

CHILDREN'S BRAIN TUMOR FOUNDATION, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2017

**(WITH SUMMARIZED FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2016)**

CHILDREN'S BRAIN TUMOR FOUNDATION, INC.

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(With Summarized Financial Information
For the Year Ended December 31, 2016)**

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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, 2017, and the related statements of activities, cash flows and functional expenses for the year 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 audit. We conducted our audit 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, 2017, and the results of their operations and their cash flows for the year 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. 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 21, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2016 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Bloom and Streit LLP

BLOOM AND STREIT LLP
Certified Public Accountants
September 5, 2018

CHILDREN'S BRAIN TUMOR FOUNDATION, INC.

Statement of Financial Position

December 31, 2017

(With Summarized Financial Information
For The Year Ended December 31, 2016)

	<u>2017</u>	<u>2016</u>
ASSETS		
Cash and Cash Equivalents	306,969	543,237
Investments	65,403	46,170
Total Cash and Investments	<u>372,372</u>	<u>589,407</u>
Prepaid Expenses and Other Assets	13,780	3,331
Security Deposits	6,150	6,150
Promises to Give (Net)	214,105	19,945
Equipment (Net)	12,078	13,704
TOTAL ASSETS	<u><u>618,485</u></u>	<u><u>632,537</u></u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses	51,418	72,377
Deferred Support	30,000	0
Grants Payable	75,000	175,000
TOTAL LIABILITIES	<u>156,418</u>	<u>247,377</u>
NET ASSETS		
Unrestricted - Operating	(17,177)	91,224
Temporarily Restricted	479,244	293,936
TOTAL NET ASSETS	<u>462,067</u>	<u>385,160</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>618,485</u></u>	<u><u>632,537</u></u>

See accompanying notes and auditors' report

CHILDREN'S BRAIN TUMOR FOUNDATION, INC.

Statement of Activities

For the Year Ended December 31, 2017
(With Summarized Financial Information
For The Year Ended December 31, 2016)

	UNRESTRICTED FUNDS	TEMPORARILY RESTRICTED FUNDS	TOTALS 2017	TOTALS 2016
SUPPORT				
Special Events	957,176	0	957,176	1,121,902
Less: Costs of Direct Benefits to Donors	(210,408)	0	(210,408)	(247,673)
	746,768	0	746,768	874,229
Contributions	292,155	404,378	696,533	525,374
Total Support	<u>1,038,923</u>	<u>404,378</u>	<u>1,443,301</u>	<u>1,399,603</u>
EXPENSES				
Program Services				
Grants	169,191	0	169,191	142,085
Camps	189,312	0	189,312	190,955
Family Support Services	558,785	0	558,785	538,135
Total Program Services	<u>917,288</u>	<u>0</u>	<u>917,288</u>	<u>871,175</u>
General and Administrative	155,973	0	155,973	140,772
Fundraising	299,672	0	299,672	362,648
Total Expenses	<u>1,372,933</u>	<u>0</u>	<u>1,372,933</u>	<u>1,374,595</u>
Net Assets Released from Restriction	<u>219,070</u>	<u>(219,070)</u>	<u>0</u>	<u>0</u>
(Decrease) Increase in Net Assets Before Investment Income	<u>(114,940)</u>	<u>185,308</u>	<u>70,368</u>	<u>25,008</u>
Net Investment Income	1,831	0	1,831	1,190
Net Realized Investment Gain (Loss)	1,518	0	1,518	(43)
Net Unrealized Investment Gain (Loss)	3,190	0	3,190	2,695
Total Investment Income	<u>6,539</u>	<u>0</u>	<u>6,539</u>	<u>3,842</u>
(Decrease) Increase in Net Assets	<u>(108,401)</u>	<u>185,308</u>	<u>76,907</u>	<u>28,850</u>
Net Assets - Beginning of Year	<u>91,224</u>	<u>293,936</u>	<u>385,160</u>	<u>356,310</u>
Net Assets - End of Year	<u>(17,177)</u>	<u>479,244</u>	<u>462,067</u>	<u>385,160</u>

See accompanying notes and auditors' report

CHILDREN'S BRAIN TUMOR FOUNDATION, INC.

