395	9,747
Website/Public Relations	0	0	650	650	3,516
Professional/Recruitment Costs	0	54,715	0	54,715	75,658
Telephone	8,780	1,978	3,411	14,169	10,611
Depreciation	706	386	425	1,517	1,054
Special Events	0	0	252,540	252,540	277,783
Operating Supplies	297	71,573	7,138	79,008	65,129
<b>Total Expenses</b>	<u>1,240,092</u>	<u>303,497</u>	<u>415,364</u>	<u>1,958,953</u>	<u>2,292,282</u>

*See accompanying notes and auditors' report*

**CHILDREN'S BRAIN TUMOR FOUNDATION, INC.**

**Statement of Cash Flows**

**For the Year Ended December 31, 2015  
(With Summarized Financial Information  
For the Year Ended December 31, 2014)**

	<u>2015</u>	<u>2014</u>
<b>Cash Flows From Operating Activities</b>		
Change in Net Assets	(351,512)	(600,533)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	1,517	1,054
Net Realized Investment Loss	6,942	2,738
Net Unrealized Investment Loss (Gain)	2,071	(7,909)
Decrease (Increase) in operating assets:		
Promises to Give (Net)	157,881	(16,431)
Security Deposits	(8,550)	0
Prepaid Expenses and Other Assets	(26,840)	51,656
Increase (Decrease) in operating liabilities:		
Accounts Payable and Accrued Expenses	33,166	(10,056)
Deferred Support	92,000	0
Grants Payable	147,500	2,500
<b>Net cash provided (used) by operating activities</b>	<u>54,175</u>	<u>(576,981)</u>
<b>Cash Flows From Investing Activities</b>		
Purchases of Investments	(245,103)	(242,412)
Sales and Maturities of Investments	536,921	630,276
Purchase of Property and Equipment	(6,996)	(9,262)
<b>Net cash provided by investing activities</b>	<u>284,822</u>	<u>378,602</u>
<b>Increase (Decrease) in Cash and Cash Equivalents</b>	338,997	(198,379)
<b>Cash and Cash Equivalents - Beginning of Year</b>	<u>41,499</u>	<u>239,878</u>
<b>Cash and Cash Equivalents - End of Year</b>	<u><u>380,496</u></u>	<u><u>41,499</u></u>

*See accompanying notes and auditors' report*



# CHILDREN'S BRAIN TUMOR FOUNDATION, INC.

## Notes to Financial Statements

December 31, 2015  
(With Summarized Financial Information  
For the Year Ended December 31, 2014)

### Note 1

#### **Organization**

Children's Brain Tumor Foundation, Inc. (the Foundation) was incorporated on December 13, 1988 under the Not-for-Profit Corporation Law of the State of Delaware. The Foundation has received authority to conduct activities in the State of New York under Section 1304 of the Not-for-Profit Corporation Law.

The mission of the Foundation is to improve treatment, quality of life, and long-term outlook for children with brain and spinal cord tumors through grants for research and support, education and advocacy for families and survivors.

### Note 2

#### **Summary of Significant Accounting Policies**

##### **Basis of Accounting**

The financial statements of Children's Brain Tumor Foundation, Inc. have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

##### **Comparative Information**

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Foundation's financial statements for the year ended December 31, 2014 from which the summarized information was derived.

##### **Cash and Cash Equivalents**

For purposes of the statements of financial position and cash flows, the Foundation considers money market funds to be cash equivalents.

##### **Property and Equipment**

The Foundation records purchases of equipment at cost and records depreciation using the straight-line method over estimated useful lives of 5 to 10 years.

# CHILDREN'S BRAIN TUMOR FOUNDATION, INC.

## Notes to Financial Statements

December 31, 2015  
(With Summarized Financial Information  
For the Year Ended December 31, 2014)

### Note 2

#### **Summary of Significant Accounting Policies - continued**

##### **Net Assets**

The net assets of the Foundation and changes therein are classified and reported as follows:

**Unrestricted:** Unrestricted net assets represent those resources that are not subject to donor-imposed restrictions.

**Temporarily Restricted:** Temporarily restricted net assets represent those resources that are subject to donor-imposed restrictions as to use or arise as a result of unconditional promises to give which have not yet been received. When a donor restriction expires, that is, when a stipulated purpose restriction is accomplished or when a promise to give is received, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statement of activities as net assets released from restriction.

The Foundation commingles operating and temporarily restricted cash and investments to maximize income. Investment income (consisting of interest and dividend income), realized gains and losses, and unrealized gains and losses on investments has been reflected in the Statement of Activities.

