

CHILDREN'S BRAIN TUMOR FOUNDATION, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2021

**(WITH SUMMARIZED FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2020)**

CHILDREN'S BRAIN TUMOR FOUNDATION, INC.

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(With Summarized Financial Information
For the Year Ended December 31, 2020)**

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MARK COHEN, CPA
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INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the accompanying financial statement of Children's Brain Tumor Foundation, Inc., which comprise the statement of financial position as of December 31, 2021, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Children's Brain Tumor Foundation, Inc., as of December 31, 2021, 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.

Basis for Opinion

We have conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Children's Brain Tumor Foundation, Inc., and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Children's Brain Tumor Foundation, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Children's Brain Tumor Foundation, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Children's Brain Tumor Foundation, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Bloom and Streit, LLP

BLOOM AND STREIT LLP
Certified Public Accountants
November 14, 2022

CHILDREN'S BRAIN TUMOR FOUNDATION, INC.

Statement of Financial Position

December 31, 2021
(With Summarized Financial Information
For The Year Ended December 31, 2020)

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and Cash Equivalents	1,341,247	951,174
Investments	3,060	0
Total Cash and Investments	<u>1,344,307</u>	<u>951,174</u>
Prepaid Expenses and Other Assets	5,217	4,056
Security Deposits	5,130	4,725
Promises to Give (Net)	2,122	5,258
Equipment (Net)	<u>5,575</u>	<u>7,201</u>
TOTAL ASSETS	<u><u>1,362,351</u></u>	<u><u>972,414</u></u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses	67,689	34,678
Grants Payable	50,000	0
PPP Loan Payable	0	111,470
TOTAL LIABILITIES	<u>117,689</u>	<u>146,148</u>
NET ASSETS		
Without Donor Restrictions	832,250	386,758
With Donor Restrictions	412,412	439,508
TOTAL NET ASSETS	<u>1,244,662</u>	<u>826,266</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>1,362,351</u></u>	<u><u>972,414</u></u>

See accompanying notes and auditors' report

CHILDREN'S BRAIN TUMOR FOUNDATION, INC.

Statement of Activities

For the Year Ended December 31, 2021
(With Summarized Financial Information
For The Year Ended December 31, 2020)

	<u>WITHOUT DONOR RESTRICTIONS</u>	<u>WITH DONOR RESTRICTIONS</u>	<u>TOTALS 2021</u>	<u>TOTALS 2020</u>
SUPPORT				
Special Events	957,209	0	957,209	906,825
Less: Costs of Direct Benefits to Donors	<u>0</u>	<u>0</u>	<u>0</u>	<u>(14,457)</u>
	957,209	0	957,209	892,368
Contributions	375,171	36,540	411,711	477,694
Current Year PPP Loan Proceeds	85,635	0	85,635	0
Gain on Extinguishment of Debt -				
Prior Year PPP Loan	111,470	0	111,470	0
Miscellaneous Income	<u>10,000</u>	<u>0</u>	<u>10,000</u>	<u>0</u>
Total Support	<u>1,539,485</u>	<u>36,540</u>	<u>1,576,025</u>	<u>1,370,062</u>
EXPENSES				
Program Services				
Grants/Scholarships	60,500	0	60,500	50,000
Camps	23,416	0	23,416	16,653
Family Support Services	<u>528,138</u>	<u>0</u>	<u>528,138</u>	<u>448,505</u>
Total Program Services	612,054	0	612,054	515,158
General and Administrative	114,475	0	114,475	131,091
Fundraising	<u>431,363</u>	<u>0</u>	<u>431,363</u>	<u>403,879</u>
Total Expenses	<u>1,157,892</u>	<u>0</u>	<u>1,157,892</u>	<u>1,050,128</u>
Net Assets Released from Restriction	<u>63,636</u>	<u>(63,636)</u>	<u>0</u>	<u>0</u>
Increase (Decrease) in Net Assets Before Investment Income	<u>445,229</u>	<u>(27,096)</u>	<u>418,133</u>	<u>319,934</u>
Net Investment Income	<u>263</u>	<u>0</u>	<u>263</u>	<u>1,311</u>
Total Investment Income	<u>263</u>	<u>0</u>	<u>263</u>	<u>1,311</u>
Increase (Decrease) in Net Assets	445,492	(27,096)	418,396	321,245
Net Assets - Beginning of Year	<u>386,758</u>	<u>439,508</u>	<u>826,266</u>	<u>505,021</u>
Net Assets - End of Year	<u>832,250</u>	<u>412,412</u>	<u>1,244,662</u>	<u>826,266</u>

See accompanying notes and auditors' report

CHILDREN'S BRAIN TUMOR FOUNDATION, INC.

