

PEDIATRIC CANCER FOUNDATION

FINANCIAL STATEMENTS

JUNE 30, 2024

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Pediatric Cancer Foundation
Purchase, NY

Opinion

We have audited the accompanying financial statements of Pediatric Cancer Foundation (a nonprofit organization), which comprises the statement of financial position as of June 30, 2024, 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 financial statements referred to above present fairly, in all material respects, the financial position of Pediatric Cancer Foundation as of June 30, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Pediatric Cancer Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 the 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 Pediatric Cancer Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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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 generally accepted auditing standards 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 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 Pediatric Cancer Foundation'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 evaluate 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 Pediatric Cancer Foundation'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.

Reid CPAs, LLP

Woodbury, New York
December 18, 2024

**PEDIATRIC CANCER FOUNDATION
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2024**

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 2,446,703
Prepaid expense	<u>1,000</u>
Total Current Assets	<u>2,447,703</u>

OTHER ASSETS

Investments - at fair market value	
Equity investment fund	1,526,059
Fixed income fund	<u>1,676,075</u>
Total Other Assets	<u>3,202,134</u>

TOTAL ASSETS	<u><u>\$ 5,649,837</u></u>
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LIABILITIES AND NET ASSETS

NET ASSETS

Without restriction	<u>5,649,837</u>
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TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 5,649,837</u></u>
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See accompanying notes to financial statements.

PEDIATRIC CANCER FOUNDATION
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2024

	<u>Unrestricted Net Assets</u>	<u>Temporary Restricted Net Assets</u>	<u>Total Net Assets</u>
REVENUES AND SUPPORT			
Fundraising	\$ 403,823	\$ -	\$ 403,823
Contributions and grants	158,774	-	158,774
Other income	84,000	-	84,000
Investment income:			
Dividend income	69,668	-	69,668
Capital gain distributions	91,362	-	91,362
Interest income	88,470	-	88,470
	<u>896,097</u>	<u>-</u>	<u>896,097</u>
Total revenues and support			
EXPENSES			
Program services	1,456,547	-	1,456,547
Administrative	61,485	-	61,485
Fundraising	142,069	-	142,069
Interest expense	374	-	374
	<u>1,660,475</u>	<u>-</u>	<u>1,660,475</u>
Total expenses			
NON-OPERATING ACTIVITIES			
Unrealized gains - investments	301,852	-	301,852
	<u>301,852</u>	<u>-</u>	<u>301,852</u>
Total non-operating activities			
CHANGE IN NET ASSETS	<u>(462,526)</u>	<u>-</u>	<u>(462,526)</u>
NET ASSETS - BEGINNING AS ISSUED	4,481,716	-	4,481,716
Prior period adjustment	1,630,647	-	1,630,647
NET ASSETS - BEGINNING AS RESTATED	<u>6,112,363</u>	<u>-</u>	<u>6,112,363</u>
NET ASSETS - END OF YEAR	<u>\$ 5,649,837</u>	<u>\$ -</u>	<u>\$ 5,649,837</u>

See accompanying notes to financial statements.

**PEDIATRIC CANCER FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2024**

	Program Services	Supporting Services		Total
		Administrative	Fundraising	
Hospital Grants	\$ 1,419,048	\$ -	\$ -	\$ 1,419,048
Computer and Website Expense	-	2,673	-	2,673
Event Expenses	-	-	83,244	83,244
General Office and Storage	-	3,632	8,638	12,270
Insurance	-	3,933	-	3,933
Investment Fees	-	620	-	620
Licenses and Registration Fees	-	275	-	275
Management Fees	37,499	-	50,187	87,686
Marketing and Database Management	-	30,352	-	30,352
Professional Fees	-	20,000	-	20,000
Total Expenses	\$ 1,456,547	\$ 61,485	\$ 142,069	\$ 1,660,101

See accompanying notes to financial statements.

