

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

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2018**

**(WITH SUMMARIZED FINANCIAL INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2017)**

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

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

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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, 2018, 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, 2018, 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. 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 5, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2017 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 11, 2019**

# CHILDREN'S BRAIN TUMOR FOUNDATION, INC.

## Statement of Financial Position

December 31, 2018

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

	<u>2018</u>	<u>2017</u>
<b>ASSETS</b>		
Cash and Cash Equivalents	636,367	306,969
Investments	49,244	65,403
<b>Total Cash and Investments</b>	<u>685,611</u>	<u>372,372</u>
Prepaid Expenses and Other Assets	1,708	13,780
Security Deposits	6,150	6,150
Promises to Give (Net)	21,184	214,105
Equipment (Net)	10,453	12,078
<b>TOTAL ASSETS</b>	<u><u>725,106</u></u>	<u><u>618,485</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts Payable and Accrued Expenses	72,705	51,418
Deferred Support	0	30,000
Grants Payable	150,000	75,000
<b>TOTAL LIABILITIES</b>	<u>222,705</u>	<u>156,418</u>
<b>NET ASSETS</b>		
Without Donor Restrictions	195,860	(17,177)
With Donor Restrictions	306,541	479,244
<b>TOTAL NET ASSETS</b>	<u>502,401</u>	<u>462,067</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>725,106</u></u>	<u><u>618,485</u></u>

*See accompanying notes and auditors' report*

# CHILDREN'S BRAIN TUMOR FOUNDATION, INC.

## Statement of Activities

**For the Year Ended December 31, 2018**  
**(With Summarized Financial Information**  
**For The Year Ended December 31, 2017)**

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTALS 2018	TOTALS 2017
<b>SUPPORT</b>				
Special Events	1,353,657	15,000	1,368,657	957,176
Less: Costs of Direct Benefits to Donors	(267,811)	0	(267,811)	(210,408)
	1,085,846	15,000	1,100,846	746,768
Contributions	417,309	377,716	795,025	696,533
<b>Total Support</b>	<b>1,503,155</b>	<b>392,716</b>	<b>1,895,871</b>	<b>1,443,301</b>
<b>EXPENSES</b>				
Program Services				
Grants	370,179	0	370,179	169,191
Camps	188,395	0	188,395	189,312
Family Support Services	575,024	0	575,024	558,785
<b>Total Program Services</b>	<b>1,133,598</b>	<b>0</b>	<b>1,133,598</b>	<b>917,288</b>
General and Administrative	237,214	0	237,214	155,973
Fundraising	487,072	0	487,072	299,672
<b>Total Expenses</b>	<b>1,857,884</b>	<b>0</b>	<b>1,857,884</b>	<b>1,372,933</b>
<b>Net Assets Released from Restriction</b>	<b>565,419</b>	<b>(565,419)</b>	<b>0</b>	<b>0</b>
<b>Increase (Decrease) in Net Assets</b>				
<b>Before Investment Income</b>	<b>210,690</b>	<b>(172,703)</b>	<b>37,987</b>	<b>70,368</b>
Net Investment Income	5,187	0	5,187	1,831
Net Realized Investment Gain (Loss)	143	0	143	1,518
Net Unrealized Investment Gain (Loss)	(2,984)	0	(2,984)	3,190
<b>Total Investment Income</b>	<b>2,346</b>	<b>0</b>	<b>2,346</b>	<b>6,539</b>
<b>Increase (Decrease) in Net Assets</b>	<b>213,036</b>	<b>(172,703)</b>	<b>40,333</b>	<b>76,907</b>
<b>Net Assets - Beginning of Year</b>	<b>(17,176)</b>	<b>479,244</b>	<b>462,068</b>	<b>385,160</b>
<b>Net Assets - End of Year</b>	<b>195,860</b>	<b>306,541</b>	<b>502,401</b>	<b>462,067</b>

*See accompanying notes and auditors' report*

# CHILDREN'S BRAIN TUMOR FOUNDATION, INC.

## Statement of Cash Flows

For the Year Ended December 31, 2018  
(With Summarized Financial Information  
For the Year Ended December 31, 2017)