Statement of Cash Flows

For the Year Ended December 31, 2017
(With Summarized Financial Information
For the Year Ended December 31, 2016)

	2017	2016
Cash Flows From Operating Activities		
Change in Net Assets	76,907	28,850
Adjustments to reconcile change in net assets to net cash (used) provided by operating activities:		
Depreciation	1,626	1,626
Donated Securities	(97,372)	(15,132)
Net Realized Investment (Gain) Loss	(1,518)	43
Net Unrealized Investment Gain	(3,190)	(2,695)
Decrease (Increase) in operating assets:		
Promises to Give (Net)	(194,160)	71,721
Security Deposits	0	2,400
Prepaid Expenses and Other Assets	(10,449)	55,845
Increase (Decrease) in operating liabilities:		
Accounts Payable and Accrued Expenses	(20,959)	22,981
Deferred Support	30,000	(92,000)
Grants Payable	(100,000)	25,000
Net cash (used) provided by operating activities	(319,115)	98,639
Cash Flows From Investing Activities		
Purchases of Investments	(57,063)	(13,690)
Sales and Maturities of Investments	139,910	77,792
Net cash provided by investing activities	82,847	64,102
(Decrease) Increase in Cash and Cash Equivalents	(236,268)	162,741
Cash and Cash Equivalents - Beginning of Year	543,237	380,496
Cash and Cash Equivalents - End of Year	306,969	543,237
Supplemental Disclosure:	N/A	N/A

See accompanying notes and auditors' report

CHILDREN'S BRAIN TUMOR FOUNDATION, INC.

Statement of Functional Expenses

**For the Year Ended December 31, 2017
(With Summarized Financial Information
For the Year Ended December 31, 2016)**

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total 2017</u>	<u>Total 2016</u>
Grants	150,000	0	0	150,000	125,000
Grant Administration	2,232	0	0	2,232	727
Camps	154,458	0	0	154,458	157,161
Salaries, Payroll Taxes and Employee Benefits	345,146	48,029	14,073	407,248	437,467
Interns and Temporary Help	1,823	0	0	1,823	0
Advocacy	4,300	0	0	4,300	2,159
Rent and Utilities	32,027	8,161	1,306	41,494	58,832
Conferences	43,279	0	476	43,755	27,639
Insurance	36,017	5,011	1,469	42,497	38,855
Outreach/Family Support	121,946	0	0	121,946	102,321
Resource Guides/Newsletter	8,472	0	4,548	13,020	3,938
College Study Research	416	0	0	416	20,000
Office Supplies	6,538	910	267	7,715	7,716
Postage	4,156	579	8,605	13,340	6,634
Printing	52	7	266	325	5,915
Professional Services	0	59,519	0	59,519	58,438
Telephone	4,091	568	167	4,826	12,454
Depreciation	1,005	315	306	1,626	1,626
Special Events	0	0	261,752	261,752	249,481
Operating Software/Supplies	1,330	32,874	6,437	40,641	58,232
Total Expenses	<u>917,288</u>	<u>155,973</u>	<u>299,672</u>	<u>1,372,933</u>	<u>1,374,595</u>

See accompanying notes and auditors' report

CHILDREN'S BRAIN TUMOR FOUNDATION, INC.

Notes to Financial Statements

December 31, 2017

(With Summarized Financial Information
For the Year Ended December 31, 2016)

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, 2016 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.

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.

CHILDREN'S BRAIN TUMOR FOUNDATION, INC.

Notes to Financial Statements

December 31, 2017

(With Summarized Financial Information
For the Year Ended December 31, 2016)

Note 2

Summary of Significant Accounting Policies - continued

Net Assets

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.

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.

CHILDREN'S BRAIN TUMOR FOUNDATION, INC.

Notes to Financial Statements

December 31, 2017
(With Summarized Financial Information
For the Year Ended December 31, 2016)

Note 2 Summary of Significant Accounting Policies - continued

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.

Note 4 Investments and Fair Value Measurements

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

	<u>2017</u>	<u>2016</u>
US Government Securities	-0-	-0-
Mutual Funds	51,483	46,170
Corporate Bonds	-0-	-0-
Equities	13,920	-0-
Other	<u>-0-</u>	<u>-0-</u>
Total	<u>65,403</u>	<u>46,170</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.

