

CURE CHILDHOOD CANCER ASSOCIATION, INC.

REVIEWED FINANCIAL STATEMENTS

AND

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

JUNE 30, 2023

(With Comparative Totals for 2022)



BUSINESS
ADVISORS
AND CPAS

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BUSINESS
ADVISORS
AND CPAS

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Board of Directors
CURE Childhood Cancer Association, Inc.

We have reviewed the accompanying financial statements of CURE Childhood Cancer Association, Inc., which comprise the statement of financial position as of June 30, 2023, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the combined financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of CURE Childhood Cancer Association, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Summarized Comparative Information

We previously reviewed CURE Childhood Cancer Association, Inc.'s June 30, 2022 financial statements and in our report dated November 18, 2022, stated that based on our procedures, we are not aware of any material modifications that should be made to the June 30, 2022 financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America. We are not aware of any material modifications that should be made to the summarized comparative information presented herein as of and for the year ended June 30, 2022 for it to be consistent with the reviewed financial statements from which it has been derived.

Mengel, Metzger, Baw & Co. LLP

Rochester, New York
November 17, 2023

CURE CHILDHOOD CANCER ASSOCIATION, INC.

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2023

(With Comparative Totals for 2022)

<u>ASSETS</u>	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Year ended June 30,</u>	
			<u>2023</u>	<u>2022</u>
<u>CURRENT ASSETS</u>				
Cash	\$ 278,686	\$ 17,314	\$ 296,000	\$ 235,453
Investments	1,509,597	57,809	1,567,406	1,208,287
United Way contributions receivable for the next fiscal year	-	27,002	27,002	25,919
Employee Retention Credit receivable	-	-	-	53,519
Prepaid expenses	19,806	-	19,806	18,052
TOTAL CURRENT ASSETS	<u>1,808,089</u>	<u>102,125</u>	<u>1,910,214</u>	<u>1,541,230</u>
<u>FIXED ASSETS</u>				
Land and building	179,285	-	179,285	179,285
Furniture and equipment	128,799	-	128,799	128,799
	308,084	-	308,084	308,084
Less accumulated depreciation	213,528	-	213,528	205,831
	94,556	-	94,556	102,253
TOTAL ASSETS	<u>\$ 1,902,645</u>	<u>\$ 102,125</u>	<u>\$ 2,004,770</u>	<u>\$ 1,643,483</u>
<u>LIABILITIES AND NET ASSETS</u>				
<u>CURRENT LIABILITIES</u>				
Accounts payable	\$ 2,454	\$ -	\$ 2,454	\$ 2,307
Deferred revenue	50,050	-	50,050	45,750
Accrued expenses	1,307	-	1,307	9,835
TOTAL CURRENT LIABILITIES	53,811	-	53,811	57,892
<u>NET ASSETS</u>	<u>1,848,834</u>	<u>102,125</u>	<u>1,950,959</u>	<u>1,585,591</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,902,645</u>	<u>\$ 102,125</u>	<u>\$ 2,004,770</u>	<u>\$ 1,643,483</u>

See independent accountant's review report and accompanying notes which are an integral part of the financial statements.

CURE CHILDHOOD CANCER ASSOCIATION, INC.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

YEAR ENDED JUNE 30, 2023
(With Comparative Totals for 2022)

	Without donor restrictions	With donor restrictions	Totals	
			Year ended June 30,	
			2023	2022
Support and revenue:				
Support:				
Contributions	\$ 182,791	\$ 34,885	\$ 217,676	\$ 116,154
Grants	8,000	11,000	19,000	31,800
Employee Retention Credit revenue	-	-	-	53,519
United Way contributions for next fiscal year	-	27,002	27,002	25,919
Contributions - nonfinancial assets	70,146	-	70,146	65,372
Special events, net of direct costs of \$105,778 in 2023 and \$107,163 in 2022	379,699	-	379,699	374,676
TOTAL SUPPORT	640,636	72,887	713,523	667,440
Revenue:				
Net investment income (loss)	76,992	3,686	80,678	(101,123)
Net assets released from restriction:				
United Way	25,919	(25,919)	-	-
Grants	20,543	(20,543)	-	-
TOTAL REVENUE	123,454	(42,776)	80,678	(101,123)
TOTAL SUPPORT AND REVENUE	764,090	30,111	794,201	566,317
Expenses				
Program services:				
Education	87,834	-	87,834	91,534
Community services	211,773	-	211,773	145,426
TOTAL PROGRAM SERVICES	299,607	-	299,607	236,960
Supporting services:				
Management and general	65,457	-	65,457	77,594
Fundraising	56,072	-	56,072	68,960
TOTAL SUPPORTING SERVICES	121,529	-	121,529	146,554
TOTAL PROGRAM AND SUPPORTING SERVICES EXPENSE	421,136	-	421,136	383,514
Depreciation	7,697	-	7,697	8,354
TOTAL EXPENSES	428,833	-	428,833	391,868
CHANGE IN NET ASSETS	335,257	30,111	365,368	174,449
Net assets at beginning of year	1,513,577	72,014	1,585,591	1,411,142
NET ASSETS AT END OF YEAR	\$ 1,848,834	\$ 102,125	\$ 1,950,959	\$ 1,585,591