Statement of Cash Flows

**For the Year Ended December 31, 2021
(With Summarized Financial Information
For the Year Ended December 31, 2020)**

	2021	2020
Cash Flows From Operating Activities		
Change in Net Assets	418,396	321,245
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	1,626	1,626
Donated Securities	(13,319)	(62,026)
Gain on Extinguishment of Debt - Prior Year PPP Loan	(111,470)	0
Decrease (Increase) in operating assets:		
Promises to Give (Net)	3,136	4,632
Security Deposits	(405)	1,425
Prepaid Expenses and Other Assets	(1,161)	(1,998)
Increase (Decrease) in operating liabilities:		
Accounts Payable and Accrued Expenses	33,011	(24,257)
Grants Payable	50,000	(75,000)
Net cash provided by operating activities	379,814	165,647
Cash Flows From Investing Activities		
Sales and Maturities of Investments	10,259	62,026
Net cash provided by investing activities	10,259	62,026
Cash Flows From Financing Activities		
Proceeds from PPP Loan Payable	0	111,470
Net cash provided by financing activities	0	111,470
Increase in Cash and Cash Equivalents	390,073	339,143
Cash and Cash Equivalents - Beginning of Year	951,174	612,031
Cash and Cash Equivalents - End of Year	1,341,247	951,174
Supplemental Disclosure:		
Gain on Extinguishment of Debt - Prior Year PPP Loan	111,470	0

See accompanying notes and auditors' report

CHILDREN'S BRAIN TUMOR FOUNDATION, INC.

Statement of Functional Expenses

For the Year Ended December 31, 2021
(With Summarized Financial Information
For the Year Ended December 31, 2020)

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total 2021</u>	<u>Total 2020</u>
Grants	50,000	0	0	50,000	50,000
Scholarships	10,500	0	0	10,500	0
Camps	906	0	0	906	2,750
Salaries and Payroll Taxes	345,239	56,291	120,084	521,614	466,021
Employee Benefits/ /Health Insurance	29,756	4,851	10,350	44,957	31,832
Temporary Help	0	0	0	0	3,043
Rent and Utilities	14,704	2,397	5,114	22,215	36,955
Program Events	46,991	0	0	46,991	30,583
Insurance	5,314	867	1,848	8,029	7,337
Outreach/Marketing	927	0	7,518	8,445	4,924
Meals and Entertainment	3,751	127	410	4,288	12,202
Travel Expense	21,682	0	1,116	22,798	27,232
Bank and Credit Card Fees	0	12,342	0	12,342	12,037
Dues and Filing Fees	345	10,466	0	10,811	8,072
Computer Software Expense	13,134	2,142	4,568	19,844	24,204
Office Expense	21,044	2,584	7,133	30,761	16,888
Payroll Fees	18,428	3,004	6,410	27,842	25,095
Printing	13,731	409	1,431	15,571	24,694
Postage	13,247	680	2,702	16,629	7,056
Professional Services	1,350	18,000	170,334	189,684	190,911
Depreciation	1,005	315	306	1,626	1,626
Special Events	0	0	92,039	92,039	66,666
Total Expenses	<u>612,054</u>	<u>114,475</u>	<u>431,363</u>	<u>1,157,892</u>	<u>1,050,128</u>

See accompanying notes and auditors' report

CHILDREN'S BRAIN TUMOR FOUNDATION, INC.

Notes to Financial Statements

December 31, 2021

(With Summarized Financial Information
For the Year Ended December 31, 2020)

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, 2020 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, 2021

(With Summarized Financial Information
For the Year Ended December 31, 2020)

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, 2021

(With Summarized Financial Information
For the Year Ended December 31, 2020)

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.

Note 4

Promises to Give (Net)

The Foundation is affiliated with several workplace giving programs for employees. Under these programs, employees make pledges which are then withheld from their paychecks and subsequently remitted to the Foundation. The promises to give are recorded when the amount of the pledges are provided by these programs but have not been remitted to the Foundation. At December 31, 2021 and 2020, the Foundation provided an allowance for doubtful accounts on these promises of \$1,425 and \$2,301, respectively for amounts not expected to be collected.

CHILDREN'S BRAIN TUMOR FOUNDATION, INC.