CHILDREN'S BRAIN TUMOR FOUNDATION, INC.

Notes to Financial Statements

December 31, 2017

(With Summarized Financial Information
For the Year Ended December 31, 2016)

Note 4

Investments and Fair Value Measurements - continued

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

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

	<u>2017</u>	<u>2016</u>
Level 1	65,403	46,170
Level 2	-0-	-0-
Level 3	-0-	-0-
Total	<u>65,403</u>	<u>46,170</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, 2017 and 2016, the Foundation provided an allowance for doubtful accounts on these promises of \$5,437 and \$9,699, respectively for amounts not expected to be collected.

CHILDREN'S BRAIN TUMOR FOUNDATION, INC.

Notes to Financial Statements

December 31, 2017

(With Summarized Financial Information
For the Year Ended December 31, 2016)

Note 5 Promises to Give (Net) - continued

Also included in Promises to Give at December 31, 2017 is a pledge from LIMA in the amount of \$205,600. This pledge was received in full in January 2018.

Note 6 Temporarily Restricted Assets

Temporarily restricted net assets at December 31 were as follows:

	<u>2017</u>	<u>2016</u>
Funds restricted for special projects	14,298	19,457
Funds restricted for research	250,841	254,534
Promises to Give	<u>214,105</u>	<u>19,945</u>
Total Temporarily Restricted Assets	<u>479,244</u>	<u>293,936</u>

Note 7 Special Events Support

Support received from special events consisted of:

	<u>2017</u>	<u>2016</u>
Big Apple Circus	19,391	-0-
New York Dream and Promise Gala	818,406	618,042
Houston Benefit	-0-	285,594
Children's Walks	68,175	133,997
Texas Hold 'Em	42,544	60,244
Other Events	<u>8,660</u>	<u>24,025</u>
Total Special Events Support	<u>957,176</u>	<u>1,121,902</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>2017</u>	<u>2016</u>
Fundraiser Fees and Expenses	138,750	105,210
Printing	30,208	27,913
Filming, Audio and Production	16,275	44,942
Postage	4,491	5,697
Other	<u>72,028</u>	<u>65,719</u>
Total Special Events Costs	<u>261,752</u>	<u>249,481</u>

CHILDREN'S BRAIN TUMOR FOUNDATION, INC.

Notes to Financial Statements

December 31, 2017

(With Summarized Financial Information
For the Year Ended December 31, 2016)

Note 8

Operating Lease

The Foundation leases office space under an operating lease which began on November 18, 2015. For the period January 1 through March 31, 2016, monthly lease payments of \$3,705 were required. Beginning April 1, 2016 monthly lease payments of \$4,845 were required.

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 less discounts. Unlike the lease at the previous location, the current lease agreement will not have additional utility or cost of living increase escalations.

Note 9

Subsequent Events

The Foundation's management has evaluated subsequent events through September 5, 2018, 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 Children's Brain Tumor Foundation, Inc. as of and for the year ended December 31, 2017 and have issued our report thereon dated September 5, 2018 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 not been subjected to the auditing procedures applied in our audit of the financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Bloom and Streit LLP
BLOOM AND STREIT LLP
Certified Public Accountants
September 5, 2018

CHILDREN'S BRAIN TUMOR FOUNDATION, INC.

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

For the Year Ended December 31, 2017

	JENNA'S RAINBOW FUND (PROJECT)	LIMA FUND (RESEARCH)	PROMISES TO GIVE	TOTALS
Support				
Contributions	49,500	147,229	207,649	404,378
Total Support	<u>49,500</u>	<u>147,229</u>	<u>207,649</u>	<u>404,378</u>
Net Assets Released from Restriction	<u>(54,659)</u>	<u>(150,922)</u>	<u>(13,489)</u>	<u>(219,070)</u>
Change in Net Assets	(5,159)	(3,693)	194,160	185,308
Fund Balances - Beginning of Year	<u>19,457</u>	<u>254,534</u>	<u>19,945</u>	<u>293,936</u>
Fund Balances - End of Year	<u><u>14,298</u></u>	<u><u>250,841</u></u>	<u><u>214,105</u></u>	<u><u>479,244</u></u>

See auditors' report on supplementary information