See independent accountant's review report and accompanying notes which are an integral part of the financial statements.

CURE CHILDHOOD CANCER ASSOCIATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2023
(With Comparative Totals for 2022)

	Program Services		
	Education	Community Services	Total
Activities	\$ -	\$ 39,517	\$ 39,517
Salaries and payroll taxes	32,873	107,812	140,685
Retirement plan contributions	1,114	1,113	2,227
Education liaison	2,533	-	2,533
Aid to families	-	54,261	54,261
Printing and publications	268	672	940
Postage	233	522	755
Professional fees	-	-	-
Supplies	-	-	-
Insurance	-	-	-
Telephone/utilities	-	-	-
Conferences	-	680	680
Building maintenance	903	2,707	3,610
Real estate taxes	146	438	584
Marketing	3,240	4,051	7,291
Nonfinancial expenses	37,357	-	37,357
Miscellaneous	9,167	-	9,167
	<u>\$ 87,834</u>	<u>\$ 211,773</u>	<u>\$ 299,607</u>

See independent accountant's review report and accompanying notes which are an integral part of the financial statements.

CURE CHILDHOOD CANCER ASSOCIATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES, Cont'd

YEAR ENDED JUNE 30, 2023
(With Comparative Totals for 2022)

Management/ General	Supporting Services		Total Program and Supporting Services Expenses	
	Fundraising	Total	Year ended June 30,	
			2023	2022
\$ -	\$ -	\$ -	\$ 39,517	\$ 22,657
18,114	23,283	41,397	182,082	153,231
247	-	247	2,474	3,682
-	-	-	2,533	6,829
-	-	-	54,261	45,018
403	-	403	1,343	2,764
406	-	406	1,161	1,527
34,422	-	34,422	34,422	54,980
1,884	-	1,884	1,884	2,777
1,835	-	1,835	1,835	3,024
6,118	-	6,118	6,118	4,985
170	-	170	850	583
902	-	902	4,512	4,925
146	-	146	730	680
810	-	810	8,101	3,880
-	32,789	32,789	70,146	65,372
-	-	-	9,167	6,600
<u>\$ 65,457</u>	<u>\$ 56,072</u>	<u>\$ 121,529</u>	<u>\$ 421,136</u>	<u>\$ 383,514</u>

CURE CHILDHOOD CANCER ASSOCIATION, INC.

STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2023
(With Comparative Totals for 2022)

	<u>Year ended June 30,</u>	
	<u>2023</u>	<u>2022</u>
<u>CASH FLOWS - OPERATING ACTIVITIES</u>		
Change in net assets	\$ 365,368	\$ 174,449
Adjustments to reconcile change in net assets to net cash provided from operating activities:		
Net (gain) loss on investments	(80,678)	101,123
Depreciation	7,697	8,354
Changes in certain operating assets and liabilities:		
United Way contributions receivable	(1,083)	11,078
Employee Retention Credit receivable	53,519	(53,519)
Prepaid expenses	(1,754)	(2,289)
Accounts payable and accrued expenses	(8,381)	(12,424)
Deferred revenue	4,300	(1,940)
NET CASH PROVIDED FROM OPERATING ACTIVITIES	338,988	224,832
<u>CASH FLOWS - INVESTING ACTIVITIES</u>		
Proceeds from sale of investments	152,579	179,732
Purchase of investments	(431,020)	(469,720)
NET CASH USED FOR INVESTING ACTIVITIES	(278,441)	(289,988)
NET INCREASE (DECREASE) IN CASH	60,547	(65,156)
Cash at beginning of year	235,453	300,609
CASH AT END OF YEAR	<u>\$ 296,000</u>	<u>\$ 235,453</u>

See independent accountant's review report and accompanying notes which are an integral part of the financial statements

CURE CHILDHOOD CANCER ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS
(See Independent Accountant's Review Report)

JUNE 30, 2023
(With Comparative Totals for June 30, 2022)

NOTE A: ASSOCIATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Association

CURE Childhood Cancer Association, Inc. ("CURE" or the "Association") was chartered in 1977 as a non-affiliated, not-for-profit organization. Its purpose is to provide: a structure for parental involvement, discussion and support; public education regarding childhood cancer; funds to major pediatric research centers in Western New York for the development of childhood cancer research and financial assistance to families in need.