Notes to Financial Statements

December 31, 2021

(With Summarized Financial Information
For the Year Ended December 31, 2020)

Note 5

Net Assets with Donor Restrictions

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

	<u>2021</u>	<u>2020</u>
Subject to purpose restrictions:		
Projects	26,040	-0-
Research	<u>384,250</u>	<u>434,250</u>
	410,290	434,250
Subject to time restrictions:		
For periods after		
December 31, 2020	<u>2,122</u>	<u>5,258</u>
Total net assets with donor restrictions	<u>412,412</u>	<u>439,508</u>

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

	<u>2021</u>	<u>2020</u>
Satisfaction of program restriction	60,500	50,000
Expiration of time restriction	<u>3,136</u>	<u>7,777</u>
	<u>63,636</u>	<u>57,777</u>

Note 6

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>2021</u>	<u>2020</u>
Financial Assets at year end	1,344,307	951,174
Donor restricted for		
Projects	(26,040)	-0-
Research	<u>(384,250)</u>	<u>(434,250)</u>
Financial Assets available to meet cash needs for general expenditures within one year	<u>934,017</u>	<u>516,924</u>

As part of its liquidity management, the Foundation maintains excess cash in money market accounts.

CHILDREN'S BRAIN TUMOR FOUNDATION, INC.

Notes to Financial Statements

December 31, 2021

(With Summarized Financial Information
For the Year Ended December 31, 2020)

Note 7 PPP Loan Payable/Gain on Extinguishment of Debt - Prior Year PPP Loan

On March 15, 2021, the Foundation was granted a loan from Bank of America, NA in the amount of \$111,470, pursuant to the Paycheck Protection Plan (the "PPP") under Division A, Title 1 of the CARES Act, which was enacted March 27, 2020.

The loan, which was in the form of a note dated April 24, 2020 issued by the borrower, was set to mature April 24, 2022 bearing interest at a rate of 1% per annum. The note could be prepaid by the borrower at any time prior to maturity with no prepayment penalties. Funds from the loan could only be used for payroll costs, costs used to continue group health care benefits, mortgage payments, rent, utilities and interest on other debt obligations incurred before February 15, 2020. The Foundation used the entire loan amount for qualifying expenses. Under the terms of the PPP, certain amounts of the loan could be forgiven if they were used for qualifying expenses as described in the CARES Act. In January 2021, the full amount of the loan was forgiven and is reflected as Gain on Extinguishment of Debt - Prior Year PPP Loan on the Statement of Activities.

Note 8 Current Year PPP Loan Proceeds

In February 2021, the Foundation was granted a second PPP loan from Bank of America, NA in the amount of \$85,635. All other terms of the loan were the same as the first PPP loan as described in Note 7. The second PPP loan was forgiven in August 2021, and as such, the proceeds are reflected as Current Year PPP Loan Proceeds on the Statement of Activities.

Note 9 Special Events Support

Support received from special events consisted of:

	<u>2021</u>	<u>2020</u>
New York Dream and Promise Gala	686,114	640,263
Webathon	83,721	132,204
Children's Walks/Marathons	180,742	58,055
Texas Hold 'Em	-0-	44,380
Other Events	<u>6,632</u>	<u>31,923</u>
Total Special Events Support	<u>957,209</u>	<u>906,825</u>

CHILDREN'S BRAIN TUMOR FOUNDATION, INC.

Notes to Financial Statements

December 31, 2021

(With Summarized Financial Information
For the Year Ended December 31, 2020)

Note 10

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. As of April 2020, the security deposit was reduced to \$4,725. The monthly rental expense was \$4,100 per month less discounts. As of October 1, 2018, the monthly rent increased to \$4,350 per month less discounts. As of April 2021, the security deposit was increased to \$5,130 and the monthly rent decreased to \$3,420 per month less discounts.

Note 11

Subsequent Events

The Foundation's management has evaluated subsequent events through November 14, 2022, 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 statement of Children's Brain Tumor Foundation, Inc. as of and for the year ended December 31, 2021 and have issued our report thereon dated November 14, 2022 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
November 14, 2022

CHILDREN'S BRAIN TUMOR FOUNDATION, INC.

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

For the Year Ended December 31, 2021

	SCHOLARSHIP FUND (PROJECT)	LIMA FUND (RESEARCH)	PROMISES TO GIVE	TOTALS
Support				
Contributions	36,540	0	0	36,540
Total Support	<u>36,540</u>	<u>0</u>	<u>0</u>	<u>36,540</u>
Net Assets Released from Restriction	<u>(10,500)</u>	<u>(50,000)</u>	<u>(3,136)</u>	<u>(63,636)</u>
Change in Net Assets	26,040	(50,000)	(3,136)	(27,096)
Fund Balances - Beginning of Year	<u>0</u>	<u>434,250</u>	<u>5,258</u>	<u>439,508</u>
Fund Balances - End of Year	<u>26,040</u>	<u>384,250</u>	<u>2,122</u>	<u>412,412</u>

See auditors' report on supplementary information