**PEDIATRIC CANCER FOUNDATION
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2024**

CASH FLOWS FROM OPERATING ACTIVITIES:

Changes in net assets	<u>\$ (462,526)</u>
Adjustments to reconcile changes in net assets to net cash used in operating activities:	
Net unrealized gain on investments	301,852
Changes in operating assets and liabilities:	
Prepaid expenses	14,000
Grants payable	(16,967)
Accrued expenses	<u>(5,500)</u>
Total adjustments	<u>293,385</u>
Net cash used in operating activities	<u>(169,141)</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Proceeds from sale of investments	15,712,953
Purchases of investments	<u>(15,944,303)</u>
Net cash used in investing activities	<u>(231,350)</u>

NET DECREASE IN CASH (400,491)

Cash and cash equivalents, beginning of year 2,847,194

Cash and cash equivalents, end of year \$ 2,446,703

SUPPLEMENTAL DISCLOSURES OF CASH FLOWS INFORMATION:

Cash paid during the period for:	
Interest	<u><u>\$ 374</u></u>

See accompanying notes to financial statements.

PEDIATRIC CANCER FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

1. BACKGROUND AND ORGANIZATION

Pediatric Cancer Foundation, (“the Foundation”) is a not-for-profit foundation created in 1970 under the laws of the State of New York. The Foundation is exempt from federal and state income taxes under Section 501 (c)(3) of the Internal Revenue Code.

Each year, hundreds of thousands of children are diagnosed with cancer; a devastating reality affecting children and their families. While advancements in treatment have improved outcomes, significant gaps still exist in research funding and focus. Pediatric cancer research is critical and yet, an underfunded area of medical science that remains the leading cause of disease-related death in children.

The Foundation is a vital organization dedicated to providing financial support for groundbreaking medical research and early phase clinical trials for pediatric cancer. These trials are conducted by world renowned doctors at the hospitals the Foundation supports and are carefully vetted and reviewed by a medical advisory board. The Foundation requires biannual progress reports and periodic updates on every research project it funds, to ensure progress and developments in these clinical trials.

At the heart of the Foundation’s mission lies a profound commitment to improving outcomes by accelerating scientific discoveries and eradicating childhood cancer.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING AND PRESENTATION

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require the Foundation to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Foundation's management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires that management make estimates and assumptions affecting the reported amounts of assets, liabilities, revenues, and expenses, as well as disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

PEDIATRIC CANCER FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

CASH AND CASH EQUIVALENTS

The Foundation places its cash and cash equivalents at a major financial institution. At times, such assets may be in excess of the Federal Depository Insurance Corporation (“FDIC”) insurance limit. The Foundation considers all highly liquid debt instruments with an original maturity of three months or less to be cash equivalents.

INVESTMENT RISK

The Foundation invests in various investment securities. Investment securities are exposed to various risks, such as interest rates, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the value of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying financial statements. As of June 30, 2024, investments in five funds represent 74% of total investments.

INVESTMENT VALUATION AND INCOME RECOGNITION

Investments are reported at cost, if purchased, or at fair value, if donated. Thereafter, investments are reported at their fair value in the statement of financial position, and changes in fair value are reported as investment return in the statement of activities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 4 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Dividends are accrued as of the ex-dividend date. Gains and losses on sales of securities are based on average cost and are recorded in the statements of activities in the period in which the securities are sold. Interest is recorded when earned. Net realized and unrealized gain (loss) includes the Foundation’s gains and losses on investments bought and sold as well as those held during the year and are included in the change in net assets in the accompanying statement of activities.

REVENUE RECOGNITION

All support, including endowment gifts (and pledges, if any, at their estimated net realizable value) are recognized as income in the statement of activities in the period received (or pledged). Bequests are recognized at the time the Foundation’s right to them is established by a court and to the extent the value of the proceeds is subject to reasonable estimation.

Grants and other contributions of cash and other assets are reported as with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. Donor restricted assets are reclassified as without donor restrictions when available for unrestricted use as a result of compliance with or expiration of the related restriction.

**PEDIATRIC CANCER FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

NET ASSETS

For the purposes of these statements, net assets are presented as follows:

Net assets without donor restrictions represent resources over which the board has discretionary control and may be used to carry out the operations of the Fund in accordance with its by-laws and exempt purposes or when donor-imposed restrictions have been met.

Net assets with donor restrictions are those contributed by donors or grantors with limitations for specific operating purposes.