Financial statement presentation

The Association presents its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions

Represents all resources over which the Governing Board has discretionary control to use in carrying on the Association's operations in accordance with the guidelines established for the Association. The Board may designate portions of the current net assets without donor restrictions for specific purposes, projects or investment. As of June 30, 2023 and 2022, the Board has designated \$1,257,872 and \$1,079,095, respectively, as a Board Designated endowment.

Net assets with donor restrictions

Net assets subject to donor restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled or both. At both June 30, 2023 and 2022, the Association had \$25,268, in net assets with donor restrictions to be maintained in perpetuity.

Contributions and grants

The majority of the revenues recognized by the Association are from unconditional contributions and grants. These amounts are recognized when the donor makes an unconditional promise to give to the Association. Amounts that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities and changes in net assets as net assets released from restriction. The Association generally records revenue at a point in time.

CURE CHILDHOOD CANCER ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS, Cont'd
(See Independent Accountant's Review Report)

JUNE 30, 2023

(With Comparative Totals for June 30, 2022)

NOTE A: ASSOCIATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Cont'd

Special events

The Association conducts special events in which a portion of the gross proceeds paid by the participant represents payment for the direct cost of the benefits received by the participant at the event—the exchange component, and a portion represents a contribution to the Association. Unless a verifiable objective means exists to demonstrate otherwise, the fair value of meals and entertainment provided at special events is measured at the actual cost to the Association. The contribution component is the excess of the gross proceeds over the fair value of the direct donor benefit. The direct costs of the special events, which ultimately benefit the donor rather than the Association, are recorded as fundraising expense. The performance obligation is delivery of the event and the event fee is set by the Association. Special event fees collected by the Association in advance of its delivery are initially recognized as deferred revenue and recognized as fundraising events revenue after delivery of the event. For fundraising event fees received before year-end for an event to occur after year-end, the Association follows AICPA guidance where the inherent contribution is conditioned on the event taking place and is therefore treated as a refundable advance along with the exchange component. At June 30, 2023, 2022 and 2021, there were \$50,050, \$45,750 and \$47,690 in amounts collected in advance for fundraising events included in deferred revenue, respectively.

Cash

Cash balances are maintained at financial institutions located in Upstate New York and are insured by the FDIC up to \$250,000 at each institution. In the normal course of business, the cash account balances at any given time may exceed insured limits. However, the Association has not experienced any losses in such accounts and does not believe it is exposed to significant risk in cash.

Investments

Investments are reported at fair value. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. See Note F for disclosure of fair value measurements.

Fixed assets

Fixed assets are stated at cost or estimated fair value at the date of donation and are depreciated on a straight-line basis over the assets estimated useful lives, generally three to twenty years for furniture and equipment and 39 years for the building.

Repairs and maintenance are charged to expense as incurred while renewals and betterments, which significantly extend the useful lives of existing equipment, are capitalized. Gains or losses on disposition of fixed assets are reflected in the Association's statement of activities and changes in net assets as realized.

Contributed services

The Association receives donated services from volunteers within the community. These services are not valued in the financial statements unless they require specialized skills and typically would be purchased if they were not contributed. During the years ended June 30, 2023 and 2022, no donated services were recognized.

CURE CHILDHOOD CANCER ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS, Cont'd
(See Independent Accountant's Review Report)

JUNE 30, 2023

(With Comparative Totals for June 30, 2022)

NOTE A: ASSOCIATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Cont'd

Income taxes

CURE is a not-for-profit organization exempt from Federal taxation under Section 501(c)(3) of the Internal Revenue Code. The Association is also exempt for state income tax purposes. The Association files tax returns in the U.S. federal jurisdiction and in New York State.

The Association has filed for and received income tax exemptions in the various jurisdictions where they are required to do so. The Association files form 990 tax returns in the U.S. federal jurisdiction and in New York State. With few exceptions, as of June 30, 2023, the Association is no longer subject to U.S. federal or state income tax examinations by tax authorities for years ended prior to June 30, 2020. The tax returns for years ended June 30, 2020 through June 30, 2023 are still subject to potential audit by the IRS and taxing authorities in New York State. Management of the Association believes they have no material uncertain tax positions and, accordingly, they have not recognized any liability for unrecognized tax benefits.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at June 30, 2023 and 2022 and the reported amounts of support, revenue and expenses for the years then ended. Actual results could differ from those estimates.