##### **Contributions**

Contributions are reported at fair value at the date the contribution is received. Contributions are reported as temporarily restricted or permanently restricted support if they are received with donor stipulations that limit the use of the donations. Restricted contributions where the restriction is met in the same reporting period that the contribution is made are treated as unrestricted support.

##### **Promises to Give**

Unconditional promises to give (pledges), less an allowance for uncollectible amounts where applicable, are recognized as temporarily restricted contributions when the pledge is made.

# CHILDREN'S BRAIN TUMOR FOUNDATION, INC.

## Notes to Financial Statements

December 31, 2015  
(With Summarized Financial Information  
For the Year Ended December 31, 2014)

### Note 2

#### **Summary of Significant Accounting Policies - continued** **Donated Goods and Services**

Donated goods used for family support and donated professional services are reflected in the statement of activities at their fair value.

#### **Functional Allocation of Expenses**

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

#### **Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America includes estimates that affect the financial statements. Accordingly, actual results could differ from those estimates.

#### **Tax Status**

The Foundation is exempt from Federal Income Taxes under Section 501 (c)(3) of the Internal Revenue Code. The Foundation's tax exempt status is subject to review by the Internal Revenue Service.

### Note 3

#### **Concentrations of Credit Risk**

The Foundation maintains various bank and money market accounts that at times may exceed insured credit limits. The Foundation has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk with respect to such balances.

The Foundation has investments in money funds which are not bank deposits or F.D.I.C. insured and are not guaranteed by the brokerage house. The funds are subject to investment risks including possible loss of the principal amount invested.

# CHILDREN'S BRAIN TUMOR FOUNDATION, INC.

## Notes to Financial Statements

December 31, 2015  
(With Summarized Financial Information  
For the Year Ended December 31, 2014)

**Note 4** Investments and Fair Value Measurements

Investments are stated at fair value and consisted of the following at December 31:

	<u>2015</u>	<u>2014</u>
US Government Securities	-0-	119,432
Mutual Funds	92,487	102,780
Corporate Bonds	-0-	50,128
Equities	-0-	119,947
Other	<u>-0-</u>	<u>1,031</u>
Total	<u>92,487</u>	<u>393,318</u>

Purchases of marketable securities are initially recorded at cost; donated securities are recorded at fair value on the date of the contribution. Realized and unrealized gains and losses are recorded separately in the Statement of Activities. Investment fees have been netted against investment income in the Statement of Activities.

The Foundation values its investments at fair value, based on prices provided to it by its custodian. In determining fair value, the highest priority is given to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1: Quoted prices (unadjusted) for identical investments in active markets
- Level 2: Other significant observable inputs (including quoted prices for similar investments, interest rates, credit risk, etc.)
- Level 3: Significant unobservable inputs

# CHILDREN'S BRAIN TUMOR FOUNDATION, INC.

## Notes to Financial Statements

December 31, 2015  
(With Summarized Financial Information  
For the Year Ended December 31, 2014)

**Note 4**      **Investments and Fair Value Measurements - continued**

The following is a summary of the inputs used in valuing the Foundation's investments at December 31:

	<u>2015</u>	<u>2014</u>
Level 1	92,487	393,318
Level 2	-0-	-0-
Level 3	<u>-0-</u>	<u>-0-</u>
Total	<u>92,487</u>	<u>393,318</u>

The Foundation invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the Foundation's balance sheet.

**Note 5**      **Promises to Give (Net)**

The Foundation is affiliated with the Combined Federal Campaign (CFC), a workplace giving program for employees. Under the program, employees make pledges during the last quarter of the calendar year, which are then withheld from their paychecks during the following year, and subsequently remitted to the Foundation. The promises to give are recorded when the amount of the pledges are provided by CFC. At December 31, 2015 and 2014, the Foundation provided an allowance for doubtful accounts of \$10,563 and \$14,486, respectively for amounts not expected to be collected.