FUNCTIONAL REPORTING

The costs of providing the Foundation's services and other 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.

GRANT EXPENDITURES

Grant expenditures are recognized in the period the grant is approved, provided the grant is not subject to future conditions. Conditional grants are recognized as grant expense and as a grant payable in the period in which the grantee substantially meets the terms of the conditions. The Foundation had no conditional grants or grants payable as of June 30, 2024.

EXPENSE ALLOCATION

The costs of providing various program services and supporting activities have been summarized on a functional basis in the statements of activities and in the statements of functional expenses. Accordingly, certain costs have been allocated among the program services and supporting services benefited in reasonable ratios determined by management. The expenses allocated include program grants, insurance, investment management fees, professional fees, and software expenses.

DONATED ASSETS, INVESTMENTS, AND SERVICES

Donated assets, investments, and services are recorded at their fair value on the date of contributions. Donated services from volunteers and interns are not reflected in the accompanying statement of activities and is not considered material to its presentation.

INCOME TAX

The Foundation, a not-for-profit organization operating under Section 501(c)(3) of the Internal Revenue Code, is generally exempted from federal, state and local income taxes. Accordingly, no provision for income taxes is included in the financial statements. The Foundation has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements. Periods ending June 30, 2021 and subsequent remain subject to examination by the applicable taxing authorities.

**PEDIATRIC CANCER FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

RECLASSIFICATION AND RESTATEMENTS

Certain June 30, 2023 account balances have been reclassified to conform to the current year's presentation. In addition, a mistake in the application of generally accepted accounting principles was found in connection with investments basis and cash and cash equivalents valuation and presentation. Additionally, an error was discovered with respect to grants payable during year ending June 30, 2023 financial statements which would have a material effect on the financial statements of the Foundation. As a result, the Foundation has restated its net assets during the year ending June 30, 2024. See note 7 for discussion of prior year adjustments.

RECENT ACCOUNTING PRONOUNCEMENTS

New accounting standards are now issued by the Financial Accounting Standards Board ("FASB") through Accounting Standards Updates (ASU's) to the FASB Accounting Standards Codification ("ASC"). The FASB does not consider the updates authoritative on a standalone basis; they become authoritative when incorporated into the ASC. Management believes that any of the ASU's issued through June 30, 2024 are either not yet effective for its financial statements or, when effective, will not have a material impact on its financial statements upon adoption.

3. INVESTMENTS

Investments consist primarily of marketable securities reported at their fair market values on the statement of financial position as follows as of June 30, 2024:

	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Appreciation/ (Depreciation)</u>
Equity Investment Fund			
Large Cap Core	\$ 855,697	\$ 1,028,626	\$ 172,929
Large Cap Growth	<u>317,215</u>	<u>497,433</u>	<u>180,218</u>
Total Equity Investment Fund	<u>1,172,912</u>	<u>1,526,059</u>	<u>353,147</u>
Fixed Income Fund			
Long Fixed	1,062,635	1,172,878	110,243
Short Fixed	<u>498,845</u>	<u>503,197</u>	<u>4,352</u>
Total Fixed Income Fund	<u>1,561,480</u>	<u>1,676,075</u>	<u>114,595</u>
Total Investments	<u>\$ 2,734,392</u>	<u>\$ 3,202,134</u>	<u>\$ 467,742</u>

PEDIATRIC CANCER FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

4. FAIR VALUE MEASUREMENTS

The Foundation utilizes various methods to measure the fair value of most of its investments on a recurring basis. GAAP establishes a hierarchy that prioritizes inputs to valuation techniques used to measure fair value. The three levels of input are as follows:

- (i) *Level 1*: Unadjusted quoted prices in active markets for identical assets or liabilities that the Foundation has the ability to access.
- (ii) *Level 2*: Observable inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly or indirectly. These inputs may include quoted prices for the identical instruments on an inactive market, prices for similar instruments, interest rates, prepayment speeds, credit risk, yield curves, default rates, and similar data.
- (iii) *Level 3*: Unobservable inputs for the asset or liability to the extent that relevant observable inputs are not available, representing the Foundation’s own assumptions about the assumptions that a market participant would use in valuing the asset or liability, and that would be based on the best information available.