Functional expense allocations

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. All expenses that are allocated to more than one program or supporting function are allocated on the basis of estimates of time and effort, except for occupancy and insurance which are allocated based on square footage.

Contributions – nonfinancial assets

Gifts and donations other than cash are recorded at fair market value at the date of contribution. In-kind contributions of approximately \$70,100 and \$65,400 were received for the years ended June 30, 2023 and 2022, respectively, and are included in the applicable expenses in the accompanying statement of functional expenses. See Note B for greater detail.

Comparatives for year ended June 30, 2022

The financial statements include certain prior year summarized comparative information in total but not by net asset class or functional classification. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Association's financial statements for the year ended June 30, 2022, from which the summarized information was derived.

CURE CHILDHOOD CANCER ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS, Cont'd
(See Independent Accountant's Review Report)

JUNE 30, 2023

(With Comparative Totals for June 30, 2022)

NOTE A: ASSOCIATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Cont'd

New accounting pronouncement – credit losses

In June 2016 the FASB issued ASU 2016-13, "Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments" (ASU 2016-13), which requires entities to use a new impairment model referred to as the current expected credit losses (CECL) model rather than incurred losses. The new standard affects accounting for loans, accounts (trade) receivable, held-to-maturity debt securities, and other financial assets included in the scope. For non-public entities, the new standard is effective for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. The Association is currently evaluating the provisions of this standard to determine the impact the new standard will have on the Association's financial position or results of operations.

Subsequent events

The Association has conducted an evaluation of potential subsequent events occurring after the statement of financial position date through November 17, 2023, which is the date the financial statements are available to be issued. No subsequent events requiring disclosure were noted.

CURE CHILDHOOD CANCER ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS, Cont'd
(See Independent Accountant's Review Report)

JUNE 30, 2023

(With Comparative Totals for June 30, 2022)

NOTE B: GIFTS-IN-KIND

The following table outlines the breakout of the different types of gifts-in-kind recognized, the programs that benefited from the gift-in-kind, any donor restrictions associated with the gift, and the valuation technique(s) used to arrive at the fair value measurement:

June 30, 2023				
<u>Contributed Nonfinancial Assets</u>	<u>Revenue Recognized</u>	<u>Utilization in Programs / Activities</u>	<u>Donor Restrictions</u>	<u>Valuation Techniques and Inputs</u>
Holiday Party Event	\$ 2,966	Program	No associated donor restrictions	Contributed items valued at cost incurred by donor from vendor.
General - Parent Adv Office Space at Strong, Toys, clothes, books, sports tickets	10,790	Program	No associated donor restrictions	Contributed items valued at cost incurred by donor from vendor.
Comfort Bags, Personal Care Items, Quilts, Blankets, Pillows, Hats, Slippers, Gloves	718	Program	No associated donor restrictions	Contributed items valued at cost incurred by donor from vendor.
Survivor's Day	600	Program	No associated donor restrictions	Contributed items valued at cost incurred by donor from vendor.
AKM, Furniture, Equipment, Wig, Holiday Food Baskets, Gift Cards	22,283	Program	No associated donor restrictions	Contributed items valued at cost incurred by donor from vendor.
Other Int/Ext Fundraising	728	Fundraising	No associated donor restrictions	Contributed items valued at cost incurred by donor from vendor.
Golf Tournament	300	Fundraising	No associated donor restrictions	Contributed items valued at cost incurred by donor from vendor.
Chef's Event	31,527	Fundraising	No associated donor restrictions	Contributed items valued at cost incurred by donor from vendor.
CURE Walk	<u>234</u>	Fundraising	No associated donor restrictions	Contributed items valued at cost incurred by donor from vendor.
Total Value of Contributed Nonfinancial Assets	<u>\$ 70,146</u>			
<u>Program or Supporting Service</u>	<u>Donated Services</u>	<u>Donated Other</u>	<u>Total</u>	
Program	\$ -	\$ 37,357	\$ 37,357	
Fundraising	-	<u>32,789</u>	<u>32,789</u>	
Total	<u>\$ -</u>	<u>\$ 70,146</u>	<u>\$ 70,146</u>	

CURE CHILDHOOD CANCER ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS, Cont'd
(See Independent Accountant's Review Report)

JUNE 30, 2023

(With Comparative Totals for June 30, 2022)