	<u>2018</u>	<u>2017</u>
<b>Cash Flows From Operating Activities</b>		
Change in Net Assets	40,333	76,907
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	1,626	1,626
Donated Securities	(165,510)	(97,372)
Net Realized Investment (Gain) Loss	(143)	(1,518)
Net Unrealized Investment Gain	2,984	(3,190)
Decrease (Increase) in operating assets:		
Promises to Give (Net)	192,921	(194,160)
Prepaid Expenses and Other Assets	12,072	(10,449)
Increase (Decrease) in operating liabilities:		
Accounts Payable and Accrued Expenses	21,287	(20,959)
Deferred Support	(30,000)	30,000
Grants Payable	75,000	(100,000)
<b>Net cash provided (used) by operating activities</b>	<u>150,570</u>	<u>(319,115)</u>
<b>Cash Flows From Investing Activities</b>		
Purchases of Investments	(11,647)	(57,063)
Sales and Maturities of Investments	190,475	139,910
<b>Net cash provided by investing activities</b>	<u>178,828</u>	<u>82,847</u>
<b>Increase (Decrease) in Cash and Cash Equivalents</b>	329,398	(236,268)
<b>Cash and Cash Equivalents - Beginning of Year</b>	<u>306,969</u>	<u>543,237</u>
<b>Cash and Cash Equivalents - End of Year</b>	<u><u>636,367</u></u>	<u><u>306,969</u></u>
<b>Supplemental Disclosure:</b>	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, 2018**  
**(With Summarized Financial Information**  
**For the Year Ended December 31, 2017)**

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total 2018</u>	<u>Total 2017</u>
Grants	300,000	0	0	300,000	150,000
Grant Administration	2,589	0	0	2,589	2,232
Camps	156,507	0	0	156,507	154,458
Salaries, Payroll Taxes and Employee Benefits	354,154	70,404	52,583	477,141	407,248
Interns and Temporary Help	14,812	48,748	48,748	112,308	1,823
Advocacy	3,694	0	0	3,694	4,300
Rent and Utilities	37,231	7,401	5,528	50,160	41,494
Conferences	61,656	0	2,942	64,598	43,755
Insurance	26,840	5,335	3,985	36,160	42,497
Outreach/Marketing	141,658	0	41,504	183,162	122,362
Resource Guides/Newsletter	12,674	0	0	12,674	13,020
Office Supplies	10,488	2,085	1,557	14,130	7,715
Printing and Postage	3,578	711	6,994	11,283	13,665
Professional Services	0	49,710	10,676	60,386	59,519
Telephone	3,035	603	451	4,089	4,826
Depreciation	1,005	315	306	1,626	1,626
Special Events	0	0	301,278	301,278	261,752
Operating Software/Supplies	3,677	51,902	10,520	66,099	40,641
<b>Total Expenses</b>	<u>1,133,598</u>	<u>237,214</u>	<u>487,072</u>	<u>1,857,884</u>	<u>1,372,933</u>

*See accompanying notes and auditors' report*



# CHILDREN'S BRAIN TUMOR FOUNDATION, INC.

## Notes to Financial Statements

December 31, 2018

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

### 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, 2017 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:

Without donor restrictions: These 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, 2018

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

### Note 2

#### Summary of Significant Accounting Policies - continued

##### Net Assets

With donor restrictions: These 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, net assets with donor restrictions are reclassified as net assets without donor restrictions and are reported in the statement of activities as net assets released from restriction.

The Foundation commingles operating and 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 net assets with donor restrictions if they are received with donor stipulations that limit the use of the donations. Contributions where the restriction is met in the same reporting period that the contribution is made are treated as net assets without donor restrictions.

##### Promises to Give

Unconditional promises to give (pledges), less an allowance for uncollectible amounts where applicable, are recognized as increases in net assets without donor restrictions when the pledge is made.

##### Contributed Services

No amounts have been reflected in the financial statements for contributed services. Many individuals volunteer their time to assist the Foundation, but these services do not meet the criteria for recognition as contributed services.

# CHILDREN'S BRAIN TUMOR FOUNDATION, INC.

## Notes to Financial Statements

December 31, 2018

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

### Note 2

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

##### **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. The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include compensation and benefits, depreciation, occupancy expenses, telephone and office expenses which are allocated on the basis of estimates of time and effort.

##### **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, 2018  
(With Summarized Financial Information  
For the Year Ended December 31, 2017)

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

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

	<u>2018</u>	<u>2017</u>
US Government Securities	-0-	-0-
Mutual Funds	49,244	51,483
Equities	-0-	<u>13,920</u>
Total	<u>49,244</u>	<u>65,403</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, 2018

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

**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>2018</u>	<u>2017</u>
Level 1	49,244	65,403
Level 2	-0-	-0-
Level 3	-0-	-0-
Total	<u>49,244</u>	<u>65,403</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 statement of financial position.