**Note 6**      **Temporarily Restricted Assets**

Temporarily restricted net assets at December 31 were as follows:

	<u>2015</u>	<u>2014</u>
Funds restricted for special projects	48,473	499,636
Funds restricted for research	125,757	862,127
Promises to Give	<u>91,667</u>	<u>249,548</u>
Total Temporarily Restricted Assets	<u>265,897</u>	<u>1,611,311</u>

# CHILDREN'S BRAIN TUMOR FOUNDATION, INC.

## Notes to Financial Statements

December 31, 2015  
(With Summarized Financial Information  
For the Year Ended December 31, 2014)

### Note 7

#### Special Events Support

Support received from special events consisted of:

	<u>2015</u>	<u>2014</u>
Big Apple Circus	43,054	33,976
New York Dream and Promise Gala	577,083	810,787
Danny Jegle Memorial Golf Outing	-0-	24,420
Children's Walks	113,539	43,535
Texas Hold 'Em	44,772	35,937
Lima - Special Events	2,325	5,250
Other Events	<u>34,339</u>	<u>350</u>
Total Special Events Support	<u>815,112</u>	<u>954,255</u>

Costs of direct benefits to donors are reported as a deduction from special events support in the Statement of Activities. Other costs associated with special events are reported in the Statement of Functional Expenses. These costs consisted of the following:

	<u>2015</u>	<u>2014</u>
Fundraiser Fees and Expenses	98,188	125,494
Printing	28,328	10,641
Filming, Audio and Production	7,232	78,010
Postage	7,798	10,393
Other	<u>110,994</u>	<u>53,245</u>
Total Special Events Costs	<u>252,540</u>	<u>277,783</u>

### Note 8

#### Operating Lease

The Foundation leases office space under an operating lease which was set to expire on November 30, 2015, requiring equal annual rental payments of \$49,712 plus utilities and applicable cost of living increase escalations. The lease was extended through December 31, 2015. On November 18, 2015 the foundation entered into a lease agreement at a new location requiring a security deposit of \$8,550. For the period January 1 through March 31, monthly lease payments of \$3,705 are required. Beginning April 1, 2016 monthly lease payments of \$4,845 are required.

**CHILDREN'S BRAIN TUMOR FOUNDATION, INC.**

**Notes to Financial Statements**

**December 31, 2015**

**(With Summarized Financial Information  
For the Year Ended December 31, 2014)**

**Note 9**

**Subsequent Events**

Beginning October 1, 2016, the foundation changed offices within the same building which reduced the security deposit required to \$6,150. The monthly rental expense was reduced to \$4,100 per month. Unlike the lease at the previous location, the current lease agreement will not have additional utility or cost of living increase escalations.

The Foundation's management has evaluated subsequent events through November 1, 2016, the date at which the financial statements became available for issuance.

**INDEPENDENT AUDITORS' REPORT  
ON SUPPLEMENTARY INFORMATION**

**To the Board of Trustees  
CHILDREN'S BRAIN TUMOR FOUNDATION, INC.**

We have audited the financial statements of the Children's Brain Tumor Foundation, Inc. as of and for the year ended December 31, 2015 and have issued our report thereon dated November 1, 2016, which contained an unqualified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The schedule of revenues, expenses and fund balances - temporarily restricted funds is presented for the purposes of additional analysis and is not a required part of the basic 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 financial statements. The information has been subjected to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, that information is fairly stated in all material respects in relation to the financial statements as a whole.



**BLOOM AND STREIT LLP**  
**Certified Public Accountants**  
**November 1, 2016**



**CHILDREN'S BRAIN TUMOR FOUNDATION, INC.**

**Schedule of Revenues, Expenses and Fund Balances - Temporarily Restricted Funds**

For the Year Ended December 31, 2015

		ELLIOT SOBEL RESEARCH FUND	FRANCINE STRICKLER- GREENSPAN FUND	JENNA'S RAINBOW FUND	JUSTIN'S HOPE FUND	LIMA FUND	PROMISES TO GIVE		
		(PROJECT)	(PROJECT)	(PROJECT)	(RESEARCH)	(RESEARCH)	(RESEARCH)	(RESEARCH)	TOTALS
<b>Support</b>									
Special Event Income	0				0	2,325	0		2,325
Contributions	0			54,500		483,112	81,678		619,290
<b>Total Support</b>	0			54,500		485,437	81,678		621,615
<b>Net Assets Released from Restriction</b>	(259,475)	(95,066)	(15,932)	(6,027)	(25,979)	(1,195,828)	(239,559)		(1,967,029)
<b>Change in Net Assets</b>	(259,475)	(95,066)	(15,932)	48,473	(25,979)	(710,391)	(157,881)		(1,345,414)
<b>Fund Balances - Beginning of Year</b>	259,475	95,066	15,932	0	25,979	836,148	249,548		1,611,311
<b>Fund Balances - End of Year</b>	0	0	0	48,473	0	125,757	91,667		265,897

See auditors' report on supplementary information