NOTE B: GIFTS-IN-KIND, Cont'd

June 30, 2022				
<u>Contributed Nonfinancial Assets</u>	<u>Revenue Recognized</u>	<u>Utilization in Programs / Activities</u>	<u>Donor Restrictions</u>	<u>Valuation Techniques and Inputs</u>
Holiday Party Event	\$ 4,330	Program	No associated donor restrictions	Contributed items valued at cost incurred by donor from vendor.
General - Parent Adv Office Space at Strong, Toys, clothes, books, sports tickets	8,635	Program	No associated donor restrictions	Contributed items valued at cost incurred by donor from vendor.
Comfort Bags, Personal Care Items, Quilts, Blankets, Pillows, Hats, Slippers, Gloves	998	Program	No associated donor restrictions	Contributed items valued at cost incurred by donor from vendor.
Survivor's Day	660	Program	No associated donor restrictions	Contributed items valued at cost incurred by donor from vendor.
AKM, Furniture, Equipment, Wig, Holiday Food Baskets, Gift Cards	17,210	Program	No associated donor restrictions	Contributed items valued at cost incurred by donor from vendor.
Other Int/Ext Fundraising	2,080	Fundraising	No associated donor restrictions	Contributed items valued at cost incurred by donor from vendor.
Golf Tournament	1,800	Fundraising	No associated donor restrictions	Contributed items valued at cost incurred by donor from vendor.
Chef's Event	28,273	Fundraising	No associated donor restrictions	Contributed items valued at cost incurred by donor from vendor.
CURE Walk	386	Fundraising	No associated donor restrictions	Contributed items valued at cost incurred by donor from vendor
Barter Services	<u>1,000</u>	Fundraising	No associated donor restrictions	Contributed services valued at cost to purchase the services provided.
Total Value of Contributed Nonfinancial Assets	<u>\$ 65,372</u>			
<u>Program or Supporting Service</u>	<u>Donated Services</u>	<u>Donated Other</u>	<u>Total</u>	
Program	\$ -	\$ 31,833	\$ 31,833	
Fundraising	<u>1,000</u>	<u>32,539</u>	<u>33,539</u>	
Total	<u>\$ 1,000</u>	<u>\$ 64,372</u>	<u>\$ 65,372</u>	

CURE CHILDHOOD CANCER ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS, Cont'd
(See Independent Accountant's Review Report)

JUNE 30, 2023

(With Comparative Totals for June 30, 2022)

NOTE C: LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

	June 30,	
	<u>2023</u>	<u>2022</u>
Cash, without donor restrictions	\$ 278,686	\$ 217,688
Investments, without donor restrictions	1,509,597	1,179,957
Employee Retention Credit receivable	-	53,519
United Way contributions receivable for the next fiscal year	<u>27,002</u>	<u>25,919</u>
Total financial assets available within one year	1,815,285	1,477,083
Less:		
Amounts unavailable to management without the Board's approval:		
Board designated for endowment	<u>(1,257,872)</u>	<u>(1,079,095)</u>
Total financial assets available to management for general expenditures within one year	<u>\$ 557,413</u>	<u>\$ 397,988</u>

As part of the Association's liquidity management plan, the Association has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. The Association also invests cash in excess of daily requirements in money market funds. In addition to the financial assets available at June 30, 2023 to meet general expenditures during the year ending June 30, 2024, the Association anticipates fundraising efforts in fiscal 2024 will be sufficient to meet general expenditures and obligations.

In the event of an unanticipated liquidity need, the Association has a \$40,000 line of credit which could be drawn upon. The amounts designated by the Board could also be drawn upon through a board resolution, if needed.

CURE CHILDHOOD CANCER ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS, Cont'd
(See Independent Accountant's Review Report)

JUNE 30, 2023

(With Comparative Totals for June 30, 2022)

NOTE D: NET ASSETS

Net assets without donor restrictions are as follows:

	<u>June 30,</u>	
	<u>2023</u>	<u>2022</u>
Undesignated	\$ 496,406	\$ 332,229
Board designated endowment	1,257,872	1,079,095
Invested in fixed assets	94,556	102,253
	<u>\$ 1,848,834</u>	<u>\$ 1,513,577</u>

Net assets with donor restrictions are as follows:

	<u>June 30,</u>	
	<u>2023</u>	<u>2022</u>
Subject to perpetual restrictions, income restricted to:		
Assist with serving bereaved CURE families	\$ 25,268	\$ 25,268
Subject to expenditure for a specified purpose:		
Angel Fund	1,369	2,424
Agnes K. Mackey Program	-	1,400
Roc City Sicklers	-	876
Crane Family Foundation	2,706	3,363
Bereavement Funds	2,619	2,971
Scholarship Fund	10,263	6,531
Postage for Bereavement Cards	357	200
Jeffrey Sewell Memorial Scholarship	26,247	-
Assist with serving bereaved C.U.R.E families - Rockford family	6,294	3,062
	<u>49,855</u>	<u>20,827</u>
Subject to the passage of time:		
United Way contributions receivable for the next fiscal year	27,002	25,919
	<u>\$ 102,125</u>	<u>\$ 72,014</u>