The availability of observable inputs can vary from security to security and is affected by a wide variety of factors, including, for example, the type of security, whether the security is new and not yet established in the marketplace, the liquidity of markets, and other characteristics particular to security. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value is greatest for instruments categorized in level 3.

The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement falls in its entirety is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

A description of the valuation techniques applied to the Foundation’s major categories of assets and liabilities measured at fair value on a recurring basis follows.

Mutual funds: Mutual funds are stated at fair value based on unadjusted quoted prices in an active market for each share held by the Foundation.

A summary of the Foundation’s investments as of June 30, 2024 is as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Equity Investment Fund	\$ 1,526,059	\$ -	\$ -	\$ 1,526,059
Fixed Income Fund	1,676,075	-	-	1,676,075
Total Investments	<u>\$ 3,202,134</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,202,134</u>

PEDIATRIC CANCER FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

5. LIQUIDITY

The Foundation has approximately \$5,649,000 financial assets available within one year of the statement of financial position date to meet cash needs for general expenditure consisting of approximately \$755,000 held in demand deposits, \$1,692,000 held in money market instruments, and \$3,202,000 in marketable securities. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the statement of financial position date.

6. FUNDRAISING ACTIVITIES

A summary of the Foundation's fundraising activities as of June 30, 2024 is as follows:

<u>Activity</u>	<u>Revenue</u>
Annual Cocktails for a Cure Evening Event	\$ 235,508
NYC Young Adult Event	54,978
Camp-a-thon	21,392
Boutique	13,373
Junior Committee Events	41,725
Comedy Night	10,780
Cards for a Cure	19,410
Other Events	<u>6,657</u>
Total Fundraising	<u>\$ 403,823</u>

7. GRANTS

The board of directors of the Foundation approved the following hospital grants for the year ended June 30, 2024:

<u>Hospital</u>	<u>Amount</u>
*Children's Hospital of Philadelphia	\$ 500,000
**Columbia University Irving Medical Center	230,000
Westchester Medical Center/Maria Fareri Children's Hospital	150,000
The Icahn School of Medicine at Mount Sinai	120,048
NYU Grossman School of Medicine	109,000
Children's Hospital of Philadelphia	100,000
Memorial Sloan Kettering Cancer Center	50,000
Comer Children's Hospital/ University of Chicago Medicine	50,000
Johns Hopkins University	50,000
Nationwide Children's Hospital /Ohio State University College of Medicine	40,000
Cohen Children's Medical Center/Northwell Health	<u>20,000</u>
Total Grants	<u>\$ 1,419,048</u>

PEDIATRIC CANCER FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

7. GRANTS (CONTINUED)

*The Foundation awarded the Children’s Hospital of Philadelphia a grant in the amount of \$1,000,000 for the period July 1, 2023, to June 30, 2025. The grant was awarded in two payments of \$500,000. The first \$500,000 was awarded during the year ended June 30, 2023. The remaining grant amount was awarded during the year ended June 30, 2024.

**The Foundation awarded Columbia University Irving Medical Center \$230,000 in three separate projects.

8. PRIOR YEAR ADJUSTMENTS

During year ending June 30, 2024, management discovered financial statements errors that caused an understatement of June 30, 2023 previously reported unrestricted net assets of \$1,630,647. The errors primarily related to investments basis valuation from cost to fair market value and grant payables balances.

The following summarizes the prior year’s adjustments referred to above:

Net assets unrestricted - balance at		
June 30, 2023, as previously reported:		\$ 4,481,716
Prior period adjustments for:		
Grants payable as of June 30, 2023	1,534,044	
Investments (FMV) as of June 30, 2023	96,603	
Prior period adjustments - June 30, 2023		1,630,647
Net assets unrestricted - balance at		
June 30, 2023, as restated:		\$ 6,112,363

9. SUBSEQUENT EVENTS

For the fiscal year ending on June 30, 2025, the Foundation has pledges of \$1,014,000. It is the intention of the Foundation to fulfill its pledges during that reporting period.

Subsequent events have been evaluated through December 18, 2024, which is the date the financial statements were available to be issued.