**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, 2018 and 2017, the Foundation provided an allowance for doubtful accounts on these promises of \$2,401 and \$5,437, respectively for amounts not expected to be collected.

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.

# CHILDREN'S BRAIN TUMOR FOUNDATION, INC.

## Notes to Financial Statements

### December 31, 2018 (With Summarized Financial Information For the Year Ended December 31, 2017)

**Note 6**

**Net Assets with Donor Restrictions**

Net assets with donor restrictions are subject to the following purpose or time restrictions.

	<u>2018</u>	<u>2017</u>
Subject to purpose restrictions:		
Adolescent/Young Adult Programs	-0-	14,298
Research	<u>285,357</u>	<u>250,841</u>
	285,357	265,139
Subject to time restrictions:		
For periods after		
December 31, 2018	<u>21,184</u>	<u>214,105</u>
Total net assets with donor restrictions	<u>306,541</u>	<u>479,244</u>

During the year ended December 31, net assets released from restrictions consisted of the following:

	<u>2018</u>	<u>2017</u>
Satisfaction of program restriction	352,031	205,581
Expiration of time restriction	<u>213,388</u>	<u>13,489</u>
	<u>565,419</u>	<u>219,070</u>

**Note 7**

**Liquidity and Availability of Financial Assets**

The following reflects the Foundation's financial assets as of the statement of financial position date reduced by amounts not available for general use within one year of the statement of financial position date.

	<u>2018</u>	<u>2017</u>
Financial Assets at year end	706,795	586,477
Donor restricted for research	-0-	( 14,298)
Donor restricted for research	<u>(285,357)</u>	<u>(250,841)</u>
Financial Assets available to meet cash needs for general expenditures within one year	<u>421,438</u>	<u>321,338</u>

As part of its liquidity management, the Foundation invests excess cash in mutual funds which are readily available for sale if necessary.

# CHILDREN'S BRAIN TUMOR FOUNDATION, INC.

## Notes to Financial Statements

December 31, 2018

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

### Note 8

#### Special Events Support

Support received from special events consisted of:

	<u>2018</u>	<u>2017</u>
Big Apple Circus	20,961	19,391
New York Dream and Promise Gala	1,048,309	818,406
Houston Benefit	152,151	-0-
Children's Walks	88,968	68,175
Texas Hold 'Em	58,268	42,544
Other Events	<u>-0-</u>	<u>8,660</u>
Total Special Events Support	<u>1,368,657</u>	<u>957,176</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>2018</u>	<u>2017</u>
Fundraiser Fees and Expenses	179,449	138,750
Printing and Postage	31,433	34,699
Filming, Audio and Production	27,175	16,275
Other Costs	<u>63,221</u>	<u>72,028</u>
Total Special Events Costs	<u>301,278</u>	<u>261,752</u>

### Note 9

#### Operating Lease

The Foundation leases office space under an operating lease which began on October 1, 2016 and required a security deposit of \$6,150. The monthly rental expense was \$4,100 per month less discounts. As of October 1, 2017, the monthly rent was \$4,223 per month less discounts and as of October 1, 2018 was increased to \$4,350 per month less discounts.

### Note 10

#### Subsequent Events

The Foundation's management has evaluated subsequent events through September 11, 2019, 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, 2018 and have issued our report thereon dated September 11, 2019 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 - net assets with donor restrictions 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 11, 2019**



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

**Schedule of Revenues, Expenses and Fund Balances - Net Assets With Donor Restrictions**

**For the Year Ended December 31, 2018**

	<b>JENNA'S RAINBOW FUND (PROJECT)</b>	<b>LIMA FUND (RESEARCH)</b>	<b>PROMISES TO GIVE</b>	<b>TOTALS</b>
<b>Support</b>				
Special Event Income	0	0	15,000	15,000
Contributions	<u>37,733</u>	<u>334,516</u>	<u>5,467</u>	<u>377,716</u>
<b>Total Support</b>	37,733	334,516	20,467	392,716
<b>Net Assets Released from Restriction</b>	<u>(52,031)</u>	<u>(300,000)</u>	<u>(213,388)</u>	<u>(565,419)</u>
<b>Change in Net Assets</b>	(14,298)	34,516	(192,921)	(172,703)
<b>Fund Balances - Beginning of Year</b>	<u>14,298</u>	<u>250,841</u>	<u>214,105</u>	<u>479,244</u>
<b>Fund Balances - End of Year</b>	<u>0</u>	<u>285,357</u>	<u>21,184</u>	<u>306,541</u>

*See auditors' report on supplementary information*