CURE CHILDHOOD CANCER ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS, Cont'd
(See Independent Accountant's Review Report)

JUNE 30, 2023

(With Comparative Totals for June 30, 2022)

NOTE E: INVESTMENTS

Investments consist of the following:

	<u>June 30, 2023</u>		
	<u>Market</u>	<u>Cost</u>	<u>Unrealized gain (loss)</u>
Money market funds	\$ 288,208	\$ 288,208	\$ -
Exchange traded funds	616,298	572,681	43,617
Mutual funds	362,141	337,241	24,900
U.S. Government obligations	300,759	301,776	(1,017)
	<u>\$ 1,567,406</u>	<u>\$ 1,499,906</u>	<u>\$ 67,500</u>

	<u>June 30, 2022</u>		
	<u>Market</u>	<u>Cost</u>	<u>Unrealized gain (loss)</u>
Money market funds	\$ 131,786	\$ 131,786	\$ -
Exchange traded funds	542,859	534,862	7,997
Mutual funds	286,849	286,224	625
U.S. Government obligations	246,793	247,261	(468)
	<u>\$ 1,208,287</u>	<u>\$ 1,200,133</u>	<u>\$ 8,154</u>

Realized and unrealized gains and losses are reflected in the statement of activities and changes in net assets. Investments are exposed to various risks, such as interest rate, market and credit risk. Due to the risks associated with investments, it is at least reasonably possible that changes in risks could materially affect the Association.

CURE CHILDHOOD CANCER ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS, Cont'd
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NOTE F: FAIR VALUE MEASUREMENTS

U.S. GAAP establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted 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 described below:

Level 1 Valuation is based upon quoted prices for identical instruments traded in active markets.

Level 2 Valuation is based upon:

- Quoted prices for similar instruments in active markets;
- Quoted prices for identical or similar instruments in inactive markets;
- Inputs other than quoted prices that are observable for the instruments;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2023 and 2022.

Money market accounts: Fair value equals costs.

Exchange traded funds and mutual funds: Valued at the closing price reported on the active market on which the individual funds are traded.

U.S. Government obligations: Valued by third-party brokers based on terms and conditions using trades, bid price or spread, two sided markets, quotes, benchmark curves, discount rates, TRACE trade reports, financial statements and trustee reports.

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NOTE F: FAIR VALUE MEASUREMENTS, Cont'd

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Association believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table presents by level, within the fair value hierarchy, the Association's assets as of June 30, 2023:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>June 30, 2023</u>				
Investments:				
Money market funds	\$ 288,208	\$ -	\$ -	\$ 288,208
Exchange traded funds:				
Bond funds	229,154	-	-	229,154
Large cap funds	180,843	-	-	180,843
Mid cap funds	55,428	-	-	55,428
Small cap funds	61,223	-	-	61,223
International funds	89,650	-	-	89,650
Total exchange traded funds	<u>616,298</u>	<u>-</u>	<u>-</u>	<u>616,298</u>
Mutual funds:				
Large cap funds	106,091	-	-	106,091
Small cap funds	24,785	-	-	24,785
International funds	64,191	-	-	64,191
Option funds	85,596	-	-	85,596
Bond funds	33,538	-	-	33,538
Real estate funds	47,940	-	-	47,940
Total mutual funds	<u>362,141</u>	<u>-</u>	<u>-</u>	<u>362,141</u>
U.S. Government obligations:				
U.S. Treasury Bills and Notes	300,759	-	-	300,759
Total U.S. Government obligations	<u>300,759</u>	<u>-</u>	<u>-</u>	<u>300,759</u>
TOTAL ASSETS	<u>\$ 1,567,406</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,567,406</u>

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NOTE F: FAIR VALUE MEASUREMENTS, Cont'd

The following table presents by level, within the fair value hierarchy, the Association's assets as of June 30, 2022:

<u>June 30, 2022</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments:				
Money market funds	\$ 131,786	\$ -	\$ -	\$ 131,786
Exchange traded funds:				
Bond funds	261,996	-	-	261,996
Large cap funds	135,685	-	-	135,685
Mid cap funds	33,044	-	-	33,044
Small cap funds	54,050	-	-	54,050
International funds	<u>58,084</u>	<u>-</u>	<u>-</u>	<u>58,084</u>
Total exchange traded funds	542,859	-	-	542,859
Mutual funds:				
Large cap funds	70,980	-	-	70,980
Small cap funds	20,946	-	-	20,946
International funds	71,149	-	-	71,149
Option funds	68,414	-	-	68,414
Bond Funds	31,132	-	-	31,132
Real estate funds	<u>24,228</u>	<u>-</u>	<u>-</u>	<u>24,228</u>
Total mutual funds	<u>286,849</u>	<u>-</u>	<u>-</u>	<u>286,849</u>
U.S. Government obligations:				
U.S. Treasury Bills and Notes	<u>246,793</u>	<u>-</u>	<u>-</u>	<u>246,793</u>
Total U.S. Government obligations	<u>246,793</u>	<u>-</u>	<u>-</u>	<u>246,793</u>
TOTAL ASSETS	<u>\$ 1,208,287</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,208,287</u>

NOTE G: LINE OF CREDIT

The Association has a secured \$40,000 line of credit with a bank, with interest at prime plus 1% (effective rate of 9.25% at June 30, 2023), collateralized by the Association's assets. The Association had no outstanding balance at both June 30, 2023 and 2022.

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NOTES TO FINANCIAL STATEMENTS, Cont'd
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NOTE H: FINANCIAL IMPACT OF COVID-19

Employee Retention Credit

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security (CARES) Act was enacted in response to the COVID-19 outbreak. Under the CARES Act, the Employee Retention Credit, a refundable, wage related tax credit, was made available to eligible employers who had a full or partial suspension of operations or reduction in gross receipts as defined by the Act. In December 2020, the parameters of the Employee Retention Credit were amended and extended when the Taxpayer Certainty and Disaster Tax Relief Act of 2020 was enacted. The Association qualified for this credit and accordingly, recognized a benefit of \$53,519 for the year ended June 30, 2022.

NOTE I: RETIREMENT PLAN

The Association has a SIMPLE IRA plan for eligible employees. The Plan provides for the Association to make matching contributions up to 3% of eligible compensation. Employer matching contributions to the plans described above amounted to \$2,474 and \$3,682 for the years ended June 30, 2023 and 2022, respectively.

NOTE J: ENDOWMENTS

The Association's endowment consists of two individual funds. Its total endowment includes both donor-restricted endowment funds and funds designated by the Board of Directors to function as an endowment. As required by U.S. GAAP, net assets associated with endowment funds, including funds designated by the Board of Directors to function as an endowment, are classified and reported based on the existence or absence of donor-imposed restrictions.

CURE CHILDHOOD CANCER ASSOCIATION, INC.

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NOTE J: ENDOWMENTS, Cont'd

Interpretation of relevant law

The Board of Directors of the Association has interpreted New York Prudent Management of Institutional Funds Act (NYPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Association classifies as perpetually restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the perpetual endowment, and (c) accumulations to the perpetual endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in perpetually restricted net assets is classified as purpose restricted net assets until those amounts are appropriated for expenditure by the Association in a manner consistent with the standard of prudence prescribed by NYPMIFA. In accordance with NYPMIFA, the Association considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the Association and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the Association
- (7) Where appropriate and circumstances would otherwise warrant, alternatives to expenditure of the endowment fund, giving due consideration to the effect that such alternatives may have on the Association; and
- (8) The investment policies of the Association

In accordance with NYPMIFA the Association may determine, after consideration of the eight objectives described above, it would be prudent to appropriate funds below the historical dollar value of the perpetual endowment. However, the Association must inform all available donors of endowment gifts made pursuant to gift instruments executed before September 17, 2010 to opt out of the new rule permitting institutions to appropriate below the historic dollar value of endowment funds. The donor may or may not permit this additional appropriation. If the donor is unavailable or does not stipulate within 90 days the Association may appropriate below the historical dollar value of the perpetual endowment if it is deemed prudent. As of both June 30, 2023 and 2022, the Association had restricted endowments of \$25,268, which are impacted by NYPMIFA.

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NOTE J: ENDOWMENTS, Cont'd

Endowment net asset composition by type of fund as of June 30, 2023 and 2022:

	Net assets		Total
	Without donor restrictions	With donor restrictions	
<u>June 30, 2023</u>			
Donor restricted endowment fund	\$ -	\$ 25,268	\$ 25,268
Board-designated endowment fund	1,257,872	-	1,257,872
	<u>\$ 1,257,872</u>	<u>\$ 25,268</u>	<u>\$ 1,283,140</u>
<u>June 30, 2022</u>			
Donor restricted endowment fund	\$ -	\$ 25,268	\$ 25,268
Board-designated endowment fund	1,079,095	-	1,079,095
	<u>\$ 1,079,095</u>	<u>\$ 25,268</u>	<u>\$ 1,104,363</u>

For the years ended June 30, 2023 and 2022, the Association had the following endowment-related activities:

	Board Designated	Restricted Endowment	Total
Endowment net assets, July 1, 2021	\$ 887,547	\$ 25,268	\$ 912,815
Investment (loss) return	(93,555)	3,219	(90,336)
Amounts transferred to endowment	290,000	-	290,000
Unappropriated endowment earnings reclassified to amounts subject to purpose restriction	-	(3,062)	(3,062)
Management fees paid	(4,897)	(157)	(5,054)
Total change in endowment funds	<u>191,548</u>	<u>-</u>	<u>191,548</u>
Endowment net assets, June 30, 2022	1,079,095	25,268	1,104,363
Investment return	83,883	3,375	87,258
Amounts transferred to endowment	100,542	-	100,542
Unappropriated endowment earnings reclassified to amounts subject to purpose restriction	-	(3,232)	(3,232)
Management fees paid	(5,648)	(143)	(5,791)
Total change in endowment funds	<u>178,777</u>	<u>-</u>	<u>178,777</u>
Endowment net assets, June 30, 2023	<u>\$ 1,257,872</u>	<u>\$ 25,268</u>	<u>\$ 1,283,140</u>

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NOTE J: ENDOWMENTS, Cont'd

Funds with deficiencies

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor requires the Association to retain as a fund of perpetual duration. In accordance with accounting principles generally accepted in the United States of America, deficiencies of this nature are reported in unrestricted net assets. There were no such deficiencies as of June 30, 2023 and 2022.

Return Objectives and risk parameters

CURE Childhood Cancer Association, Inc. adopted investment and spending policies for endowment assets that attempt to create a stream of investment returns which treat equitably, in inflation adjusted terms, the present and future needs of the Association while seeking to maintain the purchasing power of the endowment assets. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that minimizes year-to-year volatility of the portfolio through broad diversification among the major asset classes as well as mitigating investment related expenses.

The Board Designated investment portfolio is expected to generate returns that are comparable to the returns in the capital markets. The investment goal of the Fund is to achieve a total return (income and appreciation) of 5% after inflation, over a full market cycle (3-5 years).

The Restricted Endowment investment portfolio is expected to generate returns that are comparable to the returns in the capital markets. The investment goal of the Fund is to achieve a total return (income and appreciation) of 4% after inflation, over a full market cycle (3-5 years).

Investment theory and historical capital market return data suggest that, over long periods of time, there is a relationship between the level of risk assumed and the level of return that can be expected in an investment program. In general, higher risk (i.e. volatility of return) is associated with higher return.

Given this relationship between risk and return, a fundamental step in determining the investment policy for the portfolio is the determination of an appropriate risk tolerance. The three primary factors that affect this determination are the financial ability to accept risk (specifically, dramatic negative short-term performance), the psychological ability to accept risk, and the long-term investment return requirements.

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NOTE J: ENDOWMENTS, Cont'd

Strategies employed for achieving objectives

To satisfy its long-term rate-of-return objectives, the Association relies on a total return strategy which investments returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Association recognizes that asset allocation is keyed to investment growth and that diversification across and within asset classes moderates risks. The specific investment asset classes included for investment, as well as their respective target allocations and ranges, are identified below:

<u>Board Designated Endowment:</u>	<u>Minimum</u>	<u>Maximum</u>
<u>Asset Class</u>		
Money Market Funds	3%	10%
Equities	40%	80%
Fixed income	10%	20%

<u>Restricted Endowment:</u>	<u>Minimum</u>	<u>Maximum</u>
<u>Asset Class</u>		
Money Market Funds	5%	20%
Equities	40%	60%
Fixed income	20%	55%

The Association has reviewed potential outcomes for the portfolios with these asset allocations and has determined the risk profile is prudent relative to the potential returns based on historical risk and return characteristics. Moreover, this allocation provides a reasonable opportunity for the Fund to meet the spending requirements, plus all related costs associated with management and maintenance of the Fund.

Spending policy and how the investment objectives relate to spending policy

The distributions from the Board Designated Endowment Fund are relatively consistent and predictable. The Association periodically reviews the effect of the spending policy and rate on the investment policies, to maintain, in real terms, the purchasing power of the Fund. For purposes of establishing the total return objective, the spending rate is up to 5% of the total market value of the Endowment Fund as of the last business day of the preceding year. The spending percentage is applied on the three-year average for the December market value. The dollar amount and timing of any distribution from the investment account will be left up to the discretion of the Board Chairperson and Treasurer.